

MEMORANDUM OF UNDERSTANDING  
BY AND BETWEEN  
WEATHERFORD COLLEGE AND WISE COUNTY

This Memorandum of Understanding ("MOU") is executed as of this the 2 day of December, 2009, by and between Wise County ("County"), a governmental entity and political subdivision of the state of Texas, and Weatherford College, ("College"), a junior college district, governmental entity and political subdivision of the state of Texas, acting by and through their duly authorized representatives. The College and the County jointly may be referred to in this MOU as "Parties."

WHEREAS, the College and County wish to continue and expand higher education services provided by the College to citizens and businesses of Wise County; and

WHEREAS, the College's current leased facility in Wise County, Texas will not adequately support its projected educational programs and related services in Wise County; and

WHEREAS, pursuant to an election had on November 4, 2008, the voters of Wise County approved and authorized the Commissioner's Court of the County to levy a Junior College District Branch Campus Maintenance Tax in an amount not to exceed five cents (\$.05) on each \$100 valuation of all taxable property in Wise County (the "Branch Campus Maintenance Tax"); and

WHEREAS, the receipts of the Branch Campus Maintenance Tax are to be remitted for the operation and maintenance of a branch campus in Wise County in accordance with Section 130.087, Texas Educational Code; and

WHEREAS, the College and the County desire to cooperate in the County's acquisition and construction of a branch campus in Wise County ("Branch Campus") to be leased and operated by the College in conjunction with the use of the Branch Campus Maintenance Tax to the benefit of the citizens and businesses of Wise County; and

WHEREAS, the County has entered into an agreement with respect to the purchase of a certain fifty (50) acre parcel(s), more or less, in Wise County, Texas, anticipated to serve as the site for the Branch Campus; and

WHEREAS, the Parties desire to enter into this Memorandum of Understanding to help facilitate such,

**NOW, THEREFORE the College and the County agree as follows:**

**SECTION 1.** The Parties agree to cooperate in the coordination of the County's efforts to facilitate the acquisition of certain real property mentioned heretofore to constitute the site of a Branch Campus ("Branch Campus Site") to be leased by the College pursuant to the permitted uses of the Branch Campus Maintenance Tax, with such Branch Campus Site to be located in a mutually agreeable location within Wise County, Texas, anticipated to be at the location of the real property mentioned heretofore. The Parties agree that this MOU only sets forth the current understanding of the parties and does not create a binding and enforceable contract between the Parties with regard to the collaboration contemplated herein and no contract shall be deemed to exist unless the Parties execute and deliver a definitive contract and such contract becomes effective in accordance with its terms..

**SECTION 2.** The Parties agree to cooperate in the County's development of the Branch Campus Site, including, the design, planning and construction of the buildings and related infrastructure to constitute the County's Branch Campus. The Parties agree to cooperate and coordinate the County's acquisition, design, planning, and construction of the Project to help assure that the Parties are in agreement with respect to the specifics of the Project as the Project progresses through multiple stages of development. The Parties shall cooperate in the obtaining of necessary governmental approvals including the Texas Higher Education Coordinating Board approval for the establishment of the Branch Campus in Wise County, Texas as contemplated.

**SECTION 3.** Available funds for the lease payments pursuant to the Lease will include (1) the Branch Campus Maintenance Tax, assessed and collected by the County and remitted to the College, (2) the revenue, receipts and income generated by the operating of the Branch Campus, and (3) any funding received from the State of Texas for the operation of the Branch Campus that may lawfully be used for the payment of operating and maintenance expenses of the Branch Campus, including the lease payments.

**SECTION 4.** The Parties acknowledge and agree that the acquisition of the Branch Campus Site and the design, planning, and construction of the Branch Campus by the County (collectively the "Project") to be leased to the College for use as the Wise County Branch Campus of Weatherford Junior College per a mutually acceptable lease (the "Lease") will require financing by the County. The College will not incur any costs for the design, planning and construction of the Branch Campus, other than its costs related to its cooperation with the County in the County's design, planning and construction of the Branch Campus and as lessee per the Lease.

**SECTION 5.** The Parties agree to cooperate in the development of a format for the County's financing of the capital expenditures necessary for the acquisition and development of the Branch Campus Site, while permitting the lease of the Branch Campus by the College in a manner which facilitates the related utilization by the

College of the Branch Campus Maintenance Tax funds to make lease payments and operate the Branch Campus. The Parties acknowledge that it is reasonably expected that the County or other agreeable entity as lessor shall with respect to the Project incur debt, as one or more series of obligations, in an aggregate maximum principal amount estimated at an approximate \$25,000,000.00 for the purpose of paying the costs of the Project.

SECTION 6. The Parties agree that the College will annually submit prior to July 15 of each year an operating budget of the College for the next ensuing fiscal year ("Operating Budget") that includes the amounts budgeted for the operation and maintenance of the Branch Campus ("Branch Campus Operating Budget"), including the lease payments due for such fiscal year pursuant to the Lease.

SECTION 7. Subject to the annual receipt of such proposed Operating Budget, the County shall, to the extent allowed by law, include at the time it levies its annual ad valorem taxes, a tax rate to provide funds sufficient (together with other available funds) for the Branch Campus Operating Budget submitted by the College and approved by the then Commissioner's Court of the County up to applicable limits and valuations as approved by the Commissioner's Court of the County for maintenance and operation of the Branch Campus. The Parties further agree that County may audit all operating income and expenses with respect to the Branch Campus and that the Parties will provide sufficient written reports accounting for Branch Campus Maintenance Taxes collected and disbursements with respect to the Branch Campus Maintenance Tax.

The Parties have executed this MOU by their officers as duly authorized on the dates hereinafter indicated.

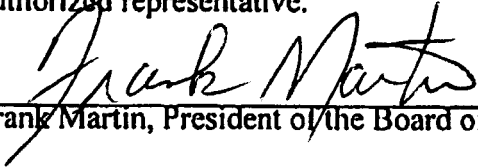
WISE COUNTY

APPROVED by the Wise County Commissioner's Court, Wise County, Texas, in its meeting held on the 14<sup>th</sup> day of December, 2009 and executed by its authorized representative.

  
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Bill McElhaney, County Judge

WEATHERFORD COLLEGE, WEATHERFORD, TEXAS

APPROVED by the Weatherford College Board of Trustees, Parker County, Texas, in its meeting held on the 8 day of October, 2009 and executed by its authorized representative.

  
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Frank Martin, President of the Board of Trustees