

AGREEMENT BETWEEN MIDLAND ISD AND REACH Network

This Agreement (the “Agreement”) is made and entered into as of March 25, 2019 (“Commencement Date”) by and between MIDLAND INDEPENDENT SCHOOL DISTRICT, a public independent school district and political subdivision of the State of Texas, (“MISD”) and REACH Network, a Texas non-profit corporation (“Operating Partner” or “OP”) (together, the “Parties”) to operate REACH Network inclusive of Goddard Junior High School (the “School”) beginning on July 1, 2019. 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 85th Texas Legislature in 2017, codified as Texas Education Code (“TEC”) §§ 11.174 and 42.2511 (“SB 1882”), which allows this cooperative partnership between a public education institution and a non-profit corporation to operate an in-district charter authorized under TEC Chapter 12, Subchapter C. Both Parties intend that a new specialty purpose nonprofit shall be created to serve as the Operating Partner and may modify or assign this Agreement as necessary to accommodate this intention.

ARTICLE I. RECITALS

- 1.01 Independent School District. Midland ISD is an independent school district created in accordance with the laws of Texas.
- 1.02 Authority to Contract. The Board of Trustees of the MISD is empowered by Texas Education Code (“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 Statutory Authorization. This Agreement is made pursuant to and in accordance with SB 1882, which allows school districts to partner with either an open-enrollment charter school or other eligible entity to operate a district campus, including an in-district charter as in this Agreement.
- 1.04 Non-Profit Organization. REACH Network is an organization that is exempt or has applied for exemption from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)), and is hereby contracted to operate a charter granted to the School under TEC Subchapter C, Chapter 12 and is eligible under TEC §§ 11.174 and 12.101(a) to operate the School. REACH Network, including its officers, employees and staff shall be considered the “Operating Partner” or “OP” for purposes of this agreement.
- 1.05 Charter Granted & Term of Charter. On this Commencement Date, the District hereby grants the School a charter in accordance with and under TEC Chapter 12, Subchapter C, specifically §§ 12.052, 12.0521, or 12.0522. This is not an in-district charter with the lowest performance rating in accordance with TEC § 12.0522(c), such that this Agreement is subject to the 15% limit in TEC § 12.0522(c). The District shall 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, 2019 and expires on June 30, 2029 unless the specified performance goals set forth in **Addendum A-3** are substantially met, as determined by the Board of Trustees of the District in accordance with TEC § 12.0531. Failure of the Texas Commissioner of Education to approve the Parties’ relationship as an eligible partnership under TEC 11.174 shall render this Agreement null and void.
- 1.06 Consultation. The District has consulted with campus personnel regarding provisions to be included in this Agreement. The District’s consultation with campus personnel occurred at a meeting on February 12-13, 2019 whereby personnel were able to ask questions and receive information. At that meeting, the District informed campus personnel of the opportunity to apply

for an “assignment” at the School and campus personnel understand that all assignments shall be determined by OP and the District (as detailed in Article IX below) and that OP may have a separate Employee Handbook than what is required of the District. The District recognizes that all rights and protections afforded by current employment contracts it has with personnel shall not be affected by this Agreement.

- 1.07 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 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 primary purpose of this Agreement is to improve student outcomes by allowing the District to partner with OP to operate the School as an independent campus 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 Continuation of Agreement for the Benefit of Students. The Parties intend that this Agreement shall continue in effect for an initial five-year term and may be renewed for successive 3-year terms in accordance with the provisions of Article IV.

ARTICLE III. DEFINED TERMS

- 3.01 School Campus. “School Campus” “or School” has the meaning assigned in the Texas Administrative Code Title 19, § 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 campus operations.
- 3.02 Facilities. “Facilities” are defined as the building(s) located on the School Campus 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, representation, warranty, provision, or covenant contained in this Agreement, including without limitation any failure by either Party to meet generally accepted fiscal management and government accounting principles, or comply with all Applicable Law under Paragraph 3.04.
- 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 under Paragraph 4.01.

ARTICLE IV. TERM AND TERMINATION

- 4.01 **Term.** The term of this Agreement shall begin on the Commencement Date and end on June 30, 2024(“Term”). At the end of the Term, and if the Agreement has not been terminated, then the Parties may elect to renew this Agreement for another three (3) years. This Agreement is subject to the termination provisions detailed in this Agreement.
- 4.02 **Notice of Non-Renewal.** If this Agreement has not been terminated *and* the District anticipates opting to not-renew the Term of this Agreement, then no later than February 1, 2024 , the District shall notify the OP in writing of its intent to not-renew this Agreement. If the District does not notify the OP in writing by February 1, 2024 of its intent to non-renew this Agreement, then this Agreement will automatically renew for a three-year term.
- 4.03 **Termination Right to a Public Hearing.** If the School successfully achieves the student outcome goals specified in **Addendum A-3**, attached, the District must hold two public hearings at least one week apart and at least sixty (60) days prior to any District action to terminate the Agreement. At least one of the two public hearings shall be held at the OP’s campus on a weeknight with at least five (5) days’ notice to OP and the Public. If the School fails to achieve the student outcome goals specified in **Addendum A-3**, the District shall not extend this Agreement without a public hearing at least sixty (60) days prior to any District action to extend or renew this Agreement. Only after conducting the above required public hearing(s), may the District’s Board of Trustees schedule a meeting to take possible action on termination. Any deliberations among and action taken by the Board of Trustees shall be conducted in open session with specific notice on the Agenda(s) that the Board is considering and may take action on OP’s contract. A decision by the Board of Trustees to terminate or non-renew this Agreement pursuant to this subsection shall be accomplished with the vote and decision of the Board being confirmed through a Board meeting and Board vote. If the Board takes action to terminate this contract after August 1 of any school year, the termination will be effective on June 30th of the following calendar year.
- 4.04 **Termination by Mutual Consent.** This Agreement may be terminated at any time by mutual written agreement of OP and the District without penalty if termination is effective no sooner than the end of the then current school year if classes for the year have already commenced.
- 4.05 **Termination for Cause.** Either Party may terminate this Agreement if the other Party fails to remedy a Material Breach of this Agreement within 120 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 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 a transition fee of \$15,000 as liquidated damages. If the District terminates this Agreement because of OP’s Material Breach that is not cured, then OP shall pay the District a transition fee of \$15,000 as liquidated damages. The Parties acknowledge that actual damages, in the event of a Material Breach by the other party, are uncertain and would be difficult to ascertain, but that actual damages likely include, but are not limited to, losses and costs relating to contracts and service agreements exposure and potential defaults with third parties, loss of revenue, personnel costs with reductions in force, transition costs, infrastructure and operational systems costs, etc. Based on the above considerations, both Parties agree that it is reasonable for the Parties to be paid in the amounts set forth above and that such amounts are intended by the Parties as compensatory and not punitive. .
- 4.06 **Termination Related to Academic Performance.** The District may terminate this Agreement if the School fails to achieve the student outcome goals specified in **Addendum A-3** for three

consecutive years of the school operating under this agreement or fails to achieve four out of the five of the same student outcome goals specified in **Addendum A-3**, attached, after the third year of School operation under this Agreement for three or more consecutive years. 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. Termination under this section must be preceded by the public hearing and voting process detailed in this Article.

- 4.07 Bankruptcy; Dissolution. This Contract will terminate immediately upon the (i) filing by any party of a voluntary petition in bankruptcy; (ii) adjudication of such party as bankrupt; (iii) the filing of any petition or other pleading in any action seeking reorganization, rearrangement, adjustment, or composition of, or in respect of such Party under the United States Bankruptcy Code or any other similar state or federal law dealing with creditors' rights generally; or (iv) the permanent dissolution of OP, or any valid assignee of OP, as a corporate entity.
- 4.08. 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, including the repeal of authority for the District to grant a charter pursuant to Texas Education Code §§11.174 and 42.2511, the Parties shall renegotiate the Agreement in good faith to resolve the matter. If the Parties cannot resolve the matter within 60 days of the change in Applicable Law, then either Party may terminate this Agreement at the end of the current school year.
- 4.09 Termination by OP. OP may terminate this Agreement for any reason, at its sole discretion, effective at the end of the OP's then- current school year, provided that OP provides written notice to the District a minimum of 120 days prior to the last day of OP's school's academic year. A decision by the OP's Board of Directors to terminate this Agreement pursuant to this subsection shall be accomplished with the vote and decision of the Board being confirmed through two meetings and two votes of the Board held at least five (5) business days apart. If the Board takes action to terminate this contract after August 1 of any school year, the termination will be effective on June 30th of the following calendar year.
- 4.10 Termination for Non-Appropriation. The obligations for payment by the District to OP under this Agreement constitute a commitment of current revenues only and does not create an impermissible debt. Likewise, the obligations of OP to expend any public funds for the School Campus costs and expenses constitute a commitment of current revenues only and does not create an impermissible debt. Either Party may terminate this Contract at the end of that party's next fiscal year in the Event of Non-Appropriation. As used herein, the term "Event of Non-Appropriation" shall mean the failure of either or both Parties to be appropriated any funds by the Texas Legislature. In the preceding sentence, the term "any funds" does not mean any funds allocated to district-charter partnerships. It means "any funds" allocated to either or both Parties. In other words, an Event of Non-Appropriate does not occur until either party receives or both parties receive zero funding from the State of Texas. In the Event of Non-Appropriation, each Party shall give as much notice as reasonably possible but, in no event, will give written notice less than forty-five (45) days before the end of the then current fiscal year.

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 MISD and shall 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 other than what is specifically stated in this Agreement. Furthermore, both Parties shall represent to third parties and shall disclaim to such third parties, the extent of that Party's binding authority, which must be approved by the Parties' respective governing boards held in accordance with the Texas Open Meetings Act (appearing in 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, nor has the right or authority to exercise any common control of any other Party. Nothing herein shall be construed to create a partnership or joint venture by or between MISD 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 are not exempt; record retention laws and conflicts of interest laws under the Texas Local Government Code; the Texas Local Government Code, to the extent it applies to school districts; 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 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 campus in this Agreement. The Parties agree that certain laws and regulations that apply to other school within the District may not apply to the School or their operation as a consequence of the grant of a campus charter under Texas Education Code, Chapter 12. Additionally, the School continues to be exempt from any law or regulation from which MISD is exempt under the terms of its Local Innovation Plan adopted under Texas Education Code (TEC) Section 12A.005. 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 governing body or school shall apply to the School or their operation.

- 6.03 Immunity. Nothing contained in this Agreement shall be read to waive the immunity granted by TEC, Chapter 22, Subchapter B, and TEC, Chapter 12, Subchapter C. The Parties acknowledge, stipulate and agree that this Agreement is a contract for goods and services subject to Chapter 271, Subchapter I of the Texas Local Government Code in that OP is providing goods and services to the District, that the District is providing goods and services to OP, that this Agreement is duly authorized and properly executed by both Parties, and that immunity is waived as between the Parties for purposes of adjudicating any future claim for breach of this contract.

ARTICLE VII. GOVERNING POLICIES

- 7.01 Limitation on Authority. An educational or administrative service necessary for operation of the School, but not specifically reserved for MISD 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. Neither this paragraph nor this Agreement prohibits MISD from contracting with another entity for the provision of services for the campus. Any and all services contracted for or performed for the School must be made in accordance with the responsibilities detailed in this Agreement.
- 7.02 Policy Election. OP shall operate in accordance with the District's Charter Policy specified in **Addendum A-1** and other policies specified in **Addendum A-2**, as they currently exist or as they 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, other than the policies specified in **Addendum A-2**. All policies adopted by OP shall comply with Applicable Law.
- 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 are exempt from all MISD 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. If MISD 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 MISD notifies the School otherwise in writing within 60 days of the waiver's application to the other MISD 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. The MISD Superintendent or designee shall develop a School Performance Framework (“SPF”) by which all charter school and programs will be evaluated, including the School. The SPF will inform MISD decisions related to campus replacement, restart, or closure. Performance objectives may include, but not be limited to, student proficiency, academic growth, and college readiness. Additional objectives as well as a timeline may be developed for charters established at campus that do not meet state accountability standards.
- 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** and **Addendum A-4** will be determined using the methods, indicators, and timelines specified in that Addendum. OP agrees to work to provide financial reports in coordination with MISD. OP also commits to use substantially all funds received pursuant to this Agreement towards the School.
- 8.03 Performance Consequences. The Parties agree to specific consequences in the event that the OP does or does not meet the annual academic or financial performance expectations and goals described in **Addendums A-3, A-4** and **A-5**.
- 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 **Addendum A-4** 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 under **Addendum A-3**.

ARTICLE IX. RESPONSIBILITIES

- 9.01 OP Responsibilities: The OP shall have the sole authority over matters involving academic curriculum and the instructional program (except for Special Education as detailed in Paragraph 9.02.2 below). In accordance with Paragraph 11.01, OP shall have sole authority to select, reassign at the School, or request removal by the District of District employees. OP shall have sole authority to hire or terminate OP’s employees. OP must employ at least one employee at the School.
- 9.01.1 *Administration.* OP shall select and manage the School’s Chief Schools Officer (CSO), who shall be employed solely by the OP.
- 9.01.2 *Teaching Staff.* The OP shall have full and complete authority over staffing decisions at the school. District employees shall have the opportunity to apply for an assignment to the REACH Network. All assignments and rescissions of such assignments to the REACH Network shall be determined by the OP.
- 9.01.03 *Current District Employees.* This Agreement shall not affect the rights and protections afforded by current District employment contracts or agreements between the District and its contract employees pursuant to TEC §11.174(c). All employees originally employed by the District and on assignment at a REACH Network School shall remain District employees and will work under the contractual and termination obligations of the District. The OP shall have final authority over which employees are hired or assigned to work at REACH Network Schools, which may include non-District employees. However, any proposed adverse action against an employee,

including, but not limited to non-renewal or termination, must be done in accordance with the District's contractual policies and administrative procedures and in compliance with state and federal law. A reassignment from a REACH Network school to another assignment within the District shall not be considered an adverse employment action.

9.01.3 *Miscellaneous*. A person may not be employed by or serve as a teacher, librarian, educational aide, administrator, or school counselor for REACH Network Schools unless the person meets TEA requirements following a review of the person's national criminal history record information as provided by TEC §§ 22.0834 and 22.0832 (to the extent applicable). REACH Network Schools may contract with the District to perform all criminal history background checks required by Applicable Law. If REACH Network Schools does not contract with the District to perform criminal history background checks, REACH Network Schools must perform these checks itself. REACH Network Schools and the School's employees shall adhere to the laws in Senate Bill 7 in the 85th Texas Legislature and codified in TEC §§ 21.006 and 22.087, and shall adhere to any District policies relating to TEC §§ 21.006 and 22.087.

9.01.4 *Legal Issues with District Employees*: Any and all legal issues that may arise with the District's employees with regard to their working relationship with **REACH Network Schools** shall be handled by the District's legal counsel at the District's cost. Similarly, any and all legal issues that arise from REACH's employees or actions shall be handled by OP and at OP's costs.

9.02 District Responsibilities: Unless otherwise agreed to by the parties, the District shall maintain control of and shall be responsible for only the services identified below. The amount the District retains for these services may not exceed the District average cost per student for similar services rendered.

9.02.1 *Maintenance*: The District shall maintain the School Campus and Facilities by overseeing and contracting for the maintenance of the campus via janitorial staff, grounds keeping, and necessary repair work. The District shall provide the utilities for operating the School and shall withhold funds for the costs associated with the same.

9.02.2 *Special Education and Section 504*: The District shall provide, maintain and oversee the School's Special Education program and programs for students with disabilities. The District and the OP shall comply with all applicable State and Federal laws, including but not limited to the IDEA and Section 504.

9.02.3 *Record Keeping*: The District shall appoint and employ the personnel responsible for maintaining necessary records at the district level, which shall include, but not be limited to, student attendance, and State and Federal funds accounting. The OP will utilize the district's Student Information System (SIS). The District will perform the same PEIMS functions, including all reporting to TEA, that it performs for all current District campus, as part of its administrative fee. The OP will also participate in the district's Unified Enrollment software system.

9.02.4 *Transportation*: The District shall provide all necessary transportation to and from the School and school related activities and to and from the School and a regular student transportation route on the days that the District is in operation. For days where OP needs transportation and the District is not operating its transportation services, OP may contract with the District for those additional services at OP's cost.

9.02.5 *Health*: The District shall determine and oversee the School's nurse and/or any other health care provider located on the District's premises.

9.02.6 *Food Services*. The District shall provide food and cafeteria services to the School in the manner detailed in this Paragraph. Food services shall be provided by the District on an annual basis effective July 1st of each year during the term of this Agreement. The District's responsibility to providing food services is for the days that the District is in operation; for days where the District is not in operation and OP needs food services, OP may contract with the District for those additional services at OP's cost. The District will not be responsible for any meals served to ineligible students by the District's food service vendor. OP is responsible for the distribution and collection of meal applications for all students. OP fully understands that ineligible School students will only be eligible for a substitute meal. If OP approves any other meals to be served at the School other than substitute meals for ineligible students, OP will bear the full responsibility for payment of those meals.

9.02.7 *Substitute Teachers*. The District shall provide substitute teachers to the School upon request by the School in accordance with District's procedures and policies and/or the procedures and policies of the District's third-party provider for substitute teachers.

9.02.8 *Miscellaneous*. The District shall staff and oversee the School's security team, registrar, secretaries, payroll, accounting staff, purchasing staff, human resources staff, and other administrative support staff.

9.02.9 *Salaries*. The District shall be responsible for all salaries, compensation and benefits of its employees assigned to REACH Network Schools and shall be responsible for maintaining necessary personnel records of District employees. Funding for all employees at REACH Network Schools shall be paid from the funds received by this Agreement and as detailed by Article 14.

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-9**. 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 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.
- 10.03 Network Chief Schools Officer ("CSO"): The Chief Administrator of the School shall be the CSO, who shall be appointed by the OP. The CSO shall oversee the School's day-to-day operations.
- 10.04 Advisory Board. At the mutual suggestion of both Parties as evidenced by the adoption of a formal resolution by each Party's governing body, the OP and the District may appoint an Advisory Board. The Advisory Board may advise both entities concerning, the School's operations, the School's rules and policies, and/or the School's budget. The Advisory Board shall consist of five (5) members: two (2) appointed by the District, two (2) appointed by OP, and the fifth member shall be appointed by the four (4) appointed members. In the event that the four (4) members cannot reasonably choose a fifth member, the two (2) members appointed by OP shall recommend a person and the two (2) members appointed by the District shall recommend a person, and the fifth member shall be selected by casting lots. Each member spot shall be replaced in the manner in which the member was appointed (e.g. if a member appointed by the District leaves, the District shall appoint the replacement member). At least a quorum of the Advisory Board shall meet on a quarterly basis to hear any matters related to the School. The District and OP shall have access to

any and all meeting minutes. No District Board of Trustees member shall serve on the Advisory Board.

10.02.1 *Chairman*. The Advisory Board shall elect a “Chairman” of the Board who shall oversee meetings and the Advisory Board. The Chairman’s term shall last one (1) year at which time the Advisory Board shall elect another Chairman. Nothing herein prevents a Chairman from having consecutive terms.

10.02.2 *Vice Chairman*. The Vice Chairman (“Vice Chair”) shall be elected by the Advisory Board at the first meeting of the Advisory Board. The Vice Chair shall stand in for the Chairman during his or her unavailability or in the event that a majority of the Advisory Board finds that there is a conflict which should recuse the Chairman from a matter. The Vice Chair shall serve a term of one (1) year. Nothing herein prevents a Vice Chair from having consecutive terms.

10.05 Grade Levels. Beginning in the 2019-2020 school year the School will serve students in grade levels 7 to 8. OP shall not change the grade levels previously served at the School without the District’s written consent.

10.06 Attendance Area. The School’s attendance area (“Attendance Area”) shall be defined as the attendance area at the time this Agreement was entered into, subject to TEC §12.065.

10.07 Enrollment Policies. Any student who resides in the Attendance Zone of the School’s campus as it existed before the operation of the School Campus under this Agreement may attend the School and may not be refused enrollment. If there are additional spots remaining then they shall be filled by the students who reside in the District and then filled by students who reside outside the District. The Parties will collaborate and agree on a process for enrollment of students into the School. In addition to the agreed-upon admission policies, the following applies:

10.07.1 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.

10.07.2 Subject to Paragraph 10.07, OP shall first admit students who were previously enrolled at the School. OP then shall admit students who are in the Attendance Zone of the School and/or who in the School’s feeder pattern.

10.08 Discipline and Expulsion Policies. Unless otherwise agreed to by the parties, the School is subject to the District’s policies governing student discipline, suspension, and expulsion.

10.09 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’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 45 days before start of school and to confer with the District prior to altering.

10.10 District Meetings, Initiatives, and Training. School staff under the supervision and control of OP will not be required to participate in District training events or other meetings unless directed by OP. OP agrees that all School staff shall comply with and receive training required by Applicable Law.

10.11 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.

- 10.12 Technology Infrastructure; Network Services. The District shall be responsible for providing, repairing, and maintaining technology infrastructure and network services at the School to the extent reasonably necessary to permit OP to establish its own internet and phone service at the School of a standard reasonably comparable to other District schools. OP shall provide the District with a list of equipment purchased and collaborate with the District to ensure consistency between the standard equipment and the needs of the School. The initial information technology equipment located at the School as of the commencement of the Term is included in the term “furnishing.”
- 10.13 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 OP or the School Campus.

ARTICLE XI. STAFFING

- 11.01 Employment. All personnel and staff originally employed by MISD may request to be reassigned to the School’s campus. OP and MISD shall have the respective authority to select personnel and staff assignments as detailed and limited by Article IX. However, OP shall have sole authority to determine whether any open positions exist in the School and shall have initial and final authority to approve the reassignment of an MISD employee applicant to the School, irrespective of seniority or other MISD-imposed criteria, as detailed and limited by Article IX. Any and all personnel and staff who are selected for reassignment to the School and who are current MISD employees shall remain MISD employees. However, OP shall have authority to supervise, manage, and recommend non-renewal of any MISD employee at the School. Only the District can non-renew its direct employee. Personnel and staff of the School that are employees of MISD are eligible to participate in the Teacher Retirement System of Texas (“TRS”) whether employed by the District or by OP; MISD shall notify TRS of its eligible employees. However, it has been explained to all assigned staff and all assigned staff understands that they may be subject to separate rules for the School and may be reassigned as determined by the OP. OP’s employees are also eligible for the TRS. OP shall notify TRS of its eligible employees who elect to participate in TRS.

11.01.1 If OP opts to remove a District employee from his/her assignment at the School during the School’s academic year for grounds that do not amount to nonrenewal or termination by the District, and the removed District employee can be assigned to another MISD campus and another MISD employee is available for assignment to the School, and no actual financial cost is incurred to the District resulting from the exchange in personnel, then OP may execute its right to reassignment at no cost to OP. If, however, OP opts to remove a District employee from his/her assignment at the School during the School’s academic year for grounds that do not amount to nonrenewal or termination by the District and an exchange for personnel at another District campus is not available resulting in an actual financial cost for the District, then OP shall pay the

replacement personnel salary through the end of the calendar year with its portion of 1882 Funds. If during the School's academic year the OP seeks to fill any vacant position at the School with another MISD employee currently assigned to an educator position, the OP must follow the District's internal procedures for mid-year employment reassignments for educators.

- 11.02 Documentation. Unless otherwise agreed to by the parties, MISD procedures surrounding employment contracts shall be applicable to all MISD employees, and as such the administration shall document employment and performance concerns in accordance with the MISD's policies specified in **Addendum A-2**.
- 11.03 Criminal History Background Checks. MISD 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 agrees to provide all information required for criminal history background checks to MISD in a timely manner. Unless contracted for by the District as stated in Paragraph 10.12, OP shall perform all criminal history background checks required by Applicable Law, including without limitation those required for vendors and contractors, and shall take action required by law upon completing the background check. OP and the School's employees shall adhere to the laws in Senate Bill 7 in the 85th Texas Legislature and codified in TEC §§ 21.006 and 22.087, and shall adhere to any District policies relating to TEC §§ 21.006 and 22.087. OP shall notify the District of any unlawful conduct or criminal misconduct discovered by or reported to the School's principal, School's CSO, or School's Advisory Board within seven (7) business days of notice. 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 also understands that the District's Superintendent may investigate and report any educator misconduct 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. OP's failure to comply with this paragraph's reporting requirements shall amount to a Material Breach of this Agreement. MISD 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 agrees to provide all information required for criminal history background checks to MISD in a timely manner.
- 11.04 Child Abuse Reporting. All MISD 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, 38.0041, and the Texas Administrative Code § 61.1051.
- 11.05 Required Credentials for School Personnel. School 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 under the campus charter or local District of Innovation plan.
- 11.06 Employment Records. MISD is responsible for maintaining the employment records for all School personnel, and all employment records of employees are the property of MISD.
- 11.07 Employee Complaints and Grievances. The Parties agree that MISD employees' complaints and grievances will be governed by MISD's policies and OP's employees' complaints and grievances will be governed by OP's policies.

- 11.08 Non-Solicitation. OP agrees it will not solicit or hire any MISD employees outside of mutually agreed upon transfer windows unless and until it receives written confirmation from MISD that the employee has been released from any contractual obligations with MISD. MISD agrees it will not solicit or hire any employee of OP, outside of mutually agreed upon transfer windows, during any school year, summer school, or after July 1 of any year, unless it receives written confirmation from OP that the employee has been released from any contractual obligation with OP. Nothing in this Agreement alters the nature of OP employees or changes the employment relationship between any employee and his/her employer.
- 11.09 Teacher Retirement System. Faculty and staff of the School are employees of MISD and will participate in the Teacher Retirement System of Texas. An employee of 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 MISD.
- 11.10 District Non-Renewal. For purposes of personnel and employment decisions under Article XI of this Agreement and unless otherwise agreed to by the parties, OP shall follow the District timelines for the non-renewal deadline which District employees will not be accepted or asked to return to the School for the following school year.
- 11.11 Nepotism Restrictions. The School shall comply with all nepotism restrictions as more fully described in **Addendum A-10**, including its ATTACHMENT, both of which are attached to this Agreement. All persons employed by School prior to the effective date of this Agreement 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 Elementary Curriculum) or § 74.3 of this title (relating to Description of a Required Secondary Curriculum), lesson plans, instructional strategies, and instructional materials, as defined in TEC, §31.002(1), to be used at that campus. 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, special education students and other statutorily defined populations (subject to the below exception for Special Education and 504 plans as detailed in Section 9.02). Per 19 TAC 97.1075(d)(7)(c), OP shall be able to contract with the District for educational programs for specific, identified groups. Therefore, OP is contracting back to MISD as set forth in Article IX.
- 12.02 Educational Plan. OP will implement the education plan described in its proposal to operate the School, attached as **Addendum A-6**. OP will ensure that curriculum satisfies the minimum requirements outlined in 19 Texas Administrative Code §§ 74.2, 74.3. OP agrees to notify MISD of any significant alteration of this plan.
- 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 state or federal law.

- 1205 Extracurricular Programming and Participation. Students enrolled at the School may join any extra-curricular activity offered to MISD 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 School leader and so long as such enrollment adheres to the rules and guidance of the University Interscholastic League (“UIL”).
- 1206 Student Behavior. Students enrolled at the School will be required to follow MISD’s Code of Student Conduct. OP reserves the right to develop its own Code of Student Conduct. OP agrees that it will not modify expulsion provisions without prior notification to MISD. OP agrees to notify MISD of any change to its expulsion provisions or other modification in writing at least 60 days in advance of implementation. OP agrees that a student shall not be suspended or expelled from the School for attendance or academic performance reasons. Any student assigned to a School can be placed in a MISD alternative setting through a process similar to the process used for all other students in the District. MISD and OP will work in good faith to implement this process fairly and effectively.
- 1207 Due Process. OP will ensure that due process is afforded with respect to student removals and expulsions.

ARTICLE XIII. FACILITIES

- 13.01 Facilities. MISD shall provide facilities, in the form of classrooms, office furniture, equipment, and storage areas for the School at no cost detailed in Article XIV, and provide utilities in accordance with Facility Plan attached as **Addendum A-7**. The parties may expand or reduce the amount of space allotted to use by OP during the term as mutually determined and agreed upon by the parties. Facilities do not include classroom materials (e.g. books, notepads, pencils, etc.) or any other resources needed for the School’s academic curriculum.
- 13.02 Ownership. The Parties acknowledge that all Facilities are owned by MISD.
- 13.03 Permitted Use. Beginning on July 16, 2019 (“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 must seek approval from MISD, and such approval shall not be unreasonably denied but any costs for such facility use shall be reimbursed to MISD by OP. Any use of the Facilities by any other individual, group, or organization shall be governed by MISD’s facilities use policies.
- 13.04 Furniture and Equipment for Classrooms and Instructional Areas. In consultation with OP regarding the furniture and equipment needs of the OP classrooms, MISD will supply 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 MISD. All District furniture and equipment currently being used at the campus shall remain at the campus unless OP notifies the District that OP does not intend to use the furniture or equipment in which case the District shall remove the furniture and equipment from the campus. OP shall be responsible for making resources available for the School’s academic curriculum, which may include but is not limited to books, notepads, pencils, tablets, etc. OP also may furnish other furniture, fixtures, and equipment, at OP’s cost and expense, as OP determines what is needed to implement the Program. The title to all furniture and equipment supplied by MISD for use by OP remains vested in MISD. The title to all furniture and equipment purchased with federal,

state, or local funds for use by OP at the School remains vested in MISD. The title to all furniture and equipment provided by OP with funds other than funds received from this Agreement remains vested in OP. OP and MISD shall tag and identify their respective property so that ownership is clear. Each Party shall maintain an inventory list of all of its assets located at the School.

- 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/removing fixtures) in or to the School's classrooms or any other part of MISD's facilities used by OP that would alter the walls, floors, or any other permanent structure of MISD's premises without written consent of MISD.
- 13.06 Order and Maintenance. Subject to Paragraph 9.02.1, OP shall keep the School's classrooms and any other portion of MISD's premises, such as office space and storage area used exclusively for OP in a neat and orderly manner. Both Parties shall comply with the Applicable Laws regarding standards of safety and health of students. MISD shall be responsible for routine maintenance and major repairs of the School including, upgrades, HVAC equipment, roof repairs, and parking lot repairs. MISD shall maintain all other portions of the School in a neat and orderly manner.
- 13.07 Utilities. MISD shall maintain responsibility for providing utilities necessary for operating the School and is responsible for the costs associated with the same. Cost of utilities will be withheld from the allocation through the administrative services charge.
- 13.08 Insurance Coverage. In addition to the requirements of Article XV 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 bound to the following:
- 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 vehicles 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.
- 13.08.3 Neither Party will be responsible for the negligence or liability of the other Party.
- 13.09 Surrender of the Facilities. On the termination of this Agreement, OP shall leave the Facilities in good condition and repair. OP shall return and surrender to MISD all exterior door keys, interior door keys, mail box keys, security access cards, and improvements that were provided to OP by MISD. The obligations under this Section shall survive the termination of this Agreement.

ARTICLE XIV. FINANCIAL MATTERS

- 14.01 The Parties understand that this Agreement allows for the School to receive the District's usual Local Funds, FSP Funds, Instructional Materials Allotment, and Federal Funds, which all students within the District receive. Additionally, this Agreement allows for the School to receive *additional* SB 1882 Funds due to this Partnership. The funding for the School is listed below:
- 14.01.1. *Local Funds.* Local funds include but are not limited to funds raised annually from property tax collections, rents, sales, fundraisers, and any other non-state or non-federal source.
- 14.01.2. *FSP Funds.* FSP funds are based primarily on the weighted average-daily-attendance ("WADA") allocation received by the District under TEC Chapter 42, Tiers I and II for students enrolled in the District and in actual attendance at the School.
- 14.01.3. *Instructional Materials Allotment.* The Instructional Materials Allotment attributable to the School shall be included in FSP Funds calculation.
- 14.01.4. *SB 1882 Funds.* The Parties understand and agree that SB 1882 Funds are separate from and additional to the FSP Funds. SB 1882 funds are expected to be awarded the District due to this Agreement.
- 14.01.5. *Federal Funds.* Federal funds include but are not limited to money allocated as entitlements to the District for Title I, Title II, Special Education, Bilingual Education and other federal programs on the basis of the student enrollment at the School Campus.
- 14.01.6. *Purpose.* Both Parties acknowledge and agree that the goal of this Agreement is to focus effort, money, assistance, and aid to the School's students.
- 14.02 District's Administrative Fee. The District's administrative fee shall be computed based 7.5% of SB 1882 funds that are generated by the School. The District shall produce and submit semi-annual financial reports for OP that depict the District's computation of its administrative fee and other revenues and distributions required by this Agreement. If, in the future, the District provides less services for the School than it is currently obligated to provide under this Agreement, then the Parties may renegotiate the District's administrative fee, which shall be agreed to by both Parties in writing.
- 14.03 FSP Funding and Local Funds for Support Services. In addition to the 7.5% administrative fee described in Section 14.02 above, the Parties understand and agree that the District shall retain necessary FSP funds and Local funds to pay for the support services the District is required to provide under Paragraph 9.02 of this Agreement. The amount the District retains for these support services shall not exceed the District's average cost per student for similar services rendered. Any unused FSP funds or Local funds, which OP is legally entitled to receive by law or by this Agreement shall be held by MISD in a designated account for the School and spent in accordance with the campus budget at OP's discretion. Such unused FSP funds and Local funds shall be serviced as a restriction of the MISD funds balance for future use for the School or until termination of this Agreement.
- 14.04 SB 1882 Funding for the School. The Parties understand and agree that the OP shall receive all of the SB 1882 funding received by the campus less an administrative fee up to 7.5% that will be paid directly to OP and the 7.5% administrative fee that will be retained by the District. The remaining SB 1882 funds shall be held by MISD in a designated account for the School and spent in accordance with the campus budget at OP's discretion. . Any unused SB 1882 funds shall be

serviced as a restriction of the MISD fund balance for future use for the School or until termination of this Agreement.

- 14.05 Individual Service Pricing. 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 Paragraph 9.02. If the District opts to publish a service menu and price list, the District must do so no later than April 1 for the following school year. OP may select any, all, or none of the published services at its own discretion.
- 14.06 Distribution of Funding Allocation. Payments of the per pupil funding allocation set forth above shall be made in monthly installments on the 1st day of each month during the term, and shall be held by MISD in a designated account for the School and spent in accordance with the campus budget at OP's discretion. Direct payments owed to OP under Section 14.04 of this Agreement shall be made in monthly installments on the 1st day of each month during the term. OP shall access its Instructional Materials Allotment and Federal Fund allotment in the same manner that all other District campuses access these funds. Payments shall commence on September 1, 2019, unless the State has yet to distribute appropriate funds to the District. In the event the State does not distribute funding to the District until after September 1, 2019, then payment shall commence three (3) days after the District receives its State funding, and the District shall be responsible for back pay to OP. The District and OP agree to work together to research potential fund sources (philanthropy, grants, etc.) that would cover potential gaps in funding based on SB 1882 Funds not being available for payroll for the CSO to remedy potential cash flow concerns.
- 14.07 Procedure for Initiating Payment. By January 31 of each calendar year under this Agreement, OP shall submit its projected enrollment for the upcoming school year to the District, which shall use the projected enrollment to calculate the monthly payments for the next school year. For the 2020-2021 school year and succeeding school years of campus operations, attendance rates and percentages of weighted students shall be calculated based on an average of the prior two (2) years.
- 14.08 Federal and State Grants. Federal and state funding must be spent as approved and designated by Federal and State agencies. 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 Campus as a result of the OP's error, then it is understood and agreed that OP shall be liable for and shall refund such amounts received. If OP obtains a federal or state grant specifically for the School Campus and for a cost originally assigned to the District, OP shall use the grant money for the cost and the District shall not pay for the cost.
- 14.09 Contracting, Purchasing and Procurement. 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.
- 14.10 Accounting and Audits. OP shall comply with generally accepted fiscal management and accounting principles. The Parties shall comply with the financial performance goals detailed in **Addendum A-4**, which shall include, but is not limited to a completion of OP's annual financial report, receipt of an unqualified audit opinion, and specific consequences in the event that OP does not meet the financial performance goals. In addition to any audits required by Applicable Law, OP shall submit to the District within 180 days following the end of each of OP's fiscal years during the Term of this Agreement, financial statements audited by an independent certified public accountant. The District shall also retain the right to conduct at its own expense its own campus

audit of the School Campus as it deems necessary. OP agrees to comply with all requests, 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 both Parties agree that any expenditures relating to this Agreement are disallowed, OP agrees to reimburse the District immediately for the requisite full amount but only if the District is required to reimburse a third party for the expense.

- 14.11. Funding Guarantee. MISD guarantees to OP that, notwithstanding changes made to the school finance system by the State Legislature or changes that occur in local property taxes or other local revenue, funding for the School each year shall not fall below the average funding for other MISD school campuses of similar student population and student demographics.

ARTICLE XV. RECORDS AND REPORTING

- 1501 Records Management System. The District shall maintain a records management system that conforms to the system required of school district under the Local Government Records Act, Section 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.
- 1502 State and Federal Reporting. OP shall report timely and accurate information to MISD as necessary for MISD to comply with all applicable state and federal requirements. OP shall report information in the manner requested by MISD and correct any demonstrable errors as requested by MISD, provided that the manner of reporting or correction requested is not unduly burdensome to OP.
- 1503 Lawful Disclosure. To the extent that OP or MISD will come into possession of student records and information, and to the extent that OP or MISD will be involved in the survey, analysis, or evaluation of students incidental to this Agreement, both parties agree to comply with all requirements of the FERPA and the Texas Public Information Act. In the event that MISD is required to furnish information or records of the School pursuant to the Texas Public Information Act, OP shall furnish such information and records to MISD, and MISD shall have the right to release such information and records. Either OP or MISD may object to disclosure of information and records under FERPA or the Texas Public Information Act.

ARTICLE XVI. INTELLECTUAL PROPERTIES

- 1601 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 MISD for the School shall be owned by MISD, and any materials created exclusively by OP for the School shall be OP's proprietary material. The Parties acknowledge and agree that neither has any intellectual property interest or claims in the other Party's proprietary materials, but each party has a license to the other party's proprietary materials so long as proper attribution is made. Notwithstanding the foregoing, materials and work product jointly created by the Parties shall be jointly owned by the Parties and may be used by the individual Party as may be agreed upon by both Parties from time to time.
- 1602 Name. OP owns the intellectual property right and interest to the name "REACH NETWORK." The Parties agree that the name "REACH NETWORK" may be used by either Party during the Term of the Agreement. The Parties agree that after the expiration or termination of this Agreement, the District

shall not use the name “REACH Network” for its own individual purposes. The District owns the names of the School and OP agrees to not use the School’s names for its own purposes after the Term of this Agreement.

ARTICLE XVII. INSURANCE

- 17.01 **Insurance Coverage.** OP shall secure and keep in force during the Term of this Agreement commercial general liability insurance coverage, including contractual coverage, automobile liability insurance coverage, and sexual misconduct and molestation coverage, with minimum liability limits of \$1,000,000 per occurrence, with a \$2,000,000 annual aggregate. MISD 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. MISD 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 MISD school. 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, MISD shall have the right to self-insure part or all of said insurance coverage in MISD’s sole discretion. In the event that MISD 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, MISD 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 MISD. Such policies shall name MISD, and such other related parties as MISD elects, as additional insureds. Similarly, MISD’s policies shall name REACH Network, and such other related parties as OP elects, as additional insureds. Evidence of insurance shall be delivered to by each party to the other party on or before the Possession Date, and thereafter within thirty (30) days prior to the expiration of the term of each such policy, or immediately upon obtaining any new policy.
- 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.
- 17.05 **Insurance Companies.** All insurance coverage described in this Article shall be obtained from companies that are authorized to do business in the State of Texas.

ARTICLE XVIII. MUTUAL INDEMNIFICATION

- 18.01 **TO THE EXTENT PERMITTED BY LAW, THE PARTIES AGREE TO COMPLY WITH THE FOLLOWING MUTUAL INDEMNITY PROVISION:**

To the extent permitted by law, EACH PARTY covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, OTHER PARTY and the elected officials, employees, officers, directors, volunteers and representatives of THE OTHER PARTY, individually and collectively, 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 EITHER PARTY directly or indirectly arising out of, resulting from or related to EITHER 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. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of EITHER PARTY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT OP AND MISD 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 MISD 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 known by that PARTY this is against THE OTHER PART and is related to or arising out of the activities under this AGREEMENT.

ARTICLE XIX. SERVICE-LEVEL AGREEMENTS

- 19.01 District Authority. To the extent that the parties agree for the District to provide services to the OP as set forth in Paragraph 9.02 of this Agreement, MISD has sole decision-making authority, regarding the delivery of any service selected by the OP. MISD shall coordinate and cooperate with OP to determine dates of contracted service at the School and OP shall allow service contractors on School grounds absent any serious and legitimate complaints or concerns. The negotiated prices for the various services to be provided are set forth in **Addendum A-8** to this Agreement.

ARTICLE XX. GENERAL AND MISCELLANEOUS

- 20.01 Entire Agreement. 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. The parties agree to discuss necessary amendments to the Agreement on the following schedule: (a) 30 days prior to the start of each school year and (b) 30 days prior to any report due to the MISD Board of Trustees on the performance of the School.

- 20.02 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.
- 20.03 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.
- 20.04 Venue and Jurisdiction. OP and MISD 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 Midland 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 Midland County or in the United States District Court for the Western District of Texas, Midland Division.
- 20.05 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.
- 20.06 Assignment. The Parties expressly agree that REACH Network may, by written agreement and with written notice to MISD, assign its interests, rights and obligations in this Agreement to another nonprofit corporation that is eligible to serve as an operating partner under TEC § 12.101. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the new operating partner and thereafter that entity shall be the “Operating Partner” as defined herein for all purposes. Upon assignment of this Agreement, REACH Network shall be fully released from any further obligations under this Agreement, except as may be expressly reserved and agreed to in writing by the Parties.
- 20.07 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns.
- 20.08 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.
- 20.09 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.
- 20.10 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:

DocuSigned by:
Penvis Evans
Mr. Penvis Evans
Executive Director
Educate Midland
3500 N. A Street - Suite 2700
Midland, Texas 79705

If to the DISTRICT:

DocuSigned by:
Orlando Riddick
Orlando Riddick
Superintendent of MISD
615 W. Missouri Ave.
Midland, TX 79701
(432) 240-1002
Email: Orlando.riddick@midlandisd.net

Entered into this 25th day of March, 2019

DocuSigned by:
By: Penvis Evans
Executive Director
Educate Midland

By: Orlando Riddick
Superintendent
Midland ISD

Amended this 3rd day of June, 2019:

DocuSigned by:
By: Penvis Evans
Executive Director
Educate Midland

DocuSigned by:
By: Orlando Riddick
Superintendent
Midland ISD

Date Signed: 6/3/2019

Date Signed: 6/3/2019

Signature Date: 6/3/2019

Signature Date: 6/3/2019

Amended on this 22nd day of July 2019:

By: [Signature]
President
REACH Network Board

DocuSigned by:
By: Orlando Riddick
Superintendent
Midland ISD

Signature Date: 7/29/19

Signature Date: 7/23/2019

Amended this 8th day of October 2019:

DocuSigned by:
By: Susannah Prucka
President
REACH Network Board

DocuSigned by:
By: Orlando Riddick
Superintendent
Midland ISD

Signature Date: 11/8/2019

Signature Date: 11/5/2019

ADDENDUMS REFERENCE

Addendum A-1: MISD Charter Policy

- Policy ELA(LOCAL) Adopted 7/ / 2018
Internet accessible MISD policies located at <https://pol.tasb.org/Home/Index/886>

Addendum A-2: Adopted School Policies

- Internet accessible MISD policies located at <https://www.midlandisd.net/domain/74>

Addendum A-3: Student Outcome Goals

Addendum A-4: Financial Performance Goals

Addendum A-5: Performance Consequences

Addendum A-6: Charter Proposal (Application)

Addendum A-7: Facility Plan

Addendum A-8: District Services and Fees

Addendum A-9: OP's Governing Board

Addendum A-10: Nepotism

ADDENDUM A-1

CAMPUS OR PROGRAM CHARTERS
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Authorization

To provide quality educational settings for all students and to obtain benefits under Education Code 11.174 and 42.2511, the District may establish partnership charters as permitted by law and as described in this policy. The District shall be committed to rigorous decision-making and shall grant campus charters only to applicants that have demonstrated the competence and capacity to succeed in all aspects of the proposed campus charter.

Definitions

“Operating Partner”

An operating partner means a state-authorized open-enrollment campus charter or an eligible entity as defined by law for purposes of contracting to partner with the District to operate a District campus under state law.

“Partnership Program”

A partnership program means a District-initiated program established in accordance with state law in which the Board contracts to operate a District campus in partnership with an open-enrollment charter school or other eligible entity as defined by law.

Compliance with Law

A partnership program shall comply with all applicable requirements of state law, any applicable grant program requirements, local criteria specified in policy, and the applicable charter performance contract. Campus charters shall comply with all federal and state laws governing such charters and shall be nonsectarian. [See EL(LEGAL)]

Application

Process

In establishing a partnership program, the District may issue requests for applications designed to identify operating partners best qualified to meet the needs of the District.

The Board shall consider an application if the applicant:

1. Meets the eligibility requirements for a campus charter in accordance with law;
2. Follows the application process established by the District; and
3. Provides assurances to the Board that the applicant will comply with the statutory and District requirements for a campus charter.

The application process shall include:

1. A comprehensive written application;
2. A rigorous review of the application by a charter application review committee;
3. A formal recommendation from the review committee to the Superintendent for approval or denial of each application;

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Content

4. A formal recommendation from the Superintendent to the Board for approval or denial of each application; and
5. A vote by the Board to approve or deny each application.

An application shall include the following, at a minimum:

1. The purpose and community need for the proposed campus charter;
2. A statement of the proposed campus charter's mission and goals;
3. Identification of the students to be served;
4. The academic plan including educational focus, program, curriculum to be offered, and a description of the proposed school day, calendar, and year;
5. The plan for meeting the needs of students with disabilities, English language learners, and other special populations;
6. The plan for measuring and reporting student achievement and increases in student achievement for all student groups;
7. The financial and business plan, including a proposed five-year operating budget and a contingency budget for lower than expected enrollment;
8. Identification and description, including the expertise and professional backgrounds, of the proposed governing body members and campus leadership;
9. The governance and decision-making plan including governing board structure, campus leadership and management structure, and organization chart;
10. Indications that the proposed governance structure is conducive to sound fiscal and administrative practices and strong, accountable, independent oversight of the campus;
11. Identification and description of any services the proposed campus charter expects to be performed by the District (e.g., transportation, food);
12. The proposed campus charter's leadership roles and responsibilities regarding personnel, the budget, purchasing, program funds, and other areas of management;
13. The campus charter's staffing and employment plan consistent with federal and applicable state guidelines, including

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due process, employment contract nonrenewal, and termination procedures;

14. Information on the qualifications, experience, recruitment, selection, professional development, and ongoing evaluation of teaching staff to be hired for the campus;
15. The proposed student recruitment, enrollment, and withdrawal processes, and a plan for ensuring equitable access in accordance with law;
16. The student discipline plan and procedures;
17. The petition indicating evidence of support for the approval of a charter as required by law, if applicable; and
18. A pre-operational start-up plan detailing tasks, responsible parties, and a timeline for completion.

Review Committee

Composition

The Superintendent shall establish a review committee to conduct a substantive and merit-focused evaluation of each application submitted in accordance with the District's published application procedures.

The review committee shall be composed of District staff and external evaluators with relevant and diverse expertise.

Conflicts of Interest

A review committee member shall disclose any potential conflict of interest with an applicant.

Review Process

The review committee may:

1. Request additional information or documents from the applicants;
2. Schedule interviews with applicants; or
3. Request that the Board schedule a public hearing to allow applicants an opportunity to present their application and campus plans to the Board and to the community before formal consideration by the Board.

Recommendations

The review committee shall provide to the Superintendent a recommendation for denial or approval of each application based on the District's established criteria. After considering the review committee's recommendation, the Superintendent shall make a formal recommendation to the Board for approval or denial of each application.

Charter Performance Contract

If the Board approves an application, the Board shall execute a written charter performance contract that includes provisions as required by law and establishes the legally binding terms under

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which the campus charter will operate and be evaluated during the charter term and for renewal.

Each charter performance contract shall address the material terms of the campus charter's operation as required by law. Each charter performance contract shall be granted for a period of up to ten years with a rigorous review every five years.

Standards

In addition to standards required by law, the charter performance contract shall include additional standards established by the Board, including expectations for academic performance, short-term financial performance, long-term financial stability, and operational and governance performance.

The performance standards shall also address expectations for appropriate access, education, support services, and outcomes for students with disabilities.

Oversight and Evaluation

Monitoring System

The Board shall implement a comprehensive performance accountability and compliance monitoring system that is aligned with the Board's performance standards and provides the Board with the information necessary to make rigorous, evidence-based decisions regarding charter renewal, revocation, and probation or other interventions. This monitoring system shall be based on and aligned with academic, financial, operational, and governance standards set forth in the charter performance contract.

To the extent possible, the Board shall minimize administrative and compliance burdens on campus charters and focus on holding campus charters accountable for outcomes rather than processes.

Data Collection

Campus charters shall provide information and data to the District pursuant to state law and the District's reporting schedule using a state-approved student management system.

The District shall require each campus charter to report its performance separately and shall hold each campus charter accountable for its performance.

Evaluation and Reports

Annually, the Board shall evaluate each campus charter against the performance standards established by the Board or law.

The Board shall communicate evaluation results to the campus charter's governing body and leadership in a written report that summarizes compliance and performance, including areas of strength and improvement. The results of all evaluations shall be made accessible to the public and available on the District website.

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	<p>The Board shall produce for the public an annual report that provides performance data for all the campus charters it oversees, including individual campus performance and overall campus charter performance. The annual report shall at a minimum be posted on the District website.</p>
Campus Charter Autonomy	<p>In accordance with law and the charter performance contract, the Board shall support the operating partner's authority over the campus charter's day-to-day operations.</p> <p>The Board shall recognize the governing board of the campus charter as independent and autonomous from the Board and District, with full authority and accountability for the campus charter's performance and operations.</p>
Conflicts of Interest	<p>The District and the operating partner shall comply with applicable conflict of interest provisions in law.</p>
Intervention	<p>The District shall give timely notice to the campus charter of any violations of the charter performance contract or performance deficiencies justifying formal intervention. The notice shall identify in writing the concerns, and, if applicable, the time frame for remediation. The notice may include additional consequences if any of the concerns are not remedied within the stated timeline.</p> <p>Depending on the severity of the concern or deficiency, the Board may place a campus charter on probation or revoke the charter performance contract, in accordance with the terms of the contract and applicable law.</p>
Probation	<p>The Board may place a campus charter on probation as permitted by law or the charter performance contract, or for failure to meet academic performance standards.</p>
Criteria	
Procedure	<p>In the event of any indication or allegation that a campus charter has committed a violation of law or the charter performance contract that may warrant probation, the District shall take the following steps:</p> <ol style="list-style-type: none">1. The Superintendent shall investigate the allegations and hold a conference with the chief operating officer and governing body of the campus charter to discuss the allegations.2. If the Superintendent determines that a violation or mismanagement has occurred, the chief operating officer of the campus charter shall respond to the allegation at the next regularly scheduled Board meeting.3. The Board shall hear the presentation and take action, if necessary, to place the campus charter on probation. If the Board

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decides to place the campus charter on probation, it must provide an opportunity for a public hearing as required by law.

4. If a campus charter is placed on probation, the campus charter must take action to remedy the identified violations or underperformance and report on the status of its corrective actions in accordance within the timeline for remediation established by the District.
5. The District shall establish a timeline for monitoring the campus charter's corrective actions and re-evaluating the campus charter's status to determine when the campus may be removed from probation or whether to consider revocation.

Revocation

Criteria

The Board may revoke a campus charter as permitted by law or the charter performance contract for failure to meet performance standards.

The Board shall revoke a campus charter if the District finds clear evidence of a campus charter's persistent or serious underperformance or violation of law, the charter performance contract, or the public trust in a way that imperils students or public funds, including any of the following:

1. Persistent or serious violation of applicable state or federal law;
2. Persistent or serious violation of a provision of the charter performance contract;
3. Persistent or serious failure to meet generally accepted accounting standards for fiscal management;
4. Persistent failure to improve student academic achievement for all student groups;
5. Failure for three consecutive years to meet the academic or financial accountability standards outlined in law;
6. Failure for three consecutive years to meet the academic or financial performance standards established in the charter performance contract;
7. Multiple placements on probation as specified in the charter performance contract; or
8. Failure of the District to obtain the benefits of Education Code 11.174 and 42.2511, if applicable.

The Board's decision whether to revoke a campus charter shall be based on the best interests of the students, including a decision by the commissioner to extend an exemption from a sanction or other

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action under Education Code 11.174(g); the severity of the violation; applicable law; and any previous violation committed by the campus charter.

Procedure

In the event of an indication or allegation that may warrant campus charter revocation, the District shall take the following steps:

1. The Superintendent shall investigate the allegations and hold a conference with the chief operating officer and governing body of the campus charter to discuss the allegations.
2. If the Superintendent determines that a violation or mismanagement has occurred, the chief operating officer of the campus charter shall respond to the allegation at the next regularly scheduled Board meeting.
3. The Board shall hear the presentation and take action, if necessary, to revoke the campus charter. If the board decides to revoke the campus charter, it must provide an opportunity for a public hearing as required by law.

In the event of a health or safety concern, the Board may immediately suspend campus operations before revocation takes effect.

Notification

If the Board decides to revoke a charter performance contract, the Board shall notify the campus charter of the action in writing. The notice shall include the reasons for the revocation and the effective date of the revocation, which shall be no later than the end of the current school year or may be effective immediately in the event of a health or safety concern.

Contract Renewal

Upon the expiration of a charter performance contract, the Board may renew the contract for up to an additional ten-year term. In accordance with law, the Board shall renew a charter performance contract only if the Board finds that the campus charter has substantially fulfilled its obligations and met the performance standards in the contract and applicable law.

The Board shall consider the following, in addition to other factors specified in the charter performance contract:

1. Multiple years and measures of performance against the performance standards and expectations established in the charter performance contract and applicable law;
2. Financial audits;
3. Performance and compliance reports, including site visit reports, if applicable; and

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- 4. The campus charter’s performance on corrective action plans or other required interventions, if necessary.

Procedure

The District shall publish the renewal application process, including the renewal criteria and timelines.

As part of the renewal application process, the District may provide each campus charter, in advance of the renewal decision, a cumulative report that summarizes the campus charter’s performance record over the contract term and states the District’s summative findings concerning the campus’s performance and its prospects for renewal.

Decision Not to Renew

The Board may choose not to renew a charter performance contract for any of the following reasons:

- 1. Failure to meet student performance standards or other obligations in the charter performance contract;
- 2. Failure to meet generally accepted accounting standards for fiscal management;
- 3. Violation of any provision of the contract or applicable state or federal law; or
- 4. Other reason as determined by the Board.

Notification

If the Board decides not to renew a contract, the Board shall notify the campus charter of the action in writing no later than the last Friday in January during the final year of the charter performance contract. The notice shall include the reasons for the action and the effective date of the campus charter closure, which shall be no later than the end of the current school year.

Closure Protocol

The Board shall develop a detailed campus closure protocol to apply if the Board decides not to renew or to revoke a charter performance contract and close the campus. The protocol shall ensure timely notification to parents including assistance in finding new placements; orderly transition of student records to the District; and disposition of campus funds, property, and assets in accordance with law. In the event of closing any campus charter, the District shall oversee and work with the campus charter’s governing board and leadership to carry out the closure protocol.

ADDENDUM A-2

Policies:

OP's Policies -The Parties have agreed that OP's policies, codes, and handbooks shall apply to all of OP's operations and to all of OP's employees, including the CSOs and other OP employed under this Agreement. These policies apply as currently written and as may be adopted or amended by the OP Board of Directors during the term of this Agreement. No MISD policies shall apply to the OP or to its employees.

MISD Employment Policies - The Parties have agreed that MISD's employment policies, codes, and handbooks shall apply to all of MISD employees assigned to the School. To the extent of any conflict between MISD employment policies and this Agreement, this Agreement shall control.

MISD Non-Employment Policies: The Parties have agreed that the following District policies, codes, and handbooks shall be applied and enforced at the School except whereas changed by this Agreement. All MISD policies and handbooks listed below include Legal, Local, Regulation, and Exhibit, when applicable. These policies apply as currently written and as may be adopted or amended by the MISD Board of Trustees for the term on this Agreement. To the extent of any conflict between the MISD Non-Employment Policies and this Agreement, this Agreement shall control.

- MISD Student Code of Conduct (which includes Student discipline)
- MISD Student Handbook
- MISD Policy Series E: Instruction
- MISD Policy Series F: Students

ADDENDUM A-3: Goddard Junior High and Bunche Elementary Student Outcome Goals

Performance Measure #1		2019-20	2020-21	2021-22	2022-23	2023-24
Campus Rating based on State Accountability Letter Grade	Bunche Elementary	D	D	C	C	C
	Goddard Junior High	C	C	B	B	B

Performance Measure #2		2019-20	2020-21	2021-22	2022-23	2023-24
Campus Rating based on School Progress Domain	Bunche Elementary	D	D	C	C	C
	Goddard Junior High	C	C	B	B	B

Performance Measure #3: Student Progress			2019-20	2020-21	2021-22	2022-23	2023-24
Goal Progress Measures (GPMs)	GPM#1: K-2 Reading on Grade Level on Multiple Measures (Fountas & Pinnell, iStation) for all students	Bunche	Percent of students reading on grade level will increase at least 2 points each year from 2018-19 baseline data.				
		Goddard	n/a	n/a	n/a	n/a	n/a
	GPM#2 K-2 Fundamental Early Numeracy Skills (Imagine Math) for all students	Bunche	Percent of students showing mastery of fundamental numeracy skills as measured with Imagine Math will increase at least two points each year from 2018-19 baseline data.				
		Goddard	n/a	n/a	n/a	n/a	n/a

ADDENDUM A-3:
Goddard Junior High and Bunche Elementary Student Outcome Goals

		Performance Measure #3: Student Progress (Cont)	2019-20	2020-21	2021-22	2022-23	2023-24
Goal Progress Measures (GPMs)	GPM #1: STAAR Percent Meets or Exceeds Progress in Reading	Bunche	61% of all Bunche students will meet or exceed progress on Reading STAAR.	63% of all Bunche students will meet or exceed progress on Reading STAAR.	65% of all Bunche students will meet or exceed progress on Reading STAAR.	67% of all Bunche students will meet or exceed progress on Reading STAAR.	69% of all Bunche students will meet or exceed progress on Reading STAAR.
		Goddard	70% of all Goddard students will meet or exceed progress on Reading STAAR.	72% of all Goddard students will meet or exceed progress on Reading STAAR.	74% of all Goddard students will meet or exceed progress on Reading STAAR.	76% of all Goddard students will meet or exceed progress on Reading STAAR.	78% of all Goddard students will meet or exceed progress on Reading STAAR.
	GPM #2: STAAR Percent Meets or Exceeds Progress in Math	Bunche	75% of all Bunche students will meet or exceed progress on Math STAAR.	77% of all Bunche students will meet or exceed progress on Math STAAR.	79% of all Bunche students will meet or exceed progress on Math STAAR.	81% of all Bunche students will meet or exceed progress on Math STAAR.	83% of all Bunche students will meet or exceed progress on Math STAAR.
		Goddard	74% of all Goddard students will meet or exceed progress on Math STAAR.	76% of all Goddard students will meet or exceed progress on Math STAAR.	78% of all Goddard students will meet or exceed progress on Math STAAR.	80% of all Goddard students will meet or exceed progress on Math STAAR.	82% of all Goddard students will meet or exceed progress on Math STAAR.

ADDENDUM A-3: Goddard Junior High and Bunche Elementary Student Outcome Goals

Performance Measure #4: Domain 3: Closing Gaps			2019-20	2020-21	2021-22	2022-23	2023-24
Goal Progress Measures (GPMs)	GPM #1: % of economically disadvantaged students in grades 3-8 who meet or master passing standards on reading STAAR	Bunche	Percent of economically disadvantaged students who reach meets or masters level performance will increase at least 2 points each year from 2018-19 baseline data.				
		Goddard	Percent of economically disadvantaged students who reach meets or masters level performance will increase at least 2 points each year from 2018-19 baseline data.				
	GPM #2: % of economically disadvantaged students in grades 3-8 who meet or master passing standards on math STAAR	Bunche	Percent of economically disadvantaged students who reach meets or masters level performance will increase at least 2 points each year from 2018-19 baseline data.				
		Goddard	Percent of economically disadvantaged students who reach meets or masters level performance will increase at least 2 points each year from 2018-19 baseline data.				

Performance Measure #5		2019-20	2020-21	2021-22	2022-23	2023-24
School Performance Framework (SPF) The SPF will be officially rolled out November 2019. Expectations for the OP will be finalized upon the publication of that rating system.	Bunche Elementary	Based on the final development of the SPF in 2019-2020 will be utilized to determine a baseline score band for the SPF.	Set specific target for SPF based on SPF development	Set specific target for SPF based on SPF development	Set specific target for SPF based on SPF development	Set specific target for SPF based on SPF development
	Goddard Junior High	Based on the final development of the SPF in 2019-2020 will be utilized to determine a baseline score band for the SPF.	Set specific target for SPF based on SPF development	Set specific target for SPF based on SPF development	Set specific target for SPF based on SPF development	Set specific target for SPF based on SPF development

ADDENDUM A-4

Financial Goals:

1. OP submits a complete annual financial report and data submitted to the District within 180 days following the end of the fiscal year.
2. OP obtains an unmodified opinion in the annual financial audit on the financial statements as a whole.
3. The audit report is free of any instances of material weaknesses in the internal controls over financial reporting.
4. The OP is in compliance with the payment terms of all debt agreements at fiscal year-end.
5. OP avoids overspending the allocated budget and operates within its means; OP's total expenditures does not exceed total revenues for the fiscal year.

Addendum A-5

Performance Consequences

The goal progress measures (Addendum A-3) will be monitored and presented to the MISD Board at least once a year. Upon reporting, if goal progress measures are not met, then OP is required to develop and implement an improvement plan which will be publicly reported to the MISD Board.

The District may terminate this agreement if the OP fails to achieve the student outcome goals specified in Addendum A-3 for three consecutive years of the school operating under this agreement or fails to achieve four out of five of the same student outcomes goals specified in Addendum 3, attached, after the third year of School operation under this Agreement for three or more consecutive years.

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 the Commissioner of Education's academic ratings or the determination of student outcome goals by the District.

The district may also terminate the agreement if the OP does not maintain the Financial Performance Goals established in Addendum A-4.

ADDENDUM A-6
Local Campus Charter Application

In order to reduce file size, the Charter application is available in another board document under "Authorization Board Agenda Item"

Addendum A-7

Facility Plan:

The REACH Network will operate at two locations:

- Goddard Junior High Campus at 2500 Haynes Ave, Midland, TX 79705 will serve students in 7th and 8th grades
- Ralph Bunche Elementary Campus at 700 S Jackson St, Midland, TX 79701 will serve students in PreK – 6th grades

Addendum A-8

District Services and Fees:

Midland ISD will be responsible for establishing a service menu of fees by April 1 of each preceding school year. The OP will have the right to select service options as needed for the operations of the campus.

ADDENDUM A-9:

Operating Partner's Governing Board

REACH Network

Susannah E. Prucka* Board Chair

Rosalind V. Perkins

Brian W. Stubbs

Julia Vickery

Addendum A-10

NEPOTISM RESTRICTIONS AT CHARTERSCHOOLS

I. NEPOTISM RESTRICTION ON SCHOOL SUPERVISORS

Principals and supervisors at a charter school may hire and/or retain employees at the same school or work location who are related within the first, second, or third degree of consanguinity or affinity. Notwithstanding this provision, principals and supervisors are subject to the prohibition against employees reporting directly or indirectly to their own relatives, as described herein:

A charter school employee shall not be assigned to work in a school, building, or department where the employee reports directly or indirectly to an administrator to whom the employee is related within the second degree by blood or marriage. If such situations develop as a result of marriage, administrative transfer due to reorganization, or similar circumstance, both of the employees involved shall bring it immediately to the attention of the appropriate administrator for resolution.

II. LIMITED NEPOTISM RESTRICTION RELATING TO THE SCHOOL'S CHIEF ADMINISTRATIVE OFFICIAL

There is no restriction against the top administrative official at a charter school, whatever the official title, (e.g., superintendent, president, founder of schools, CEO etc.) from appointing a person, to whom the official is related, to a position at the charter school, whether as an employee or as an independent contractor. However, if the person appointed to a position at the charter is related to the top administrative official by consanguinity (blood) within the third degree or by affinity (marriage) within the second degree, the official shall, before making the appointment, make a determination that the positives of appointing the person outweighs any possible negatives associated with a nepotistic appointment.

III. LIMITED NEPOTISM RESTRICTION RELATING TO SCHOOL BOARD MEMBERS

There is no restriction against the charter appointing a person, who is related to charter board member, to a position at the charter school, whether as an employee or as an independent contractor. However, if the person appointed to a position at the charter is related to a charter board member by consanguinity (blood) within the third degree or by affinity (marriage) within the second degree, the top administrative official at the school shall, before making the appointment, make a determination that the positives of appointing the person outweighs any possible negatives associated with a nepotistic appointment.

ATTACHMENT TO ADDENDUM A-10

The following illustrations depict the relationships that violate the nepotism restrictions set forth in **EXHIBIT B**.

CONSANGUINITY (Blood Kinship):

Charter School top administrative official or board member is prospective employee's:

First Degree	Parent	Child		
Second Degree	Grandparent	Grandchild	Sister/Brother	
Third Degree	Great-Grandparent	Great-Grandchild	Aunt/Uncle	Niece/Nephew

AFFINITY (Marriage Kinship):

Charter School top administrative official or board member's spouse is the prospective employee.

OR

Charter School top administrative official or board member's spouse is prospective employee's:

OR

Prospective employee's spouse is Charter School top administrative official or board member's:

First Degree	Parent	Child	
Second Degree	Grandparent	Grandchild	Sister/Brother

NOTE: The spouses of two persons related by blood are not by that fact related. The affinity chart supposes only one affinity relationship between the Charter School top administrative official or board member and prospective employee through either of their spouses.