

Sublease Agreement
between the Polk County Higher Education
and Technology Foundation,
Lamar State College Orange,
Lamar Institute of Technology, and
Lamar State College Port Arthur

This Sublease Agreement ("Sublease") is entered into between the **Polk County Higher Education and Technology Foundation**, hereinafter referred to as the "Foundation," whose business address is c/o its President, Craig A. Evans, 2123 U.S. Hwy 190 W., Livingston, Texas 77351, and **Lamar State College Orange**, 410 W Front Street, Orange, TX 77630; **Lamar Institute of Technology**, 855 E. Lavaca St, Beaumont, Texas, 77705; and **Lamar State College Port Arthur**, 1500 Proctor Street, Port Arthur, TX 77640, hereinafter referred to as the "Colleges," with the express consent of Polk County, Texas, the Lessor, referred to hereinafter as the "County," whose business address is c/o Judge Sydney Murphy, 410 E. Church St., Livingston, Texas 77351.

Section I. Demise and Use

The Foundation has recognized the need for greater educational opportunities and workforce development beyond what is traditionally provided by high schools. Greater educational access will provide an opportunity for economic development within the county and surrounding area and provide a better quality of life for the people of Polk County. This purpose is also within the statutory mission of the Colleges. The Foundation recognizes that the Colleges may agree with another public/state-supported community college or state supported institution of higher learning to provide educational and/or technical training programs upon the leased premises. Therefore, the Foundation hereby subleases to the Colleges and the Colleges sublease from the Foundation the property described in Section II. below, for the purpose of providing a full range of courses and technical occupational training programs for economic and workforce development within the mission and scope of the Colleges.

Section II. Description of Space

The premises subject to this Sublease consist of approximately 10.549 acres of real property, and all improvements, easements, parking, access sidewalks, landscaping, lighting and other related infrastructure, and a portion of a building containing approximately 39,428 square feet of space upon the property more specifically defined by the Survey and Plat attached hereto and incorporated herein by reference.

In addition to the realty, the County may provide with grant funds furniture, fixtures and equipment which shall be appropriately tagged as County property and identified in the attached and incorporated inventory. The Colleges may also provide furniture, fixtures and equipment which

shall be appropriately tagged as the Colleges' property and identified in the attached and incorporated inventory. The Foundation may also provide furniture, fixtures and equipment which shall be appropriately tagged as Foundation property and identified in the attached and incorporated inventory. The referenced inventories shall be attached and incorporated herein, and shall be considered as part of the leased property. Inventories will be updated at least annually, dated, and attached to the Sublease. Ownership of and title to the property contributed by each party, if any, shall at all times remain with the party and is not and shall not be transferred to any other party by operation of this Sublease. Upon termination or expiration of this Sublease, Colleges shall promptly remove its property, including any furniture, fixtures, and equipment and any other inventory.

The leased property and identified contents will be known as the Polk County College and Commerce Center/Shelter, hereinafter referred to as the Center, or the Premises.

The Colleges reserve the right to remove from the Premises any office machines, equipment and trade fixtures customarily used in its business which become worn or disabled and to replace the same with appropriate substitutes, but such substitutes will be labeled appropriately and reflected in an amended inventory to be attached to this Sublease to identify assets owned by the Colleges. If tagged Foundation property becomes worn or disabled, the Colleges will notify the Foundation before removal.

The Premises are composed of two primary sections, more specifically defined by the attached Floor Plan, incorporated herein by reference:

1. The "College Center", composed of 11 classrooms, labs, offices, a Learning Center, and a Student Lounge, as reflected in the attached "Floor Plan."
2. The "Commerce Center/Shelter" is composed of an auditorium, ticket office, catering kitchen, two dressing rooms, entrances, restroom facilities, two small and two larger meeting rooms, as reflected in the attached "Floor Plan." Any use of the Commerce Center/common area by the Colleges will be scheduled in advance with the Foundation.
3. During emergencies, or other similar instances to be determined at the sole discretion of the County, that portion of the Premises identified herein and upon the Floor Plan as the Commerce Center/Shelter may be used as a temporary shelter to house individuals displaced by the emergency or other similar event. The County will be responsible for the costs of utilities, maintenance, security and janitorial services during such uses of the Commerce Center as an emergency shelter.

Section III. Building and Improvements to Be Completed

The Foundation holds a master lease from Polk County, Texas, the owner of the real property and building, hereinafter referred to as the County, a copy of such master lease being attached hereto and incorporated herein by reference.

Section IV. Quiet Enjoyment

If the Colleges perform the terms of this Sublease, the Foundation warrants that the Colleges will have quiet enjoyment and peaceful possession of the Premises and that the Foundation will defend the Colleges in such quiet enjoyment and peaceful possession during the term of this Sublease without interruption by the Foundation or the County or of any person rightfully claiming under either of them.

Section V. The Foundation to Pay Master Lease Rent

The Foundation agrees to pay the rent reserved in the master lease and to perform and observe the lessee's covenants and stipulations contained in the master lease so far as they ought to be performed and observed by the Foundation.

Section VI. Term of Sublease

The term of this Sublease shall be for a period of five (5) years. The term shall commence on November 1, 2023 and shall expire at midnight on October 31, 2028. The parties may elect to renew this Sublease for up to two (2) two (2)-year renewals based on such terms and conditions as may be agreed upon in writing and signed by the parties at the time of any such renewal. Tenant may exercise this option to renew by giving written notice to the Foundation ninety (90) days prior to the expiration of the Term of the Sublease or renewal option. Outside of the renewal period, either party may terminate this Sublease upon not less than one-year prior notice.

During the term of the Sublease, if a College wishes to give a notice to terminate, they may do so without the terms of the Sublease changing for the remaining Colleges. An addendum will be added to the Sublease stating the College will be terminating and the date the termination will become effective. An advance notice of one year must be given to the Colleges and the Foundation by the terminating College.

Section VII. Sublease Rent

The Colleges agree to pay to the Foundation as rent for use of the Premises \$1.00 (One Dollar and No/Cents) per year, payable upon the same schedule as the payments required of the Foundation to the County in the master lease.

Section VIII. Holdover

Any holdover at the expiration of this Sublease with the Foundation's and the County's consent shall be on a month-to-month basis, which tenancy may thereafter be terminated as provided by the laws of the State of Texas. During such holdover tenancy, the Colleges agree to be bound by the terms of this Sublease insofar as they are applicable.

Section IX. The Colleges to Comply with Master Lease Terms

To the extent permitted by the laws and Constitution of the State of Texas, the Colleges agree to perform and observe the covenants, conditions, and terms of the master lease, attached hereto and incorporated herein by reference, on the part of the Foundation to be performed and observed, except the covenant for the payment of rent reserved in the master lease, and, to the extent permitted by the laws and Constitution of the State of Texas, hold the County harmless against all claims, damages, and expenses arising out of the Colleges' negligence, nonperformance or nonobservance of the covenants, conditions and terms of the master lease.

The Premises subleased are to be used for educational and administrative purposes only, and any non-educational or administrative use is prohibited. Any non-educational use of the Premises will constitute a material breach of the Sublease and of the master lease, and shall result in termination of the Sublease. The Foundation or the County may, in the event of the discovery of non-educational use of the premises, give the Colleges no less than thirty (30) days' notice to cease and desist from the non-conforming use of the Premises, by delivery to the address identified herein by certified mail. Should the Colleges fail to take remedial action not later than the thirtieth (30th) day after receipt of such notice of non-conforming use, this Sublease shall terminate without further notice.

Section X. Services and Utilities

The Colleges agree to bear the sole costs and expense of all operations, including campus security as deemed necessary by the Colleges, utilities, gas, electric, water, sewer, telecommunications, internet, or other similar utility costs to that portion of the Premises identified as the College Center, as well as janitorial, maintenance and upkeep of that portion of the Premises identified as the College Center. To the extent permitted by the laws and Constitution of the State of Texas, including but not limited to the Texas Tort Claims Act, the Colleges will be solely liable for all operations of the Colleges on the Premises, and shall hold the Foundation and County harmless for any acts of negligence by Colleges' employees.

That portion of the premises known as the Commerce Center, composed of the auditorium, offices, ticket booth, catering kitchen and dressing rooms, common areas, restrooms, and two small and two large meeting rooms, as reflected on the attached Floor Plan, shall be separately metered for utilities and said utility costs shall be paid by the Foundation, along with the cost of janitorial, maintenance and upkeep costs for the Commerce Center portion of the facilities.

During any use of the Commerce Center for public events, or use as a Shelter, any additional cost for maintenance, set-up, take-down, security, janitorial, or other related expense shall be paid by the County or the Foundation, depending upon the nature of the Commerce Center use. Use of the Commerce Center by the public for entertainment, cultural improvement or enhancement, or economic development activities or events shall be the responsibility of the Foundation. Use of

the Commerce Center by the public for an emergency shelter will be the responsibility of the County.

For the College's use of the Commerce Center, the Colleges will maintain the grounds and parking lot surrounding the Commerce Center including mowing, weeding, lighting, and care of any trees, shrubbery or landscaping.

Section XI. Use for Educational Purposes

The Premises sublet in this Sublease are to be used for educational purposes, primarily for the delivery of classroom instruction by way of the Colleges faculty and staff, and any necessary administrative use related to the delivery of educational programs, and for no other purpose without first obtaining the Foundation's and the County's written consent. It is expressly understood that the educational goals and purposes of this Sublease may include the association, affiliation, or participation of other educational entities, such use being expressly acknowledged by the County and Foundation, subject to reasonable review and mutual consent of the Colleges and Foundation.

Section XII. No Waste, Nuisance, or Illegal Use

The Colleges shall not commit waste on the demised premises, nor maintain, commit, or permit a nuisance on the Premises, or use such Premises for an unlawful purpose. The Colleges shall conform to all applicable laws and ordinances respecting the use and occupancy of the Premises sublet here relating to matters not covered elsewhere in this Sublease, provided that it shall not be required to make alterations, additions, or improvements to such Premises in order to conform to such laws and ordinances.

Section XIII. Alterations, Additions, and Improvements

The Colleges shall not make alterations, additions, or improvements on the Premises without first obtaining the Foundation's and the County's written consent. Without prior agreement and consent of the Foundation and County, any and all alterations, additions, and improvements that shall be made shall be at the Colleges' expense, and shall become the County's property and shall remain on and be surrendered with the Premises at the termination of this Sublease without disturbance, molestation, or injury. Any desired capital improvement, addition, modification, alteration or structural repair or replacement to the premises, physical structure, fixed assets, equipment and grounds will be made only with the written consent of the County. Nothing contained in this Sublease shall prevent the Colleges from removing all office machines and equipment and trade fixtures customarily used in its business and supplied by Colleges.

Section XIV. Liens

The Colleges shall keep the Premises free and clear of liens arising out of any work performed, materials furnished, or obligations incurred by the Colleges, including mechanics' liens.

Section XV. Signs

The Colleges covenants and agrees that only signs related to the educational mission of the Colleges shall be placed upon the Premises, and no signs or symbols shall be permanently placed in the windows or doors of the Premises, or on any exterior part of the building without the Foundation's and the County's prior written approval. Any permanent sign or symbol placed on the exterior of building or in the windows or doors of the building so as to be visible from the street that is not satisfactory to the Foundation or the County, shall be removed immediately on demand by the Foundation and if not so removed within seventy-two (72) hours will constitute a breach of this Sublease. Any approved signs installed by the Colleges shall henceforth be upheld or repaired by the Colleges.

Section XVI. Access for Inspection and Repairs

The Colleges shall allow the Foundation, and their agents, free access at all reasonable times to the Premises sublet for the purpose of inspecting or of making repairs, additions, or alterations to the Premises or any property owned by or under the control of the County or the Foundation.

Section XVII. Repairs and Maintenance

Subject to the obligations under the master lease, the Foundation, unless specified in this Sublease to the contrary, shall maintain the sublet Premises in good repair and tenantable condition during the continuance of this Sublease except in case of damage arising from the act or negligence of the Colleges or its agents in coordination with the County Maintenance Supervisor.

Section XVIII. Insurance

The Colleges are self-insured under Texas Law. The Texas statutes providing for this self-insurance are found in Chapter 104 of the Texas Civil Practice and Remedies Code and Chapter 2259 of the Texas Government Code. The County will carry casualty loss insurance upon the property, contents, improvements and grounds of the Premises. The Foundation will be responsible for reimbursement to the County of the full cost of casualty loss insurance, and shall require of the Colleges payment to the Foundation of that pro-rata portion of the casualty insurance cost, based upon the ratio of coverage determined by the County's casualty loss provider, in consideration of the uses articulated in this Sublease and the master lease, as reflected in the Floor Plan, inclusive of the grounds and parking areas.

Section XIX. Damage or Destruction by Fire, War, or Acts of God

In the event that the Premises are rendered untenable in whole or in substantial part as result of destruction or damage by fire, acts of war, or acts of God this Sublease shall cease, provided, nevertheless, that the County shall have the option of rebuilding or repairing the Premises if the County elects to do so and gives written notice of such election to rebuild or repair to the Foundation and the Colleges within fifteen (15) days after such damage or destruction. If the

County elects to rebuild or repair the Premises and does so without unnecessary delay, the Colleges shall be bound by the terms of this Sublease, except that during the period of repair or rebuilding, the rent under this Sublease shall be abated in the same proportion as the portion of the Premises rendered unfit for occupancy by the Colleges shall bear to the whole of the Premises. The Colleges shall have the right to declare this Sublease terminated when more than fifteen (15) days shall have elapsed without the County having elected to repair or rebuild.

Section XX. Waiver of One Breach Not Waiver of Others

Waiver of one (1) breach of a term, condition, or covenant by either party of this Sublease shall be limited to the particular instance and shall not be construed as a waiver of past or future breaches of the same or other terms, conditions, or covenants.

Section XXI. Default by the County or the Foundation

If the County fails and neglects to perform the duties and obligations of the master lease, or if the Foundation fails to perform the master lease or this Sublease, the Colleges may, on reasonable notice in writing of not less than forty-five (45) days, terminate this Sublease.

Section XXII. Termination and Reentry by the Foundation on the Colleges' Default

If the Colleges abandon or vacates the Premises or is dispossessed for cause by the Foundation before the termination of this Sublease, or any renewal of this Sublease, the Foundation may, on giving fifteen (15) days' written notice to the Colleges, declare this Sublease forfeited and may make reasonable efforts to relet the Premises. To the extent permitted by the laws and Constitution of the State of Texas, the Colleges shall be liable to the Foundation for actual damage suffered by reason of any forfeiture. Damages may include, but shall not be limited to, the following: (1) all actual damages suffered by the Foundation until the Premises is relet; and (2) the cost of removing, securing and storing any property of the Colleges.

Section XXIII. Reserved

Section XXIV. Applicable Law, Venue, and Service

Texas law shall be used in interpreting this Sublease and in determining the rights of the parties under it. Venue of any action involving this sublease shall be in Polk County, Texas.

Section XXV. Surrender of Premises and Keys at Termination

The Colleges agree that at the expiration of this Sublease, it will quit and surrender the Premises without notice, and will deliver to the Foundation all keys belonging to the Premises.

Section XXVI. Disposition of Fixtures and Personal Property at Termination of Sublease

All alterations, additions, and improvements made by the Colleges in accordance with Section XIII above, affixed to the Premises, shall become the Foundation's property as provided in that section, and shall be surrendered with the Premises as provided in that section. The Colleges may remove all personal property whether attached to the premises or not, provided they may be removed without serious damage to the building or Premises. All holes or damage to the building or Premises caused by removal of such items shall be repaired and restored by the Colleges promptly after removal of the property. The Colleges shall be entitled to remove any electrical service connections installed by it which were designed specifically for the operation of electronic computing equipment.

Section XXVII. Removal of Property by the Foundation before Termination

If the Foundation reenters or takes possession of the Premises before normal expiration of this Sublease, in accordance with its terms, the Foundation shall notify Colleges of its reentry or possession and Colleges shall have a reasonable period of time to remove all personal property from the Premises.

Section XXVIII. Notices

Except where otherwise required by statute, all notices given pursuant to the provisions of this Sublease shall be in writing, addressed to the party to whom the notice is given, and sent by registered or certified mail to the mailing address of the party set forth herein.

Section XXIX. Binding Effect on Heirs, Successors, and Assigns

The terms, conditions, and covenants of this Sublease shall inure to and be binding on the heirs, successors, administrators, executors, and assigns of the parties, except as otherwise provided in this Sublease.

Section XXX. No Assignment or Second Sublease without Consent

The Colleges shall not sell or assign this Sublease or any part, or any interest in the Sublease, or resublet the Premises in whole or in part without first obtaining the written consent of the Foundation and the County. This Sublease shall not be assigned by operation of law. If the Foundation and the County have once given consent to assignment of this Sublease or of any interest in the Sublease, they shall not be barred from afterwards refusing to consent to any further assignment. Any attempt to sell, assign or re-sublease without written consent of the Foundation and the County shall be deemed sufficient grounds for dispossession and shall entitle the Foundation to proceed pursuant to Section XXIV of this sublease if the Foundation so elects.

Section XXXI. Mediation of Disputes

If a dispute, or controversy, or claim arises out of or relates to this Sublease, the parties will make a good faith attempt to resolve the issues. If the dispute cannot be settled by the parties, the parties agree to follow the dispute resolution process in Chapter 2260 of the Texas

Government Code. Section XXXII. Sublease Points of Contact

The Sublease's designated points of contact are authorized to act on the behalf of the Colleges with respect to this Sublease including program development, use of space, maintenance and repairs, Polk County Higher Education Foundation outreach and communication, and general questions or concerns are:

Dr. Thomas Johnson
410 W. Front Street
Orange, TX 77630
Office Phone: 409-882-3314
Cell Phone: 903-258-0778
Email Address: thomas.johnson@lsco.edu

Dr. Wendy Elmore
410 W. Front Street
Orange, TX 77630
Office Phone: 409-882-3077
Cell Phone: 903-724-2259
Email Address: wendy.elmore@lsco.edu

Section XXXIII. Sovereign Immunity

Notwithstanding any provision of this Sublease, nothing herein shall be construed as a waiver by either party of its constitutional, statutory or common law rights, privileges, immunities or defenses. To the extent the terms of this paragraph conflicts with any other provision in this Sublease or in the master lease, the terms of this paragraph shall control.

Section XXXIV. Public Information Act

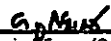
It shall be the independent responsibility of the parties to comply with the provisions of Chapter 552 of the, Texas Government Code (the "Public Information Act"), as those provisions apply to the parties' respective information. The parties are not authorized to receive public information requests or take any action under the Public Information Act on behalf of the other parties.

Signatures on following page

The person signing below on behalf of the County and the Colleges warrants that he/she has the authority to execute this Agreement according to its terms.

IN WITNESS WHEREOF, authorized representative of the County and the Colleges have executed and delivered this Agreement to be effective as of the Effective Date.

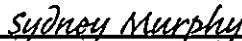
Polk County Higher Education & Technology Foundation



Craig A. Evans (Oct 27, 2023 15:46 CDT)
Craig A. Evans
President

Oct 27, 2023
Date


Polk County



Sydney Murphy (Oct 27, 2023 15:18 CDT)
Judge Sydney Murphy

Oct 27, 2023
Date

Lamar State College Orange



Thomas Johnson (Oct 18, 2023 19:58 CDT)
Dr. Thomas Johnson
President

Oct 18, 2023
Date

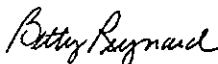
Lamar Institute of Technology



Sidney Valentine (Oct 19, 2023 10:16 CDT)
Dr. Sidney Valentine
President

Oct 19, 2023
Date

Lamar State College Port Arthur



Dr. Betty Reynard
President

Oct 19, 2023
Date