

EXHIBIT 1
Required Contract Clauses
Updated August 2002

ALTERNATIVE DISPUTE RESOLUTION

(1) The dispute resolution process provided for in Chapter 226O of the Government Code shall be used, as further described herein, by the University and the Contractor to attempt to resolve any claim for breach of Contract made by the Contractor:

(A) A Contractor's claims for breach of this Contract that the parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 226O, subchapter B, of the Government Code. To initiate the process, the Contractor shall submit written notice, as required by subchapter B, to the General Counsel, Office of General Counsel, 3100 Cleburne, Houston, Texas 77004. Said notice shall specifically state that the provisions of Chapter 226O, subchapter B, are being invoked. A copy of the notice shall also be given to all other representatives of the University and the Contractor otherwise entitled to notice under the parties' contract. Compliance by the Contractor with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 226O, subchapter C, of the Government Code.

(B) The contested case process provided in Chapter 226O, subchapter C, of the Government Code is the Contractor's sole and exclusive process for seeking a remedy for any and all alleged breaches of Contract by the University if the parties are unable to resolve their disputes under subparagraph (A) of this paragraph.

(C) Compliance with the contested case process provided in subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this Contract by the University nor any other conduct of any representative of the University relating to the Contract shall be considered a waiver of sovereign immunity to suit.

(2) The submission, processing and resolution of the Contractor's claim is governed by the published rules adopted by the University pursuant to Chapter 226O, as currently effective, hereafter enacted or subsequently amended. These rules are found at 22 TAC 501 et seq.

(3) Neither the occurrence of an event nor the pendency of a claim constitute grounds for the suspension of performance by the Contractor, in whole or in part.

ASSIGNMENT: The parties recognize that this agreement is based upon the skill and expertise of the parties and therefore agree that the agreement and the obligations thereunder may not be assigned or delegated without the written consent of the other party, except as expressly allowed by this agreement.

AUDIT/ACCESS TO RECORDS: Contractor shall maintain and make available for review, inspection and/or audit books, records, documents, and other evidence reasonably pertinent to performance on all work under this contract, including negotiated changes or amendments thereto, in accordance with accepted professional practice, appropriate accounting procedures

and practices, shall also maintain and make available the financial information and data used by the preparation or support of any cost submission or cost, price or profit analysis. Texas Southern University or any of its duly Authorized Representatives, shall have access to such books, records, documents, and other evidence for the purpose of review, inspection, and/or audit. During the conduct of any such review, audit or inspection, Contractor's books, records and other pertinent documents may, upon prior conference with Contractor, be copied by Texas Southern University or any of its duly Authorized Representatives. All such information shall be handled by the parties in accordance with good business ethics. Contractor shall provide proper facilities within the State of Texas for such access and inspection.

AUTHORITY: The person signing below on behalf of the University and Contractor warrants that he/she has the authority to execute this agreement according to its terms on behalf of University and Contractor.

BINDING ON SUCCESSORS: All of the agreements, obligations, terms, provisions and conditions herein shall apply to and bind to the benefit of the heirs, administrators, executors, legal representatives, trustees and successors of the parties hereto.

COMPLIANCE WITH FEDERAL REGULATIONS: Contractor shall take affirmative action to ensure that applicants are employed during employment without regard to of race, color, religion, sex, age or national origin. Such action shall include, but not be limited to the following employment; upgrading, demotion or transfer, recruitment, advertising, layoffs, rates of pay or other forms of compensation, and selection for training including apprenticeship. Each party to this contract has an Equal Employment Opportunity Program in effect.

COMPLIANCE WITH STATE LAW: Contractor shall certify, and submit a signed, sworn statement accompanying this contract stating that no partner, majority shareholder, or substantial owner is a delinquent obligor in providing child support under a court order or written repayment agreement, pursuant to Section 14.52, Texas Family Code Annotated. Contractor shall also certify that he is in compliance with all other applicable state laws, including licensing or certification requirements.

ENTIRE AGREEMENT: This agreement constitutes the entire agreement. Verbal representations not contained herein shall not be binding on the parties unless acknowledged by them in writing. This agreement while in force is binding upon the respective successors, and assigns of the party. This agreement, including any attachments, constitutes the entire agreement between Contractor and Texas Southern University and supercedes all prior or contemporaneous agreements, whether written or oral, between parties.

EXTENT OF AGREEMENT: Contractor may not at any time act as an agent for the University for any purposes whatsoever except as previously set forth in this agreement.

FORCE MAJEURE: In the event the premises are rendered unsuitable for the conduct of activities or events by reason of Force Majeure, Texas Southern University may terminate this agreement by written notice following such casualty and Texas Southern University shall not be responsible for any damages sustained by user but user shall be entitled to a pro rate return of any sum paid or any other acceptable arrangement mutually agreed to by the parties. Force Majeure shall mean fire, earthquake, flood, act of God, strikes or other labor disturbances, riots

or civil commotion, litigation, terrorism, war or other acts of any foreign nation, power of government or government agency or authority, or any other cause like or unlike any cause above-mentioned which is beyond the control or authority of Texas Southern University.

GOVERNING LAW: The validity of this agreement and the interpretation of its terms shall be governed by the laws of the State of Texas. Venue for any legal proceedings incident to this agreement shall lie in Harris County, Texas.

LEGAL CONSTRUCTION/SEVERABILITY: In the event that any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this contract are declared to be severable.

MINORITY AND HUB PARTICIPATION: The clause should state that Contractor along with its subcontractors agree that minority business enterprise participation in the contract will be approximately 25 percent of the total fees. Contractor, also, further agrees to obtain and provide proper and necessary HUB Certification or to make a good faith effort to award at least 40 percent of the total value of all purchases and contracts to certified HUBs.

NON-APPROPRIATIONS: Contractor understands that Texas Southern University is a governmental entity, and should the Legislature fail to provide funding for the University for any period during the term of this contract, Texas Southern University shall be excused for all liability for payment. Texas Southern University is required to give Contractor written notice within thirty (30) days after learning that the funds will not be available. Upon receiving written notice from Texas Southern University, this contract will automatically terminate.

NON-WAIVER: No covenant or condition of this Contract may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party to which the same may apply and until complete performance or any covenant or condition, the aggrieved party shall be entitled to invoke any remedy available to it under this agreement or by law or in equity despite said forbearance or indulgence.

NOTICES: Any notice given under this agreement by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the parties as they appear below. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notice shall be deemed communicated three (3) days after mailing.

OFFICIALS NOT TO BENEFIT: No trustee, officer, director, regent, employee, administrator and representative of Texas Southern University shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.

SUBCONTRACTS: Any subcontractors and outside associates or consultants required by Contractor in connection with the services covered by this contract will be limited to such individuals or firms as were specifically identified and agreed to during negotiations or as are specifically approved by an Authorized Representative of the University during the performance of this contract. Any substitution in such subcontractors, associates, or consultants will be subject to the prior approval of the Authorized Representative.

TERMINATION: This contract may be terminated in whole or in part in writing by Texas Southern University for its convenience provided that Contractor is given not less than thirty (30) days written notice (delivered by certified mail, return receipt requested) of intent to terminate. If termination for convenience is effected by Texas Southern University, an equitable adjustment in the price provided for in this contract shall be made, but:

1. No amount shall be allowed for anticipated profit on unperformed services, tasks or other work; and
2. Any payment due Contractor at the time of termination may be adjusted to the extent of any additional costs occasioned to Texas Southern University by reason of Contractor's default.

However, the equitable adjustment for any termination shall provide for payment to Contractor for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by Contractor relating to commitments which had become firm prior to the termination.