

**AGREEMENT BETWEEN  
MANOR INDEPENDENT SCHOOL DISTRICT  
AND  
THIRD FUTURE SCHOOLS-TEXAS**

This Agreement (the “Agreement”) is made and entered into as of March 25, 2025 (“Commencement Date”) by and between **MANOR INDEPENDENT SCHOOL DISTRICT**, a public independent school district and political subdivision of the State of Texas, (“District” or “MISD”) and **THIRD FUTURE SCHOOLS-TEXAS** (“Operating Partner” or “OP”) (together, the “Parties”) to operate **Manor Middle School**, Campus Number 227907041 (the “School” or “Campus”), or as modified by Paragraph 3.02 below. The purpose of this Agreement is to set forth the objectives, understandings, and agreements of the Parties in connection with the establishment and operation of Senate Bill No. 1882, adopted by the 85<sup>th</sup> Texas Legislature in 2017, codified as Texas Education Code (“TEC”) §§ 11.174 and 48.252 (“SB 1882”), which allows this cooperative partnership between a public education institution and an in-district charter authorized under TEC Chapter 12, Subchapter C.

**ARTICLE I. RECITALS**

- 1.01 Independent School District. Manor ISD is an independent school district created in accordance with the laws of Texas.
- 1.02 Authority to Contract. The Board of Trustees of Manor ISD is empowered by TEC §§ 11.157 and 11.174 to contract with a public or private entity for that entity to provide educational services for the District.
- 1.03 Non-Profit Organization. Third Future Schools-Texas is an organization, in current good standing with the state of Texas and federal government, that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)). MISD hereby contracts with OP to operate a charter under TEC Chapter 12, Subchapter C, and OP is eligible under TEC §§ 11.174 and 12.101(a) to operate the School.
- 1.04 Charter Granted and Term of Charter. On the Commencement Date, the District hereby grants the OP a charter in accordance with and under TEC Chapter 12, Subchapter C, specifically §§ 12.0521 or 12.0522. This is an in-district charter granted pursuant to campus performance ratings in accordance with TEC § 12.0522(c), such that this Agreement is not subject to the 15% limit described in TEC § 12.0522(c). The District and OP shall ensure that all necessary action is taken to ensure that the charter is properly authorized under TEC Chapter 12, Subchapter C. A charter granted under TEC Chapter 12, Subchapter C begins on July 1, 2025, and expires on June 30, 2028, in accordance with TEC § 12.0531.

- 1.05 Consultation. The District has provided information and discussed this in-school charter with OP. The District has informed School personnel of the opportunity to apply for employment with OP and to potentially be assigned to the School, and campus personnel have been informed that employment decisions and assignments related to all campus-based instructional activities shall be determined solely by OP and that OP and the District are not dual employers. OP will be the sole employer of its personnel (all campus-based instructional staff), and its personnel are subject to OP's Employee Handbook and OP's policies. District employees accepting a position with OP shall be reminded, in writing, prior to employment by OP that they do not have the protections afforded by current employment contracts with the District and that OP is not subject to TEC Chapter 21. All remaining District shall enjoy the same rights and duties prior to the in-school campus charter pursuant to applicable contract, policy and law.
- 1.06 Consideration. In consideration of the mutual agreements set forth in this Agreement, and for other good and valuable consideration, the Parties agree as follows:

## **ARTICLE II. PURPOSE OF AGREEMENT**

- 2.01 Contract for Services. This Agreement constitutes a contract for instructional services.
- 2.02 Premise of Agreement. This Agreement is predicated on an understanding that students benefit when decisions regarding educational programs, operations, and student services are made at the School level and that autonomy and accountability are mutually reinforcing principles.
- 2.03 Student Achievement. The sole purpose of this Agreement is to improve student outcomes by authorizing OP to operate the School as an autonomous campus. OP shall operate the School subject to transparent accountability requirements, which are set by TEC Chapters 39 and 39A. The provisions of this Agreement shall be construed and applied to achieve this purpose.
- 2.04 OP Assumption of School Operations. The Parties intend for OP to assume operations of the School beginning with the 2025-2026 school year in accordance with Article X of this Agreement.

## **ARTICLE III. DEFINED TERMS**

- 3.01 School. In addition to the meaning as defined above in this Agreement as "Manor Middle School," "School" has the meaning assigned in the Texas Administrative Code ("TAC") § 97.1051(3) and includes all components of the operation of the campus, including, without limitation, the grade levels served, the courses taught, the instructional materials, staffing, budgetary allocations, scheduling, transportation, and other services and responsibilities associated with school operation.

- 3.02 Facilities. “Facilities” are defined as the building(s) located on the School campus, the address of which is 12900 Gregg Manor Rd, Manor, TX 78653, and related equipment, furnishings, and property improvements, including any athletic fields and related improvements, and the land on which the building(s) and related improvements are located as more fully defined in Article XIII.
- 3.03 Material Breach. A “Material Breach” of this Agreement shall include the failure of a Party to comply with or fulfill any material obligation, condition, term, provision, or covenant contained in this Agreement, including without limitation any failure by OP to meet generally accepted fiscal management and government accounting principles, comply with Applicable Law as defined by Paragraph 3.04, state agency rule, or meet the student outcome goals required by this Agreement, or District’s failure to properly meet its funding obligations to OP as required by this Agreement and state agency rule.
- 3.04 Applicable Law. “Applicable Law” means all state and federal laws, rules, regulations, and administrative and judicial determinations and decisions that govern the performance of this Agreement, as they currently exist or as they may be adopted, amended, or issued during the Term of this Agreement, as more fully described in Article VI below.

#### **ARTICLE IV. TERM AND TERMINATION**

- 4.01 Term. The term of this Agreement shall begin on the **Commencement Date and end on June 30, 2028** (“Term”). This Agreement may only be renewed for an additional term by mutual, written agreement of both Parties, executed no later than February 1 of the last year of the applicable Term after approval by vote of the governing Board of each Party. At the end of any Term, either Party may choose not to renew this Agreement without any penalty. During its term, as set forth in this Section, this Agreement shall be subject to the termination provisions detailed in this Article.
- 4.02 Termination by Mutual Consent. This Agreement may be terminated at any time by mutual written agreement of OP and the District, which shall have an effective date in accordance with the Termination Agreement.
- 4.03 Termination for Cause. Either Party may terminate this Agreement if the other Party fails to remedy a Material Breach of this Agreement within sixty (60) days after written notice by the non-breaching Party of such Material Breach; provided, however, that if the breach would affect the safety or well-being of a student or students and is not reasonably capable of being cured, then no such notice and opportunity to cure shall be required. If OP terminates this Agreement because of the District’s Material Breach that is not cured, then the District shall pay OP its actual payments as computed in this Agreement (not future payments) , earned by OP through the effective date of termination> District shall be responsible for no other consequential or liquidated damages. If the District terminates this Agreement because of OP’s Material Breach that is not cured, then OP shall pay the District its actual (not future) incurred reasonable costs only as necessary to cure the non-provision of any educational services denied to a student because of OP’s breach through to the effective date of such termination. OP shall not be responsible to District for any other consequential or liquidated damages. . Based on the above considerations, both Parties agree that it is reasonable for OP and the District to be paid in the amounts

set forth above, in this Section and that such amounts are intended by the Parties as compensatory and not punitive.

4.04 Termination Related to Academic or Financial Performance. The District may terminate this Agreement, without penalty, cost or liability, as a result of the OP's failure to meet the academic or financial performance goals defined in Addendum A-3, in the manner prescribed by Addendum A-3. Termination under this paragraph shall be effective at the end of the then current school year so long as written notice of such termination is provided no later than thirty (30) days after receipt of the Commissioner of Education's academic ratings or the determination of student outcome goals.

4.05

4.06 Termination Related to Failure to Fund. The OP may terminate this agreement as a result of District's failure to properly fund the Operating Partner a reasonable per pupil amount or percentage of the revenue generated by attendance at the campus from the district to the operating partner of all federal, state, and local funds due the campus as set forth in the Agreement. Prior to any termination under this Section 4.06 the District must be given written notice and sixty (60) days as an opportunity to cure. Termination under this paragraph shall be effective at the end of the current school year in order to minimize disruption to students and caregivers. Any OP exercise of this paragraph does not constitute a waiver to any rights, remedies, or damages to which either Party is entitled.

4.07 Change in Applicable Law. If any change in Applicable Law that is enacted after the Effective Date could reasonably be expected to have a material adverse effect on the ability of any Party to carry out its obligations under this Contract, the Parties shall renegotiate the Agreement in good faith to resolve the matter. If the Parties cannot reasonably negotiate the Agreement within sixty (60) days of the change in Applicable Law, then either Party may terminate this Agreement without penalty to either Party.

## **ARTICLE V. RELATIONSHIP OF THE PARTIES**

5.01 Nature of Relationship. The relationship between the Parties hereto shall be that of contracting parties. OP shall operate as an independent contractor to the District and will be responsible for delivering the services required by this Agreement. The relationship between and among the Parties was developed and entered into through arms-length negotiations and is based solely on the terms of this Agreement and such contracts and agreements as may be created in the future from time to time between the Parties and reduced to writing.

5.02 No Agency. Neither Party will be the agent of the other Party except to the extent otherwise specifically provided by this Agreement. Neither Party has the express nor implied authority to bind the other Party to any contractual duty or other obligation other than what is specifically stated in this Agreement. Unless specifically agreed to in writing

by the Parties, no employee, agent or contractor employed or retained by the District to perform work at the School will be deemed to be an employee, agent, or contractor of the OP, nor shall any employee, agent, or contractor employed or retained by the OP to perform work at the School be deemed to be an employee, agent, or contractor of the District. Furthermore, both Parties shall endeavor to represent to third parties, any ability to bind the other Party to any duty imposed by contract, other than this Agreement, unless the Party on which such duty is to be inferred has specifically authorized such action at a meeting of that Party's Governing Board held in accordance with the Texas Open Meetings Act (appearing in the minutes of such meeting) and as agreed to in writing by the Parties.

5.03 No Common Control. Neither Party is a division, subsidiary, affiliate, or any part of the other Party or has the right or authority to exercise any common control of any other Party. Nothing herein will be construed to create a partnership or joint venture by or between the District and the OP.

5.04 Assurance of Independence. The OP's governing body shall remain independent of the District. OP's governing body shall not be comprised of any members of the District's Board of Trustees, the District's Superintendent, or any staff member responsible for granting this Agreement. Further, no member of the governing body is or will be related within the first degree of affinity or consanguinity with any members of the District's Board of Trustees, Superintendent, or any staff member responsible for granting this Agreement or overseeing this Agreement.

## **ARTICLE VI. APPLICABLE LAWS**

6.01 Compliance with Applicable Law. The Parties shall perform their respective obligations under this Agreement in compliance with Applicable Law. The Parties stipulate that Applicable Law includes, but is not limited to, Title VI of the Civil Rights Act of 1964, as amended; Title VII of the Civil Rights Act; Title IX of the Education Amendments of 1974; Section 504 of the Rehabilitation Act of 1973 ("Section 504"); the Age Discrimination Act of 1975; the Americans with Disabilities Act; the Individuals with Disabilities in Education Act ("IDEA"); the Family Educational Rights and Privacy Act of 1974 ("FERPA"); the Every Student Succeeds Act to the extent specified in the Act; the Texas Education Code to the extent the School is not exempt; applicable record retention laws and conflicts of interest laws under the Texas Local Government Code; the Texas Government Code and the Texas Local Government Code, to the extent it applies to the School; the Texas Open Meetings Act and Texas Public Information Act under the Texas Government Code; and any amendments, interpretations, and reauthorizations of the foregoing.

6.02 Scope of Applicable Law. The Parties agree that certain laws and regulations that apply to other schools within the District may not apply to the School or its operation as a

consequence of the grant of a campus charter under Texas Education Code, Chapter 12. The Parties further agree that, except as provided in this Agreement, as identified in Addendum A-2, or required by Applicable Law, no provision, rule, or guideline of Texas law otherwise applicable to a Chapter 12 Charter School shall apply to the School or its operation.

- 6.03 Immunity. Nothing contained in this Agreement shall be read to generally waive the immunity granted by federal or state law, TEC, Chapter 22, Subchapter B, and TEC, Chapter 12, Subchapter C or available under common law to either Party or to the School.

## **ARTICLE VII. GOVERNING POLICIES**

- 7.01 Limitation on Authority. Any and all services contracted for or performed for the School must be made by each Party in strict accordance with the responsibilities of each Party as detailed in Article IX of this Agreement. An educational or administrative service necessary for operation of the School, but not specifically reserved for the District to provide under this Agreement, shall be provided and solely managed by OP insofar as such delegation is permitted by state and federal law. A service is provided by OP if OP performs the service, contracts for its performance, or otherwise ensures and oversees provision of the service. Unless OP agrees in writing, the District has no authority to make purchases or provide services to the School that are not identified as the District's responsibility under Article IX of this Agreement.
- 7.02 Policy Election. OP shall operate in accordance with the District's Charter Policy specified in Addendum A-1, as it currently exists or as it may be amended, so long as any such amendment does not constitute a Material Breach of this Agreement. If both Parties agree that an amendment amounts to a Material Breach, then the Parties may agree to operate under a prior (non-amended) policy so long as the prior policy is in compliance with the then-current Applicable Laws.
- 7.03 Adoption and Publication of School Policies. OP shall have the initial and final decision in adopting policies applicable to the School campus and Facilities. All policies adopted by the OP shall comply with Applicable Law. OP shall provide drafts of proposed policies or proposed amendments to policies currently in effect to the District for review and comment no later than thirty (60) days prior to the meeting at which the policies are to be considered for adoption or amendment. OP shall publish adopted policies and District Board Policies applicable by law or by election under this agreement on the School's website.
- 7.04 Future Waivers and Exemptions. Pursuant to 19 TAC § 97.1075(d)(6), the School is exempt from laws and rules to the fullest extent allowed by TEC, Chapter 12, Subchapter C, and is exempt from all District policies except for laws, rules, and policies that are specifically identified as applicable to the School in this Agreement and/or incorporated

by reference herein. The Parties will collaborate in applying for waivers from any restrictions imposed by Applicable Law when it is jointly determined that such waiver would expand opportunities for students enrolled in the School Campus. If the District is relieved from compliance from certain state or federal law or regulation through a waiver, adoption, or amendment of a local innovation plan under Chapter 12A, Texas Education Code, the School is automatically relieved from compliance regardless of whether such relief is addressed in this Agreement. Further, if a waiver from a local policy, procedure, protocol, or other requirement is granted to another school in the District that serves students at the same grade levels offered at the School, and the policy is not waived by this Agreement, the waiver applies to the School unless the District notifies the School otherwise in writing within sixty (60) days of the waiver's application to the other school(s).

## **ARTICLE VIII. PERFORMANCE REQUIREMENTS**

- 8.01 Student Outcome Goals. The primary responsibility of OP under this Agreement is to ensure that the annual student outcome goals specified in Addendum A-3, or as amended, are achieved.
- 8.02 Performance Measurement, Methods, and Timeline. The Parties agree that achievement of annual student academic and financial performance targets agreed upon by the Parties and specified in Addendum A-3 will be determined using the methods, indicators, and timelines specified in that Addendum.
- 8.03 Performance Consequences. The Parties agree to specific, material consequences in the event that the OP does or does not meet the annual academic or financial performance expectations and goals described in Addendum A-3.
- 8.04 Responsibilities of OP Governing Board. The governing board of OP agrees that it is responsible for ensuring that OP achieves performance goals specified in Addendum A-3 and is obligated to oversee management of the School and intervene as required to ensure that performance goals are achieved.
- 8.05 Monitoring Performance. The District shall retain the right to monitor the performance of the School and OP as required by Addendum A-3.

## **ARTICLE IX. RESPONSIBILITIES**

- 9.01 OP Responsibilities: The OP shall have the sole authority over matters involving academic curriculum, the instructional program, and related expenditures.

OP shall have sole authority regarding the employment of OP employees, including, without limitation, hiring, assignment, evaluation, compensation, advancement, and other terms of employment.

9.01.1 *Administration*. OP shall select and manage the School's Principal, Assistant Principal(s), and any other role designated as an administrator, who will be employed by the OP.

9.01.2 *Teaching Staff*. OP shall select, supervise, and manage the School's teachers, teaching assistants, paraprofessionals, curriculum specialists, program coordinators, and any other academic instructional role, who shall be employees solely of OP. OP may independently apply for and be allocated funds available through the Texas Teacher Incentive Allotment ("TIA") to the extent permitted by the Texas Education Agency ("TEA") and state law.

9.01.3 *Miscellaneous*. OP shall select, supervise, and manage the School's guidance counselors, librarians, extracurricular activity instructors, physical education instructors, and any other personnel assigned to the School, who shall be employees of OP.

9.01.4 *Staffing Plan*. OP shall have sole non-delegable authority to determine the staffing plan and positions at the School, provided funds subject to OP's control under the terms of this Agreement are sufficient to discharge all obligations associated with the staffing plan and positions.

9.01.5 *Special Programs*. OP shall provide Special Education and inclusion services with support from the District as outlined in Paragraph 9.02.7. OP agrees to comply with applicable law and best practices for Special Education services in compliance with guidance from TEA. The Parties shall share all information necessary to coordinate Special Education services. OP shall identify and provide all Section 504 related services to students as required by Applicable Law. OP shall provide all Bilingual Education, English as a Second Language, and Special Language Programs at the School in accordance with Applicable Law. Each party shall comply with Applicable Laws, including but not limited to, IDEA and Section 504, as necessary to carry out its responsibilities under this Agreement.

9.01.5.1 *Dyslexia Services*. OP shall be responsible for providing dyslexia intervention and support services. Any allotment received by the District for services to students with dyslexia shall be allocated to OP in accordance with Paragraph 14.04.

9.01.5.2 *Specialized Learning Environments*. The Parties shall collaborate regarding the placement of students in other District Special Education programs and facilities as determined by the Admission, Review, and Dismissal ("ARD") committee. Special Education funds



shall follow the student and be allocated to the campus implementing the student's Individualized Education Plan ("IEP") and related services.

9.01.6 *Record Keeping*. District and OP will coordinate record keeping in order to comply with federal and state law. OP shall appoint and employ personnel responsible for maintaining necessary School records, which shall include, but not be limited to, student attendance, student grades, accounting for all Federal and State Funds used at the School, and any and all records required to be entered into TEA's Public Education Information Management System ("PEIMS").

9.01.7 *OP School and Regional Support*. OP shall ensure that at least one staff member from Third Future Schools-Texas, who is proficiently trained in implementing OP's instructional model, will provide on-site support and oversight to the School not less than quarterly each school year. OP's school leader will also be proficiently trained in implementing OP's instructional model with appropriate support from Third Future Schools-Texas.

9.02 District Responsibilities. The District shall maintain control of and shall be responsible for all activities as agreed to by the Parties, subject to OP's annual election of individual services described in Paragraph 14.02, which include, but are not limited to, the following:

9.02.1 *Student Transportation*. The District shall provide all necessary student transportation to and from the School and to and from school related activities ("regular student transportation routes"). Any transportation needs outside of the District's regular student transportation routes, including, but not limited to, field trips and regular attendance days at the School that are not regular attendance days for other District schools, shall be contracted back to the District and paid for by OP. District, at their sole discretion, reserves the right to deny transportation services to the OP in the event of inclement weather. OP will reimburse the District the cost for training missed by transportation employees due to working attendance days for OP that are not regular attendance days for other District schools.

9.02.2 *Maintenance*. The District shall maintain the School campus and Facilities by overseeing and contracting for the regular maintenance of the campus by janitorial staff, groundskeepers, and maintenance personnel.

9.02.3 *Building Utilities*. The District shall provide the utilities necessary to operate the School, which will be charged back for actual cost to the OP on a regularly scheduled basis.

9.02.4 (Intentionally Omitted)

9.02.5 *Food Services*. The District shall provide food and cafeteria services to the School in accordance with applicable federal, state, and local laws and regulations. To the extent required by law or rule, OP shall coordinate with the District for reporting to third parties regarding student eligibility, claims, and counting for meals provided to students.

9.02.6 *Intentionally left blank*

9.02.7 *Special Education*. OP may elect to utilize District vendors or staff, as determined by the District, to provide Special Education related services at the School as well as diagnosticians and Licensed Specialists in School Psychology, which will be billed to the OP on a regularly scheduled basis. The District will be responsible for all education services for students placed in Special Education programs or facilities outside of the School, as described by Paragraph 9.01.5 and special education funding shall follow that student.

9.02.8 Health Services. Manor ISD shall determine and oversee the School's nurse and/or any other health care provider to be located on the School campus.

9.02.9 Campus Security. Manor ISD shall provide, staff, and oversee the School's security operations, including, but not limited to peace officers. OP herein agrees to fulfill all campus safety and security responsibilities at the School, as outlined in Applicable Law and TEA regulations that would otherwise be the responsibility of the District. Campus Safety Officers (Hall Monitors) will be up to the discretion of the OP, and the OP will be responsible for their employment if they choose.

## **ARTICLE X. SCHOOL OPERATIONS**

10.01 OP's Governing Board. OP represents that a true and accurate list of its current directors ("Directors") is attached to this Agreement as Addendum A-4. If there is any change to the Directors during the Term of this Agreement, OP shall provide written notice to the District of the change within thirty (30) days. No District Board of Trustees member, Superintendent, or any staff member responsible for granting this Agreement shall be appointed to OP's Governing Board. District staff may not comprise a majority of OP's Governing Board.

10.02 Budgetary Authority of OP. OP has sole authority to approve or amend the budget for the School and to make expenditures thereunder relating to any matter involving academic curriculum, the instructional program, or other matters related to OP's responsibilities and obligations under this Agreement.

10.03 School Leadership. The Chief Administrator ("Executive Director") of the School shall be the assigned agent of the OP, who will monitor, direct, and supervise the Head of School ("Principal"). The Principal shall be appointed and employed by OP.

10.03.1 *OP Employee*. OP shall hire and manage at least one employee at the School, which may be, but is not limited to, the Executive Director.

- 10.04 Grade Levels. Beginning in the 2025-2026 school year, the School will serve students in grades sixth through 8th grades. OP shall not serve any other grade level at the School without the written consent of the District.
- 10.05 Attendance Area. The School's attendance area ("Attendance Area") shall be defined as the area designated in Addendum A-5 to this agreement, subject to TEC § 12.065.
- 10.06 Enrollment Policies. In addition to students subject to the District's in-district transfer policy, any student who resides in the Attendance Area may attend the School. The Parties will collaborate and agree on a process for enrollment of students into the School. Prior to implementing any plan to increase capacity at the School, the District shall provide notice to OP, afford OP an opportunity to comment on the plan, and coordinate any such capacity increase with OP. In addition to the agreed-upon enrollment policies, the following applies:
- 10.06.1 *Discrimination Prohibited*. OP is prohibited from discriminatory admission, suspension, or expulsion of a student on the basis of a student's national origin, ethnicity, race, religion, disability, gender, or academic achievement.
- 10.06.2 *Enrolled Students*. All students attending the School shall be enrolled in the District.
- 10.06.3 *Students Residing Outside of the School's Designated Attendance Zone*. Students who wish to enroll at the School, but reside outside of the School's designated attendance zone, may apply for admission and transfer in accordance with the District's then-applicable admissions policies and procedures. Preference shall be given to students who reside within the District's defined boundaries.
- 10.07 Discipline and Expulsion Policies. OP shall implement student discipline, suspension, and expulsion policies in compliance with Applicable Law, including, but not limited to, TEC Chapter 37. OP will utilize the District's Disciplinary Alternative Education Program ("DAEP") in alignment with standard District practices. OP shall re-admit students placed in the District's DAEP after completion of their disciplinary assignment or re-admit student after completion of their expulsion order. OP shall abide by all Applicable Laws regarding due process and concerning the discipline of students with disabilities.
- 10.08 Schedule. OP will have sole authority in determining the school day, school year, bell schedule, schedule for before and after-school services and for extra-curricular activities.

OP shall collaborate with the District in reviewing the District's policies and schedules to align the School's schedule to enable the District to provide transportation for students enrolled in the School in an efficient manner. OP's schedule shall comply with the State of Texas' required minutes of instruction. OP agrees to provide this information to the District no later than forty-five (45) days before the start of school.

- 10.09 District Meetings, Initiatives, and Training. School staff under the supervision and control of OP will not be required but may participate in District training events or other meetings at the direction of the OP and prior approval of District. OP agrees that all School staff shall comply with and receive training required by Applicable Law.
- 10.10 Contractor Criminal History Background Checks. The District shall conduct criminal history background checks for all vendors and contractors selected by the District as well as for all District employees. OP shall conduct criminal history background checks for all vendors and contractors selected by OP as well as for all OP employees, or OP may contract with the District for such checks. The District and OP shall adhere to reporting requirements, definitions, and laws further detailed in Paragraph 11.03. Either Party's failure to comply with this Paragraph's reporting requirements shall amount to a Material Breach of this Agreement, after the expiration of (60) days after written notice and the failure to cure by a Party.
- 10.11 Technology Infrastructure; Network Services. The District shall be responsible for providing, repairing, and maintaining technology infrastructure, including, but not limited to, computers/tablets, printers, and network services at the School of a standard reasonably comparable to other area similarly-sized District schools. OP shall provide the District with a list of additional equipment purchased and collaborate with the District to ensure consistency between the District standard equipment and the needs of the School.
- 10.12 Media Requests. The Parties agree to collaborate on responses to any media requests or press releases related to the School. The Parties shall collaborate prior to responding to any media request or making a press release and further agree that any statement made will have prior approval by each Party, which shall be reasonably and timely granted. This requirement does not apply to: (a) general communications regarding OP or the District that may include references to the School, or (b) crisis communications regarding the School.
- 10.13 Communications with Students' Parents. The Parties agree to jointly approve a protocol for communications with students' parents within sixty (60) days of the execution of this Agreement.

## **ARTICLE XI. STAFFING**

- 11.01 Employment. OP is under no obligation to hire or contract with any person currently employed or contracted by the District in any capacity. Faculty and staff of the School, including, but not limited to, the School Leader, other administrators, teachers, and teaching assistants that are directly hired by OP are employees of OP and not of the District. The Parties acknowledge and understand that employees of OP are not subject to the District's personnel policies or procedures and that OP has sole authority over hiring, assignment, evaluation, development, advancement, compensation, continuation, and all other terms of employment with respect to OP's responsibilities detailed in Paragraph 9.01 of this Agreement and in accordance with OP's personnel policies.
- 11.02 Employee Documentation. Each Party shall be responsible for the formal documentation of the work performance of their respective employees. OP shall collaborate with the District to provide information to the District's Human Resources Director or other designee regarding the work performance of District employees assigned to the School.
- 11.03 Criminal History Background Checks. Unless contracted for by the District as stated in Paragraph 10.10, OP shall perform all criminal history background checks required by Applicable Law, including without limitation those required for School personnel, applicants, vendors, contractors, and volunteers and shall take action required by law upon completing the background check. OP and the School's employees shall adhere to the laws set forth in Chapter 22, Subchapter C, Texas Education Code and 19 Texas Administrative Code §153 Subchapter DD . OP shall notify the District of any unlawful conduct or criminal misconduct discovered by or reported to the School's Principal or other OP official immediately but not later than within three (3) business days of notice. Failure to report to District as set forth in this District shall constitute a Material Breach and allow District to terminate this Agreement, without liability, penalty or cost to OP, at its discretion. OP shall comply with any subsequent investigation by the District as OP understands that the District is bound by the reporting requirements of TEC §§ 21.006 and 22.087. Additionally, OP agrees that the District's Superintendent or assigns may investigate and report any educator misconduct of a District employee that he or she believes in good faith may be subject to sanctions under 19 Administrative Code, Chapter 249 and/or Chapter 247, Educators' Code of Ethics.
- 11.04 Child Abuse Reporting. All District and OP employees working at the School shall comply with all Applicable Law governing mandatory child abuse and neglect reporting, including but not limited to the Texas Family Code Chapter 261, TEC §§ 38.004, and 38.0041, and 19 Texas Administrative Code § 103.1401.
- 11.05 Certified Personnel. The School's personnel shall, at a minimum, have the qualifications required by Applicable Law for the assigned role, except to the extent a requirement has been lawfully waived or the individual is subject to a lawful exemption.

- 11.06 Employment Records. OP is responsible for maintaining the employment records for all OP personnel at the School. All employment records of OP employees only are the property of OP.
- 11.07 Employee Complaints and Grievances. The Parties agree that the District's employees' complaints and grievances will be governed by the District's policies and OP's employees' complaints and grievances will be governed by OP's policies.
- 11.08 Non-Solicitation. Both Parties agree not to hire any employee from the other Party without first conducting a reference check with the employee's current supervisor (or Human Resources Department, if preferred by supervisor), and until it receives written confirmation that the employee has been released from any contractual obligations with the other Party. For lateral hires, both Parties agree to make a good faith effort to hire any staff members making a lateral (same/similar position) transfer across organizations within a mutually agreed upon transfer window. This window will be set together annually for the coming school year before June 30. If a lateral transfer opportunity falls outside of the transfer window and while the employee is under current contractual obligations to its current employer, the current employer must determine whether to release the employee's contractual obligation. Such release shall not be unreasonably withheld. For promotions, both Parties agree to make every good faith effort to hire staff applying for a promotion across organizations within the mutually agreed upon transfer window. If a promotion opportunity falls outside of the transfer window, both Parties agree to work together to ensure that the transition does not unnecessarily negatively affect student learning. Both Parties agree to work together to share recommendations regarding former employees who may be suitable for employment by the other Party. Nothing in this Paragraph alters the nature of the ongoing relationship between any employee and his/her employer.
- 11.09 Teacher Retirement System. An employee of the OP is eligible for membership in and benefits from the Teacher Retirement System of Texas if the employee would be eligible for membership and benefits if holding the same position at the District.
- 11.10 Removal of District Personnel. OP shall have the sole authority to request removal of any District employee or District contractor assigned to the School. Prior to the removal of any District employee from the School, OP shall provide to the District any required documentation, after which, the District shall grant the request within twenty (20) working days. In the event that OP seeks to prevent any District employee from returning to the School for the upcoming school year, OP shall notify the District no later than March 1 of the current school year. In this event, the District may still require that OP submit any required documentation to the District Human Resources Department.

- 11.11 Nepotism Restrictions. The School's employees shall comply with all applicable nepotism restrictions including but not limited to those found in Texas Government Code Chapter 573, and those in the Texas Administrative Code. All persons employed by the District prior to the Commencement Date of this Agreement and assigned to work at the School by the District, will be considered "grandfathered in" and exempt from nepotism restrictions.

## **ARTICLE XII. ACADEMIC PLAN**

- 12.01 Curriculum and Program. OP will have sole authority to approve all curriculum decisions beyond the minimum requirements outlined in 19 Texas Administrative Code §74.2 (relating to Description of a Required Middle Curriculum), lesson plans, instructional strategies, and instructional materials, as defined in TEC, §31.002(1), to be used at the School. This authority includes sole authority over educational programs for specific, identified student groups, such as gifted and talented students, students of limited English proficiency, students at risk of dropping out of school, and other statutorily defined student populations.
- 12.02 Educational Plan or Academic Model. OP will implement the education plan described in its proposal to operate the School, attached as Addendum A-6. The OP will include in the plan the vision for the School, including its culture, curriculum, assessment program, instructional strategies, talent recruitment and management strategies, professional development activities or programs, evidence that the aforementioned strategies and programs can be effective with the student population served at the School, and the management routines and practices to be implemented by the OP in managing the staff and academic programs at the School. OP will ensure that the curriculum satisfies the minimum requirements outlined in 19 TAC §74.2. OP agrees to notify the District of any significant alteration of this plan within ten (10) business days.
- 12.03 Selection of Instructional Materials. OP has sole authority to select instructional materials (as defined in TEC, §31.002(1)) for the School and represents that selected materials will align with the Texas Essential Knowledge and Skills ("TEKS"), or its successor, and any other standards that may be required under Applicable Law.
- 12.04 Assessments. OP has sole authority over the selection and administration of student assessments not required by federal or state law.
- 12.05 Extracurricular Programming and Participation. Students enrolled at the School may join any extra-curricular activity offered to District students to the same extent as other students so long as participation does not interfere with the School's schedule, tutorials, or other parts of the Program as determined by the OP Principal and so long as such participation adheres to the rules and guidance of the University Interscholastic League ("UIL").

- 12.06 Student Behavior. Students enrolled at the School will be required to follow the OP's Student Code of Conduct as presented in its proposal to operate the School and attached as Addendum A-6. OP agrees to notify the District of any modification of its Student Code of Conduct in writing at least sixty (60) days in advance of implementation. OP agrees that it will not modify DAEP or expulsion provisions without consent of the District; provided, however, that such consent shall not be unreasonably withheld or delayed. OP agrees that a student shall not be suspended or expelled from the School for attendance or academic performance reasons. OP shall pay the District \$13 per day for any student OP assigns to the District's DAEP. The District will reserve 4 seats for the OP's use at the DAEP. Any seats beyond 4 will require the provision or payment of staff to accommodate. Any special education services will need to be provided for or paid for in addition to the staffing costs above.
- 12.07 Due Process. OP will cooperate with the District to ensure that due process is afforded with respect to student removals and expulsions.

### **ARTICLE XIII. FACILITIES**

- 13.01 Facilities. The District shall provide Facilities, in the form such facilities were dedicated to use by the School during the 2024-2025 school year, including classrooms, office furniture, equipment, and storage areas for the School. Prior to the Possession Date, as defined by Paragraph 13.03 below, the District and OP shall conduct a walk-through of the Facilities, during which OP may designate which furniture, equipment, and supplies shall be removed by the District. The District shall honor any such request within thirty (30) calendar days. Facilities do not include classroom materials (e.g., books, notepads, pencils, etc.) or any other resources needed to deliver the School's academic curriculum. OP shall maintain all portions of the School in a safe, neat and orderly manner.
- 13.02 Ownership. The Parties acknowledge that all Facilities are owned by the District.
- 13.03 Permitted Use. In accordance with Paragraph 2.04, beginning on July 1, 2023 ("Possession Date"), and during the Term of this Agreement, OP may use and occupy the Facilities solely for the operation of the School as permitted by this Agreement and Applicable Law. To the extent OP wishes to use the Facilities for educational activities, separate from the School but associated with its educational purposes, OP shall seek approval from the District, and such approval shall not be unreasonably denied; provided, however, that OP will remain responsible for all costs incurred by the District for such further use of the Facilities. Any use of the Facilities by any other individual, group, or organization shall be governed by the District's facilities use policies, provided that such use does not conflict with OP's use of the Facilities.



- 13.04 Furniture and Equipment for Classrooms and Instructional Areas. In consultation with OP regarding the furniture and equipment needs of the OP classrooms, the District will supply existing chairs, desks, bookcases, bookshelves, file cabinets, computer tables, conference tables, and other furniture as reasonably required for the School. Such furniture and equipment will be substantially the same as furniture and equipment provided in other classrooms for the same grade level and/or same subject at other District schools. OP also may furnish other furniture, fixtures, and equipment, at its cost and expense, as OP determines is required to implement OP's instructional program. The title to all furniture and equipment supplied by the District for use by OP remains vested in the District. The title to all furniture and equipment provided by the OP, without respect to source of funds, remains vested in OP. The District shall tag and identify its property so that ownership is clear. Each Party shall maintain an inventory list of all of its assets located at the school according to its own inventory control policies.
- 13.05 Fixtures and Alterations. OP may attach non-permanent materials and fixtures to the walls of the School's classrooms but may not make any other alterations (including adding or removing fixtures) in or to the School's classrooms or any other part of the District's facilities used by OP that would alter the walls, floors, or any other permanent structure of the District's premises without written consent of the District.
- 13.06 Janitorial Services. The District shall provide janitorial services at the School in the same manner and at the same level of quality as for the remainder of the District's schools.
- 13.07 Maintenance. OP shall maintain the School's classrooms and any other portion of the Facilities, such as office space and storage areas used exclusively by the OP, in a safe, neat and orderly manner. Both Parties shall comply with Applicable Laws regarding standards of safety and health of students. The District shall be responsible for routine maintenance and major repairs of the School including upgrades, HVAC equipment, roof repairs, and parking lot repairs. The District shall maintain all other portions of the School in a neat and orderly manner. OP shall immediately (no later than 12 hours after discovery of any concern) notify the District of any immediate and urgent repairs needed at the School.
- 13.08 Insurance Coverage. In addition to the requirements of Article XVII below, each Party, at its own expense, shall maintain its own insurance throughout the Term of this Agreement. The insurance required under this Agreement shall be as follows:
- 13.08.1 Comprehensive or commercial general liability insurance for not less than \$1,000,000 (combined single limit for bodily injury and property damage per occurrence and in the aggregate). Each Party may elect to carry what other insurance that Party decides is necessary or advisable for its obligations under this Agreement. Such insurance shall be written to cover claims incurred,

discovered, manifested, or made during or after the Term:

- i) Automobile insurance to cover losses for motor vehicle accidents by that Party; and
- ii) Workers Compensation insurance as may be required by Applicable Law for that Party.

13.08.2 The District shall obtain and maintain property insurance for the School as it deems necessary and advisable to carry. Each Party may elect to carry insurance to insure its own personal property located at the School.

13.09 Surrender of the Facilities. On the termination of this Agreement, OP shall leave the Facilities in the same condition in which they were received unless otherwise agreed upon in writing. Reasonable wear and tear from use will be accepted. OP shall return and surrender to the District all exterior and interior door keys, security access cards, mailbox keys, and improvements that were provided to OP by the District. The obligations under this Paragraph shall survive the termination of this Agreement.

#### **ARTICLE XIV. FINANCIAL MATTERS**

14.01 Payment Sources & Structure. The Parties understand that this Agreement allows for OP to receive the District's usual funds from the State's Foundation School Program ("FSP Funds") that all eligible students within the District receive, as well as federal funds received for services to students enrolled at the School, and to receive additional Senate Bill 1882 funds ("SB 1882 Funds") for those eligible students due to this partnership Agreement as described in this Article. For purposes of this Agreement, FSP funds are based primarily on the weighted average-daily-attendance ("WADA") allocation received by the District under TEC Chapter 48, Tiers I and II for eligible students enrolled in the District and in actual attendance at the School.

14.02 Menu of Services. The District may annually publish a service menu and price list for educational and support services other than or in addition to what the District is required to provide under this Agreement. If the District opts to publish a service menu and price list, the District must do so no later than May 31 for the following school year. Such services may include, but are not limited to: professional development; participation of School students in extracurricular activities; transportation for field trips; and

transportation, nursing or food services needed on days in which the District is not operating. Prices will be stated in a per-pupil, per-square foot, or per-day/hour basis format. Prices will be the at-cost prices for District schools. Should OP utilize a service on the menu, the District will reduce OP's monthly payment pursuant to Paragraph 14.04 for the services provided in the month following performance of the service. The District's initial service menu and price list is attached to this Agreement as Addendum A-9.

- 14.03 District Administrative Expenses. Required administrative services are outlined in Addendum A-9. OP may not elect out of required administrative expenses. During the first two years of the Term of this Agreement, the District shall retain \_\_\_\_\_ of all FSP Funds for District administrative services, including mandatory state and federal reporting and data system administration and authorizing oversight ("District Funds"). The District shall retain SB 1882 Funds in the amount outlined by TEA. OP shall receive the remaining of all combined FSP Funds and SB 1882 Funds to operate and manage the School ("OP Funds"). During the entire Term of this Agreement, actual costs for the following services will be deducted from the monthly payment made to the OP: utilities at the School Facility, custodial, nursing, and police services at the School Facility, copier service at the School, and the cost for any student assigned to the District's DAEP in accordance with Paragraph 12.06 as outlined in Addendum A-9A. The Parties agree that after two years of operation of this Agreement, they will evaluate the finances and enrollment of the School and may reasonably consider redistributing funds under this Agreement. The District will reduce OP's monthly payment made pursuant to Section 14.04 by the amount of fixed administrative expenses charged on monthly basis.
- 14.04 Determination of Per Pupil Funding Allocation. In consideration of the services provided under this Agreement, the District shall pay OP for each school year of the Term. For the 2025-2026 school year ("Initial Year"), OP shall earn funding according to the student allotment estimated calculation in the State Aid Template based initially upon projected enrollment. Funding estimates will be re-calculated at mid-year based on PEIMS snapshot enrollment data for the appropriate grade levels. Future allotment calculations will be based on projected enrollment for the following year. Per pupil funding allocation based on WADA is subject to an annual offset as defined in Paragraphs 14.02 and 14.03 above. The annual amount set forth in this Paragraph shall be referred to herein as "the Fee." The Parties recognize that the Fee is earned by OP as contractual fees for services rendered to the extent established by law. Other than the Fee paid to the OP under this Paragraph and agreed deductions by the District and the grants awarded for the School under Paragraph 14.07, the District shall retain all State, federal and local funds earned or received on behalf of each student at the School to pay for the activities and services provided by the District under this Agreement.

14.04.1 *Budget and Funding for the 2025-2026 School Year.* The budget for the first year of operation of the School is included as Addendum A-8 and contains the estimate of the number of students the School is expected to enroll in ADA for the 2025- 2026 School Year, which will be the estimated ADA on which the initial monthly payment of the Fee will be based for that school year. Funding estimates will be re-calculated in December of each year based on the PEIMS snapshot enrollment data.

14.04.2 *Settle-up.* The budget is an estimated financial plan that is available prior to the beginning of the school year. The estimated ADA and weights will be adjusted to actuals based on PEIMS end of year to determine earned allocations. The actual amounts earned and expenditures charged are not fully known until December of the year following the school year and settle-ups will be completed by December 15 of the year following the applicable school year.

14.05 Distribution of Funding Allocation. Payments of the funding allocation set forth above shall be made in monthly installments on the 15th day of each month during the Term, commencing on July 15, 2025. At the conclusion of the 12th month of the first year, and the 11th month for each year of the Term thereafter, the estimated ADA will be adjusted to actual ADA for purposes of determining the compensation hereunder and any amounts owed by either Party according to a mutually agreed upon settle-up process. In the event that the 15th shall fall on a Saturday or Sunday, payment shall be made on the following Monday. In the event that the 15th shall fall on a holiday, payment shall be made on the preceding day or preceding Friday as applicable. For all years following the first year, the first annual payment will occur in September.

14.06 Limitations. Notwithstanding any terms herein to the contrary, the District's obligation to compensate OP is expressly subject to the receipt, adjustment, or modification of funds by the District from the State of Texas specifically allocated for those eligible students in attendance at the School. In the event that such funding is not received or reduced, the District shall not be obligated to pay OP, this Agreement shall be terminated and any prior payments made by the District shall be retained by OP in consideration of and as payment for educational services provided to the date of such termination with remaining unearned and advanced funds returned to the District.. This section shall not be construed to relieve the District of any responsibility or obligation to OP if the District fails to receive funding as a caused by a failure by the District to comply with l requirements, in good faith, necessary for securing funding from the State of Texas.

14.07 Federal and State Grants. Federal and state funding must be spent as approved and designated by Federal and State agencies. OP admits knowledge of and agrees that the

expressly subject to receipt of any such grant funds from TEA. In the event the District is ever required to refund any funds received from TEA specifically designated for any Federal or State grant program at the School, then it is understood and agreed that OP shall be liable for and shall refund such amounts received. The District may apply for District and/or School-specific grants and the School shall receive funds from any grants awarded the District based on a per-student allocation, provided the District shall only apply for School-specific grants in coordination with OP and with OP's written approval. Should OP fail to respond to a written request for approval within seven (7) calendar days, OP's approval shall be presumed and the District may proceed in applying for School-specific grants without OP's written approval. The District shall not be entitled to retain any portion of grant funds awarded directly to OP and managed solely by OP. Both the District and OP agree to use any such grant funds in accordance with and for the purposes specified in the grant's application and in the grant award.

- 14.08 Contracting, Purchasing and Procurement. Excluding services that the District provides to OP under this Agreement, OP may establish school-level systems for obtaining, contracting with, and paying its vendors for goods it acquires and services it provides under this Agreement. OP will ensure compliance with applicable state and federal contracting and payment laws. OP reserves the right to contract for any services it deems beneficial in operation of the School.
- 14.09 Accounting and Audits. OP shall comply with generally accepted fiscal management and accounting principles. OP's annual financial reports will be provided to the District in Governmental Accounting Standards Board (GASB) format and its monthly financial reports will be provided in Financial Accounting Standards Board (FASB) format. The Parties shall comply with the financial performance goals detailed in Addendum A-3, which shall include, but is not limited to, a completion of OP's annual financial report with respect to operation of the School, receipt of an unqualified audit opinion with respect to operation of the School, and specific consequences in the event that OP does not meet the financial performance goals with respect to its operation of the School. In addition to any audits required by Applicable Law, OP shall submit to the District within one hundred eighty (180) days following the end of each fiscal year during the Term of this Agreement, financial statements pertaining to operation of the School audited by an independent certified public accountant. The District shall also retain the right to conduct its own campus audit of the School and annual audit of OP's management of funds received for operation of the School as it deems necessary. OP agrees to comply with all rules, regulations, ordinances, statutes, and other laws, whether local, state or federal, including, but not limited to, all audit and other requirements of the Single Audit Act of 1984. In the event an audit occurs and any expenditures relating to this Agreement are disallowed, OP agrees to reimburse the District immediately for the requisite full amount.
- 14.10 Refund upon Termination; Over Allocation. In the event of termination during the Term of this Agreement, or an over allocation determined under TEC § 48.272 or otherwise, OP agrees to refund to the District, within sixty (60) days of the date of termination or over allocation determination, all advanced but unearned funds.

- 14.11 Transparency. Within ten (10) business days of OP's written request, District shall provide any formula's, documentation, budgets, financial statements, or any other materials that District used in determining any funding allocations, withholding of any funds, costs under the menu of services, or administrative costs that affect OP's financial circumstances under this agreement. OP's requests shall be narrowly tailored to those documents or items that it needs for a specific purpose and OP agrees to pay reasonable costs for the District's production of such items.

## **ARTICLE XV. RECORDS AND REPORTING**

- 15.01 Records Management System. The Parties maintains a records management system that conforms to the system required of school districts under the Local Government Records Act, § 201.001 et seq., Local Government Code, and rules adopted thereunder; provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of this Agreement.
- 15.02 State and Federal Reporting. OP shall report timely and accurate information to the District as necessary for the District to comply with all applicable state and federal requirements. The District shall provide OP with a schedule of reporting requirements and deadlines for OP's compliance. The schedule shall be provided on an annual basis. OP shall report information in the manner requested by the District and correct any demonstrable errors as requested by the District, provided that the manner of reporting or correction.
- 15.03 Lawful Disclosure. The Parties agree to comply with all requirements of the FERPA and the Texas Public Information Act ("TPIA"). In the event that the District is required to furnish information or records of the School pursuant to the TPIA, OP shall furnish such information and records to the District, and the District shall have the right to release such information and records. Either OP or the District may object to disclosure of information and records under FERPA or the TPIA.

## **ARTICLE XVI. INTELLECTUAL PROPERTIES**

- 16.01 Proprietary Materials. Each of the Parties shall own its own intellectual property including without limitation all trade secrets, know-how, proprietary data, documents, and written materials in any format. Any materials created exclusively by the District for the School shall be owned by the District, and any materials created exclusively by OP for the School shall be OP's proprietary material, regardless of the funding source used to create such materials. The Parties acknowledge and agree that neither has any intellectual property interest nor claims in the other Party's proprietary materials. Notwithstanding the

by the Parties and may be used by the individual Party as may be agreed upon by both Parties from time to time.

- 16.02 Name. OP owns the intellectual property right and interest to all of its intellectual property, including, but not limited to, the names “Third Future Schools-Texas” and “Third Future Schools” (“Third Future Names”). The Parties agree that the Third Future Names may be used by District during the Term of the Agreement. The Parties agree that after the expiration or termination of this Agreement, the District shall not use the Third Future Names for its own individual purposes.

## **ARTICLE XVII. INSURANCE**

- 17.01 Insurance Coverage. OP shall secure and keep in force during the Term of this Agreement commercial general liability and professional liability insurance coverage, including contractual coverage, and automobile liability insurance coverage, with minimum liability limits of \$1,000,000 per occurrence, with a \$2,000,000 annual aggregate. In addition, OP shall secure and keep in force sexual misconduct and molestation coverage as of July 1, 2025 applying the same minimum liability limits as above. The District is to be named as an additional insured under such coverage for any liability arising, directly or indirectly, under or in connection with this Agreement, or with regard to the operations of the School or any event arising therefrom. The District shall maintain casualty insurance on the Facilities and on its personal property and commercial general liability coverage applicable to any services it provides at the School, in substantially the same manner as it maintains such insurance with respect to other District schools. OP shall also maintain (a) broad form casualty coverage for all personal property located or used at the School, including the Furnishings, which coverage shall be on a full replacement value basis, and (b) worker’s compensation insurance to the extent required by the laws of the State of Texas. Any deductible or other similar obligation under OP’s insurance policies shall be the sole obligation of OP and shall not exceed \$25,000. Notwithstanding the foregoing requirement regarding insurance

coverage, the District shall have the right to self-insure part or all of said insurance coverage in the District’s sole discretion. In the event that the District elects to self-insure all or any part of any risk that would be insured under the policies and limits described above, and an event occurs where insurance proceeds would have been available but for the election to self-insure, the District shall make funds available to the same extent that they would have been available had such insurance policy been carried.

- 17.02 Form of Policies. All of OP’s insurance policies shall be issued by insurance companies qualified to operate in Texas and otherwise reasonably acceptable to the District. Such

policies shall name the District, and such other related parties as the District elects, as

additional insureds. Evidence of insurance shall be delivered to the District five (5) days prior to the Effective Date of this Agreement and thereafter within thirty (30) days prior to the expiration of the term of each such policy, or immediately upon OP's obtaining a new policy. Such coverage may be maintained under a blanket insurance policy of OP.

17.03 Evidence of Insurance. Upon request, a Party will furnish a certificate of insurance to the other Party evidencing the required coverage within thirty (30) days after the Possession Date of this Agreement and annually thereafter. Each Party will provide to the other Party notice of any cancellation or material adverse change to such insurance within thirty (30) days of such occurrence.

17.04 Cooperation. To the extent that it is reasonably practicable, each Party will comply with any information or reporting requirements required by any of the other Party's insurers.

## **ARTICLE XVIII. INDEMNIFICATION**

**18.01 TO THE EXTENT PERMITTED BY APPLICABLE LAW, OP AND THE DISTRICT AGREE TO COMPLY WITH THE FOLLOWING INDEMNITY PROVISION:**

**EACH PARTY (the "Indemnifying Party") covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the OTHER PARTY and the elected officials, employees, officers, directors, volunteers and representatives of the OTHER PARTY, individually and collectively, in their official and individual capacities, (the "Indemnified Party"), from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the Indemnified Party directly or indirectly arising out of, resulting from or related to the Indemnifying Party's activities under this AGREEMENT, including any acts or omissions of EITHER PARTY, any agent, officer, director, representative, employee, consultant or subcontractor of EITHER PARTY, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this AGREEMENT. IN THE EVENT OP AND THE DISTRICT ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER,**

**WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE PARTIES UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.**



**The provisions of this MUTUAL INDEMNIFICATION are solely for the benefit of the Parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.**

**EACH PARTY shall advise the OTHER PARTY in writing within 24 hours of any claim or demand against EITHER PARTY related to or arising out of the activities under this AGREEMENT.**

## **ARTICLE XIX. GENERAL AND MISCELLANEOUS**

- 19.01 Entire Agreement; Order of Precedence. This Agreement, including all referenced attachments and terms incorporated by reference contains the entire agreement of the Parties. All prior representations, understandings, and discussions are merged into, superseded by and canceled by this contract. In case of conflict, the order of precedence of the documents constituting this Agreement is as follows, each listed document superseding in the event of any conflicting provision in a later listed document: (1) this Agreement; (2) Addendum A-1; (3) Addendum A-6; and (4) all other addenda to this Agreement. Any future amendment of this Agreement shall be in writing and shall be signed by both Parties.
- 19.02 Severability. The Parties intend that each provision hereof constitute a separate agreement between or among them. Accordingly, the provisions hereof are severable and in the event that any provision of this Agreement shall be deemed invalid or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions hereof will not be affected, but will, subject to the discretion of such court, remain in full force and effect, and any invalid or unenforceable provision will be deemed, without further action on the part of the Parties, amended and limited to the extent necessary to render the same valid and enforceable and reflect the intent of the Parties.
- 19.03 Waiver. No waiver of any provision of this Agreement will be effective unless in writing, nor will such waiver constitute a waiver of any other provision of this Agreement, nor will such waiver constitute a continuing waiver unless otherwise expressly stated
- 19.04 Venue and Jurisdiction. OP and the District agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Manor County, Texas. Any action or proceeding to enforce the terms of this Agreement or adjudicate any dispute arising out of this Agreement shall be brought in a court of competent jurisdiction in Travis County or in the United States District Court for the Western District of Texas, Austin Division.
- 19.05 Governing Law. The laws of the State of Texas, without regard to its conflict of laws provisions, will govern this Agreement, its construction, and the determination of any rights, duties, obligations, and remedies of the Parties arising out of or relating to this Agreement.

- 19.06 Assignment. Except as otherwise provided in this Agreement, neither Party may assign or delegate any rights or obligations under this Agreement without the prior written consent of the other Party.
- 19.07 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.
- 19.08 Headings and Captions. The headings and captions appearing in this Agreement have been included only for convenience and shall not affect or be taken into account in the interpretation of this Agreement.
- 19.09 Competition. OP, its subsidiaries, and/or its related entities shall not fund or operate any educational institution in the District's Attendance Area during the Term of this Agreement unless such educational institution is authorized by the District.
- 19.10 Days. Any timeline in this Agreement referencing "days" shall mean calendar days unless otherwise clearly stated.
- 19.11 Notice. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, (c) United States mail, postage prepaid, registered or certified mail, or (d) via facsimile, telegram or e-mail, address as follows:

If to the OP:

Zach Craddock  
Third Future Schools Superintendent  
431 Sable Blvd.  
Aurora, CO 80011

If to the District:

Dr. Robert Sormani  
Superintendent of Schools  
10334 US 290 E  
Manor, TX 78653

- 19.12 Force Majeure. If the performance of this Agreement or any obligations hereunder is prevented by reason of epidemic, pandemic, earthquake, hurricane, fire, flood or other casualty, or due to strikes, riot, storms, explosions, acts of God, war, terrorism, governmental or court order, or a similar occurrence or condition beyond the reasonable control of the Parties, the Party so affected shall, upon giving prompt written notice to the other Party, be excused from such performance during the period of prevention. Notice must specifically reference this section and identify the start date and predicted or known end date of the Force Majeure preventing performance. To the extent that this Agreement cannot be continued due to Force Majeure, the termination provisions set forth in paragraph 3 shall apply.
- 19.13 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Entered into this \_\_\_\_ day of \_\_\_\_\_, 2025

By: \_\_\_\_\_

Dr. Robert Sormani  
Superintendent of Schools  
Manor Independent School District

By: \_\_\_\_\_

Ana Cortez  
President of the Board of Trustees  
Manor Independent School District

By: \_\_\_\_\_

CEO – Third Future Schools

By: \_\_\_\_\_

Board President, Third Future Schools Texas

## ADDENDA REFERENCE

Addendum 1: MISD Charter Policy

Addendum 2: TFS Board Adopted School Policies

Addendum 3: Student Outcome and Financial Performance  
Goals

Addendum 4: OP Governing Board

Addendum 5: School Attendance Area

Addendum 6: OP Charter Proposal (Application)

Addendum 7: Facility Plan

Addendum 8: First Year Budget

Addendum 9: MISD Menu of Services

Addendum 9A: Administrative Costs Schedule