

MANAGEMENT AGREEMENT

This Management Agreement (this "Agreement"), dated as of June 11, 2018 (the "Effective Date"), is entered into by and between Relay Lab Schools Texas, a Texas Not-For-Profit Corporation ("Relay Lab Schools") and the San Antonio Independent School District (the "District"), a political subdivision of the State of Texas. Herein each of the District and Relay Lab Schools shall be a "Party" and collectively the "Parties".

RECITALS

WHEREAS, pursuant to T.E.C. §§ 11.174(a)(2), 42.2511 and 12.101(a)(3), and 12.0522 the District is empowered to enter into contracts with an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code, to operate schools that have been designated "improvement required";

WHEREAS, it is the mission of Relay Lab Schools to deliver on a bold vision for creating high quality and innovative inner-city, pre-kindergarten through 12th grade ("PK-12") public schools that produce students ready to succeed in college and their careers and attracts, develops, and redeploys cohorts of highly effective teachers and leaders; and

WHEREAS, the District desires that Relay Lab Schools undertake responsibility for the management and operation of certain district campuses as (a) public charter school(s) (the "Schools") and subject to approval by the Texas Education Agency's (hereinafter, "TEA") Commissioner of Education, pursuant to Texas Education Code § 11.174(a)(2);

WHEREAS, Relay Lab Schools agrees to comply with all applicable provisions of state law, including the applicable provisions and requirements of Texas Education Code, (TEC), Subchapter C, Chapter 12.

WHEREAS, subject to approval of the TEA, the Parties wish to commence the relationship on April 9, 2018 with Relay Lab Schools assuming the management of Storm and Ogden Elementary schools with the understanding that those Schools may expand to include other district campuses in subsequent school years, as determined and approved by the District in collaboration with Relay Lab Schools;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, agree as follows:

For and during the term of this Agreement, Relay Lab Schools shall manage and operate the Schools in accordance with applicable local, state, and federal laws, and on the terms and conditions hereinafter set forth.

1. The Schools

- a) Relay Lab Schools shall have the option to phase in the full implementation of its

model at Storm and Ogden Elementary Schools over the 2018-2019 school year and thereafter.

- b) Relay Lab Schools is committed to ensuring that students of the Schools receive a complete educational program based on the requirements of the Schools' charters and the applicable Texas law consistent with Relay Lab School's mission to develop in all students the academic skills and strength of character needed to succeed in college, career, and life. Relay Lab Schools will assume responsibility for the educational processes, and the management and operation of the Schools. Relay Lab Schools will devote the necessary time and effort and the District will retain and allocate sufficient personnel to meet the educational goals of the Schools.
- c) By this Agreement, the District herein authorizes Relay Lab Schools to manage and operate the Schools, commencing with Storm and Ogden Elementary Schools, each as an independent campus subject to transparent accountability requirements, which are set by TEC Chapters 39 and 39A and the provisions of this Agreement. Relay Lab Schools must successfully meet and maintain the Performance Contract objectives for Storm and Ogden Elementary Schools, independently, as set forth in this Agreement. Further authorizations will be contingent upon Relay Lab Schools successfully meeting and maintaining the Performance Contract objectives for each individual campus. Future authorization of additional Schools is also dependent upon the results of an annual audited Relay Lab Schools financial and compliance report (See Performance Contract Metrics and Annual Financial Audit and Compliance Report section of the Agreement attached as Exhibit A).
- d) The District agrees that it will provide Relay Lab Schools the same opportunities, support, and services provided to any other charter located in the District (regardless of that charter's authorizer) in authorizing Relay Lab Schools to operate the Schools and as required by law.
- e) Relay Lab Schools will have discretion as to whether it will open and operate the additional Schools; however, Relay Lab Schools and the Superintendent for the District must mutually agree when and which additional schools will be opened.
- f) After the initial Agreement to launch two K-12 internal charters is fulfilled, if Relay Lab Schools wishes to open additional in-district campus charter Schools in Bexar County, then the District will have the first right of refusal to authorize those additional Schools.
- g) Relay Lab Schools retains the right to seek authorization as an open enrollment charter holder under Texas Education Code 12.101 in order to support, manage, and/or operate open enrollment charter schools in Bexar County that will operate independently of the Agreement.

- h) Each of the Schools that is subject to this Agreement shall include Relay Lab Schools in its name while continuing to honor its current name and history. For example, Ollie Perry Storm Elementary School shall be known as Relay Lab School at Ollie Perry Storm Elementary School and Ira C. Ogden Elementary School shall be known as Relay Lab School at Ira C. Ogden Elementary School.

2. Enrollment

- a) The Parties agree and understand that the District may not assign a student to the School unless the student's parent or guardian has voluntarily enrolled the student at the School. A Student's parent or guardian may remove the student from the School at any time and enroll the student at the school to which the student would ordinarily be assigned.
- b) Any student residing in the attendance zone of the School as the attendance zone existed before operation of the School under its charter shall be admitted for enrollment at the School subject to (a) above. For students who do not reside in the School attendance zone, the following enrollment preference and order shall apply:
 - i. Other students residing in the District; and
 - ii. Students who reside outside of the District, or
 - iii. As otherwise required by state law or TEA regulation.
- c) "Choice Schools and Programs" include in-district charters, magnets, and early college high school programs. The District Superintendent of Schools or designee shall develop regulations, procedures, guidelines, and timelines for enrollment into all Choice Schools and Programs.
- d) Staff from the Office of Access and Enrollment Services will meet annually with Relay Lab Schools to review admissions criteria and the number of seats available for enrollment in each grade level at each of the Schools in accordance with applicable law.
- e) Relay Lab Schools and the Schools will participate in the District's unified enrollment system.
- f) The Schools will be designated Choice Schools. Relay Lab Schools will follow District administrative procedures for the enrollment and withdrawal of all students in Choice Schools in accordance with applicable law.
- g) The District's Office of Access and Enrollment Services will include Relay Lab Schools' brand and the Schools information on any student recruitment or enrollment marketing materials (subject to Relay Lab Schools' approval) and will invite Relay Lab Schools to attend any student recruitment events, such as in-district charter fairs, as part of the administrative fee.

- h) In conjunction with the District, Relay Lab Schools will lead the student recruitment and enrollment process through a lottery (if there are more applicants than there are seats at any of the Schools) and enrollment phases. Relay Lab Schools will support District efforts by canvassing, holding open houses, attending District recruiting events and community meetings, mailing acceptance and waitlist letters and making calls to families to help with enrollment decisions, sending follow-up letters to admitted students, conducting on-campus enrollment meetings, calling waitlisted students, and monitoring attendance during the opening weeks of school in case additional students need to be called from the waitlist.
- i) In addition to the enrollment restrictions required by TEC §11.174(h) and (i), the following student enrollment provisions, subject to the provisions of state law and as may be revised by the Parties as necessary to meet the federal definition of a charter school, shall be followed by the Parties:
 - i. Relay Lab Schools will work with the District to ensure preferences for current students attending the campus in the school year before its conversion under this Agreement.
 - ii. Students in lower grade levels at Schools will receive automatic admission to the next grade level at the Relay Lab Schools-managed Schools.
 - iii. As seats become available at Relay Lab Schools, enrollment will be open to all students within the State of Texas, subject to the priority rules described in state law, or below and in this Agreement.
 - iv. The following students will receive priority admission, subject to existing enrollment zones:
 - 1. Currently enrolled students.
 - 2. Other students prioritized by State Law.
 - 3. Siblings of currently enrolled students.
 - 4. Children of Relay Lab Schools employees or District employees assigned to Relay Lab Schools.
 - v. Relay Lab Schools and District students will be allowed to transfer to or from any of the Schools or District school when seats are available and in accordance with the Parties' respective transfer policies and administrative procedures for Choice Schools.
- j) Relay Lab Schools is prohibited from discriminatory admission or expulsion of a student on the basis of a student's national origin, ethnicity, race, religion, disability, academic achievement, or sex, including sexual orientation or gender identity.

3. Operations

- a) Relay Lab Schools will have autonomy to run all aspects of the Schools subject only to federal, state, local law, and this Agreement to the fullest extent possible and if the students perform satisfactorily as provided by this Agreement.
- b) Relay Lab Schools are exempt from state laws and rules to the fullest extent allowed by TEC, Chapter 12, Subchapter C, and exempt from all District policies except for the policies and administrative procedures that are specifically identified as applicable to Relay Lab Schools in this Agreement.
- c) Relay Lab Schools will retain as much authority and autonomy as permitted by law or TEA Rule, including 19 Tex. Admin. Code §§ 97.1075 and 97.1079, over its Schools and operations. Any authority or responsibility not specifically given to the District in the Agreement or by law or TEA Rule, will remain with “Relay Lab Schools,” including, but not limited to, the following:
 - i. Relay Lab Schools will have sole discretion concerning the mission, vision and core values of the Schools in accordance with applicable State Law and each School’s charter.
 - ii. Relay Lab Schools will have sole authority over strategic planning for the schools.
 - iii. Relay Lab Schools shall have full autonomy with regard to the academic program of the Schools (subject to state standards), including, but not limited to, curriculum, length and design of the school day, the academic calendar, class size and teacher leveling, professional development, and summer school. Relay Lab Schools will provide the Schools with comprehensive program design, including proprietary curriculum development and implementation, curriculum scope and sequence, instructional oversight, common standards, the development, administration and analysis of diagnostic assessments, and the oversight, measurement, and management of comprehensive school quality. Relay Lab Schools will also support the Schools’ Arts, Athletics, and Civics programming through curriculum planning, professional development, and strategic partnerships.
 - iv. Relay Lab Schools shall have initial and final authority to approve all assessments that are not required by the State of Texas and education plan and program outlined in the campus charters per TEC Chapter 12 Subchapter C 12.059(1).
- d) The District is the Local Education Agency (“LEA”) for all purposes, including, but not limited to, compliance with Section 504 of the Rehabilitation Act of 1973, as amended; the Individuals with Disabilities Education Act (“IDEA”); the Americans with Disabilities Act, as amended; Titles VI and IX of the Civil Rights Act of 1964; the Family Education Rights and Privacy Act (“FERPA”) and other

areas of law applicable to LEA's including those described in TEC §12.056. However, Relay Lab Schools will implement its own programs for students in special populations including, but not limited to, those who qualify for special education, gifted and talented students, and English Learners (ELs) at the Schools, subject to and consistent, however, with all applicable state and/or federal requirements.

- i. In its early years, Relay Lab Schools will operate Schools with an English as a Second Language/content-based program that will provide native language supports needed for students to achieve mastery of content area standards, as well as proficiency in English. As Relay Lab Schools evaluates the specific needs of its student population and community, the Schools will phase into and implement a more robust and comprehensive dual language and/or bilingual program as needed. ELs will have access to all curricular, co-curricular, and extra-curricular activities available to all other students. Current demographics indicate that the largest population of ELs will be native Spanish speakers; therefore, Relay Lab Schools' Schools will make all efforts to recruit staff members who are proficient in Spanish. In addition, professional development for school staff will be tailored to support the bilingual development of Relay Lab Schools students and to encourage and preserve the culture of the Schools' community. Relay Lab Schools' will ensure interpretation and translation support and/or services for families whose dominant language is not English.
- ii. Relay Lab Schools will work with the District in the creation and staffing of the ARD Committee or 504 teams, and will work with the District to schedule all committee or team meetings and to provide a free appropriate public education ("FAPE"), equal educational opportunity, procedural safeguards and due process to students enrolled at Relay Lab Schools' Schools.
- iii. As the responsible LEA, the District will have the authority to periodically review Relay Lab Schools' programs for special populations for legal compliance, through a mutually agreed-upon process.
- iv. The District will provide the full continuum of placements for students whose IEP requires placement or services outside of Relay Lab Schools' programs, and the District will provide all related services directly (or by contract) and will be responsible for providing all required evaluations (such as psychoeducational evaluations, comprehensive psychological evaluations, and/or neuropsychological evaluations) in accordance with applicable legal timelines or otherwise as agreed by a student's ARD Committee.
- v. Relay Lab Schools will work with the District in helping the District remain in compliance with the IDEA's Child Find and FAPE obligations.

Relay Lab Schools may choose to utilize the District's services and supports in the provision of student services other than related services referenced above and in Section 10.a.3 where Relay Lab Schools deems that District provision of those services and supports are appropriate and best for students, and such arrangement will be provided with District funding.

- vi. Relay Lab Schools will receive delegation from the District for federal grants, federal Title funds and procurement authority directed to the Schools, subject to applicable federal and state law and implementing regulations. To the extent that any federal or state grant funds, differential funding, High Cost Funds ("HCF") or State Compensatory Education Funds exists for any special student(s) or populations it will be passed through to Relay Lab Schools for use at the Schools.
- e) Relay Lab Schools shall adopt the District's FO Series (LOCAL and LEGAL) policies, as amended, and related District administrative procedures, regarding student discipline, including the District's Student Code of Conduct. Relay Lab Schools will have freedom to instill its culture in its Schools and at Relay Lab Schools' school events or activities.
- f) Relay Lab Schools shall have full autonomy with regard to parent engagement and communications, fundraising and grant applications, and community partnerships for the Schools. Relay Lab Schools will design and implement family engagement initiatives to involve families in the life of the Schools.
- g) Relay Lab Schools shall have full autonomy for the development of extracurricular activities and sports for the Schools, subject to state UIL rules (if participating in UIL) and subject to the applicable provisions of TEC §12.056(b)(2)(G), TEC §33.081 and any successor statutes.
- h) Relay Lab Schools will provide college and career counseling as applicable to the Schools.
- i) The District shall provide substitute teachers to the Schools upon request by the Schools in accordance with District procedures and policies.
- j) Relay Lab Schools will maintain control and ownership of the Schools' marketing, communications, and branding.
- k) Relay Lab Schools will be responsible for the Schools' purchasing and vendor approvals and budgeting subject to the District's Purchasing and Acquisition Policies and Administrative Procedures and applicable state and federal law.
- l) Relay Lab Schools will be responsible for legal compliance and for grants to the Schools subject to Section 3(l) below. Relay Lab Schools will manage the Schools in compliance with all applicable federal, state, and local laws, including but not limited to civil rights and non-discrimination laws, and laws protecting

students with disabilities. Absent the provision of legal services by Relay Lab Schools, it shall consult the District's Superintendent and with the District's general counsel when there is a reasonable belief that the District's interests may be jeopardized and specifically when there is a likelihood or reasonable belief that the District may suffer legal exposure to suit or liability.

- m) For state, Federal, and/or private grants that the District applies and secures on behalf of Relay Lab Schools, the District will be responsible for managing all relevant reporting and disbursement functions.
- n) Notwithstanding the foregoing, the District will remain the LEA for all relevant state and federal compliance purposes and matters.
- o) Relay Lab Schools (and its employees and staff with an educational need to know) shall be designated as an authorized agent of the LEA and the Schools for purposes of compliance with FERPA (the Family Educational Rights and Privacy Act), so as to have access to student information. The District shall be responsible for maintenance and custody of student records and shall grant Relay Lab Schools and the Schools permission to use the student records in a manner that is consistent with applicable laws including student privacy laws. Relay Lab Schools and the Schools shall maintain the confidentiality of student records in accordance with FERPA and the District Policy series FL.
- p) The District will obtain all Board and TEA approvals that are required to grant Relay Lab Schools the autonomies listed above. In the event that TEA does not approve a required autonomy under this contract, the Parties agree to reform the specific autonomy to best capture Relay Lab Schools' intended autonomy, but otherwise agree that the remainder of this Agreement shall not be affected thereby and each remaining provision of the Agreement shall continue to be valid and may be enforced to the fullest extent permitted by law. However, if the TEA does not approve a material autonomy listed above in Section 3 or elsewhere in this Agreement, the Parties agree to reform those portions of the Agreement in good faith and Relay Lab Schools reserves the right to terminate the Agreement without penalty should that disapproval put the goals and intentions of this Agreement at risk, as determined by "Relay Lab Schools."

4. Employees.

- a) Relay Lab Schools shall have full and complete authority over staffing decisions at the Schools. District employees shall have the opportunity to apply for an assignment to the Relay Lab Schools. All assignments and rescissions of such assignments to the Schools shall be determined by Relay Lab Schools in accordance with Federal and State law as well as District policies and administrative procedures.
- b) Relay Lab Schools will help recruit, select, and train all school leadership, including principals, principal fellows, and assistant principals. Relay Lab

Schools will have sole authority over all leadership of the Schools and full autonomy to evaluate the School Leader utilizing the District's evaluation procedures and processes as well as any additional performance measures Relay deems appropriate. The campus School Leader will serve as the supervisor of all employees at any particular campus.

- c) It is the intent of the Parties that beginning in a year to be determined by the Parties, individuals enrolled in Relay Lab Schools' Teacher Residency Program shall be employees of Relay Lab Schools for the duration of their one-year residency Program.
- d) Employees of Relay Lab Schools will be hired, supervised, and managed by Relay Lab Schools.
- e) This Agreement shall not affect the rights and protections afforded by current District employment contracts or agreements between the District and its contract employees pursuant to TEC §11.174(c). All employees of the Schools shall be District employees and will work under the contractual and termination obligations of the District, including required compliance related meetings and trainings. Relay Lab Schools shall have final authority over which employees are hired or assigned to work at the Schools. However, any proposed adverse action against an employee, including, but not limited to non-renewal or termination, must be done in accordance with the District's contractual policies and administrative procedures and in compliance with state and federal law. A reassignment from a Relay Lab School to another assignment within the District shall not be considered an adverse employment action.
- f) A person may not be employed by or serve as a teacher, librarian, educational aide, administrator, or school counselor for Relay Lab Schools unless the person meets TEA requirements following a review of the person's national criminal history record information as provided by TEC §§ 22.0834 and 22.0832 (to the extent applicable).
- g) Any and all legal issues that may arise with the District's employees with regard to their working relationship with Relay Lab Schools or the Schools shall be handled by the District's legal counsel at the District's cost.
- h) If possible, the District and Relay Lab Schools may pursue any possible waivers or exemptions from certification requirements (where applicable) for staff.
- i) Relay Lab Schools will also have full autonomy concerning employee performance, selection, management, work hours and conditions, employee assignment and duties at the Schools. However, notwithstanding any employee evaluation instrument it wishes to implement, Relay Lab Schools shall implement the Texas Teacher Evaluation and Support System ("T-TESS") and the Texas Principal Evaluation and Support System, ("T-PESS") when evaluating its professional staff in accordance with the District's policies, administrative

procedures, and timelines. The District execution of those evaluations shall not interfere with Relay Lab School's final authority on which employees are assigned to work at the Schools. Relay Lab Schools, in collaboration with the District, shall conduct required appraisal training in order to successfully implement the T-TESS and T-PESS evaluation system.

- j) The District shall be responsible for all salaries, compensation and benefits of its employees assigned to Relay Lab Schools' Schools and shall be responsible for maintaining necessary personnel records.

5. Communications and Marketing.

- a) Relay Lab Schools will provide the Schools with support regarding all press inquiries, press releases, school tour requests, web marketing, branding and all other external relations, including corporate and institutional partnerships, community engagement and civic initiatives, and at all times keeping the District reasonably informed. Such support will include acting as or providing spokespersons for the Schools before the media.
- b) Relay Lab Schools will also design marketing materials used by the Schools, with the Schools remaining responsible for any production or marketing costs attributable to materials produced for the benefit of the Schools.
- c) It is understood and agreed that Relay Lab Schools will request all staff and all parents of students to sign a media release form annually; those who do not sign the agreement will not have their or their child's images or information used in media releases.
- d) Relay Lab Schools and the Schools will coordinate with and maintain a collaborative and working relationship with the District's Communications Department.
- e) Relay Lab Schools will ensure that the Schools and staff are aware of relevant District information and meet applicable District deadlines, including public information response deadlines.
- f) With respect to the operation of the Schools, Relay Lab Schools' governing body of the Schools is subject to Chapters 551 and 552, of the Texas Government Code and such governing body will incur all costs associated with complying under TEC §12.057.

6. Relay Lab Schools' Supervision of the Schools.

- a) Relay Lab Schools will inspect the Schools from time to time, but at least semi-annually, using formal and informal inspections, announced and unannounced as appropriate, and will arrange for third-party evaluation and feedback as it deems appropriate regarding (i) the instructional program of the Schools and (ii) Relay Lab Schools' impact on student achievement, all as may be necessary in order to

ensure progress towards the Schools' goals and compliance with all regulatory and charter requirements.

- b) Relay Lab Schools will prepare reports and documentation as reasonably required by the District, working with the Schools in a timely and thorough manner, including any accountability plans and/or annual and/or periodic reports in accordance with state and federal reporting requirements and timelines.
- c) Relay Lab Schools will integrate the Schools into Relay Lab Schools' existing network data and accountability systems. To the extent possible, and legally permissible, Relay Lab Schools will include the Schools in its data collection and management systems. Relay Lab Schools will preserve and protect all personal identifying information as required by federal, state, and local data and educational record privacy laws.
- d) Relay Lab Schools' students will be listed on the District's student information system. The District will perform the same PEIMS functions, including all reporting to TEA, that it performs for all current District campuses, as part of its administrative fee. for Relay Lab Schools. Relay Lab Schools will have control over its student's data other than PEIMS-related data. Although Relay Lab Schools will have control of its students' data during the term of this Agreement and in a manner that is consistent with applicable laws, the District shall remain responsible for maintenance and custody of student records with cooperation and support from Relay Lab Schools in the administration of the record maintenance system.

7. Finances.

- a) Relay Lab Schools will utilize the District's Financial Reporting policies and administrative procedures to ensure compliance with state, federal & local reporting and compliance requirements in accordance with Governmental Accounting Standards Board (GASB), Generally Accepted Accounting Principles, Generally Accepted Auditing Standards (GAAS) and Texas Education Agency Financial Accountability System Resource Guide.
- b) Subject to 7 (c) below, the District and Relay Lab Schools will annually determine the amount of per student funding for the Schools available under the Agreement.
- c) The Schools managed by Relay Lab Schools will receive all funds (including state and Federal funds) received by the District that are generated by the Schools' students, for the purpose of operating the schools, including the salaries of the employees assigned to the schools, with no withholdings, except for each Schools' site-specific utilities and actual transportation costs that the District incurs. Transportation and utilities costs shall be passed onto Relay Lab Schools by the District.
- d) The Schools managed by Relay Lab Schools will also have access to private or

block grants received by Relay Lab Schools or the District to support the Schools.

- e) Relay Lab Schools' funds (accounts) will be maintained in the General Ledger with specific accounts for Relay Lab Schools through the District's automated financial accounting and reporting system. All accounts and funds shall be maintained and governed by state, federal, and local rules and guidelines regarding their use as well as in accordance with District policies and administrative procedures.
- f) The Schools managed by Relay Lab Schools cannot be funded by the District at a level less than a regular District public school.
- g) As noted above, Relay Lab Schools will work together with the District in good faith toward meeting student enrollment targets through joint student recruitment efforts. In the event that enrollment targets are not met, the District will ensure Relay Lab Schools adequate funding at each individual school (elementary, middle, or high) sufficient to run the Relay Lab Schools' model to a previously agreed upon dollar amount for each school year of the Agreement subject to the provisions of this Section 7.
- h) The District and Relay Lab Schools will jointly develop a mutually agreeable payment schedule for funds to the Schools.
- i) Unspent and/or unobligated federal and state grant funding will be administered in compliance with grant funding requirements to ensure compliance with grant covenants and federal funding carryover requirements. Unspent and/or unobligated local funds will remain with Relay Lab Schools' Schools. Any unspent or unobligated funds held by Relay Lab Schools at the end of each fiscal year will remain designated for use at the Schools and must be directly spent at Relay Lab Schools' Schools should the Schools have funds left over at the end of the year.
- j) The District shall retain an administrative support fee of 2.274% of the state revenue generated by students at the Schools for certain services defined below:
 - 1) Services to maintain state and Federal compliance, reporting, and other related systems.
 - 2) Unified enrollment system platform and related services.
 - 3) Police and campus security services and personnel in the same manner as any other SAISD school.
 - 4) Operation and maintenance of facilities, including, but not limited to, building maintenance and repair, security equipment, capital repairs, landscaping and grounds upkeep.
 - 5) Other services to be agreed upon by the parties.
- k) In addition to the above provisions, the Parties will annually determine the amount of per pupil funding to be available under the Agreement and available

under TEC §11.174 and TEA Rule, 30 days before the start of the Schools' fiscal year or as soon as reasonably practicable. The Parties will determine a total budget of funds available for the Schools, with Relay Lab Schools retaining sole discretion (subject to applicable state law, federal and local funding regulations) of how it distributes the funds within the Schools' budgets in accordance with state and federal policies and guidelines. The source of funds for this budget will include, but not be limited to:

- 1) State Foundation School Program (for all students), and State Compensatory Education funds and HCF (defined above) for specific student populations such as special education, 504, English Learners, etc.
 - 2) Federal grants including Title grants, IDEA-B, National School Lunch Program, National School Breakfast and other federal and state child nutrition funds, and Charter Startup or Replication Funding available to SAISD
 - 3) State, Federal, and Private funding to support the District-Charter partnership including TEC §11.174.
 - 4) State, Federal, and Private block grants obtained by the District to be distributed to its students
 - 5) Local district funds.
- l) The District guarantees that Relay Lab Schools will receive at least the same amount of per pupil funding as other charter schools located in the District that serve comparable student populations and demographics, as defined by federal and state guidelines, and as mutually agreed by the parties, as Relay Lab Schools. Relay Lab Schools will receive the same increases that those open enrollment schools receive. Should any other charter schools located in the District, irrespective of whether chartered by the TEA or the District, that serve comparable student populations and demographics as Relay Lab Schools receive additional public funding from the state or District, Relay Lab Schools shall receive the same funding.
- m) References to "fiscal year" in this Agreement mean the annual period beginning July 1 and ending June 30.
- n) Relay Lab Schools and the Schools shall maintain a collaborative and working relationship with the District's Financial Services Department.
8. Performance Contract Metrics and Annual Financial Audit and Compliance Report.
- a) The Superintendent of Schools of the District or his designee shall develop a charter School Performance Framework ("SPF") by which the Schools will be evaluated in collaboration with "Relay Lab Schools." The SPF will inform District decisions related to campus replacement, restart, or closure.

- b) Performance objectives may include, but not be limited to student proficiency, academic growth, and college readiness. Additional objectives as well as a timeline may be developed for charters established at campuses that do not meet state accountability standards. The Office of Innovation (OI) staff will meet with the Relay Lab Schools to establish baseline metrics in the Fall of year one and thereafter to finalize tentatively approved Performance Contract metrics for the Schools.
- c) OI staff will monitor, evaluate, and publish campus performance annually, and will review whether the charter will be placed on probation, revoked, and/or renewed on a three or five-year cycle.
- d) Ollie Perry Storm and Ira C. Ogden Elementary School's Performance Metrics are detailed in Exhibit A to this Agreement. Any future changes to performance metrics will expressly require Relay Lab Schools' agreement, which shall not be unreasonably withheld. As additional Schools are developed, each School's performance metrics will be individualized and will not apply to Relay Lab Schools as a consolidated entity. Relay Lab Schools will only be held to such performance metrics to the extent that the District holds its own schools to the metrics. If the District does not enforce the State's accountability ratings framework for District schools, it will forfeit the right to enforce the state accountability ratings framework against "Relay Lab Schools."
- e) In any event, each Relay Lab Schools' Schools will have two years after commencement of Relay Lab Schools' management before it is held accountable under these metrics in accordance with TEC §11.174(f).
- f) Relay Lab Schools will help the District prepare annual financial statements for the Schools, have their financial statements audited by a licensed independent CPA firm, and submit the resulting audited annual financial report to the District within 150 days after the close of Relay Lab Schools' fiscal year. The first audit will commence after completion of the inaugural fiscal year following the opening of the Schools.

9. Facilities.

- a) The District shall be responsible for all custodial and maintenance services for the Schools' facilities. The District will complete capital improvements for facilities owned by the District.
- b) "Relay Lab Schools" will be granted specific District campuses through signed lease agreements for the purpose of operating Schools at the agreed-upon District campuses.
- c) This Agreement is for a 10-year term with renewal rights at Relay Lab Schools' option so long as the specified goals of the charter and this Agreement continue to be met for each School after the second year of operating the School and so long as the charter granted to the Campus by the District's Board of Trustees has not

expired under TEC §12.0531 or has not otherwise been terminated as permitted herein or in accordance with applicable law.

- d) The District will provide the following for all facilities provided to Relay Lab Schools by the District: facility repair and maintenance, security equipment (cameras, door card readers, etc.) and technology infrastructure at a level reasonably designed to meet Relay Labs Schools' technology requirements (Internet, phone, overhead projectors, etc.). The District will also pay property insurance costs for District facilities (see Finance and District Services sections of the Agreement) and Relay Lab Schools may be a named additional insured on all such insurance policies, or any program of self-insurance, reinsurance policies, or risk pool participation that covers losses of or damages to real property and structures owned by the District. The District is not responsible for insuring any personal property owned by Relay Lab Schools.
- e) Prior to April 1, 2018, the District will provide access to the Ollie Perry Storm and Ira C. Ogden Elementary School facilities and will provide Relay Lab Schools with a detailed floor plan denoting all classrooms and offices with their square footage. By March 1 of each successive year Relay Lab Schools shall have access to any Schools proposed for the school year following. The District will agree to make any required repairs, as determined by Relay Lab Schools, before Relay Lab Schools takes possession of the Schools.
- f) The District will give Relay Lab Schools access to records in the District's possession on the condition of the facilities and maintenance and capital improvements completed on the facilities.
- g) The District shall be responsible for ensuring the Ollie Perry Storm and Ira C. Ogden facilities maintain E-Occupancy from the City of San Antonio, are suitable and fit for school use, and satisfy applicable ADA accessibility requirements and any mandated school security requirements.

10. District Services.

- a) The District will provide the following services at no cost to "Relay Lab Schools:"
 - 1. Child Nutrition Program and Food Services as a pass-through. The District will remain the Contracting Entity and School Food Authority for all purposes and Relay Lab Schools will have no liability or responsibility for compliance with federal or state Child Nutrition guidelines or legal requirements. Relay Lab Schools will maintain a collaborative and working relationship with the District's Food and Child Nutrition Services division.
 - 2. Disciplinary Alternative Education Programs (DAEP), in the event that such programs could be necessary.
 - 3. Related services for special education, Section 504, dyslexia, dysgraphia, hearing, vision, orientation and mobility, assistive technology, adaptive

equipment, speech, psychology, orientation and mobility, reading, adaptive physical education, and occupational and physical therapy. Relay Lab Schools will maintain a collaborative and working relationship with the District's Special Education Department.

4. Technology infrastructure and maintenance services at the Schools. Relay Lab Schools will maintain a collaborative and working relationship with the District's Technology and Management Information Systems division.
5. Software licenses as required.
6. Other services to be agreed upon by the parties.

11. Best Practices.

- a) Relay Lab Schools will participate in any in-district charter school or Innovation Zone advisory council or regularly occurring meeting established or called by the District.
- b) A key goal of this Agreement will be to share best practices so that Relay Lab Schools and the District learn from each other in the pursuit of improved educational outcomes and to close the achievement gap. Both Parties will share academic and operational data on a regular basis and work collaboratively in a spirit of continuous improvement.

12. Representations; Warranties and Covenants.

Each of the Parties represents, warrants and covenants to the other Party that:

- i. it has all the requisite power and authority necessary to execute and deliver this Agreement and to perform its respective obligations hereunder (subject to TEA approval);
- ii. it agrees to conduct its business in compliance with all applicable local, state, federal laws and regulations, and this Agreement.

13. Trademarks; School Materials; Ownership and Use; New Intellectual Property.

- a) Trademarks. During the term of this Agreement, Relay Lab Schools retains all rights to its trademarks, service marks, proprietary slogans and logos (such trademarks, service marks, slogans and logos, collectively, the "Licensed Trademarks"), but will grant to the Schools a non-exclusive license to use the Licensed Trademarks, including use on school-related clothing and materials, in connection with School Services. As used herein, "School Services" means the furnishing of educational and related services to students and operating the Schools.
- b) School Materials. During the term of this Agreement, Relay Lab Schools grants to the Schools a non-exclusive license to use Relay Labs Schools' proprietary curriculum materials, including scope, sequence, standards, do-nows, worksheets, exit tickets, exams, assessments, progress reports and other materials ("Licensed

Curriculum Materials”). For the avoidance of doubt, the Parties acknowledge and agree that all instructional materials purchased or developed by the District for use by the Schools (“Instructional Materials”), and all furnishings and equipment of the Schools, other than those provided by Relay Lab Schools), are the sole property of the District and that such Instructional Materials shall not constitute Licensed Curriculum Materials.

c) Quality Control.

- i. To protect and preserve the strength of the Licensed Trademarks and the associated goodwill, the nature and the quality of the services provided by the Schools under the Licensed Trademarks and the Schools’ use of the Licensed Trademarks shall conform to the standards of quality maintained by other Schools operating under the “Relay Lab Schools Texas” name and utilizing the Licensed Trademarks. Without limiting the foregoing, the Schools shall use the Licensed Trademarks only in the form and manner and with appropriate legends as prescribed from time to time by Relay Lab Schools and will not use any other trademark or service mark in combination with the Licensed Trademarks without prior written approval of Relay Lab Schools.
- ii. The Schools shall use the Licensed Curriculum Materials in connection with curricular systems and educational programs provided and supported by Relay Lab Schools that shall equal or exceed the standard of quality of those utilized by other Schools operating under the “Relay Lab Schools Texas” name and utilizing the Licensed Trademarks.
- iii. Relay Lab Schools shall assist the Schools, if necessary and as reasonably requested, in maintaining the quality standards set out in clauses i and ii above.

d) Intellectual Property Ownership. The District acknowledges that it will not obtain any ownership interest in the Licensed Trademarks or Licensed Curriculum Materials, regardless of how long this Agreement remains in effect and regardless of any reason or lack of reason for the termination thereof. The District shall not knowingly dilute or disparage the Licensed Trademarks. The District agrees that any and all goodwill associated with the use by the Schools of the Licensed Trademarks shall inure to the sole benefit of Relay Lab Schools. The District further agrees that any and all intellectual property rights in any improvements or modifications to the curriculum materials or in any new curriculum materials and related materials or content which are created, or provided to the Schools, by or on behalf of Relay Lab Schools during the term of this Agreement (collectively, “New Curriculum Materials”) will also be owned by Relay Lab Schools, but Relay Lab Schools hereby grants to the Schools a non-exclusive license to use the New Curriculum Materials in connection with the School Services during the term of this Agreement. Any New Curriculum Materials created by Relay Lab Schools or Relay Lab Schools’ employees are not works for hire and the District

shall have no property rights to any such work created or derivative work. Any and all intellectual property rights in (i) any improvements or modifications to the Licensed Curriculum Materials or New Curriculum Materials, (ii) any new curriculum materials and related materials or content, in the case of (i) or (ii) created by the Schools (including, as between Relay Lab Schools and the Schools, the teaching staff, supervisory and other personnel employed by the Schools) during the term of this Agreement; (iii) any Instructional Materials (collectively, “Schools’ Intellectual Property”) will be owned by the Schools, but the District hereby grants to Relay Lab Schools, subject to any limitations on its ownership rights in Instructional Materials, a non-exclusive, perpetual royalty-free license to use the Schools’ Intellectual Property in connection with School Services provided by Relay Lab Schools to Schools under its management whether during or after the term of this Agreement; provided however, that nothing shall obligate the Schools to update or support the Schools Intellectual Property following the termination of this Agreement. Relay Lab Schools shall only use the Schools’ Intellectual Property in connection with School Services provided by Relay Lab Schools to Schools under its management in a manner that is consistent with applicable laws, including data privacy laws.

- e) Use of Intellectual Property Following Termination. Upon the end of this Agreement, the Schools and the District shall cease any further use of the Licensed Trademarks, Licensed Curriculum Materials, and New Curriculum Materials including any improvements or modifications to the Licensed Curriculum Materials or New Curriculum Materials. Notwithstanding the foregoing, should the Schools be unable, despite diligent efforts on its part, to obtain and substitute other curriculum materials to replace some or all of the Licensed Curriculum Materials or New Curriculum Materials in sufficient time for the next school term commencing after the end of the Agreement, then the Schools may continue to use those portions of the curriculum materials and New Curriculum Materials which it was unable to replace for a maximum of one school year following expiration or termination of this Agreement, *it being understood* that (i) Relay Lab Schools shall provide no updates or other support for such materials, (ii) the Schools shall, to the extent practical, remove any Licensed Trademarks or other marks identifying such materials as part of the Relay Lab Schools curricular program, and (iii) the Schools shall cease use of such materials as soon as practical but in no event later than the end of the school year immediately following the end of this Agreement.

14. Management Fee.

- a) The Management Fee shall be contingent upon the District’s receipt of SB 1882 funding.
- b) As compensation for its services hereunder, Relay Lab Schools shall receive a management fee (the “Management Fee”) from the Schools in an amount of 15% of the Non-Competitive Public Revenue of the Schools attributable to the students at the Schools. The Management Fee shall be used exclusively for the operation

of the schools and the cost of the Teacher Residency program (including salaries and benefits of Resident teachers).

- c) The Management Fee shall be paid to Relay Lab Schools as and when the corresponding funds are actually received by the District and in accordance to the mutually agreed upon payment schedule for all funds. For the purposes of this Agreement, "Non-Competitive Public Revenue" means revenue derived from federal, state and local funds specifically provided for the Schools, on a per pupil, titled funding, and special education funding basis. Non-Competitive Public Revenue shall also include the SB 1882 funds attributable to each School.
- d) If by the 60th day after such payment is due a material portion thereof remains unpaid and no such payment arrangement has been made, Relay Lab Schools will have the right to terminate this Agreement.
- e) If the Texas Legislature repeals or otherwise defunds SB 1882, both Parties shall negotiate in good faith the terms of the Management Fee. If the Parties cannot agree on a Management Fee amount within sixty days after notice that the SB 1882 funds will no longer be available, Relay Lab Schools shall have the right to terminate this contract.

15. Term & Termination.

- a) This Agreement shall be effective for ten years, beginning July 1, 2018 and ending June 30, 2028 (the "Initial Term"), unless terminated pursuant to its terms.
- b) The Agreement may be terminated when permitted by statute (i.e., for the Schools not meeting certain academic performance requirements). The District may only terminate this Agreement, as described below, after a vote of the full board with an opportunity for notice and comment and appropriate due process described below.
- c) In accordance with 19 Texas Administrative Code section 97.1075(d)(5) due process will be afforded Relay Lab Schools as follows:
 - i. A requirement of a public hearing at least 30 days prior to any action to terminate this management agreement when Relay Lab Schools has successfully met the performance expectations and goals described in this agreement; and
 - ii. A requirement of a public hearing at least 30 days prior to any action to extend this management agreement when Relay Lab Schools has failed to successfully meet the performance expectations and goals described in this agreement.
 - iii. Any termination by the District may only be approved by a 70% vote of the full Board.

- d) Following the Initial Term, the term of this Agreement may be extended by agreement of the Parties (as reflected in each case in a written renewal agreement) for successive ten-year periods (each a “Renewal Term”).
- e) This Agreement may be terminated at any time prior to its expiration date by the Parties, with or without cause, upon mutual written consent.
- f) This Agreement may be terminated prior to its expiration date by the District if the District delivers a written notice of termination (including the reasons therefor) to Relay Lab Schools, in the event that (i) Relay Lab Schools commences any case or proceeding, or files any petition in bankruptcy, or for reorganization, liquidation or dissolution, or has been adjudicated insolvent or bankrupt, or applies to any tribunal for a receiver, intervener, conservator or trustee for itself or for any substantial part of its property, (ii) an administrative or judicial body has suspended or revoked any license which may be required for Relay Lab Schools to carry on its business and perform its obligations under this Agreement other than for technical paperwork violations, (iii) Relay Lab Schools violates any material provision of law with respect to the Schools from which the Schools was not specifically exempted, (iv) Relay Lab Schools is found by a court of competent jurisdiction, or other lawful authority to have made fraudulent use of Schools funds, (v) Relay Lab Schools breaches any of the material terms and conditions of this Agreement, *provided* Relay Lab Schools has not cured the breach within sixty (60) District work days from receipt of a notice of breach from the District. The notice of termination shall be delivered at least one hundred twenty (120) days prior to the date of termination and shall be effective at the close of the school year in which such notice is issued.
- g) In the event the District terminates the Agreement for a reason outside of the defined material terms and conditions of this Agreement, not including section 19.o., and if Relay Lab Schools has met its performance contract objectives, then the District’s termination under this paragraph can only take effect at the end of the school year following the District’s Board of Trustees providing 180 days prior written notice. By way of example, if there are 179 days left in the current school year when written notice is given, the termination would not be effective until the end of the next school year. The District will compensate Relay Lab Schools for all actual costs incurred by Relay Lab Schools related to the District’s exiting the Agreement, including, but not limited to, the loss of the Management Fee for the Schools for a period of two years, the cost of leasing of a separate facility in Bexar County (if any), limited to the market value of the current leased or District provided premises, incurred by Relay Lab Schools for a period of two years, and any other personnel or operational costs incurred by Relay Lab Schools as a result of the termination. The District agrees that such compensation is not a penalty or meant to be punitive and hereby waives and agrees it will not assert any defense that this compensation is a penalty or meant to be punitive to invalidate this compensation.

- h) This Agreement may be terminated prior to its expiration date by Relay Lab Schools if Relay Lab Schools delivers a written notice of termination (including the reasons therefor) to the District, at least ninety (90) days prior to the intended Termination Date, in the event that (i) the District materially breaches any of the material terms and conditions of this Agreement, *provided* the District has not cured the breach within thirty (30) District working days from receipt of a notice of breach from “Relay Lab Schools, (ii) the District takes any action which materially interferes with the ability of Relay Lab Schools to provide services under this Agreement, (iii) the District’s leadership, the Superintendent and a majority of the School Board, oppose the continuation of this Agreement or oppose the idea of a cooperative working relationship between the District and charters as provided for in this Agreement, or (iv) the District, unreasonably and without proper cause, revokes any of the Schools’ charters. Any termination by Relay Lab Schools pursuant to this Section shall be effective as of the end of the then-current school year, *provided* that Relay Lab Schools and the District shall endeavor to establish a transition plan for withdrawal of Relay Lab Schools and its replacement by another management company or internal District personnel, as determined by the Schools, within a shorter period of time to the extent practicable and in the best interests of the Schools’ students.
- i) Upon termination of this Agreement, whether with or without cause (other than pursuant to clauses 15(f) and (h) above, Relay Lab Schools shall be entitled to a prorated Management Fee for the portion of the fiscal year up to the Termination Date, computed based upon the number of days in the fiscal year up to the date of termination divided by the total number of days in the fiscal year. To the extent this Agreement is terminated as permitted, then such termination shall be without liability to any Party or to any affiliate, shareholder, trustee, director, officer or representative of such Party, and following such termination no Party shall have any liability under this Agreement or relating to the transactions contemplated by this Agreement other than in this Section; *provided* that no such termination shall relieve any Party from liability in respect of breaches by such Party prior to such termination.

16. Indemnification; Insurance.

- a) To the greatest extent allowed by Texas Law, the District shall indemnify and hold harmless Relay Lab Schools, its affiliates, subsidiaries, trustees, directors, officers, agents, servants, and employees (each, an “Indemnitee”), from and against any and all damages, claims, liability, losses and expenses incurred by any Indemnitee in respect of, arising out of, or involving, a claim made by any third-party against any Indemnitee resulting from or arising in connection with any advice, guidance, act or omission on the part of the District, its trustees, directors, officers, directors, agents, servants or employees, whether in connection with the services or support functions to be provided under this Agreement or activities undertaken by the District on behalf of other schools, *excluding, however*, any liability resulting from or arising in connection with (i) actions taken by the District at the express request or direction of Relay Lab Schools, (ii) any advice,

guidance, acts or omissions by the District premised on a misrepresentation or failure to disclose information when under an obligation to do so by the person or entity seeking indemnification, or (iii) any liability to the extent arising as a result of negligence, intentional tort, fraud or criminal conduct on the part of Relay Lab Schools or any of its trustees, officers, agents, or employees.

- b) If a third party claim is made against an Indemnitee, that does not include a claim for liability resulting from or arising in connection with (i) actions taken by the District at the express request or direction of Relay Lab Schools, (ii) any advice, guidance, acts or omissions by the District premised on a misrepresentation or failure to disclose information when under an obligation to do so by the person or entity seeking indemnification, or (iii) any liability to the extent arising as a result of negligence, intentional tort, fraud or criminal conduct on the part of Relay Lab Schools or any of its trustees, officers, agents or employees, then such Indemnitee shall give written notice to the District of such claim as soon as reasonably practicable after such Indemnitee has received notice thereof (provided that failure to give timely notice shall not limit the indemnification obligations of the District hereunder except to the extent that the delay in giving, or failure to give, such notice has materially prejudiced the ability of the District to defend the claim). The District shall defend such claim, at the District's own expense or through its insurance as applicable and with counsel selected by the District and reasonably satisfactory to such Indemnitee, provided that an Indemnitee shall at all times also have the right to fully participate in the defense at its own expense unless the Indemnitee and the District reasonably determine that representation of Indemnitee and the District by the same counsel would materially prejudice the interest of District or the Indemnitee; provided that the District will only be responsible under such circumstances for the expenses of a single additional counsel for all Indemnitees). If the District shall fail to commence a defense against such claim within thirty (30) days after notice thereof shall have been given by an Indemnitee to the District or if the District shall not diligently pursue such defense, such Indemnitee shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment), the claim on behalf, for the account, and at the risk and expense (including the payment of reasonable attorneys' fees of such Indemnitee regardless of whether the Indemnitee prevails against the third party claim) of the District. If the District assumes the defense of such claim, the obligation of the District hereunder as to such claim shall include taking all reasonably necessary steps in the defense of such claim.
- c) The District shall not consent to the entry of any judgment or settle or compromise any third party demands, claims, actions, suits or proceedings for which an Indemnitee has sought indemnification from the District and for which Indemnitee has not been fully released unless it shall have given such Indemnitee not less than fifteen (15) days' prior written notice of the proposed consent, settlement or compromise, and afforded such Indemnitee an opportunity to consult with the District regarding the proposed consent, settlement or compromise, and shall not consent to the entry of any judgment or enter into any

settlement or compromise without the approval of such Indemnitee. An Indemnitee shall not unreasonably withhold or delay its approval of a proposed consent, settlement or compromise. In determining whether to give its approval, an Indemnitee may consider whether the proposed consent, settlement or compromise includes as an unconditional term thereof the giving by the claimant to such Indemnitee of a release from all liabilities and obligations of whatever kind or nature in respect of such claim except the liabilities and obligations satisfied by the District. If the Indemnitee unreasonably withholds its approval of a proposed consent settlement or compromise, and shall not consent to the entry of any judgment or enter into any settlement or compromise that provides the Indemnitee with a release from all liabilities and obligations of whatever kind or nature in respect of such claim except the liabilities and obligations satisfied by the District, Indemnitee shall continue its defense at its own cost and the District is not required to provide any additional amounts above the proposed consent settlement or compromise in any subsequent consent, settlement, judgment or compromise negotiated by Indemnitee.

- d) The rights to indemnification and reimbursement provided by, or granted pursuant to, this Section shall continue as to an Indemnitee who has ceased to be a trustee, director, officer, agent, servant or employee of Relay Lab Schools (or any other person indemnified hereunder) but only for claims based upon events that occurred while the Indemnitee was a trustee, director, officer, agent, servant or employee of Relay Lab Schools. The provisions of this Section shall be a contract between the District, on the one hand, and each Indemnitee who served at any time while this Section is in effect in any capacity entitling such Indemnitee to indemnification hereunder, on the other hand, pursuant to which the District and each such Indemnitee intend to be legally bound. No repeal or modification of this Section 16 shall affect any rights or obligations with respect to any state of facts then or theretofore existing or thereafter arising or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon such state of facts.
- e) Accidents. The District agrees to request from its insurance carriers that Relay Lab Schools be added as an additional named insured on any District held policies of insurance related to transportation or general liability. The District will provide Relay Lab Schools with a copy of each insurance policy, indicating Relay Lab Schools as an additional insured, within 10 business days of receipt of documentation from the District's insurance carriers. The District will also notify Relay Lab Schools of any policy change and provide Relay Lab Schools with updated records upon any changes in coverage.

17. Non-Solicitation.

- a) To the extent permitted by law, the District agrees that from and after the date hereof until twelve (12) months after the end of the fiscal year in which this Agreement is validly terminated or expires at the end of the then-current term, in each case, pursuant to this Section (the "Restricted Period"), it shall not solicit to

hire, or re-hire, or cause or permit any of its, agents, or independent contractors to employ, directly or indirectly, in any capacity, any director, officer or employee of Relay Lab Schools who is, or has been during the term of this Agreement, engaged by Relay Lab Schools or any Affiliate of Relay Lab Schools to render services as an employee or independent contractor to the Schools, except (i) for up to four (4) individuals in aggregate during the Restricted Period; provided, that the District gives Relay Lab Schools prompt written notice of the name of each such individual and Relay Lab Schools' reliance on this exception or (ii) for general solicitations of employment, but not hiring or employing (other than expressly permitted herein); provided, that such solicitations are not specifically directed to any such officer, director or employee.

- b) For the purposes of this Agreement, "Affiliate" of any Person means any other Person which, directly or indirectly, controls or is controlled by that Person, or is under common control with that Person. For the purposes of this definition, (a) "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the operations, activities, management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise and (b) "Person" means any individual, partnership, corporation, limited liability company, trust, estate, association, unincorporated organization or other entity or association.

18. No Waiver of Immunity.

- a) Except as expressly provided herein, nothing in this Agreement or any addendum or exhibit shall be construed to waive any immunity to which either the District or Relay Lab Schools or any employee or member of the governing board of each Party is entitled under Applicable Law with respect to any non-Parties. Notwithstanding the above, the Parties acknowledge, stipulate and agree that this Agreement is a contract for goods and services subject to Chapter 271, Subchapter I of the Texas Local Government Code in that Relay Lab Schools is providing goods and services to the District and that the District is also providing goods and services to "Relay Lab Schools," that this Agreement is duly authorized and properly executed by both the District and "Relay Lab Schools," and that immunity is waived, to the extent set forth in Chapter 271, Subchapter I of the Texas Local Government Code, as between Relay Lab Schools and the District for purposes of adjudicating any future claim for breach of this contract.

19. Miscellaneous.

- a) Notices. All communications and notices relating to this Agreement are to be delivered in writing, with confirmation of delivery, to the following address or to such other address as either party may designate from time to time:

If to District, to:

Mr. Pedro Martinez
Superintendent
141 Lavaca
San Antonio, TX 78210
Telephone: (210) 554-2200
Facsimile: (210) 228-3102
Email: pmartinez1@saisd.net

With a copy to:

Mohammed Choudhury
Chief Innovation Officer
141 Lavaca
San Antonio, TX 78210
Telephone: (210) 554-2200
Facsimile: (210) 228-3102
Email: mchoudhury1@saisd.net

With a copy by e-mail to:

Jennifer Hall
Escamilla & Poneck, LLP
Telephone: 210-225-0001
Facsimile: 210-225-0041
Email: jhall@escamillaponeck.com

Attention: Christina Hassold

If to Relay Lab Schools, to:

Chris Fraser
Executive Director
Relay Lab Schools Texas
250 E. Grayson St., Suite B
San Antonio, Texas 78215

- b) Severability. In the event that any provision of this Agreement or the application hereof to either Party or in any circumstances shall be determined to be invalid, unlawful, or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to either Party or circumstances other than those as to which it is determined to be invalid, unlawful, or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall continue to be valid and may be enforced to the fullest extent permitted by law.

- c) The failure by either Party hereto to insist upon or to enforce any of its rights shall not constitute a waiver thereof, and nothing shall constitute a waiver of such Party's right to insist upon strict compliance with the provisions hereof. No delay in exercising any right, power or remedy created hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy by any such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No waiver by any Party hereto to any breach of or default in any term or condition of this Agreement shall constitute a waiver of or assent to any succeeding breach of or default in the same or any other term or condition hereof.
- d) This Agreement shall not be changed, modified or amended nor shall a waiver of its terms or conditions be deemed effective except by a writing signed by the Parties hereto.
- e) The Parties hereto acknowledge that the management of the Schools by third parties is an area presenting numerous legal uncertainties and ambiguities, and that the arrangements contemplated by this Agreement are new and unique and in light of these factors agree to work together in good faith to resolve in manner consistent with the spirit and intent of the relationship created hereby, any new or unforeseen issues which arise in carrying out the terms of this Agreement.
- f) This Agreement may not be assigned (whether by operation of law, merger, or otherwise) by either Party without the prior written consent of the other Party except that the District agrees that Relay Lab Schools may assign its interest in the Agreement to a Texas subsidiary. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and permitted assigns of the respective Parties hereto.
- g) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without regard to the conflicts of law rules thereof.
- h) This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Electronic copies shall be treated as originals.
- i) Except as expressly provided in this Agreement, each of the Parties hereto shall bear its own costs and expenses incurred in connection with the negotiation, execution and delivery of this Agreement.
- j) This Agreement does not confer any rights or remedies upon any person or entity, other than the Parties hereto and their respective successors and permitted assigns.
- k) Whenever the context requires, the gender of all words used in this Agreement includes the masculine, feminine, and neuter. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement will refer

to this Agreement as a whole and not to any particular provision of this Agreement, and all references to Articles and Sections refer to articles and sections of this Agreement, all references to “including” or any variation thereof will be construed as meaning “including without limitation” and all references to Exhibits, Schedules or Appendices are to Exhibits, Schedules or Appendices attached to this Agreement, as amended pursuant to this Agreement from time to time, each of which is made a part of this Agreement for all purposes. All headings and captions contained in this Agreement are inserted for convenience only and shall not be deemed a part of this Agreement. The Annexes are considered a part of this Agreement. The word “extent” in the phrase “to the extent” means the degree to which a subject or other thing extends, and such phrase does not mean simply “if”. The sign “\$” when used in this Agreement means the lawful money of the United States of America.

- l) Where any provision in this Agreement refers to action to be taken by any person or entity, or which such person or entity is prohibited from taking, such provision will be applicable whether such action is taken directly or indirectly by such person or entity.
- m) This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, representations and statements, whether oral, written, implied or expressed, relating to such subject matter.
- n) This Agreement is hereby deemed performable entirely in Bexar County, Texas. Mandatory and exclusive venue for any lawsuit or adjudicatory proceeding brought by either party to the contract shall be in Bexar County, Texas.
- o) Relay Lab Schools is solely responsible for compliance with the obligations assumed by or assigned to Relay Lab Schools. District shall not be responsible for any penalties levied for Relay Lab Schools’ failure to comply with the obligations assumed by or assigned to Relay Lab Schools. Subject to the policy limits of Relay Lab Schools’ insurance coverage and to the extent Relay Lab Schools and the District are not otherwise entitled to claim immunity under Texas law, Relay Lab Schools shall indemnify and/or defend the District if there is any challenge or attempt to involve the District in any complaint, litigation or penalty solely arising out of Relay Lab Schools’ obligations under this Agreement. The District may terminate the Agreement should there be a challenge or attempt to involve the District.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

DISTRICT:

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

By: _____

 6/15/18

Patti Radle
President, San Antonio ISD Board of Trustees

By: _____




Pedro Martinez
Superintendent, San Antonio ISD

Relay Lab Schools:

RELAY LAB SCHOOLS TEXAS

By: _____



Chief Executive Officer

RELAY LAB SCHOOLS TEXAS - SAISD MANAGEMENT AGREEMENT EXHIBIT A

Relay Lab Schools Texas at Storm Elementary: Performance Contract Metrics

- Subject to TEA’s final A-F accountability rules (in accordance with Texas Education Code Ch. 39)
- In accordance with 19 TAC §1075 and SAISD Board Policy EL(LOCAL)

Academic Excellence

The District will monitor, evaluate, and publish campus performance annually, and will review whether the charter will be placed on probation, revoked, and/or renewed on a three- or five-year cycle.

Objective: Relay Lab Schools Texas students’ academic performance will meet or exceed local and state standards.

- By 2020, Storm ES will receive a State Accountability Rating of *Met Standard*.
- By 2023, Storm ES will receive an overall campus rating of a B or better

Performance Measure 1: Campus Overall Rating

School Year	2018-19	2019-20	2020-21	2021-22	2022-23
Rating	<p><i>Met Standard or Not Met Standard</i></p> <p>TEC, §11.174(f), prohibits the imposition of certain interventions and sanctions based on accountability performance for the first two school years for which a school district partnership operates on the campus.</p>	<p><i>Met Standard or Not Met Standard</i></p> <p>If the campus receives an overall campus rating of <i>Not Met Standard</i>, then the District shall seek an extension waiver from the Texas Education Agency in accordance with TEC §11.174(g)</p>	Met Standard (C or higher)	Met Standard (C or higher)	Met Standard (B or higher)

Performance Measure 2: School Progress Domain

School Year	2018-19	2019-20	2020-21	2021-22	2022-23
Rating	<i>Met Standard or Not Met Standard</i>	Met Standard	C	C	B
Relative Performance			C	C	B
STAAR/EOC Performance			36%	39%	44%
STAAR Growth Measure			C	C	B
STAAR/EOC Growth in Reading and Math			70%	73%	75%

Performance Measure 3: Closing the Gap Domain

School Year	2018-19	2019-20	2020-21	2021-22	2022-23
Rating	<i>Met Standard or Not Met Standard</i>	Met Standard	C	C	C
Academic Achievement (Percent Evaluated Indicators Met)			30%	38%	61%
STAAR Growth Measure (Percent Evaluated Indicators Met)			83%	91%	100%
ELL Proficiency			Met	Met	Met

Organizational Strength

The District will monitor, evaluate, and publish campus performance annually, and will review whether the charter will be placed on probation, revoked, and/or renewed on a three- or five-year cycle.

Objective: Leadership at Relay Lab Schools Texas will further the school mission, program, and goals, and will act strategically to ensure adequacy, alignment, and coherence of actions.

- Storm ES will fulfill the education plan and program outlined in the campus charter per TEC Chapter 12 Subchapter C 12.059(1).
- Storm ES will act in accordance with its charter application attached hereto as Exhibit B but if there is any conflict this Management Agreement shall govern.
- Storm ES will have a teacher satisfaction rate that meets or exceeds the average on the district-wide teacher survey (to be developed by the end of the 2019-20 school year), provided that Storm ES will only be compared to neighborhood schools with a designated attendance zone.

Objective: Relay Lab Schools Texas will provide quality educational programs that enable all students to achieve academically and socially.

- Each year, Storm ES will have an average daily student attendance rate of at least 95%.
- Each year, Storm ES will have a student mobility rate no greater than 20%.

Objective: Relay Lab Schools Texas will meaningfully engage families to establish and maintain positive relationships between school and home.

- Relay Lab Schools Texas parents will show a high degree of confidence in the school model, as measured by a parent satisfaction rate that meets or exceeds the average on the district-wide parent survey (to be developed by the end of the 2019-20 school year), provided that Storm ES will only be compared to neighborhood schools with a designated attendance zone.

Financial Health

Relay Lab Schools Texas will have its financial statements audited by a licensed independent CPA firm, and submit the resulting audited annual financial report to the District within 150 days after the close of Relay Lab Schools Texas's fiscal year. The first audit will commence after completion of the inaugural fiscal year following the opening of the schools.

As required by 19 TAC § 97.1075(d)(3), Relay Lab Schools Texas will annually receive an unqualified audit opinion. If Relay Lab Schools Texas receives a qualified audit opinion, the District or Relay Lab Schools Texas may terminate the Agreement if Relay Lab Schools Texas fails to remedy any material underlying basis for the qualified opinion including, but not limited to, material errors within the Financial Audit within the applicable cure period (60 District working days) described in the Agreement.

Objective: Storm ES and Relay Lab Schools Texas will be well-run organizations capable of achieving long-term success.

- Storm ES will operate core educational programs sustainably on dependable public funds and will maintain a balanced budget and stable cash flow. As required in 19 TAC §97.1075(d)(3), Relay Lab Schools Texas will annually receive an unqualified audit opinion.

Relay Lab Schools Texas at Ogden Elementary: Performance Contract Metrics

- Subject to TEA’s final A-F accountability rules (in accordance with Texas Education Code Ch. 39)
- In accordance with 19 TAC §1075 and SAISD Board Policy EL(LOCAL)

Academic Excellence

The District will monitor, evaluate, and publish campus performance annually, and will review whether the charter will be placed on probation, revoked, and/or renewed on a three- or five-year cycle.

Objective: Relay Lab Schools students’ academic performance will meet or exceed local and state standards.

- By 2020, Ogden ES will receive a State Accountability Rating of *Met Standard*.
- By 2023, Ogden ES will receive an overall campus rating of a B or better

Performance Measure 1: Campus Overall Rating

School Year	2018-19	2019-20	2020-21	2021-22	2022-23
Rating	<p><i>Met Standard or Not Met Standard</i></p> <p>TEC, §11.174(f), prohibits the imposition of certain interventions and sanctions based on accountability performance for the first two school years for which a school district partnership operates on the campus.</p>	<p><i>Met Standard or Not Met Standard</i></p> <p>If the campus receives an overall campus rating of <i>Not Met Standard</i>, then the District shall seek an extension waiver from the Texas Education Agency in accordance with TEC §11.174(g)</p>	Met Standard (C or higher)	Met Standard (C or higher)	Met Standard (B or higher)

Performance Measure 2: School Progress Domain

School Year	2018-19	2019-20	2020-21	2021-22	2022-23
Rating	<i>Met Standard or Not Met Standard</i>	Met Standard	C	C	B
Relative Performance			C	C	B
STAAR/EOC Performance			36%	39%	45%
STAAR Growth Measure			C	C	B
STAAR/EOC Growth in Reading and Math			70%	73%	75%

Performance Measure 3: Closing the Gap Domain

School Year	2018-19	2019-20	2020-21	2021-22	2022-23
Rating	<i>Met Standard or Not Met Standard</i>	Met Standard	C	C	C
Academic Achievement (Percent of Evaluated Indicators Met)			35%	42%	64%
STAAR Growth Measure (Percent of Evaluated Indicators Met)			84%	92%	100%
ELL Proficiency			Met	Met	Met

Organizational Strength

The District will monitor, evaluate, and publish campus performance annually, and will review whether the charter will be placed on probation, revoked, and/or renewed on a three- or five-year cycle.

Objective: Leadership at Relay Lab Schools Texas will further the school mission, program, and goals and will act strategically to ensure adequacy, alignment, and coherence of actions.

- Ogden ES will fulfill the education plan and program outlined in the campus charter per TEC Chapter 12 Subchapter C 12.059(1).
- Ogden ES will act in accordance with its charter application attached hereto as Exhibit C but if there is any conflict this Management Agreement shall govern.
- Ogden ES will have a teacher satisfaction rate that meets or exceeds the average on the district-wide teacher survey (to be developed by the end of the 2019-20 school year), provided that Ogden ES will only be compared to neighborhood schools with a designated attendance zone.

Objective: Relay Lab Schools Texas will provide quality educational programs that enable all students to achieve academically and socially.

- Each year, Ogden ES will have an average daily student attendance rate of at least 95%.
- Each year, Ogden ES will have a student mobility rate no greater than 20%.

Objective: Relay Lab Schools Texas will meaningfully engage families to establish and maintain positive relationships between school and home.

- Relay Lab Schools Texas parents will show a high degree of confidence in the school model, as measured by a parent satisfaction rate that meets or exceeds the district average on the district-wide parent survey (to be developed by the end of the 2019-20 school year), provided that Ogden ES will only be compared to neighborhood schools with a designated attendance zone.

Financial Health

Relay Lab Schools Texas will have its financial statements audited by a licensed independent CPA firm, and submit the resulting audited annual financial report to the District within 150 days after the close of Relay Lab Schools Texas's fiscal year. The first audit will commence after completion of the inaugural fiscal year following the opening of the schools.


As required by 19 TAC § 97.1075(d)(3), Relay Lab Schools Texas will annually receive an unqualified audit opinion. If Relay Lab Schools Texas receives a qualified audit opinion, the District or Relay Lab Schools Texas may terminate the Agreement if Relay Lab Schools Texas fails to remedy any material underlying basis for the qualified opinion including, but not limited to, material errors within the Financial Audit within the applicable cure period (60 District working days) described in the Agreement.


Objective: Ogden ES and Relay Lab Schools Texas will be well-run organizations capable of achieving long-term success.

- Ogden ES will operate core educational programs sustainably on dependable public funds and will maintain a balanced budget and stable cash flow. As required in 19 TAC § 97.1075(d)(3), Relay Lab Schools Texas will annually receive an unqualified audit opinion.

Agreed to and approved by the parties below, effective as of December 10, 2018.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

By: 
Patti Radle
President, San Antonio ISD Board of Trustees

By: 
Pedro Martinez
Superintendent, San Antonio ISD

RELAY LAB SCHOOLS TEXAS

By: 
Name: Chris Fraser
Title: Executive Director, Relay Lab Schools-Texas