

AGREEMENT BETWEEN HOUSTON INDEPENDENT SCHOOL DISTRICT AND FRIENDS OF THE HOUSTON ACADEMY FOR INTERNATIONAL STUDIES

This Agreement (the "Agreement") is made and entered into as of July 1, 2026 ("Commencement Date") by and between HOUSTON INDEPENDENT SCHOOL DISTRICT, a public independent school district and political subdivision of the State of Texas, ("District" or "HISD") and FRIENDS OF THE HOUSTON ACADEMY FOR INTERNATIONAL STUDIES, a Texas 501(c)(3) non-profit ("Operating Partner" or "OP") (each a Party, and together, the "Parties") to operate Houston Academy for International Studies.

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 organization authorized under TEC Chapter 12, Subchapter C.

All provisions of this Agreement shall be construed in favor of advancing student achievement, school stability, good-faith collaboration between the Parties, and the School's (as defined below) specialized academic model emphasizing international studies, global competency, and early college programming through partnerships with institutions of higher education. All provisions shall be applied in a manner that avoids unreasonable or unnecessary interference with the School's academic model and its ability to consistently and effectively serve its students.

I. RECITALS

1. Houston Independent School District. The District is an independent school district created in accordance with the laws of the State of Texas ("State").
2. Authority to Contract. The District Board of Managers, having all powers of an elected Board, is empowered by TEC §§ 11.157 and 11.174, to contract with a public or private entity for that entity to provide educational services for the District.
3. Operating Partner. Friends of the Houston Academy for International Studies is an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)). HISD hereby contracts with OP to operate Houston Academy for International Studies under TEC Chapter 12, Subchapter C, and OP is eligible under TEC §§ 11.174 and 12.101(a) to operate the School.
4. Charter Granted & Term of Charter. The District hereby grants the School a charter in accordance with District policy and TEC Chapter 12, Subchapter C, specifically §§ 12.0521 or 12.0522, for the campus identified in this Agreement. The District shall ensure that the charter is properly authorized under TEC Chapter 12, Subchapter C. A charter granted herein under TEC Chapter 12, Subchapter C begins on the Commencement Date and expires on June 30, 2031, in accordance with TEC § 12.0531.
5. Consideration. In consideration of the mutual agreements set forth in this Agreement, and for other good and valuable consideration, the Parties agree as set forth below.

II. PURPOSE OF AGREEMENT

6. Contract for Goods and Services. This Agreement constitutes a contract for goods and services.
7. 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.
8. Student Achievement. The primary purpose of this Agreement is to: (i) improve and sustain student outcomes, and (ii) provide a level of autonomy to the School and its specialized academic model, 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.
9. OP Continuation of School Operations. The Parties intend for OP to continue operations of the School through June 30, 2031, and beyond pursuant to mutual agreement, in accordance with Section IV of this Agreement.

III. DEFINED TERMS

10. School. "School" shall incorporate the meaning assigned in the Texas Administrative Code ("TAC") Title 19, § 97.1051(3) and includes all components of the operation of the campus, including, without limitation, the courses taught, the instructional materials, staffing, budgetary allocations, scheduling, transportation, and other services and responsibilities associated with school operation. Herein, School shall mean Houston Academy for International Studies, 1810 Stuart Street, Houston, TX, 77004, Texas Education Agency ("TEA") No. 101912348.
11. 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, Spark Parks, and the land on which the building(s) and related improvements are located, as more fully defined in Section XIII.
12. Material Breach. "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 Section VI.
13. 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.
14. District School Board. "District School Board" shall mean: (i) the Board of Managers until the end of the State intervention as established by the TEA, or (ii) the Board of Trustees (elected school board) following the State intervention as established by the TEA. For the purposes of this Agreement, the Board of Managers retains the authority

and powers defined by the TEA and State law, and as such remains the District's signatory to this Agreement during the transition to the Board of Trustees (elected school board). The District agrees to be bound by this Agreement during the term set forth herein regardless of whether the District is governed by a Board of Managers pursuant to State Intervention as established by the TEA or by a Board of Trustees (elected school board).

15. Friends of the Houston Academy for International Studies. "Friends of the Houston Academy for International Studies" means the 501(c)(3) non-profit organization which the District has entered into a partnership with under the provisions of SB 1882. In this document, Friends of the Houston Academy for International Studies may also be known as Operating Partner or OP.
16. Board of Directors-"Board of Directors" means the members of the Board of Directors of the 501(c)(3) non-profit organization entitled Friends of the Houston Academy for International Studies.

IV. TERM AND TERMINATION

17. Term. The term of this Agreement shall begin on the Commencement Date and end on June 30, 2031 ("Term"). At the end of the Term, and if the Agreement has not been terminated, then, upon written approval of the District School Board, the Parties may elect to renew this Agreement for additional five (5) year terms. Each Party shall notify the other of its intent to renew in writing by April 1, 2031, and by April 1 for subsequent terms. Any renewal shall be in writing and signed by both Parties. This Agreement is subject to the termination provisions detailed in this Agreement.
18. Termination by Mutual Consent. This Agreement may be terminated at any time by mutual written agreement of OP and the District, so long as the effective date of the termination is no sooner than the end of the then-current school year.
19. Termination for Cause. Either Party may terminate this Agreement if the other Party fails to remedy a Material Breach (as defined below) of this Agreement within sixty (60) days written notice ("Cure Period"). The Parties will work together in good faith during the Cure Period to remedy any such breach. If the District has issued the notice of Material Breach, and the OP demonstrates substantial progress during the Cure Period toward curing the breach, the cure period shall automatically extend an additional sixty (60) days. If at any time a Material Breach jeopardizes the safety or well-being of students or is not reasonably capable of being cured within sixty (60) days, then no such notice and opportunity to cure shall be required. If the District terminates this Agreement because of the OP's Material Breach that is not cured, then OP shall pay the District for the actual transition costs of the District assuming control over the School, such as teacher salaries, all reasonable damages and losses pursuant to Service-Level Agreements, and other transition costs to support the transition after this Agreement is terminated under this Paragraph.
20. Termination Related to Performance. The District may terminate this Agreement if the School does not comply with the Performance Requirements. 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

District's receipt and the OP's receipt of the Commissioner of Education's written evaluation or the District's determination of student outcome goals pursuant to the criteria specified in Section VIII. Termination for performance shall be subject to the Probationary Period set forth in **Appendix 3**.

21. Termination Right to a Public Hearing. If the School successfully achieves the student outcome goals specified in **Appendix 3**, attached, the District must hold a public hearing at least thirty (30) days prior to any District action to terminate the Agreement. If the School fails to achieve the student outcome goals specified in **Appendix 3**, the District shall not extend this Agreement without a public hearing at least thirty (30) days prior to any District action to extend or renew this Agreement.
22. Termination Related to Closure of the School. If the School campus is ordered closed by the Texas Education Agency, or if the District School Board votes to close the school, the Agreement will immediately cease at the end of the then current academic year or upon the date of School closure, whichever comes first.
23. Termination Related to Defunding. Either Party may terminate this Agreement if the monies necessary to fund the payments required under this Agreement are no longer available from the state or federal government. Termination related to defunding shall not be effective before the end of the current school year.
24. Probationary Period; Notice and Opportunity to Cure. Prior to the District issuing written notice of termination of this Agreement for cause or for failure to meet Performance Requirements, except as expressly provided below, the District shall place the OP on probationary status and provide written notice specifying, with reasonable particularity, the grounds for probation, the corrective actions required, and the evidence supporting the District's determination (the "Probationary Period"). The Probationary Period shall be at least sixty (60) calendar days from the date of written notice, unless a longer period is required by this Agreement or mutually agreed upon by the Parties. Prior to the District determining that it intends not to non-renew the Agreement pursuant to Section 18, the District shall follow the procedures set forth in **Appendix 3** and the OP shall have the right to a reasonable cure period, an opportunity to present evidence and corrective action to the District School Board, and a meaningful opportunity to meet with the District prior to any final determination.

During the Probationary Period, the OP shall have the opportunity to cure the identified deficiencies to the District's reasonable satisfaction. The OP shall submit a written corrective action plan within a timeframe specified in the notice, and the District shall monitor progress during the probationary period in a manner reasonably related to the identified deficiencies.

If the District determines, at the conclusion of the Probationary Period, that the OP has substantially cured the deficiencies, the District shall remove the Operating Partner from probation, and the Agreement shall continue in full force and effect. If the District determines that the deficiencies have not been cured, or have recurred, the District may proceed with termination or other remedies available under this Agreement, subject to any required public hearing or notice obligations.

25. Immediate Termination for Emergency. Notwithstanding the foregoing, no probationary period or opportunity to cure shall be required where: (a) the breach poses an immediate risk to the health, safety, or welfare of students; (b) the breach is not reasonably capable of cure; (c) the breach involves fraud, criminal conduct, or material financial mismanagement; or (d) Applicable Law authorizes immediate termination. In such cases, the District may proceed directly to termination as permitted under this Agreement and Applicable Law.
26. School Closure. So long as the Operating Partner is meeting the material obligations of this Agreement and the School is not subject to closure by the Texas Education Agency for accountability or compliance reasons, the District shall not close the School or materially discontinue its academic program during the term of this Agreement except by mutual written agreement of the Parties.
27. Change in Applicable Law. If any change in Applicable Law that is enacted after the Commencement Date could reasonably be expected to have a material adverse effect on the ability of any Party to carry out its obligations under this Contract, the Parties shall renegotiate the Agreement in good faith to resolve the matter. If the Parties cannot reasonably negotiate the Agreement within sixty (60) days of the change in Applicable Law, then either Party may terminate this Agreement without penalty to either Party to be effective at the end of the then current school year.

V. RELATIONSHIP OF THE PARTIES

28. Nature of Relationship. The relationship between the Parties hereto shall be that of contracting parties. OP shall operate as an independent contractor to the District and shall be responsible for delivering the services required by this Agreement. The relationship between and among the Parties was developed and entered into through arm's-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.
29. 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 accurately represent to third parties the extent of that Party's binding authority, which requires approval by the Parties' respective governing boards at meetings held in accordance with the Texas Open Meetings Act (appearing in minutes of such meeting) and as agreed to in writing by the Parties.
30. 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 joint venture by or between the District and the OP.
31. Assurance of Independence. The OP's Board of Directors shall remain independent of the District and shall not be comprised of any members of the District's Board of Trustees, the District's Board of Managers, the District's Superintendent, or any District or School staff member responsible for granting this Agreement. Further, no member

of the OP Board of Directors is or will be related within the first degree of affinity or consanguinity with any members of the District's Board of Managers or District's Board of Trustees, the District's Superintendent, or any District or School staff member responsible for granting this Agreement.

VI. APPLICABLE LAWS

32. Compliance with Applicable Law. The Parties shall perform their respective obligations under this Agreement in compliance with Applicable Law, including, but not limited to, federal and State laws and rules governing public schools. The Parties stipulate that Applicable Law includes, but is not limited to, Title VI of the Civil Rights Act of 1964, as amended; Title VII of the Civil Rights Act; Title IX of the Education Amendments of 1974; Section 504 of the Rehabilitation Act of 1973 ("Section 504"); the Age Discrimination Act of 1975; the Americans with Disabilities Act; the Individuals with Disabilities in Education Act ("IDEA"); the Family Educational Rights and Privacy Act of 1974 ("FERPA"); the Every Student Succeeds Act to the extent specified in the Act; the Texas Education Code to the extent the School is not exempt; 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; and any amendments, interpretations, and reauthorizations of the foregoing.
33. Scope of Applicable Law. The Parties agree that certain laws and regulations that apply to other schools within the District may not apply to the School or its operation as a consequence of the grant of a campus charter under Texas Education Code, Chapter 12. The Parties further agree that any provision, rule, or guideline of local, State, or federal law other than those required by this Agreement and Applicable Law shall not apply to the OP, its operation of the School, or the School.
34. 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 or available under common law to either Party or to the School.

VII. GOVERNING POLICIES

35. 36. Limitation on Authority. Any and all services contracted for or performed by the District, the OP, or the School must be made in strict accordance with the responsibilities of each Party as detailed in Section IX of this Agreement. An educational or administrative service necessary for operation of the School, but not specifically reserved for the District to provide under this Agreement, shall be provided and solely managed by OP insofar as such delegation by the District to the OP 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 the provision of the service, all in accordance with this Agreement. Unless OP agrees in writing, the District has no authority to make purchases or provide services to the School that are not identified as the District's responsibility under Section IX of this Agreement.
 - a. *Operating Partner Autonomy.* Except where required by Applicable Law or expressly stated in this Agreement, the District shall not direct or

control the day-to-day educational, operational, or staffing decisions of the School.

- b. *No Implied Authority.* Any action taken by the District outside of its expressly assigned responsibilities shall be considered unauthorized and shall not bind the OP or the School.

36. Policy Election. OP shall operate in accordance with the District's 1882 Partnership Policy and Regulations, including EL (LOCAL), attached as **Appendix 1**, and other School policies specified in **Appendix 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 in writing 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. Such agreement will be documented in writing by an amendment to this Agreement executed by both Parties. Any amendment to District policy affecting the OP or the School shall not apply to the School unless mutually agreed to in writing by both Parties.
37. Adoption and Publication of School Policies. OP's Board of Directors (further described in Section X) will adopt policies addressing the requirements in the District's 1882 Partnership Policy and Regulations in **Appendix 1**, attached to this Agreement, at public meetings held in conformance with requirements of the Texas Open Meetings Act, Chapter 551, Texas Government Code. OP shall have the initial, final, and sole authority for adopting policies applicable to the School, other than the policies specified in **Appendix 1** and **Appendix 2**. All policies adopted by OP shall comply with Applicable Law. OP will publish its adopted policies and the District policies and regulations in **Appendix 1** and **Appendix 2** on the School's website.
38. Future Waivers and Exemptions. Pursuant to 19 TAC § 97.1075(d)(6), the School is exempt from laws and rules to the fullest extent allowed by TEC, Chapter 12, Subchapter C, and is exempt from all District policies except for laws, rules, and policies that are specifically identified as applicable to the School in this Agreement and/or incorporated by reference herein. The Parties will collaborate in applying for waivers from any restrictions imposed by Applicable Law when it is jointly determined by the Parties that such waiver would expand opportunities, promote the School's specialized academic model, and/or improve and sustain student outcomes for students enrolled in the School. If the District is relieved from compliance from certain State or federal law or regulation through a waiver, adoption, or amendment of a local innovation plan under Chapter 12A, Texas Education Code, the School is automatically relieved from compliance regardless of whether such relief is addressed in this Agreement. Further, if a waiver from a District policy, procedure, protocol, or other requirement is granted to another school in the District that serves students at the same grade levels offered at the School, and the policy is not waived by this Agreement, the waiver applies to the School unless the District notifies the School otherwise in writing within sixty (60) days of the District's decision to implement the waiver to the other school(s).

VIII. PERFORMANCE REQUIREMENTS

39. Student Outcome Goals. The primary responsibility of OP under this Agreement is to ensure that the Performance Requirements specified in **Appendix 3**, or as amended, are achieved.
40. State Assessment Changes. If the TEA accountability system, rating methodology, or required assessments materially change, the Parties shall mutually, and in good faith, revise the Performance Requirements in **Appendix 3** prior to enforcement of any performance consequences. No Performance Consequence under this Agreement shall be enforced based on a materially revised TEA accountability framework, methodology, or assessment system until the Parties have mutually agreed in writing to revised performance benchmarks and the OP has been provided a reasonable period of time to comply with said revised performance benchmarks.
41. Performance Measurement, Methods, and Timeline. The Parties agree that the achievement of annual student academic and School financial performance targets agreed upon by the Parties and specified in **Appendix 3** will be determined using the methods, indicators, and timelines specified in that Appendix.
42. Performance Consequences. The Parties agree to specific, material consequences described in **Appendix 3** in the event that the OP does or does not meet the annual academic or financial performance expectations and goals described in **Appendix 3**. The Parties acknowledge that neither the OP nor the School has control over the services provided by the District.
43. Responsibilities of OP Board of Directors. The OP Board of Directors agrees that it is responsible for ensuring that the OP achieves the Performance Requirements specified in **Appendix 3** and is obligated to oversee management of the School and intervene as required to ensure that performance goals are achieved.
44. Monitoring Performance. The District shall retain the right to monitor the performance of the School and OP under **Appendix 3** to the extent necessary to fulfill its oversight responsibilities in this Agreement. Monitoring shall be conducted in a manner that is fair, objective, non-duplicative, and minimally disruptive to the School's educational program. The District shall provide reasonable advanced notice by no later than 5:00 PM on the prior business day via email to the Principal/Executive Director and OP, with confirmation of receipt, of any formal performance monitoring visit to the School. Formal performance monitoring is any observation, monitoring, or evaluation that will be considered in the evaluation of the OP and School's Performance Requirements ("Formal Performance Monitoring"). The District shall share the purpose of the Formal Performance Monitoring at the time of such visit, and share the results, conclusions, findings, and /or observations of any Formal Performance Monitoring in writing with OP as soon as any report or documentation ("Formal Performance Monitoring Report") is completed. The Operating Partner shall have the right to comment on and/or dispute any Formal Performance Monitoring Report determinations, and such comments shall be included in the final report. If the results of any Formal Monitoring Requirements are not reduced to writing, the District will verbally inform the OP of the results of such monitoring. Prior to the District's enforcement of any consequences, as a result of informal monitoring or Formal Performance Monitoring, the Parties shall, in good faith,

collaborate to resolve any issues. Any failures to meet Performance Requirements shall be addressed pursuant to the Probationary Period in **Appendix 3**.

45. Performance Evaluation. The District will cooperate with OP to exchange student and School campus information in order to facilitate the District evaluation of Performance Requirements. OP will be provided a reasonable amount of time to develop a program evaluation plan ("PEP") detailing the OP's methodology and analysis procedures for implementation of the performance goals and will submit same to the District. The PEP will be reviewed and approved by the District prior to implementation, and such approval will not be unreasonably withheld. Before any School student data is shared with the District, OP will enter into a Data Sharing Agreement with the District, outlining access, storage, use, and destruction of protected student information.
46. Performance Reporting. The OP will submit a report to the District Superintendent on a bi-yearly basis (mid-year and end of the year) that includes results on Performance Requirements under **Appendix 3**, financial status, and responses and plan to address any deficiencies noticed in the performance outcomes or identified by District staff as part of performance monitoring as outlined herein—"Bi-Annual Report"). The Bi-Annual Report will provide updates on any previously noted deficiencies. The end of the year report will detail program implementation and participation as well as available short- and long-term outcomes. The end of the year report should also provide an overview of campus expenditures, staffing overview, and any other data the OP believes would be necessary to understand the current progress of this partnership.

IX. RESPONSIBILITIES

47. OP Responsibilities: The OP will have full autonomy and sole authority over School operations, the instructional program, academic curriculum and programs. OP shall not be responsible for services purchased from the District pursuant to the Menu of Services (as defined below) or otherwise agreed upon in this Agreement. Any action not specifically prohibited by this Agreement will be deemed permitted by the OP as long as such action or actions do not violate local, State or federal law, or the District policies. OP shall have sole authority to select, reassign at the School, or request removal from the School by the District of any District employee or contractor. OP shall have sole authority regarding the employment of OP employees, including hiring, assignment, evaluation, compensation, advancement, and other terms of employment.
 - a. *Administration*. OP shall employ and manage the School's Principal, who will be employed by OP. OP shall select and manage any other role designated as an "Administrator," who may be employed by either the District or OP.
 - b. *Teaching Staff*. OP shall select, supervise, and manage the School's teachers, teaching assistants, teacher apprentices, paraprofessionals, curriculum specialists, program coordinators, and any other academic instructional role, that, in the OP's sole discretion, is necessary for the School's specialized academic model emphasizing international studies, global competency, and early college programming through partnerships with institutions of higher education. All of the foregoing shall be employed by the District.

- c. *Miscellaneous.* OP shall select, supervise, and manage the School's guidance counselors, librarians, extracurricular activity instructors, physical education instructors, and any other personnel who, in the OP's sole discretion, are necessary for the School's specialized academic model emphasizing international studies, global competency, and early college programming through partnerships with institutions of higher education. All of the foregoing shall be employed by the District. The OP will be involved in any decision regarding the placement of any unit or role deemed necessary by the District for the service of the students at the School.

- d. *Staffing Plan.* OP shall have sole non-delegable authority to determine the staffing plan and staff positions at the School, as well as compensation for same, provided funds subject to OP's control under the terms of this Agreement are sufficient to discharge all obligations associated with the staffing plan and staff positions.
 - 1. Compensation Parity; Salary Controls: OP acknowledges that the District has a legitimate interest in maintaining reasonable compensation parity across District positions and ensuring that public funds are used responsibly. Accordingly, OP agrees that compensation paid for any position substantially similar to a District position shall not exceed one hundred twenty percent (120%) of the current applicable District salary range for that position, unless expressly approved in advance in writing by the District. In determining whether compensation complies with this limitation, the District may consider job duties, required credentials, years of experience, market comparables for public school districts in the region, and the District's internal compensation practices. OP shall not restructure job titles, duties, stipends, bonuses, allowances, or other forms of remuneration for the purpose or effect of circumventing this limitation. OP shall provide the District, upon request and at least annually, a detailed compensation report for all School personnel, including base salary, stipends, bonuses, and any other cash or non-cash compensation. The District shall have the right to review such information to confirm compliance with this Agreement.

 - 2. OP further acknowledges that the only position to be designated as Superintendent or Superintendent of Schools is the HISD Superintendent.

- e. *Special Programs.* OP shall provide Special Education and inclusion services with support from the District. OP agrees to comply with best practices for Special Education services in compliance with guidance

from TEA. The Parties shall share all information necessary to coordinate Special Education services. OP shall identify and provide all Section 504 related services to students as required by Applicable Law. OP shall provide all Dual Language Education, English as a Second Language, and Special Language Programs at the School in accordance with Applicable Law. Each party shall comply with Applicable Laws, including but not limited to, IDEA and Section 504, as necessary to carry out its responsibilities under this Agreement.

- f. *Specialized Learning Environments.* The Parties shall collaborate regarding the placement of students in other District Special Education programs and facilities as determined by the Admission, Review, and Dismissal (“ARD”) committee. Special Education funds shall follow the student and be allocated to the campus implementing the student’s Individualized Education Plan (“IEP”) and related services.
- g. *Record Keeping.* District and OP will coordinate record keeping in order to comply with State law. The District will be responsible for maintaining necessary School records, which shall include, but not be limited to, student attendance, student grades, accounting for all federal and State funds used at the School, and any and all records required to be entered into TEA’s Public Education Information Management System (“PEIMS”). OP agrees to submit information upon reasonable request from the District; both parties agree to cooperate to ensure timely submission of PEIMS data in accordance with the requirements of TEA.
- h. *Health Services.* OP shall be responsible for selecting and supervising the School’s nurse and/or any other health care provider located on the campus. Upon OP’s request, the District may agree to supply nurses or other health care providers to OP for services at the School. In such cases, OP shall bear full financial responsibility for all related costs, including, but not limited to, salary, benefits, and any additional expenses incurred in providing such personnel

48. Menu of Services. The Parties acknowledge that the OP has elected the state funding calculation budget (“1882 Budget”). The preliminary budget allocation is set forth in **Appendix 7**. OP’s election of services is required no later than May 1, 2026 for the 2026-2027 school year, and by May 1, 2026 for each following year. The District agrees to provide services to the OP in three distinct categories, as set forth in more detail in the Menu of Services attached as **Appendix 6**:

- a. *Required Services.* Required Services are listed in the Menu of Services as those that the OP cannot decline to receive from the District.
- b. *Elected Services.* Elected Services are services that the District agrees to provide to the School at the OP’s annual opt-in. Optional Services are labeled in the Menu of Services as “Opt-in.”

- c. *Non-Elected Services.* Non-Elected Services are those services the OP declines to receive from the District for that academic year. The District has no obligation to provide services labeled in the Menu of Services as "Opt-in" that the OP does not select for that year. The District agrees to provide OP with the corresponding value of each service it designates as "Non-Elected." Such funds will be allocated to OP in the 1882 Budget.
- d. *Administrative Fee Services.* The Administrative Fee compensates the District for Administrative Fee Services which are core services necessary for the operation of schools within the District.
- e. *Informed Choice.* The District is responsible for clearly setting forth what is contained in each fee category to allow the OP to make a well-informed choice as to the Elected and Non-Elected Services.
- f. *Dual Credit Transportation.* The Parties acknowledge that the School operates an early college high school model that requires students to attend dual credit courses at Houston City College, and will collaborate to ensure that these transportation services necessary to support student travel between the School campus and Houston City College for participation in dual credit courses will be provided throughout the Term.

SECTION X. SCHOOL OPERATIONS

- 49. OP's Governing Board. OP represents that a true and accurate list of its current directors ("Board of Directors") is attached to this Agreement as **Appendix 4**. If there is any change to the Directors during the Term of this Agreement, OP shall provide written notice to the District of the change within thirty (30) days. No District Board of Trustees member, District Board of Managers, District Superintendent, or any District or School staff member shall serve on the OP Board of Directors.
- 50. Budgetary Authority of OP. OP has sole authority to approve or amend the budget for the School and to make expenditures thereunder relating to any matter, including but not limited to academic curriculum, the instructional program, or other matters related to OP's responsibilities and obligations under this Agreement.
- 51. OP Leadership: OP shall, in its sole discretion, hire at least one employee, including, but not limited to, the Principal, and/or Executive Director ("ED") of the School. OP shall have sole responsibility for hiring, supervising, managing, evaluating, assigning, developing, advancing, and compensating the Principal/ED, and setting all terms and conditions of the Principal's/ED's employment with OP. The Principal/ED shall be the assigned agent of the OP, who will monitor, direct, and supervise OP's staff (if any). The School's overall educational framework, mission, budgetary approval, and policies shall be developed and adopted by OP with input from the Principal/ED. The School and its subcontractors shall be subject to the direction, control, policies, practices, and procedures of the School and Principal/ED, subject to the requirements of this Agreement.

52. Grade Levels. The School will provide educational services to students enrolled in grades nine through twelve.
53. Attendance Area. The Parties acknowledge that the School is designated by HISD as a "choice school" and does not currently have an attendance area. This may not change during the term of this Agreement except by mutual consent of the Parties and subject to TEC § 12.065.
54. Enrollment Policies. School is a "choice school," as defined by the District's policy. The School will utilize the District's School Choice process for the 2026-2027 academic year. If the OP does not adopt an alternative process for enrollment of students into School for the 2027-2028 academic year prior to September 1, 2026, then OP agrees to participate in the District's School Choice process for the 2027-2028 academic year. **The Parties will collaborate and agree on a process for enrolling students in the school. If no new agreement is reached prior to September 1 of the year of implementation, OP agrees to participate in the school choice process. The District agrees not to unreasonably withhold consent so long as the proposed procedures comply with applicable law.**
55. Enrollment. For all school years after the 2027-2028 academic year, the Parties shall collaborate in good faith to finalize enrollment procedures for the School no later than September 1 of each school year to be implemented the following school year. Any enrollment procedures adopted by the Operating Partner may include enrollment priorities, timelines, and processes designed to support the School's early college program, dual-credit participation, college readiness goals, and specialized academic model.
- a. *Discrimination Prohibited*. OP is prohibited from discriminatory admission, suspension, or expulsion of a student on the basis of a student's national origin, ethnicity, race, religion, disability, gender, academic achievement, or any other criteria prohibited by Applicable Law.
 - b. *Enrolled Students*. All students currently attending the School shall be enrolled in School for the 2026-2027 academic year. For purposes of state accounting and records, the student is also considered enrolled in the District.
56. Discipline and Expulsion Policies. OP shall implement student discipline, suspension, and expulsion policies in compliance with Applicable Law, including, but not limited to, TEC Chapter 37. OP will utilize the District's Disciplinary Alternative Education Program ("DAEP") in alignment with standard District practices. OP shall re-admit students placed in the District's DAEP after completion of their disciplinary assignment. OP shall abide by all Applicable Laws concerning due process and concerning the discipline of students with disabilities.
57. Schedule. OP will have sole authority in determining the school day, school year, bell schedule, schedule for before-school and after-school services and for extra-curricular activities. OP shall collaborate with the District in reviewing the District's policies and schedules and making a good faith effort to align the School's schedule to the extent necessary to enable the District to provide transportation for students enrolled in the

School in an efficient manner. OP will not expect the same level of transportation service as currently provided if it significantly changes the start and end times of the School. "Significantly" in this context shall mean more than one (1) hour change. OP's schedule shall comply with the State's required minutes of instruction. OP agrees to provide any revised start and end times to the District no later than sixty (60) days before start of School for each school year.

58. 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 State and federal reporting requirements, definitions, and laws. Any Party's knowing failure to comply with this Paragraph 58 reporting requirements shall amount to a Material Breach of this Agreement.
59. Technology Infrastructure; Network Services. The District shall be responsible for providing, repairing, and maintaining technology infrastructure, including, but not limited to network services at the School of a standard reasonably comparable to other District schools that serve students at the same grade levels offered at the School. OP shall provide the District with a list of additional equipment purchased by OP, and OP shall collaborate with the District to ensure consistency between the District's standard equipment and the needs of the School and to ensure that any technology does not negatively interfere with the District's existing technology infrastructure or cybersecurity safety systems.
60. Media Requests. The Parties acknowledge and agree that the success of the OP requires the support of the School students, parents, and community. The Parties agree to use reasonable, good faith efforts to coordinate and 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. The Parties shall make good faith efforts to coordinate communications. This requirement does not apply to: (a) general communications regarding OP or the District that may include references to the School, or (b) crisis communications regarding the School where time is of the essence.
61. Communications. The Parties agree to jointly approve a protocol for communications within sixty (60) days of the execution of this Agreement, which deadline may be extended by mutual written agreement.

X. STAFFING

62. Employment. At the time this Agreement is executed, any employee in good standing shall continue to be employed by the District at the School. However, the OP shall have the authority to request removal or reassignment of any employees currently working at the School based on the OP's current evaluation protocols and regulations and in accordance with this Agreement. The OP will work with the District to ensure this provision is implemented with minimal disruption to staffing and maximum support for current staff. At all times, all employees working at the School, except

Principal/ED and any other employee working directly for the OP, will remain employees of the District without changes to insurance benefits, workers' compensation eligibility, or other employment benefits to which the employee is otherwise eligible. The District agrees to cooperate with OP to ensure no change to benefits is occasioned solely by this Agreement. Both Parties agree to cooperate to ensure that students in the School receive the same high-quality instruction and agree that this is best accomplished by ensuring an effective teacher in each classroom. The Principal/ED employed by the Operating Partner shall serve as the final decision-maker for campus personnel assignments and instructional practices, and the District shall not interfere with such decisions absent a Material Breach of this Agreement or violation of Applicable Law, subject to paragraph 74 (Reassignment) below.

63. School-Specific Positions and Compensation Flexibility. -The Parties acknowledge that the School has a specialized academic model emphasizing international studies, global competency, and early college programming through partnerships with institutions of higher education., and therefore the Operating Partner shall have the authority, to the fullest extent permitted by law, to create, approve, fund, and implement school-specific positions necessary to support the School's early college program, international studies focus, and student success goals.

Such positions may include, but are not limited to, college access coordinators, early college program specialists, instructional intervention staff, academic advisors, dual-credit coordinators, student success specialists, or other specialized roles not otherwise reflected in standard District position classifications. The Operating Partner may also establish compensation structures necessary to support such positions, including stipends, supplemental pay, incentive pay, retention pay, performance-based compensation, or other lawful compensation adjustments using funds available to the School.

64. Supervision. The OP has sole authority over hiring/selection, supervision, assignment, evaluation, development, advancement, compensation, continuation, and all other terms of employment with respect to OP's responsibilities detailed in this Agreement and in accordance with any of the OP's personnel policies that are not in conflict with local, state, or federal law. For the purposes of this Agreement, and except for individuals required to be employees of OP under this Agreement or Applicable Law, the term "hiring" as it relates to the School shall mean the selection of a District employee or new-hire District employee to work in the School, and such employees shall remain (or begin and remain) employed by the District. OP may independently apply for and be allocated funds available through the Texas Teacher Incentive Allotment ("TIA"), the Teacher Retention Allotment, and any similar program to the extent permitted by the Texas Education Agency ("TEA") and State law. The District agrees to process and remit stipend payments to eligible School personnel, supplemental to regular compensation, according to the OP's compensation manual and subject to Paragraph 47(d)(1).
65. Criminal History Background Checks. In addition to Paragraph 58, and unless contracted to be provided by the District, OP shall perform all criminal history background checks required by Applicable Law, including without limitation those required School personnel, employment applicants, vendors, contractors, and volunteers and OP shall take action required by law upon completing the background

check. As permitted by law, OP shall notify the District of any unlawful conduct or criminal misconduct discovered by or reported to the School's staff or other OP official within 24 hours of the OP's actual knowledge of such unlawful conduct or criminal misconduct. OP shall comply with any subsequent investigation by the District. Additionally, OP also understands that the District's Superintendent or designee may investigate and report any educator misconduct of any District employee as required by law.

66. Child Abuse Reporting. All District and OP employees working at the Houston Academy for International Studies School shall comply with all Applicable Laws governing mandatory child abuse and neglect reporting which requires a report within twenty-four (24) hours to law enforcement, including Department of Family and Protective Services – Child Protective Services. The OP also agrees to report such conduct to the District Employee Relations within twenty-four (24) hours of the OP's actual knowledge of such conduct so that the District's requirement to report to Texas Educational Authority within forty-eight (48) hours can be met.
67. Certified Personnel. The School's personnel shall, at a minimum, have the qualifications required by applicable law for the assigned role, except to the extent a requirement has been lawfully waived, or the individual is subject to a lawful exemption.
68. Employment Records. The District will remain responsible for employment records for all District employees and the OP agrees to cooperate as necessary to ensure the accuracy of such records.
69. Employee Complaints and Grievances. The Parties agree that the District's policies will govern any OP employees' formal grievances and complaints filed pursuant to District policies including DGBA (Personnel-Management Relations: Employee Complaints/Grievances), DIA (Employee Welfare: Freedom from Discrimination, Harassment, and Retaliation), and CAA (Fiscal Management Goals and Objectives: Financial Ethics), as they may be amended from time to time. OP policies will govern all other OP employee employment terms. OP agrees to create an employee policy manual and provide same to the District within thirty (30) days of finalization of such policy manual, which shall not be later than one (1) month prior to the start of the school year.
70. Non-Solicitation. Each Party agrees not to hire any employee from the other Party without first conducting a reference check with the employee's current supervisor (or Human Resources Department, if preferred by supervisor), and until it receives written confirmation that the employee has been released from any contractual obligations with the other Party. Both parties agree to provide such confirmation as soon as reasonably possible. For lateral hires, each Party agrees to make a good faith effort to hire any staff members making a lateral (same/similar position) transfer across organizations within a mutually agreed upon transfer window. This window will be set together annually for the coming school year before June 30; if no alternate schedule is selected, the Parties will utilize the District's transfer window for all District's employees. If a lateral transfer opportunity falls outside of the transfer window, then the current employer must determine whether to release the employee's contractual obligation. If the transfer occurs after the penalty-free resignation period, the Parties agree that the subject employee's salary cannot be

reduced as part of the transfer. For promotions, the Parties agree to make every good faith effort to hire staff applying for a promotion across organizations within the mutually agreed upon transfer window. If a promotion opportunity falls outside of the transfer window, the Parties agree to work together to ensure that the transition does not unnecessarily negatively affect student learning. Each Party agrees to work together to share recommendations regarding former employees who may be suitable for employment by the other Party. For clarity, only the Principal/ED and any other administrative employees deemed necessary by the OP shall be employed by the OP.

71. Teacher Retirement System. An employee of the OP is eligible for membership in and benefits from the Teacher Retirement System of Texas if the employee would be eligible for membership and benefits if holding the same (or substantially similar) position at the District.
72. Removal of District Personnel. OP shall have the sole authority to request the removal of any District employee or District contractor assigned to work at the School. Prior to the removal of any District employee from School, OP shall provide to the District documentation sufficient to meet the standard of termination applicable to said employee. For example, OP agrees to furnish documentation for a Chapter 21 employee requested to be removed during the year that is sufficient to establish good cause for termination of the employee's employment contract. The District shall coordinate with the OP to ensure that the OP has current and correct information regarding the required documentation for each standard of termination. The threshold of evidence needed to move forward with a good cause termination shall ultimately rest with the District Superintendent. Provided that the documentation satisfies the threshold standard for termination, the District shall grant the request within twenty (20) working days.
73. File Review/End of Year Termination. If OP intends to request removal of a District employee from the School for the upcoming year, OP agrees to participate in the District's annual file review process, which occurs from February through April each year. OP also acknowledges that notice to a Chapter 21 employee must be given at least 10 days before the last day of instruction and that approval from the District Board of Managers/Board of Trustees is required to authorize such notice. OP agrees to cooperate with the process and to submit any necessary documentation to District Legal Services for review and evaluation. If the District intends to exit a District employee from the School for the upcoming year, the District agrees to notify the OP and include the OP in the District's annual file review process.
74. Reassignment. The OP will have final authority to determine when a Chapter 21 District employee is subject to reassignment at the School, provided that such reassignment is subject to Applicable Law. If such reassignment is a result of a pending proposal to terminate the District employee's contract with the District and the case results in an adverse finding against the District, the OP agrees to return the District employee to an assignment within the same professional capacity that the Chapter 21 employee occupied prior to the proposal to terminate the Chapter 21 employee's contract. A Chapter 21 employee is defined as an employee who is certified pursuant to Chapter 21 of the TEC. If reassignment is a result of investigation, the District agrees that such investigation shall be conducted expeditiously so that a final determination of employee's status can be accomplished.

75. Employee Documentation. Each Party shall be responsible for the formal documentation of the work performance of its respective employees. OP shall collaborate with the District to provide information to the District's Human Resources Department, Legal Services, or other designee regarding the work performance of District employees assigned to work at the School.
76. Investigations. The OP acknowledges that certain situations trigger the District's legal obligation to investigate, including Title IX and discrimination complaints. The OP agrees to fully cooperate with such investigations. The District will remain responsible for conducting investigations required by Board Policy DIA (Employee Welfare: Freedom from Discrimination, Harassment, and Retaliation) and CAA (Fiscal Management Goals and Objectives: Financial Ethics). District Employee Relations will continue to serve as the clearinghouse for such investigations and will coordinate with the OP as necessary.
77. Nepotism Restrictions. The School shall comply with all nepotism restrictions. All persons employed by OP prior to the Execution Date of this Agreement will not trigger a violation of the restriction on nepotism and are exempt from nepotism restrictions.

XI. ACADEMIC PLAN

78. Curriculum and Program. OP will have sole authority to approve all curriculum decisions beyond the minimum requirements outlined in: i) 19 TAC§74.2 (relating to Description of a Required Elementary Curriculum), and ii) lesson plans, instructional strategies, and instructional materials, as defined in TEC, §31.002(1), to be used at the School. This authority includes sole authority over educational programs for specific, identified student groups, such as gifted and talented students, students of limited English proficiency, students at risk of dropping out of school, and other statutorily defined student populations.
79. Preservation of the School's Academic Model. The Parties acknowledge and agree that:
- a. the School operates a specialized academic model emphasizing international studies, global competency, and early college programming through partnerships with institutions of higher education, including Houston City College, and through alignment with the Asia Society International Studies Schools Network framework.
 - b. the School's core educational model—including its emphasis on international studies, early college coursework, dual-credit participation, global competency development, and college readiness outcomes—shall remain central to the School's program throughout the term of this Agreement.
 - c. the School's partnership with the District, and the School's students, is dependent on maintaining these programmatic elements with the support of the District.
80. Educational Plan or Academic Model. OP will implement the education plan described in its proposal to operate the School ("OP Local Campus Application"), attached as

Appendix 8. The OP will include in the OP Local Campus Application the vision for the School, including its culture, curriculum, assessment program, instructional strategies, talent recruitment and management strategies, professional development activities or programs, evidence that the aforementioned strategies and programs can be effective with the student population served at the School, and the management routine and practices to be implemented by the OP in managing the staff and academic programs at the School. OP will ensure that the curriculum satisfies the minimum requirements outlined in 19 TAC §74.2. OP agrees to notify the District of any significant alteration of this plan within ten (10) business days.

- a. Early College Program. The School operates as an early college high school designed to provide students with the opportunity to earn substantial college credit or an associate degree while completing high school requirements. The District acknowledges and supports this model and agrees to cooperate with the Operating Partner in maintaining the structures necessary for early college implementation, including scheduling flexibility, dual credit enrollment, and coordination with partner institutions of higher education.
 - b. Dual Credit Access. Students enrolled at the School shall have access to dual credit courses offered through Houston City College or other institutions of higher education as determined by the Operating Partner. The District agrees to support enrollment processes, data sharing, and scheduling coordination necessary to facilitate student participation in dual credit coursework.
81. 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.
 82. Assessments. School shall be required to take assessments required by the TEA and other applicable State or federal requirements. OP will have sole authority over the selection and administration of student assessments not required by federal or State law.
 83. Extracurricular Programming and Participation. Students enrolled at the School may join any extra-curricular activity offered by OP for its enrolled students. Students enrolled at the School may not participate in extra-curricular activities offered at other campuses within the District except as agreed to by that District campus or campuses. The District agrees to facilitate School students' participation in extra-curricular activities offered at other campuses within the District to the extent it is able
 84. Student Behavior. Students enrolled at the School will be required to follow the OP's student code of conduct ("Student Code of Conduct") as presented in its proposal to operate the School and attached as **Appendix 11**. OP agrees to notify the District of any modification of its Student Code of Conduct in writing at least sixty (60) days in advance of implementation. OP agrees that it will not modify DAEP or expulsion provisions without consent of the District; provided, however, that such consent shall not be unreasonably withheld or delayed. OP agrees that a student shall not be

suspended or expelled from the School for attendance or academic performance reasons.

85. Due Process. OP will cooperate with the District to ensure that all required due process is afforded with respect to student removals and expulsions.

XII. FACILITIES

86. Facilities. The District shall provide Facilities, in the form and condition such facilities were dedicated to use by the School prior to the Commencement Date of this Agreement, including classrooms, office furniture, equipment, and storage areas for the School. Facilities do not include classroom materials (e.g., books, notepads, pencils, etc.) or any other resources needed to deliver the School's academic curriculum.
87. The OP and the District shall collaborate in good-faith to identify an alternative facility, relocation site, or replacement campus that allows the School to continue operating its academic program without interruption and that prioritizes the School's necessity for access to its partner institutions of higher education.
88. Ownership. The Parties acknowledge that all Facilities utilized by the OP are owned or leased by the District, as the case may be. In the case of OP operating a Facility leased by the District HISD from another party, OP shall comply with all lessee/tenant requirements under such leases that fall within OP's responsibilities under this Agreement.
89. Permitted Use. During the Term of this Agreement, OP may use and occupy the Facilities solely for the operation of the School as permitted by this Agreement and Applicable Law. To the extent OP wishes to use the Facilities for educational activities, separate from the School but associated with its educational purposes, OP shall seek approval from the District, and such approval shall not be unreasonably withheld; provided, however, that OP will remain responsible for all damages or costs incurred by the District for such other use of the Facilities. Any use of the Facilities by any other individual, group, or organization shall be governed by the District's facilities use policies, provided that such use does not conflict with OP's use of the Facilities.
90. Furniture and Equipment for Classrooms and Instructional Areas. In consultation with OP the District will supply the existing furniture and equipment for School's classrooms, including but not limited to, chairs, desks, bookcases, bookshelves, file cabinets, computer tables, conference tables, and other furniture as reasonably required for the School. ("Furniture and Equipment"). Such Furniture and Equipment will be substantially the same as furniture and equipment provided in other classrooms for the same grade level and/or same subject at other District schools. OP also may furnish other furniture, fixtures, and equipment, at its cost and expense, as OP determined is required to implement OP's instructional program. The title to all Furniture and Equipment supplied by the District for use by OP remains vested in the District. The title to all furniture, fixtures, and other equipment provided by the OP, without respect to source of funds, remains vested in OP. The District shall tag and identify its property so that ownership is clear. Each Party shall maintain an inventory list of all of its assets located at the school according to its own inventory control policies.

91. Existing Furniture and Equipment. Furniture and Equipment in the identified School at the time of the execution of this Agreement shall be owned by the District and shall remain in the School unless through mutual agreement the parties decide otherwise.
92. Fixtures and Alterations. OP may attach non-permanent materials and fixtures to the walls of the School's classrooms but may not make any other alterations (including adding or removing fixtures) in or to the School's classrooms or any other part of the District's facilities used by OP that would alter the walls, floors, or any other permanent structure of the District's premises without written consent of the District.
93. Maintenance. OP shall maintain the School's classrooms and any other portion of the Facilities, such as office space and storage areas used exclusively by the OP, in a neat and orderly manner. Both Parties shall comply with Applicable Laws regarding standards of safety and health of students.
 - a. The OP shall be responsible for routine maintenance of the School, primarily cleaning and custodial services. The District shall be responsible for all capital maintenance and deferred maintenance, including but not limited to roofing, structural repairs, parking lot resurfacing, drainage correction, fence repairs, sidewalk repairs, elevator repairs, tree removal, exterior restoration, safety compliance upgrades, ADA compliance, and building system replacements.
 - b. The Operating Partners shall not be required to expend OP Funds for deferred maintenance existing prior to the Commencement Date. Any such repairs shall be funded by the District. These obligations shall not be transferred to the Operating Partner nor funded using OP Funds. The OP shall maintain all other portions of the School in a neat and orderly manner, including landscaping, mural maintenance, and other aesthetic concerns.
 - c. OP shall immediately (no later than 12 hours after discovery, except in an emergency situation) notify the District of any immediate and urgent repairs needed at the School.
 - d. *Surrender of the Facilities.* On the termination of this Agreement, OP shall leave the Facilities in the same condition in which they were received unless otherwise agreed upon in writing. Reasonable wear and tear from use will be accepted. OP shall return and surrender to the District all exterior and interior door keys, security access cards, mailbox keys, tangible personal property, equipment, furniture, technology and any other improvements that were provided to OP by the District. The obligations under this Paragraph shall survive the termination of this Agreement.

XIII. FINANCIAL MATTERS

94. Payment Sources & Structure. The Parties understand that this Agreement allows for OP to receive: (i) the funds from the TEA's Foundation School Program ("FSP Funds") for that academic year that all eligible students at the School and in actual attendance receive, (ii) federal funds received for services that all eligible students enrolled at the School receive, including Title I funds ("Title I Funds") and IDEA funds, and (iii) Senate Bill 1882 funds ("SB 1882 Funds") for all eligible students at the School under this Agreement as

described in this Section- (collectively, the "OP Funds"). For purposes of this Agreement, FSP Funds are based primarily on the weighted average daily attendance ("WADA") allocation received by the District from the State under TEC Chapter 48, Tiers I and II, for eligible students enrolled in the District and in actual attendance at the School.

95. Payment for services. It is the intent of this Agreement to ensure the OP will receive, throughout the term of this Agreement, a minimum of the same dollar amount per student of both FSP Funds and federal funds, including Title I Funds, received for the 2025-2026 school year.
96. Menu of Services. The District will annually publish a service menu and price list for educational and support services other than, or in addition to, what the District is required to provide under this Agreement ("Menu of Services"). Such services may include, but are not limited to: professional development; participation of School students in extracurricular activities at other schools; transportation for field trips; and transportation or food services needed on days in which the District is not operating. Prices for these services will be stated in a per-pupil, per-square-foot, or per-day/hour basis format. The District's pricing for services included in the Menu of Services shall not increase more than 5% per year.
97. Service Delivery Accountability. The District agrees to provide the Required Services, Administrative Fee Services, and any other Elected Services provided through the Menu of Services in a timely and professional manner and at a level reasonably comparable to the services provided to other District schools for grades 9-12 students receiving similar services. The District shall provide the Operating Partner with written notice of any changes to the Menu of Services and associated pricing no later than April 1 preceding the school year in which such changes will take effect.
98. Delay or Non-Delivery of Services. If a Required Service, Administrative Service, or Elected Service is not delivered, is materially delayed, or is provided at a level that substantially interferes with the operation of the School, the Operating Partner may notify the District in writing of the service deficiency. Upon receipt of such notice, the District shall have a reasonable opportunity to cure the deficiency. If the deficiency is not remedied within a reasonable time period, the Parties shall collaborate in good faith to determine an appropriate remedy. Such remedies may include, but are not limited to:
 - reimbursement to the Operating Partner for the cost of the undelivered or deficient service;
 - reduction or adjustment of future service charges; or
 - authorization for the Operating Partner to procure the service independently using funds that would otherwise have been retained by the District for that service.

Nothing in this section shall prevent the Parties from mutually agreeing to alternative solutions that ensure continuity of services for students.

The Operating Partner shall have the authority to review the quality, timeliness, effectiveness, and cost-efficiency of any service provided by the District under this Agreement.

If the Operating Partner determines in good faith that a District-provided service is not meeting the operational or educational needs of the School, the Operating Partner may request modification of the service, replacement of the service model, or assumption of responsibility for that service, in whole or in part, to the extent permitted by Applicable Law.

The District shall collaborate in good faith to implement such modification or transition where doing so improves service quality, responsiveness, operational efficiency, or student outcomes. Any transition of service responsibility shall be documented in writing and shall address funding, compliance, and implementation requirements.

99. District Administrative Fee. The Administrative Fee Services are outlined in **Appendix 6**. OP may not elect out of the Administrative Fee. The breakdown of the costs of the Administrative Services will be provided to the OP upon request. The District will retain 5% of all FSP Funds for the Administrative Services, which include mandatory State and federal reporting and data system administration and authorizing oversight. Both Parties acknowledge and agree that the goal of this Agreement is to focus effort, money, assistance, and aid to the School's students. The Parties agree that after two years of operation under this Agreement, they will evaluate the finances and enrollment of the School and may reasonably consider redistributing funds under this Agreement. Any such redistribution of funds must be agreed to in writing by both Parties. SB 1882 Funds shall be used to support instructional programming, staffing, and student services and shall not be required to subsidize deferred capital maintenance of District facilities.
100. Settle-up. The District budget, which includes the proposed Fee, is an estimated financial plan that is available prior to the beginning of the school year. The estimated ADA and weights will be adjusted to actuals based on October PEIMS. The actual amounts earned and expenditures charged are not fully known until November of the year following the start of the school year. An accounting of the actual amounts earned and expenditures charged (the "Settle-Up") will be completed by the District by December 15 of the year following the applicable school year.
101. Distribution of Funding Allocation. Payments of the Fee set forth above shall be made in monthly installments on the 15th day of each month during the Term, beginning on July 15, 2026. At the conclusion of the 12th month of the first year of this Agreement, and the 11th month for each year of the Term thereafter, the estimated ADA will be adjusted to actual ADA for purposes of determining the Fee amount ("Final Fee"). In the event that the 15th shall fall on a Saturday or Sunday, payment shall be made on the following Monday. In the event that the 15th shall fall on a holiday, payment shall be made on the preceding day or preceding Friday as applicable. For all years following the first year, the first annual payment will occur in August. The District shall provide a detailed monthly financial statement to the OP itemizing all revenues, retained funds, and service charges related to the School.
102. Limitations. Notwithstanding any terms herein to the contrary, the District's obligation to compensate OP is expressly subject to the receipt of FSP Funds by the District from the State specifically allocated for those eligible students in attendance at the School. In the event that such funding is not received, the District shall notify the OP and will not be further obligated to make payments to the OP. Any prior payments made to the OP by the District shall be retained by OP in consideration of and as payment for educational services provided to date. This Section shall not be construed to relieve the District of any

responsibility or obligation to OP if the District fails to receive FSP Funds, or any other State funds, as a result of a failure by the District or its agents or contractors to fulfill requirements necessary for securing FSP Funds.

103. Federal and State Grants. Federal and State grant funding ("Grant Funds") must be spent as approved and designated by federal and State agencies. OP acknowledges and agrees that the District's obligation hereunder to make payment to OP of Grant Funds is limited to, and expressly subject to, receipt of any such Grant Funds from TEA. In the event the District is ever required to refund any Grant Funds received from TEA specifically designated for any federal or State grant program at the School, then it is understood and agreed that OP shall be liable for and shall refund such Grant Funds, unless the refund is due to a failure by the District or its agents or contractors to fulfill requirements from the federal or State agency for those Grant Funds. The District may apply for District and/or School-specific grants and the School shall receive: (i) Grant Funds from any grants awarded the District as a whole based on a per-student allocation, and/or (ii) Grant Funds from any grants awarded on a School-specific basis, provided the District shall only apply for School-specific grants in coordination with OP and with OP's written approval. Should OP fail to respond to a written request for such approval within seven (7) calendar days, the District may proceed in applying for School-specific grants without OP's written approval. If the District is successful in its application and receives such grant funds, the District shall retain up to 5% of such grant funds attributable to the School and OP shall receive at least 95% of such grant funds, unless the grant's purpose relates to the District's charter partnership development and start-up program in general, and then the School shall receive its pro-rata share of such funds among the SB 1882 schools. The District shall not be entitled to retain any portion of grant funds awarded directly to OP and managed solely by OP. Both the District and OP agree to use any such grant funds in accordance with and for the purposes specified in the grant's application and in the grant award.

104. Contracting, Purchasing, and _____ Procurement. The District shall be responsible for procuring, purchasing, and contracting for any and all Required Services for which the District elects to utilize third-party contractors or vendors. Excluding Required Services, OP may establish school-level systems for obtaining, contracting with, and paying its vendors for goods it acquires, and services OP provides under this Agreement. In such cases, OP will ensure compliance with State and federal contracting and payment laws applicable to OP or any funding source utilized by OP, including the required procurement method for the use of such funds. OP will follow the State's accounting guide, Financial Accountability System Resource Guide ("FASRG"), for tracking all expenses and developing end of fiscal year financial reports. OP reserves the right to contract for any goods or services it deems beneficial in the operation of the School.

a. The Parties acknowledge that the School's educational model may require specialized vendors, partnerships, and service providers not typically utilized by the District ("Specialized Vendors"). Accordingly, OP may directly contract with vendors for good and services, including but not limited to, educational services, instructional programming, educational technology, professional development, student enrichment programs, partnerships with institutions of higher education, nonprofit organizations, and other programmatic services necessary to implement the School's academic model. The Operating Partner may utilize District purchasing

systems or procurement processes when mutually beneficial; however, use of such systems shall not be required when the Operating Partner is contracting directly with vendors using funds under its control pursuant to this Agreement.

- b. Any funds utilized for Specialized Vendors shall be administered in compliance with applicable federal and State laws and shall be subject to the same financial reporting and audit requirements as other OP funds. OP shall separately account for all funds utilized for Specialized Vendors.

105. Accounting and Audits. The Operating Partner shall retain full authority over the expenditure of funds allocated to the School pursuant to this Agreement, including the Fee, Grant Funds, and any other funds. OP acknowledges and understands that such control is subject to State and federal law, including Chapters 45 and 48 of the Texas Education Code, as well as FARSG, promulgated by TEA. OP agrees to comply with all rules, regulations, ordinances, statutes, and other laws, whether local, State, or federal, including, but not limited to, all audit and other requirements of the Single Audit Act of 1984, as amended. Further, the OP agrees to provide monthly financial reports and any other financial reports, including ad hoc reports, to the District to comply with State and federal financial and reporting requirements. The Parties agree that the OP must be able to budget for the costs associated with financial management. Any request for financial information from the District in accordance with its oversight of the School and OP will be reasonable, will not be overly burdensome, and will not unreasonably require the OP to expend funds that are not specifically allocated to providing financial information to the District. The Parties shall comply with the financial performance goals detailed in **Appendix 3** ("Financial Performance Goals"), which include, but are not limited to, a completion of OP's annual financial report with respect to operation of the School, receipt of a satisfactory audit opinion (unmodified opinion) with respect to the operation of the School, the Op will score at least a 70 on the Financial Integrity Rating System of Texas (FIRST). If the OP fails to meet the Financial Performance Goals, the District may at its option place the OP on probation, set up a remediation timeline, or in the case of Material Breach, terminate the Agreement pursuant to the termination process outlined above. The District shall also retain the right to conduct its own financial audit of the School, including an annual audit of OP's management of the Fee, as it deems necessary. In the event an audit occurs and any expenditures relating to this Agreement are disallowed, OP agrees to reimburse the District immediately for the requisite full amount.
106. Refund upon Termination; Over Allocation. In the event of termination during the Term of this Agreement, OP agrees to refund to the District, within ninety (90) days of the date of termination, all advanced funds. In the event of a determination by the TEA of an over allocation to the District under TEC § 48.272 or otherwise, OP agrees to refund to the District, within ninety (90) days of the date of over-allocation determination all advanced funds, unless the over-allocation determination is due to a failure by the District or its agents or contractors to fulfill requirements necessary for those funds.

XIV. RECORDS AND REPORTING

107. Records Management System. The District shall maintain a records management system that conforms to the system required of school districts under the Local Government Records Act, § 201.001 et seq., Local Government Code, and rules adopted thereunder;

provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of this Agreement.

108. State and Federal Reporting. OP shall report timely and accurate information to the District as necessary for the District to comply with all applicable State and federal requirements. The District shall provide OP with a schedule of reporting requirements and deadline for OP's compliance. The schedule shall be provided on an annual basis. OP shall report information in the manner requested by the District and correct any demonstrable errors as requested by the District, provided that the manner of reporting or correction requested is not unduly burdensome to OP. The OP shall use the same student information system and other information platforms used by the District to support accurate data collection and sharing. These required data platforms and applications are listed in Appendix 11 and may be changed by the District with reasonable notice to the OP. Reporting requirements shall be limited to those required by state and federal law or expressly identified in **Appendix 3**.
109. Lawful Disclosure. To the extent that the OP or the District come into possession of confidential student records and information, and to the extent that OP or the District are 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 ("TPIA"). In the event that the District is required to furnish information or records of the School pursuant to the TPIA, the District shall timely notify the OP pursuant to the third-party notification requirements of the TPIA. The OP shall furnish such information and records to the District, and the District shall have the right to release such information and records, all in accordance with Applicable Law. Either OP or the District may object to disclosure of information and records under FERPA or the TPIA.

XV. INTELLECTUAL PROPERTIES

110. Proprietary Materials. Each of the Parties shall own its own intellectual property including without limitation all trade secrets, know-how, proprietary data, documents, and written materials in any format. Any materials created exclusively by the District for the School shall be owned by the District, including all the materials and documents created before the Agreement. Any materials created exclusively by OP for the School shall be OP's proprietary material, regardless of the funding source used to create such materials. The Parties acknowledge and agree that neither has any intellectual property interest nor claims in the other Party's proprietary materials. Notwithstanding the 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. All academic models, branding, and programmatic designs developed by the Operating Partner remain the exclusive property of the Operating Partner and may be replicated outside the District.
111. Name. The Parties understand that the names and terms associated with School and the practices and strategies used by the District during the period of the intervention may be used by either Party to conduct the work of the District or of the School.

XVI. INSURANCE

112. Insurance Coverage. The District shall provide all property insurance coverage for all District-owned or leased facilities, properties, vehicles, and equipment utilized for School as required by HISD Board policy. The District shall also pay for comprehensive and commercial general liability insurance, Workers Compensation, and any other insurance applicable for the entire District, District operations and District employees, officers and directors. The OP must receive District approval for the purchase of any additional property, vehicles, or equipment that require insurance.
- a. Each Party may elect to carry and pay for what other insurance that Party decides is necessary or advisable for its obligations under this Agreement. The District shall have no responsibility to insure, and shall not insure, OP vehicles, OP personal property, OP employees, directors or officers.
 - b. Each Party may elect to carry insurance to insure its own personal property located at the School.
 - c. Neither Party will be responsible for the negligence or liability of the other Party, and neither Party waives its rights to subrogation under any policies of insurance.
113. Evidence of Insurance. Upon request, the District will furnish a certificate of insurance to the OP evidencing the required coverage within thirty (30) days after the Commencement Date of this Agreement and annually thereafter. The District will provide to the OP notice of any cancellation or material adverse change to any insurance within thirty (30) days of such occurrence.
114. 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.

XVII. INDEMNIFICATION

115. **INDEMNIFICATION.** TO THE EXTENT PERMITTED BY APPLICABLE STATE OR FEDERAL LAW, OP AND THE DISTRICT AGREE TO COMPLY WITH THE FOLLOWING INDEMNITY PROVISION: EACH PARTY (THE "INDEMNIFYING PARTY") COVENANTS AND AGREES TO FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS, THE OTHER PARTY AND THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, VOLUNTEERS AND REPRESENTATIVES OF THE OTHER PARTY, INDIVIDUALLY AND COLLECTIVELY (THE "INDEMNIFIED PARTY"), FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON THE INDEMNIFIED PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO THE INDEMNIFYING PARTY'S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF EITHER PARTY, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF EITHER PARTY, AND THEIR RESPECTIVE OFFICERS, AGENTS EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OF THE RIGHTS OR

PERFORMANCE OF THE DUTIES UNDER THIS AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE NEGLIGENCE OF THE INDEMNIFYING PARTY, ITS OFFICERS OR EMPLOYEES, IN INSTANCES WHERE SUCH NEGLIGENCE CAUSES PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE. IN THE EVENT OP AND THE DISTRICT ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE PARTIES UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS MUTUAL INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. EACH PARTY SHALL ADVISE THE OTHER PARTY IN WRITING WITHIN 24 HOURS OF ANY CLAIM OR DEMAND AGAINST EITHER PARTY RELATED TO OR ARISING OUT OF THE ACTIVITIES UNDER THIS AGREEMENT.

XVIII. GENERAL AND MISCELLANEOUS

116. Entire Agreement; Order of Precedence. This Agreement, including all referenced attachments and terms incorporated by reference, contains the entire agreement of the Parties. All prior representations, understandings, and discussions are merged into, superseded by and canceled by this Agreement. In case of conflict, the order of precedence of the documents constituting this Agreement is as follows, each listed document superseding in the event of any conflicting provision in a later listed document: (1) this Agreement; (2) Appendix 1; (3) Appendix 7; and (4) all other appendices to this Agreement. Any future amendment or modification of this Agreement shall be in writing, shall be signed by both Parties, and approved by the governing boards of both Parties in a public meeting held in accordance with Applicable Law.
117. 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.
118. 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.
119. Venue and Jurisdiction. OP and the District agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Harris 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 Harris County or in the United States District Court for the Southern District of Texas, Houston Division.

120. 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.
121. Assignment. Except as otherwise provided in this Agreement, neither Party may assign or delegate any rights or obligations under this Agreement without the prior written consent of the other Party.
122. Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.
123. 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.
124. Competition. OP, its subsidiaries, and/or its related entities shall not fund or operate any educational institution in the District's Attendance Area during the Term of this Agreement unless such educational institution is authorized by the District.
125. Days. Any timeline in this Agreement referencing "days" shall mean calendar days unless otherwise clearly stated.
126. 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:

Mike Miles
HISD Superintendent of Schools
4400 West 18th Street, 3rd Floor
Houston, Texas 77092

With a copy to: Catosha Woods, Esq.
General Counsel, Houston ISD
4400 West, 18th Street
Houston Texas, 77092

To the OP:
Melissa Jacobs-Thibaut
Registered Agent
6335 Brookside Drive
Houston, Texas 77023-7702.

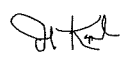
With a copy to:
[TBD]

Each party shall have the right to change its respective address in the State of Texas by at least fifteen (15) days prior written notice to the other party.

127. Force Majeure. If the performance of this Agreement or any obligations hereunder is prevented by reason of epidemic, pandemic, earthquake, hurricane, fire, flood or other casualty, or due to strikes, riot, storms, explosions, acts of God, war, terrorism, or a similar occurrence or condition beyond the reasonable control of the Parties, the Party so affected shall, upon giving prompt written notice to the other Party, be excused from such performance during the period of prevention. Notice must specifically reference this section and identify the start date and predicted or known end date of the Force Majeure preventing performance.
128. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

FRIENDS OF HOUSTON ACADEMY OF
INTERNATIONAL STUDIES, A 501(C)(3)
NON-PROFIT

By:  _____

Name: Jennifer S. Kapral

Title: Board Chair, Friends of Houston Academy for International Studies

XIX. APPENDIX REFERENCE

- Appendix 1: District 1882 Partnership Policy and Regulations
- Appendix 2: Adopted School Policies
- Appendix 3: Student Outcome and Performance Requirements, and School Financial Performance Goals
- Appendix 4: OP Board of Directors
- Appendix 5: OP Governing Board bylaws
- Appendix 6: HISD Menu of Services for the 2026-2027 Academic Year
- Appendix 7: First Year Budget for OP
- Appendix 8: OP Local Campus Application
- Appendix 9: HISD and Friends of Houston Academy of International Studies