

MEMORANDUM OF UNDERSTANDING

INDEPENDENT SCHOOL DISTRICT AND TEXO FOUNDATION

This Memorandum of Understanding, (“MOU”) dated effective on August 1, 2018 (“Effective Date”) is entered into by and between TEXO Foundation, (“TEXO”), a Texas nonprofit corporation with its principal place of business located at 11101 N Stemmons Fwy, Dallas, TX 75229 and the _____ Independent School District (the “School”), a Texas political subdivision of secondary education (collectively, the “Parties”), and sets forth the roles of the Parties in regard to the implementation of the TEXO Foundation Tiny House Building Project at _____ High School (the “Program”).

This MOU supersedes any and all previous documents or agreements defining the role or scope of involvement each Party has in support of this Program.

OVERVIEW OF THE PROGRAM / RECITALS

Students from school districts across the Dallas-Fort Worth area will compete in a tiny house building program sponsored by TEXO (the “Master Program”). The purpose of the Master Program is to provide such students with the opportunity to learn, practice, and gain experience with various construction trade skills through construction of a tiny house upon a mobile trailer platform. The Parties agree to collaborate in developing, supporting, and operating the Program.

The Master Program will consist of six teams from across Dallas-Fort Worth to be chosen by TEXO. The teams will consist of students currently enrolled in a construction program from their respective high schools. No more than Five Thousand and 00/100 Dollars (\$5,000.00) may be spent by the School or any other school participating in the Master Program on construction design elements. At the end of the school year, in approximately April or May 2019, the tiny houses built by each of the six teams will be judged upon the following criteria: timing, budget, creativity, craftsmanship, functionality, and interior design finish. Following judging and the delivery of awards based upon the foregoing criteria, each tiny house will be sold at auction.

ROLES AND RESPONSIBILITIES

A. TEXO’s Responsibilities

1. TEXO will be committed to the full implementation of the Program as outlined herein.
2. TEXO, through its member companies, will provide certain training and materials to participating schools at no cost to the School. The materials provided, training provided, and the nature of the trades involved will be decided collaboratively between TEXO and the School as the Program progresses.
3. TEXO will provide third party contractors of various trades to provide instruction, training, teaching, and/or materials to the students which shall be related to and incorporated into the construction process of the tiny house.

4. TEXO will work with the School's staff to assist the School in developing a coherent scope and plan of courses and construction program experiences to enable students to successfully meet the goals outlined in the Program model.

B. School Responsibilities:

1. School will be committed to the full implementation of the Program as outlined herein.
2. School will work with TEXO to develop a coherent scope and plan of courses and construction program experiences that enables students to successfully meet the goals outlined in the Program. School will work to develop a rigorous and engaging curriculum that prepares students for construction of the tiny house, including all trades necessary to complete construction of same.
3. School will establish a curriculum and oversight for all students at the School participating in the Program, which includes corresponding coursework, tutoring and advising related to the construction of the tiny house and the construction program.
4. School will provide a location to store and construct the tiny house during the Program, until such time as the tiny house is transported to auction. The facility will have sufficient space to support the activities and number of students described in the Program.

TERM & TERMINATION

A. Term:

The "Initial Term" of this MOU shall commence as of the Effective Date and shall terminate on May 31, 2019. The Parties shall have the right to renew this MOU for unlimited subsequent periods of one (1) year each, reckoned from the expiration of the previous term of the MOU. This MOU may only be renewed by unanimous written agreement of the Parties. The renewal options aforesaid must be exercised in writing and signed by all Parties to this MOU not later than thirty (30) days prior to the expiration of the Initial Term of this MOU or any subsequent renewal term, as the case may be. In the event the Parties do not exercise such renewal option on or before such thirty (30) day period, the term of this MOU shall expire at the end of the applicable term and this MOU shall terminate on such date and be of no further force and effect, except for any obligations which survive the termination or expiration of this MOU.

B. Termination:

This MOU may be terminated (i) immediately at any time for any reason by any Party by providing written notice to the other Party at the addresses provided below on the signature page of this MOU, or such other address as such party may have hereafter specified by written notice to the other, or (ii) at the expiration of the Initial Term, or any subsequent term in accordance with Paragraph A above.

INDEMNIFICATION

The Parties agree to indemnify and hold the other Parties (“Indemnified Parties”), their officers, directors, agents, partners and employees, harmless from all costs, claims, judgments, damages, fines, suits, levies, proceedings, actions or causes of action, of any kind and of whatsoever nature, whether in contract or in tort, including, but not limited to, court costs, litigation expenses and reasonable attorneys’ fees (including reasonable attorney’s fees upon appeal) (collectively, “Claims”), arising from, growing out of, in connection with, or incidental to (a) such Party’s activities, operation, management or supervision pursuant to this MOU, except with respect to such Indemnified Party’s sole negligence, willful misconduct or gross negligence, or (b) the breach of that Party’s obligations under this MOU to the extent permitted by Texas law.

MATERIALS, EXPENSES, AND PROCEEDS

A. Materials

- (i) TEXO hereby agrees to provide the School with one (1) 8’ x 16’ trailer (or such other size as TEXO deems appropriate) for use in construction of the tiny house. The School shall have a license for use of the trailer and construction of a tiny house on the trailer and any incidental actions reasonably related thereto; however, TEXO shall retain ownership of the trailer and any tiny house constructed thereon. The School shall be obligated to maintain possession of the trailer from the time of delivery by TEXO, until such time as the trailer/tiny house is delivered to auction upon completion of the tiny house. The School shall be responsible for storage, maintenance, care and construction related to the trailer and the tiny house after delivery of same to the School.
- (ii) In addition, TEXO shall make a good faith effort to donate or cause third parties to donate to the School, certain materials to be used in connection with construction of the tiny house. However, TEXO shall not be obligated to donate all materials necessary to complete construction of the tiny house. TEXO makes no representation or warranty as to the amount, type, style, quality or characteristics of any materials which will be donated to the School and the School agrees to take the materials as-is, where is and with all faults.
- (iii) TEXO also agrees to provide instruction and training from various trades and construction industry professionals throughout the Initial Term or any subsequent term of the Program. Such instruction and training shall be at TEXO’s sole discretion as to the amount of instruction and training, the timing of such instruction and training, and the identity of such persons to provide the instruction and training. TEXO and the School agree to work in good faith together to reach a mutually agreeable schedule for coordinating any instruction and training, including the date, time and place of such instruction and training.

B. School Obligations

- (i) The School shall be responsible for storing or parking the tiny house to avoid damage, destruction, vandalism, or theft of the trailer, materials, or tiny house during the Initial Term or any subsequent term of the Program. TEXO shall in no way be liable for any damage or destruction of the trailer, construction materials, property, or tiny house from the time TEXO delivers possession of the trailer to the School until such time as TEXO retakes possession of the tiny house at the end of the Initial Term or any subsequent term of the Program.
- (ii) The School shall be responsible for providing instruction, teaching, oversight and supervision of all persons taking part in the Program and during the construction of the tiny house, including the day-to-day construction oversight of the building process. The School acknowledges and agrees that TEXO shall have no responsibility or obligation to supervise, oversee, or in any way ensure safety of the students taking part in the Program. THE SCHOOL HEREBY AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS TEXO AND ITS AFFILIATES, MEMBERS, PARTNERS, CONTRACTORS, EMPLOYEES, OFFICERS, AND OWNERS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, COSTS, DAMAGES, JUDGMENTS, AND LIABILITIES INCLUDING BUT NOT LIMITED TO THOSE RELATING TO BODILY INJURY, PERSONAL INJURY, DEATH, AND PROPERTY DAMAGE, ARISING OUT OF OR RELATED TO THE PROGRAM, CONSTRUCTION OF THE TINY HOUSE, OR ANY FAILURE OF THE SCHOOL TO COMPLY WITH ITS OBLIGATIONS HEREUNDER to the extent permitted by Texas law.
- (iii) The School shall procure and maintain throughout the Term of this MOU, at its sole cost and expense, general liability insurance and property insurance in such amounts as reasonably necessary covering all claims in any way related to or arising out of the Schools performance of the Program, construction of the tiny house, ~~and the student's performance of work related to same.~~

C. Sale and Proceeds

- (i) Upon completion of the Program, TEXO shall have the right to retake possession of the trailer and the tiny house constructed by the School on the trailer. In that regard, any materials incorporated into construction of the tiny house and any property incorporated into the tiny house shall become the property of TEXO and TEXO shall have all rights, title, and interest related thereto. The School hereby covenants and agrees to cooperate with TEXO and to execute any such instruments, documents of title, releases, and resignations, and take any such actions as may be reasonably requested and deemed reasonably necessary by TEXO to effectuate the consummation of the transactions contemplated herein, including without limitation, the irrevocable assignment, bargain, transfer, sale and conveyance of rights or claims of School in the property transferred, or the releases, covenants and indemnifications contemplated herein. In that regard, TEXO shall have the right to sell and transfer ownership and title of the tiny house to a third party purchaser.
- (ii) With respect to the sale of the tiny house, after completion of construction of the tiny house, TEXO shall cause the tiny house to be transported to an area of its

choosing for judging and auction. TEXO shall have sole discretion on the manner and place in which the tiny house shall be sold at auction.

- (iii) In consideration for its participation in the Program, TEXO shall retain ninety-five percent (95%) of the auction sales price of the tiny house actually received by TEXO, conditioned upon full payment of the auction sales price in good and available funds.
- (iv) In consideration for its participation in the Program, the School shall be entitled to five percent (5%) of the auction sales price of the tiny house actually received by TEXO, conditioned upon full payment of the auction sales price in good and available funds. Such amount shall be paid to the School within a reasonable time after full and final payment of the auction sales price by the purchasing party at the auction.

TINY HOUSE MINIMUM REQUIREMENTS

The tiny house shall comply with the Design Guidelines as set forth on the attached Exhibit "A".

GOVERNING LAW AND VENUE

This MOU is made in Texas and shall be governed by and construed in accordance with the laws of the State of Texas without reference to choice of law principles. In the rare event that any legal action should arise out of or relating to this MOU or the relationship it creates, the Parties agree that such action shall be heard in Denton County, Texas.

MODIFICATION

Any modification or amendment of this MOU must be in writing, approved and signed by all Parties.

MISCELLANEOUS PROVISIONS

- A. Parties to this MOU warrant that their obligations shall be performed with due diligence in a safe and professional manner and in compliance with any and all applicable statutes, rules and regulations.
- B. In the performance of their obligations under this MOU, Parties to this MOU shall act fairly and in good faith. Where notice, approval, or similar action by any Party hereto is permitted or required by any provision of this MOU, such action shall be in writing and shall not be unreasonably delayed or withheld.
- C. By entering into this MOU, the Parties do not create any obligations, express or implied, other than those set forth herein, and this MOU shall not create any rights in any persons or entities who are not parties to this MOU.
- D. Parties to this MOU shall not discriminate on the basis of race, color, religion, gender, national origin, age, disability, sexual orientation, gender identity, gender expression, or any other basis

prohibited by law.

- E. The recitals to this MOU are incorporated herein by reference to the same extent and with the same force and effect as if set forth fully herein.

SIGNATORY CLAUSE

The individuals executing this MOU on behalf of _____ Independent School District and TEXO acknowledge that they are duly authorized to execute this MOU. All Parties hereby acknowledge that they have read, understood and shall comply with the terms and conditions of this MOU. This MOU shall not become effective until executed by each party. Therefore, the Parties to this MOU shall begin their respective duties only after the last party has signed and dated this MOU and provided an executed copy of same to all Parties.

EXECUTED in duplicate original counterparts effective upon the date indicated above.

TEXO Foundation

_____ **ISD**

By: _____

Its: _____

**TEXO Foundation
11101 N Stemmons Fwy
Dallas, Texas 75229**

Superintendent
_____ **ISD**

With copy to:

TEXO FOUNDATION

By: _____, _____ **[Title]** _____ **Date**

_____ **INDEPENDENT SCHOOL DISTRICT**

By: _____, **Superintendent of Schools** _____ **Date**

EXHIBIT "A" DESIGN GUIDELINES

The School shall select one of the four tiny house design plans which are available from TEXO and complete the building project on or before April 26, 2019. Listed below are the minimum required elements that the tiny house must include:

- (i) **Electrical:** 30 amp twist lock male inlet socket and Panel w/ AFCI breakers, 6 duplex receptacles (2 w/ GFCI protection), 4 light switches (2 3-way switches), 1 exterior light, 2 interior light fixtures.
- (ii) **Plumbing:** city water flange w/ hose connection, 1 sink fixture, 1 vent, exterior bib, water shut off, drain, trap, must be able to run cold and hot (optional: water heater)
- (iii) **Framing:** per layout / lumber provided – include suggestions and tips.
Connection to pull up to trailer
- (iv) **Roofing:** flashings, roof – students can select materials – leak test, rainwater collection / gutters
- (v) **Glass & Doors:** 1 exterior door, 2 windows
- (vi) **Drywall:** wall covering, insulation (if considered a living space)
- (vii) **Floors:** flooring materials of choice
- (viii) **Exterior Finish:** must be covered
- (ix) **Painting:** optional