

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this “**Agreement**”) is entered into as of April 18, 2018, by and between (a) Young Conservatives of Texas, on behalf of its members, and David Shepherd (“**Plaintiffs**”) and (b) Stephen C. Head, in his official capacity as Chancellor of Lone Star College System and in his individual capacity; Seelpa Keshvala, in her official capacity as President of Lone Star College-CyFair and in her individual capacity; Bennie Lambert, in his official capacity as Vice President for Student Success of Lone Star College-CyFair and in his individual capacity (“**Defendants**”). Plaintiffs and Defendants may jointly be referred to herein as “**the Parties.**”

WHEREAS, Plaintiffs filed Civil Action No. 18-286 in the United States District Court for the Southern District of Texas, Houston Division, against Defendants on January 30, 2018, alleging First and Fourteenth Amendment violations;

WHEREAS, Defendants deny Plaintiffs’ allegations, claims, and that they are liable to Plaintiffs in any way; and

WHEREAS, Defendants and Plaintiffs want to resolve this matter in order to avoid the costs and nuisance of prolonged litigation.

THEREFORE, Plaintiffs and Defendants, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, agree as follows:

### AGREED TERMS

1. Adoption of Chancellor Procedures. Defendants shall adopt revisions to the Lone Star College Registered Student Organization (RSO) Procedures and the RSO Funding Procedures [attached hereto as Exhibit A and Exhibit B, respectively].

2. Payment by Defendants. Defendants shall pay Plaintiffs the total sum of Thirteen Thousand Two Hundred Fifty dollars (US13,250) (the “**Settlement Payment**”) as provided herein. The Settlement Payment shall be paid by check no later than 30 business days after counsel for Plaintiffs delivers an executed copy of this Agreement and Alliance Defending Freedom’s IRS Form W-9 to counsel for Defendants. Defendants will issue a check payable to Alliance Defending Freedom.

Plaintiffs agree that the above sum is the only sum that shall be paid to them by Defendants.

The Parties agree that they are solely responsible for paying any attorneys’ fees, expenses, and costs they incurred, except as set forth herein, and that neither Party nor its attorney(s) will seek any award of attorneys’ fees or costs from the other Party.

3. Taxes. Plaintiffs shall be solely responsible for, and are legally bound to make payment of, any taxes determined to be due and owing (including penalties and interest related thereto) by them to any federal, state, local, or regional taxing authority as a result of the Settlement Payment. Plaintiffs understand that Defendants have not made, and they do not rely upon, any representations regarding the tax treatment of the sums paid pursuant to this Agreement. Moreover, Plaintiffs agree to indemnify and hold Defendants harmless in the event that any governmental taxing authority asserts against Defendants

any claim for unpaid taxes, failure to withhold taxes, penalties, or interest based upon the payment of the Settlement Payment.

4. Mutual Release. The Parties, on behalf of themselves, their predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates, and assigns, and its and their past, present, and future officers, administrators, directors, trustees, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them, hereby release and discharge the other Party, together with their predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates and assigns and its and their past, present, and future officers, administrators, directors, trustees, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them, from all known and unknown charges, complaints, claims, grievances, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties, fees, wages, medical costs, pain and suffering, mental anguish, emotional distress, expenses (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, asserted or which may have been asserted, which either Party has, or may have had, against the other Party, whether or not apparent or yet to be discovered, or which may hereafter develop, for any acts or omissions related to or arising from:

(a) Plaintiffs' constitutional claims brought against Defendants, including but not limited to, claims that Defendants violated the First and Fourteenth Amendment of the United States Constitution (the "**Dispute**");

(b) the action captioned *Young Conservatives of Texas, on behalf of its members, and David Shepherd v. Stephen C. Head, in his official capacity as Chancellor of Lone Star College System and in his individual capacity; Seelva Keshvala, in her official capacity as President of Lone Star College-CyFair and in her individual capacity; Bennie Lambert, in his official capacity as Vice President for Student Success of Lone Star College-CyFair and in his individual capacity*, Civil Action No. 18-286, pending in United States District Court for the Southern District of Texas, Houston Division (the "**Litigation**");

This Agreement resolves any claim for relief that is, or could have been alleged, no matter how characterized, including, without limitation, compensatory damages, damages for breach of contract, bad faith damages, reliance damages, liquidated damages, damages for humiliation and embarrassment, punitive damages, costs, equitable relief, declaratory relief, and attorneys' fees related to or arising from the Dispute or Litigation.

5. No Outstanding or Known Future Claims/Causes of Action. Each Party affirms that it has not filed with any governmental agency or court any type of action or report against the other Party other than the Litigation, and currently knows of no existing act or omission by the other Party that may constitute a claim or liability excluded from the release in Paragraph 4 above.

6. Acknowledgment of Settlement. The Parties, as broadly described in paragraph 4 above, acknowledge that (a) the consideration set forth in this Agreement, which includes, but is not limited to, the Settlement Payment and the Adoption of Chancellor Procedures, is in full settlement of all claims or losses of whatsoever kind or character that they have, or may ever have had, against the other Party, arising from or related to the Dispute or the Litigation and (b) by signing this Agreement, and accepting the consideration provided herein and the benefits of it, they are giving up forever any right to seek further monetary or other relief from the other Party, as broadly described in paragraph 4 above, for any acts or omissions up to and including the Effective Date arising from or related to the Dispute or Litigation.

7. No Admission of Liability. The Parties acknowledge that the Settlement Payment and Adoption of Chancellor Procedures was agreed upon as a compromise and final settlement of disputed claims, for which bona fide defenses exist, and that this Agreement, entering into this Agreement, the promises made herein, payment of the Settlement Payment, and Adoption of Chancellor Procedures is not, and may not be construed as, an admission of liability by Defendants and is not to be construed as an admission that Defendants engaged in any wrongful, tortious, or unlawful activity. Defendants specifically disclaim and deny (a) any liability to Plaintiffs and (b) engaging in any wrongful, tortious, or unlawful activity.

8. Dismissal of Litigation. Plaintiffs and their counsel shall take whatever actions are necessary to ensure that the Litigation is dismissed in its entirety with prejudice as to all defendants named therein and taxing all costs, fees, and expenses against the party incurring the same, within 30 days of their receipt of the Settlement Payment. Defendants will cooperate with Plaintiffs in securing the dismissal of the Litigation as appropriate.

9. Agreement is Legally Binding. The Parties intend this Agreement to be legally binding upon and shall inure to the benefit of each of them and their respective successors, assigns, executors, administrators, heirs, and estates.

10. Entire Agreement. The recitals set forth at the beginning of this Agreement are incorporated by reference and made a part of this Agreement. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations and or agreements, proposed or otherwise, written or oral, concerning the subject matter hereof. Furthermore, no modification of this Agreement shall be binding unless in writing and signed by each of the parties hereto.

11. New or Different Facts: No Effect. Except as provided herein, this Agreement shall be, and remain, in effect despite the discovery or existence of any new or additional fact, or any fact different from that which either Party now knows or believes to be true. Notwithstanding the foregoing, nothing in this Agreement shall be construed as, or constitute, a release of any Party's rights to enforce the terms of this Agreement.

12. Interpretation. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement. The headings within this Agreement are purely for convenience and are not to be used

as an aid in interpretation. Moreover, this Agreement shall not be construed against either Party as the author or drafter of the Agreement.

13. Choice of Law. This Agreement and all related documents including all exhibits attached hereto, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State of Texas, United States of America including its statutes of limitations and without giving effect to the conflict of laws provisions of any other jurisdiction to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Texas.

In the event of any litigation arising from a breach of this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and other costs of collection.

14. Choice of Forum. The United States District Court for the Southern District of Texas shall be the exclusive forums for litigation concerning this Agreement. All parties to this Agreement consent to personal jurisdiction in such courts as well as service of process by notice sent by regular mail or by any means authorized by Texas law.

15. Reliance on Own Counsel. In entering into this Agreement, the Parties acknowledge that they have relied upon the legal advice of their respective attorneys, who are the attorneys of their own choosing, that such terms are fully understood and voluntarily accepted by them, and that, other than the consideration set forth herein, no promises or representations of any kind have been made to them by the other Party. The Parties represent and acknowledge that in executing this Agreement they did not rely, and have not relied, upon any representation or statement, whether oral or written, made by the other Party or by that other Party's agents, representatives, or attorneys with regard to the subject matter, basis, or effect of this Agreement or otherwise.

16. Counterparts. This Agreement may be executed by the Parties in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

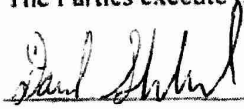
17. Authority to Execute Agreement. By signing below, each Party warrants and represents that the person signing this Agreement on its behalf has authority to bind that Party and that the Party's execution of this Agreement is not in violation of any by-law, covenants, and/or other restrictions placed upon them by their respective entities.

18. Effective Date. The terms of the Agreement will be effective when all parties have executed the Agreement (the "**Effective Date**").

**READ THE FOREGOING DOCUMENT CAREFULLY. IT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.**

[SIGNATURE PAGE FOLLOWS]

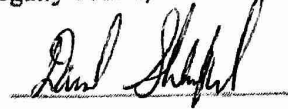
The Parties execute this Agreement, intending to be legally bound, as of the date(s) set forth below.



for Young Conservatives of Texas

Title: President

Dated: 4/23/18



David Shepherd

Dated: 4/23/18



for Stephen C. Head, in his official capacity

Title: Chancellor

Dated: 04/23/18



Stephen C. Head, in his individual capacity

Dated: 04/23/18



for Seelpa Keshvala, in her official capacity

Title: President, LSC-CyFair

Dated: 04/18/2018



Seelpa Keshvala, in her individual capacity

Dated: 04/18/2018



for Bennie Lambert, in his official capacity

Title: Vice President, Student Success

Dated: 04/18/2018



Bennie Lambert, in his individual capacity

Dated: 04/18/2018

## Exhibit A

### **Section VI.D.13. Student Organizations Chancellor's Procedures**

These procedures supplement and clarify Section VI.D.13 of the Lone Star College System District Policy Manual ("Policy Manual") last revised by the Board of Trustees on **November 3, 2016** – setting out the College's policy regarding registered student organizations.

The Policy Manual controls when a conflict arises between it and the procedures below. These procedures were last updated on **April 8, 2018**. These Procedures were not open to a notice and comment period.<sup>1</sup>

**1. Becoming a Student Organization.** Any student group eligible to register as a student organization under VI.D.1.04. may do so using the appropriate forms provided by the college where the student organization plans to most frequently meet. Any student group that desires to register may submit an application form during the prescribed application period to the college president or designee of the college where the registered student organization ("RSO") plans to most frequently meet.

**2. Initial Application Review Procedure.** The College provides equal opportunities to all students participating in courses, activities, and program regardless of race, color, sex, age, sexual orientation, gender identity, gender expression, religion, disability, veteran status, or any other protected status. The College may not deny a student group registration because of a group's views or other expressive activity. The review of each application is limited to the considerations as outlined in this procedure. The college president or designee must review each RSO application. Upon the conclusion of its review, the president or designee will notify the designated Student Organization Representative ("SOR") whether RSO status has been granted or denied.

**3. Application Requirements.** Each applicant must meet the minimum eligibility requirements.

**(a) Members** – Both enrolled students and College employees may be members of an approved RSO. To qualify as an RSO, there must be at least two (2) student members in good standing with the College. Each student member must be registered in at least one class at the college where the RSO plans to most frequently meet. The student group must submit a member roster that includes each member's name, phone number, College identification number, and email address. Any RSO with fewer than two members for a period longer than seven (7) calendar days automatically ceases to be an RSO.

**(b) Student Organization Representative** – At least one of the student members must be designated as the SOR. The SOR serves in the capacity of a president, vice president, secretary, treasurer, or similar office position. Any RSO without an SOR for a period longer than seven (7) calendar days automatically ceases to be an RSO.

**(c) Student Organization Advisor** – Each organization must have an Advisor as defined in Policy Manual Section VI.D.13.02(c) or participate in the RSO Group Advisor Program. The student group must submit a signed Advisor agreement form provided by the student organization's respective college. Advisors make a one-year commitment and understand that making such a commitment is

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<sup>1</sup> See *Young Conservative of Texas, et al., v. Head, et al.*, Civ. Action No. 18-286, in United States District Court for the Southern District of Texas, Houston Division.

paramount to the College's mission. If the RSO's Advisor resigns, he or she must work with the RSO to find a new Advisor or connect the RSO with the RSO Group Advisor Program. No RSO will be de-registered simply because an Advisor resigns. The College will work with the RSO to ensure all funding and activities are unaffected by an Advisor's resignation. RSO's that participate in the RSO Group Advisor Program are eligible for all of the same benefits as groups that have an Advisor.

- (d) Constitution** – The applicant organization must include a constitution with its application. The constitution must contain the definition and role of each cabinet member.
- (e) Timely Submission** – Unless otherwise specified, any document under these procedures must be submitted to the respective college president or designee before the specified deadline according to the procedure in place at each college where primary activity will take place.
- (f) Disciplinary Action** – Organizations or individual students must not be barred from registration by a previous non-academic disciplinary action.
- (g) Violation of College Policy** – The creation of the student organization cannot violate federal, state, or local law, or the College's Board Policy Manual.

**4. Organizations That Will Not Be Considered.** The creation of the student organization cannot violate federal, state, or local law, or the College's Board Policy Manual. The College will not consider the applications of organizations engaged in the following activities:

- (a) Extreme Risk.** Organizations engaging in activities that pose an extreme level of health and safety risk to participants and others or activities that pose a risk of damage to public or private property will not be considered.
- (b) Service Providers.** Organizations providing services more appropriately provided by college offices and academic departments, government agencies, private sector, health and mental health agencies, legal and financial investment firms, and emergency response agencies will not be considered.
- (c) For-profits, Non-profits.** Organizations incorporated as for-profit businesses or non-profit organizations will not be considered.
- (d) Investment, Lending Clubs.** Organizations engaging in the investment and/or lending of funds, digital currency, microfinance/microcredit, and solidarity lending services will not be considered.
- (e) Social Drinking or Smoking Clubs.** Organizations that will engage in activities focused on the consumption of alcohol or use of tobacco or similar products will not be considered.

**5. Appeal.** Denial of an application to become an RSO may only occur if the proposed RSO does not meet criteria in Section 3 above or is ineligible because of Section 4 above. If the college President or designee denies an RSO application, the denial must be in writing and must specify the reason(s) for the denial. The RSO may appeal that decision by requesting a hearing using the hearing process found in the Non-Academic Misconduct Procedures (Section 8) found here: [http://www.lonestar.edu/departments/generalcounsel/Section%20VI.G.%20Student%20Discipline%20Procedures Amended 12.9.16.pdf](http://www.lonestar.edu/departments/generalcounsel/Section%20VI.G.%20Student%20Discipline%20Procedures%20Amended%2012.9.16.pdf). Using the Non-Academic Misconduct Procedures does not imply that RSO

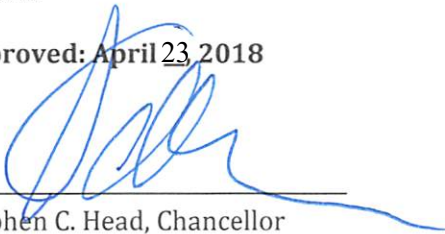
application-denial is non-academic misconduct; rather, the hearing process used under those procedures ensures that an RSO receives all protections available against arbitrary denials.

**6. Sanctions against Registered Student Organizations.** An RSO that violates College policy, including the standards taught in the required Risk Management Programs, may be sanctioned by temporarily suspending or revoking its status as an RSO or imposing another appropriate sanction. Each college's Chief Conduct Officer, as defined in Policy Manual Section VI.G. and its procedures adopted thereunder, has authority to impose sanctions on RSOs that violate College policy. Sanctions against RSOs are effective College-wide. In addition to other appropriate sanctions, sanctions for an individual RSO member who engages in non-academic misconduct may include revocation of permission to serve as an SOR.

RSOs may challenge and appeal decisions imposing sanctions as an individual student might under Policy Manual Section VI.G. and procedures adopted thereunder.

**7. Additional Rules and Processes.** Colleges may adopt additional rules and process that govern day-to-day requests and process-based issues. Such rules and processes cannot conflict with this document or Board Policy. To the extent that any conflict exists, Board Policy and Chancellor Procedures, respectively, govern.

**Approved: April 23, 2018**



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Stephen C. Head, Chancellor  
Lone Star College



## EXHIBIT B

### **Section VI.D.13. Student Organization Funding Procedures**

These procedures supplement and clarify Section VI.D.13 of the Lone Star College System District Policy Manual ("Policy Manual") last revised by the Board of Trustees on **November 3, 2016** - setting out the College's policy regarding registered student organizations.

The Policy Manual controls when a conflict arises between it and the procedures below. These procedures were last updated on **April 8, 2018**. These Procedures were not open to a notice and comment period.<sup>2</sup>

**1. Student Fees.** The College is governed in accordance with applicable institution of higher education statutes. Specifically, the Texas Education Code requires that compulsory fees be allocated with the advisement of a Student Fee Advisory Committee. The College adheres to this requirement and has developed a process for such advisement. The Student Fee Advisory Committee works with the applicable college administration to allocate a sum certain to the Registered Student Organization (RSO) overall budget. Funds from that budget are used to fulfill individual RSO funding requests.

**2. Scope of Procedures.** The process discussed herein is applicable only to RSO funding requests. This process is purposefully separate from other budget allocations to ensure that no arbitrary decisions are made regarding such funding. This process also does not account for allocations made to sports-related student activities.

**3. Maximum Fund Allocation.** Each RSO receives a maximum fund allocation. This allocation is not automatic; it must be requested by each RSO. Unrequested funds will revert to the RSO overall fund in that particular fiscal year.

**4. Requested Funds.** RSOs may request funds itemized as follows:

- a. On-campus Presentations. This includes speaker fees, food, non-alcoholic drinks, advertisement, and other presentation-related fees.
- b. Conferences. This includes conference fees, airfare, lodging, meals, and other conference-related fees.
- c. Organizational Fees. These are fees paid to outside organizations.
- d. Catering Requests. Food, non-alcoholic drinks, or other refreshments for non-presentation, on-campus meetings.

Participating in an RSO allows students an opportunity to learn self-management and accountability. To this end, RSOs have discretion in how they use and itemize the maximum allocation with one exception: fund requests that consist solely of conference travel will be automatically denied. This ensures that the student body benefits from the RSO experience and not just select RSO members. Outside this exception, RSO funding requests will be approved unless the requests includes a prohibited item or activity as detailed in section 5 below.

**5. Prohibited Items and Activities.** RSO funding requests that encompass one of the following items or activities will be automatically denied.

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<sup>2</sup> See *Young Conservative of Texas, et al., v. Head, et al.*, Civ. Action No. 18-286, in United States District Court for the Southern District of Texas, Houston Division.

- a. Purchasing alcohol, tobacco, or drugs.
- b. Lending, gifts, scholarships, or awards.
- c. Using funds for the benefit of an elected official or a candidate for public office.
- d. Philanthropic endeavors.
- e. Any activity or item prohibited by law or College policy.

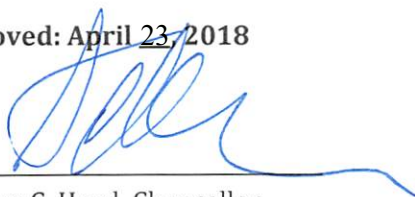
**6. Request Process.** RSOs will submit their funding requests to the applicable student life office. Each college is responsible for clearly delineating intake processes and application tracking. Colleges may vary in their process-related procedures, but must ensure that such processes align with these Procedures and Board Policy.

**7. Application Review.** The SACF reviews RSO funding requests each budget cycle. Review must be done in accordance with the Texas Education Code, Board Policy, and these Procedures. Review of RSO funding requests is limited to the criteria in Sections 4 and 5 above. RSOs must be notified within a reasonable time whether their funding request was approved, partially approved, or denied. If a request is denied or partially denied, the reason(s) for the denial must be specified in writing.

**8. Appeal Process.** RSOs may appeal fund denial that is within the maximum allocation. The RSO may appeal the denial (or partial denial) by requesting a hearing using the hearing process found in the Non-Academic Misconduct Procedures (Section 8) found here: [http://www.lonestar.edu/departments/generalcounsel/Section%20VI.G.%20Student%20Discipline%20Procedures Amended 12.9.16.pdf](http://www.lonestar.edu/departments/generalcounsel/Section%20VI.G.%20Student%20Discipline%20Procedures%20Amended%2012.9.16.pdf). Using the Non-Academic Misconduct Procedures does not imply that fund denial is non-academic misconduct; rather, the hearing process used under those procedures ensures that an RSO receives all protections available against arbitrary denials.

**9. Additional Rules and Processes.** Colleges may adopt additional rules and process that govern process-based issues. Such rules and processes cannot conflict with this document or Board Policy. To the extent that any conflict exists, Board Policy and Chancellor Procedures, respectively, govern.

Approved: April 23, 2018



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Stephen C. Head, Chancellor  
Lone Star College