



CONTRACT
FOR RENEWAL
OF
OPEN-ENROLLMENT CHARTER

THIS AGREEMENT, made this 1st day of July, 2018, is executed between the Texas Education Agency ("Agency"), the authority, and International American Education Federation, Inc. ("Charter Holder") to operate International Leadership of Texas, a Generation 17 Open-Enrollment Charter School.

THE PURPOSE of this agreement is to renew terms and conditions between the Agency and the Charter Holder. The following terms shall enable the Commissioner of Education (the "Commissioner"), as vested agent, to maintain an active commitment to the award and regulation of high-quality charter schools within the state of Texas.

To such end, the Agency and Charter Holder, for the consideration hereunder named, agree as follows:

GENERAL

Article I. Definitions, as used in this contract:

"Charter" shall mean the Open-Enrollment Charter as granted by the State Board of Education or the Commissioner of Education and renewed by this contract under the authority of the Commissioner.

"Charter Application" shall mean all information proposed and approved by the State Board of Education or the Commissioner of Education in response to the original Request for Application.

"Charter Holder" shall refer to the sponsoring entity identified in the Charter Application and any entity to which a charter is renewed by this contract.

"Charter School" shall mean the Open-Enrollment Charter School governed by Charter Holder and identified by the six-digit County District Number (CDN) 057-848. The Charter School is part of the public school system of Texas and shall operate as a public "Charter School" within the meaning of 20 U.S.C. § 8066.

"Request for Application" shall refer to all documents approved and published as the Request for Application (RFA) 701-11-108.

"Renewal Term" shall refer to the number of years granted by the Commissioner to renew operations under the Charter.

Article II. The Charter. This contract hereby renews the Charter for International Leadership of Texas under Subchapter D, Chapter 12, of the Texas Education Code (TEC). The terms of the Charter shall include: (a) this renewal contract; (b) the original contract for charter, as signed by

the Charter Holder and the chair of the State Board of Education; (c) applicable law or Administrative rule in effect, amended, enacted or adopted during the term of the contract; (d) Request for Application; (e) any condition, amendment, modification, revision, or other change to the Charter adopted or ratified by the authorizing entity, including any prior renewal documents with revisions based on contingency responses; (f) final renewal application received in January 2018, including any revisions required by the Agency to the Charter made during the renewal process; and (g) all statements, assurances, commitments and representations made by Charter Holder in the original Charter Application and Renewal Application, attachments or related documents, to the extent consistent with the aforementioned (a) through (f).

Article III. Material Violation(s). Upon any and all determinations of material violation(s), the contract for the charter shall be subject to revocation under TEC §12.115(a). Actions that may constitute a material violation are, but not limited to, specific references hereunder. Additional illustrative examples include the failure to procure valid: (a) certificate(s) of occupancy; (b) fingerprinting; and (c) criminal background checks.

Charter Holder affirms its understanding that the Charter School is to be in compliance with Texas Administrative Code (TAC) §100.1032 concerning the majority of its student population being in state-tested grade levels throughout the entire Renewal Term. Unless Charter Holder submits and subsequently receives Commissioner approval to waive this threshold.

Article IV. Term of Charter. The Renewal Term for the Charter shall be for a period of ten (10) years beginning August 1, 2018. The Charter shall automatically expire on July 31, 2028, unless otherwise subject to forfeiture for failure to meet criteria under TEC §12.101 or revocation. A failure to perform under this Article shall constitute a material violation.

Article V. Renewal(s) of Term. This Agreement does not vest Charter Holder with a right of automatic renewal. All requests for renewal shall be determined by a timely application in the form prescribed by the Commissioner, with subsequent determination by the Commissioner. The Charter shall not be renewed on or before July 31, 2028. No Renewal of Term shall exceed ten (10) years.

Article VI. Alienation of Charter. The Charter may not be assigned, encumbered, pledged or in any way alienated for the benefit of creditors or otherwise. Charter Holder may not delegate, assign, subcontract or otherwise alienate any of its rights or responsibilities under the Charter. Any attempt to do so shall be null and void and hold no force or effect. Breach under this section shall constitute a material violation.

Article VII. Revision by Agreement. The terms of the Charter may be revised with the consent of Charter Holder by written amendment approved by the Commissioner.

STUDENTS

Article VIII. Open-Enrollment. Admission and enrollment shall be open to any person(s) who resides within the approved geographic boundary stated in charter application and who is eligible for admission based on lawful criteria as identified in the Charter Application and all applicable and approved amendments to the Charter. Total enrollment shall not exceed the maximum number of students approved in the Charter Application and all applicable and approved amendments to the Charter.

Article IX. Non-Discrimination. The Charter School's educational program shall comply with TEC §12.111(a)(5).

Article X. Children with Disabilities. A charter school is a "local educational agency" as defined by federal law. Charter Holder must comply with the Individuals with Disabilities Education Act (IDEA), as amended by the Individuals with Disabilities Education Improvement Act of 2004, 20 U.S.C. §1401, et seq., and implementing regulations; Section 504 of the Rehabilitation Act of 1973 (Section 504), 29 U.S.C. § 794, and implementing regulations; Title II of the Americans with Disabilities Act (ADA), 42 U.S.C. §§ 12131-12165, and implementing regulations; Chapter 29, Texas Education Code, and implementing rules; and court cases applying these laws.

Article XI. Non-Religious Instruction and Affiliation. Charter School shall not conduct religious instruction or religious activities. Charter Holder and Charter School shall be nonsectarian in their programs, policies, employment practices, and all other operations.

Article XII. Educational Program. Continued authority to operate under the Charter during the Renewal Term is contingent upon all approved campus(s) actively providing the specific educational program(s) as proposed in the Charter Application. Any and all changes to the proposed educational program(s) and (or) specific demographic population(s) without approval of the Commissioner shall constitute a material violation.

Article XIII. Student Performance and Accountability. Charter Holder shall satisfy (a) Subchapters B, C, D, F, G, and J, Chapter 39, and Chapter 39A; (b) Chapter 12, Subchapter D, §12.104 of the Texas Education Code (both versions); and (c) related Administrative rules, as well as the student performance accountability criteria stated in the Charter Application and all applicable and approved amendments to the Charter.

FINANCIAL MANAGEMENT

Article XIV. Financial Management and Accountability. Charter Holder shall satisfy (a) Chapter 39 Subchapter D; and (b) Chapter 12, §§12.104, 12.106, 12.107, 12.111, and 12.128 of the Texas Education Code, and (c) related Administrative rules regarding financial management accountability.

Article XV. Annual Audit. Charter Holder shall at its own expense have the financial and programmatic operations of the Charter School independently audited annually by a certified public accountant holding a valid permit that is void of a limited scope sanction from the Texas State Board of Public Accountancy with membership in the American Institute of Certified Public Accounting's Governmental Audit Quality Center. Charter Holder shall file a copy of the annual audit report, approved by Charter Holder, with the Agency not later than the 150th day after the end of the fiscal year for which the audit was made. The audit must comply with Generally Accepted Auditing Standards and must include an audit of the accuracy of the fiscal information provided by the Charter School through PEIMS. Financial statements in the audit must comply with Government Auditing Standards and the Office of Management and Budget Circular A-133.

Article XVI. Return of Property and Funds. It is understood that in accordance with TEC §§12.128 and 12.107, a charter holder that ceases to operate for any reason, including revocation or expiration/non-renewal, shall return to the state all public property and public funds upon cessation of operation. This includes any and all property purchased or leased with state funds under TEC §12.106 and all unspent funds held in trust for the benefit of the students pursuant to TEC §§12.106 and 12.107.

Article XVII. Indebtedness of Charter. Charter Holder shall not incur a debt, secure an obligation, extend credit, or otherwise make use of the credit or assets of the Charter School for any purpose other than operations as approved in the Charter.

Article XVIII. Non-Charter Activities. Charter Holder shall keep separate and distinct accounting, audits, budgeting, reporting, and record keeping systems for the management and operation of the Charter School. Any business activities of Charter Holder not directly related to the management and operation of the charter school shall be kept in separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those reflecting activities under the Charter. Failure to perform under this article shall constitute a material violation.

GOVERNANCE AND OPERATIONS

Article XIX. Organizational Mission. Charter Holder shall govern and operate in strict accordance with the proposed organizational mission as presented in the Charter Application and all applicable and approved amendments to the Charter.

Article XX. Non-Profit Status. Charter Holder shall take and refrain from all acts necessary to maintain good standing as an organization exempt from taxation under §501(c)(3), Internal Revenue Code. If Charter Holder is incorporated, it shall comply with all applicable laws governing its corporate status. Failure to perform under this article shall constitute a material violation.

Article XXI. Records Retention and Management. Charter Holder shall implement 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 the Charter.

Charter Holder shall maintain all student and staff records. A charter holder that ceases to operate for any reason, including revocation or expiration/non-renewal, shall return to the state all student and staff records within 30 days of closure, per TEC §12.1052 (d), in the manner specified by the commissioner to a custodian designated by the commissioner.

Article XXII. Failure to Operate. Charter Holder shall operate the Charter School for the full school term as proposed in the Charter Application and all applicable and approved amendments to the Charter for each year authorized by this Agreement. Charter Holder may not suspend operation for longer than twenty-one (21) days without a revision to the Charter, adopted by the Charter Holder Board, and approved by the Commissioner prior to the temporary suspension of operations, stating that the Charter School is dormant and setting forth the date on which operations shall resume and any applicable conditions. Failure to comply under this article shall constitute a material violation.

Article XXIII. Charter School Facility. Charter Holder shall possess and maintain, for the entire Term of Charter: (a) lease agreement(s); or (b) lawful title; or (c) other legal instrument granting a lawful right of occupancy and use. All facilities and (or) other real property procured by Charter Holder must be of suitable use as proposed in the Charter Application and all applicable and approved amendments to the Charter. The term 'facility' under this Article shall constitute any of

the following: as defined in Chapter 100, Texas Administrative Code (a) campus; and (b) facility; and (c) site that is procured by state and(or) federal funding.

Charter Holder affirms that it shall govern and maintain operations in all facilities throughout the entire Renewal Term. The term 'operations' under this Article shall constitute an open facility that is currently serving lawfully enrolled students. Without prior approval by the Commissioner, failure to comply under this article shall constitute a material violation.

Article XXIV. Indemnification. Charter Holder shall hold the Agency harmless from and shall indemnify the Agency against any and all claims, demands, and causes of action of whatever kind of nature asserted by any third-party and occurring or in any way incident to, arising out of, or in connection with any acts of Charter Holder, its agents, employees, and subcontractors in performance of this Agreement.

THIS AGREEMENT

Article XXV. Entire Agreement. This contract, including all referenced attachments and terms incorporated by reference, contains the entire agreement of the parties. All prior representations, understandings, and discussions are superseded by this contract.

Article XXVI. Severability. If any provision of this contract is determined by a court or other tribunal to be unenforceable or invalid for any reason, the remainder of the contract shall remain in full force and effect, to give effect to the intent of the parties to the extent valid and enforceable.

Article XXVII. Conditions of Contract. Execution of this contract by the Commissioner is conditioned on full and timely compliance by Charter Holder with: (a) the terms, required assurances, and conditions of RFA; (b) applicable law; and (c) all commitments and representations made in the original Charter Application, approved amendments, and Renewal Application, and any supporting documents (to the extent such commitments and representations are consistent with the terms of this contract).

By executing this contract, the Charter Holder represents that it understands that the Charter Holder, including any and all governance, at whatever level whether appointed or elected, employees, agents, and volunteers shall fully cooperate with every Texas Education Agency investigation and/or sanction deemed necessary by the Commissioner based on authority and responsibility vested by state or federal law. Agency staff may conduct confidential interviews of Charter School personnel and contractors outside the presence of representatives of the Charter School's administration and Board, and that failure to timely reply with reasonable requests for access to site, personnel, documents, or other materials and/or items shall constitute a material violation.

Article XXVIII. No Waiver of Breach. No assent, express or implied, to any breach of any of the covenants or agreements herein shall waive any succeeding or other breach.

Article XXIX. Governing Law. In any suit arising under this contract, Texas law shall apply.

Article XXX. Laws and Rules Applicable. By executing this contract, the undersigned representatives of Charter Holder represent that they have read and understand the rules adopted by the Commissioner pursuant to Texas Education Code Chapter 12, Subchapter D and that they have had full opportunity to consult with their own legal counsel concerning said rules prior to

executing this Agreement. The undersigned representatives further understand and agree that: (a) this contract is contingent upon legislative authorization and the contract and the funding under it may be modified or even terminated by future legislative act; (b) the terms of this contract, and of the Renewed Open-Enrollment Charter created by this contract, include all applicable state and federal laws and all applicable rules and regulations; (c) state and federal laws, rules, and regulations may be adopted, amended or repealed from time to time; (d) all such changes to state and federal laws, rules, and regulations applicable to Charter Holder or to its Charter School may modify this contract, as of the effective date provided in the law, rule, or regulation; and (e) a contract term that conflicts with any state or federal law, rule, or regulation is superseded by the law, rule, or regulation to the extent that the law, rule, or regulation conflicts with the contract term.

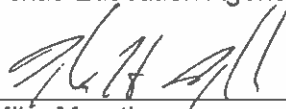
Notwithstanding the granting of this renewal, it is understood by the parties, that the Charter continues to be subject to future actions by the Commissioner including, but not limited to, possible revocation under TEC §12.115(c).

Article XXXI. Eligibility and Authority. By executing this contract, Charter Holder represents that it is an "eligible entity" within the meaning of §12.101(a) of the Texas Education Code, and it is understood by all parties that if the Charter Holder loses its 501(c)(3) tax exempt status at any time through action of the Internal Revenue Service for any reason or any other action which renders the Charter Holder no longer an "eligible entity" within the meaning of TEC §12.101(a), the charter contract shall be rendered null and void, and it shall automatically return without any further action having to be taken by the Commissioner. Subsequent reinstatement of the 501(c)(3) tax exempt status does not reinstate the Charter.

The Charter Holder shall immediately notify the Commissioner of any legal change in its status, which would disqualify it from holding the Charter, of any violation of the terms and conditions of this contract, or of any change in the Chief Operating Officer of the Charter Holder. Charter Holder further represents that the person signing this contract has been properly delegated authority to do so.


Entered into this 1st day of July 2018.

Texas Education Agency:


Mike Morath
Commissioner of Education

6/13/18
Date

Sponsoring Entity:


Mr. James L. Williams
Board President

Date


Mr. Edward G. Conger
Superintendent

7/2/18
Date