



## International Leadership of Texas, Inc.

### **December 15, 2021 Regular Board Meeting and Charter FIRST Presentation**

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#### **Date and Time**

Wednesday December 15, 2021 at 6:00 PM CST

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#### **Board of Directors of International Leadership of Texas**

#### **Meeting Notice & Mission Statement**

In compliance with the Texas Open Meetings Act, the Texas Government Code, Chapter 551, timely public advance written notice (at least 72 hours before the scheduled time of the meeting) is given of the subjects to be considered by the Board of Directors of International Leadership of Texas (the "Board") and the Board will convene a Regular Open Meeting of the Board of Directors of International Leadership of Texas on the date and time set forth herein.

International Leadership of Texas Board of Directors will be holding its regularly scheduled public board meeting at the date and time noticed above. Members of the public will be able to watch the meeting via the link <https://zoom.us/j/801651349> or by a link that will be posted on the ILTexas.org website (click the button "Board Meetings" to view any updates to this Notice).

If you would like to sign up to speak at the meeting, please send your name to [board@iltexas.org](mailto:board@iltexas.org), 24-Hours in advance of the noticed Meeting time so that we will be able to promote you to a panelist, which will allow you to speak with our board members.

It is the intent of the Board to have a quorum physically present at the above address. Board members not physically present may participate by live two-way video and audio feed in accordance with the Texas Open Meetings Act. If a quorum of the Board cannot be physically present at the above address, it is the intent to have the presiding officer physically present at the above address.

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The Board hereby certifies that this notice was posted on a bulletin board or on something akin thereto or at a place readily accessible and convenient to the public at 1651 N. Glenville Dr., #216, Richardson, TX 75081, as well as online at [www.ILTexas.org](http://www.ILTexas.org). And that the meeting will be accessible at the address listed immediately above. The items on this Agenda may be taken in any order. The mission of ILTexas is to prepare students for exceptional leadership roles in the international community by emphasizing servant leadership, mastering the English, Spanish, and Chinese languages, and strengthening the mind, body and character.

/s/ Finn Simmenssen, For ILTexas' Board

## Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>6:00 PM</b>
Opening Items			
<b>A.</b> Record Attendance and Guests			
<b>B.</b> Call the Meeting to Order			
<b>II. Annual Presentation and Public Hearing of Charter FIRST Report</b>			
<b>A.</b> CALL TO ORDER	FYI	Major General James Williams	
<b>B.</b> PRESENTATION OF FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST) REPORT	Discuss	James Dworkin	
<b>C.</b> ADJOURN CHARTER FIRST REPORT PRESENTATION AND PUBLIC HEARING	FYI	Major General James Williams	
<b>III. Approve Minutes of Prior Meetings</b>			
<b>A.</b> APPROVE MINUTES OF DECEMBER 1, 2021 SPECIAL BOARD MEETING	Approve Minutes		
<b>IV. Public Speakers</b>			
Board Services			

	Purpose	Presenter	Time
<b>A.</b> Guests speaking, if any	FYI		
<b>V. Superintendent-CEO Report and Information Items</b>			
<b>A.</b> SUPERINTENDENT-CEO REPORT	FYI	Eddie Conger	
<b>B.</b> SCHOOL LEADERSHIP REPORT	FYI	Dr. Thomas Seaberry	
<b>C.</b> DEPUTY SUPERINTENDENT OF ACADEMIC STUDENT SERVICES REPORT	FYI	Dr. Laura Carrasco	
<b>D.</b> CHIEF ADMINISTRATIVE OFFICER REPORT	FYI	Jerry McCreight	
<b>VI. BOARD COMMITTEE REPORTS</b>			
<b>A.</b> REPORT FROM FINANCE AND AUDIT COMMITTEE	Discuss	Tracy Cox	
<b>B.</b> REPORT FROM NOMINATION COMMITTEE	Discuss	Dr. Lynne Beach	
<b>VII. Executive Session</b>			
<b>A.</b> AUTHORIZATION	FYI		
Closed Session for Any and All Reasons Permissible by Texas Law, including, but not limited to, Texas Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.075, 551.076, 551.082, 551.083, 551.084, pertaining to any item listed on this agenda, as permitted by applicable law.			
<b>B.</b> CONSULT WITH ATTORNEY PURSUANT TO GOVERNMENT CODE 551.071	Discuss		
Consultation with counsel regarding pending litigation.			
<b>VIII. CONSENT AGENDA</b>			
<b>A.</b> CONSENT AGENDA ITEMS -- SINGLE VOTE UNLESS OTHERWISE SPECIFIED	Vote		
1. Approve a proposal to lease premises located at 1901 N. State Highway 360, Grand Prairie, Texas 75050 from Capital Commercial Investments, Inc.			
2. Approve the Leave of Absence for Board member Gabriela Smith for a period of three months.			

	Purpose	Presenter	Time
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**IX. Board Items for Discussion/Action**

- |           |   |      |               |
|-----------|---|------|---------------|
| <b>A.</b> | CONSIDER/ACT ON NOVEMBER, 2021 FINANCIAL REPORT | Vote | James Dworkin |
|-----------|---|------|---------------|

Discuss/Take Action to approve the November, 2021 International Leadership of Texas, Inc. Financial Report.

- |           |   |      |                     |
|-----------|---|------|---------------------|
| <b>B.</b> | CONSIDER/ACT ON GRADUATION RANKING POLICY | Vote | Dr. Thomas Seaberry |
|-----------|---|------|---------------------|

Discuss/take action, if necessary, on policy regarding student graduation ranking.

- |           |  |      |              |
|-----------|--|------|--------------|
| <b>C.</b> | CONSIDER/ACT ON SUPERINTENDENT EVALUATION, COMPENSATION AND CONTRACT | Vote | Eddie Conger |
|-----------|--|------|--------------|

Discuss/Take Action to approve evaluation of CEO/Superintendent for the 2021-2022 School Year; and, discuss/take action on CEO/Superintendent compensation and contract term (extension through 2024-2025 School Year).

**X. Closing Items**

- |           |                 |      |  |
|-----------|-----------------|------|--|
| <b>A.</b> | Adjourn Meeting | Vote |  |
|-----------|-----------------|------|--|

# Coversheet

## PRESENTATION OF FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST) REPORT

<b>Section:</b>	II. Annual Presentation and Public Hearing of Charter FIRST Report
<b>Item:</b>	B. PRESENTATION OF FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS (FIRST) REPORT
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	official-notification-of-the-2020-2021-release-of-final-first-ratings.pdf First Rating Schools 2020-2021c.pdf 057848 First Detail 2020-2021.pdf 057848 Indicator 13.pdf Charter FIRST 2020+ Rules.pdf



## To the Administrator Addressed

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [tea.texas.gov](http://tea.texas.gov)

<b>DATE:</b>	<b>November 5, 2021</b>
<b>SUBJECT:</b>	<b>Official Notification of the 2020–2021 Release of Final FIRST Ratings</b>
<b>CATEGORY:</b>	<b>Information Update</b>
<b>NEXT STEPS:</b>	<b>Complete required reporting</b>

*Final* 2020–2021 Financial Integrity Rating System of Texas (FIRST) ratings based on fiscal year 2020 are now publicly available on the Texas Education Agency (TEA) website:

- [School districts](#)
- [Open-enrollment charter schools and charter schools operated by Institutions of Higher Education \(IHE\)](#)

A previous “To the Administrator Addressed” letter dated August 6, 2021, instructed your school district or charter school (local educational agency or LEA) to view its *preliminary* FIRST rating. The letter also provided information about the data the TEA analyzes to produce the rating and described the appeal process available to your LEA. This appeals process is now complete, and the FIRST ratings are final.

### Required Reporting

Within two months of the release of its final FIRST rating, your LEA must announce and hold a public meeting to distribute a financial management report that explains the LEA’s rating and its performance under each indicator for the current and previous year’s ratings. The report also must provide the financial information described in [19 Texas Administrative Code \(TAC\) §109.1001\(q\)\(3\)](#). We encourage your LEA to include in the report additional information that will be beneficial to stakeholders, especially information explaining any special circumstances that may have affected the LEA’s performance under one or more of the indicators.

The required newspaper notice to inform taxpayers of the meeting must be published no more than 30 days and no fewer than 10 days before the public meeting. Your LEA may combine the meeting with a scheduled regular meeting of the board of trustees.

For full requirements related to the report and meeting, see [19 TAC §109.1001\(q\)](#). For a template that your LEA can use in developing its financial management report, see the TEA [School FIRST](#) web page for school districts or [FIRST Rating for Charter Schools](#) web page.

### Special Note on Required Reporting During the COVID-19 Pandemic

A district or charter school may hold a virtual hearing and take virtual testimony in conformance with [COVID-19 resources and guidelines](#) published by the Office of the Attorney General and Texas Department of Information Resources. TEA will consider a hearing held in conformance with such resources and guidelines as compliant with the hearing location and participation requirements of 19 TAC §109.1001(q)(4). The district must, however, continue to follow all other hearing-related and notice requirements of the rule.



Commissioner Mike Morath

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### **Accreditation Status**

Please note that the TEA considers an LEA's FIRST rating when assigning an accreditation status, as required by the accreditation status rules in [19 TAC §97.1055](#).

### **Contact for Further Information**

If you have questions about your LEA's FIRST rating, please contact [financialaccountability@tea.texas.gov](mailto:financialaccountability@tea.texas.gov).

David Marx, CPA  
Director, Financial Compliance Division  
School Finance Department

**2021 FIRST Ratings (Uses Fiscal Year ended June or August 2020)**

CDN	REGION	NAME	RATING
003801	7	PINEYWOODS COMMUNITY ACADEMY	A - Superior Achievement
013801	2	ST MARY'S ACADEMY CHARTER SCHOOL	A - Superior Achievement
014801	12	RICHARD MILBURN ALTER HIGH SCHOOL (KILLEEN)	A - Superior Achievement
014803	12	PRIORITY CHARTER SCHOOLS	F - Substandard Achievement
014804	12	ORENDA CHARTER SCHOOL	A - Superior Achievement
015801	20	POR VIDA ACADEMY	B - Above Standard Achievement
015802	20	GEORGE GERVIN ACADEMY	B - Above Standard Achievement
015805	20	NEW FRONTIERS PUBLIC SCHOOLS INC	B - Above Standard Achievement
015806	20	LEGACY TRADITIONAL SCHOOLS - TEXAS	B - Above Standard Achievement
015807	20	SOUTHWEST PREPARATORY SCHOOL	A - Superior Achievement
015808	20	INSPIRE ACADEMIES	A - Superior Achievement
015809	20	BEXAR COUNTY ACADEMY	C - Meets Standard Achievement
015814	20	POSITIVE SOLUTIONS CHARTER SCHOOL	B - Above Standard Achievement
015815	20	HERITAGE ACADEMY	A - Superior Achievement
015822	20	JUBILEE ACADEMIES	A - Superior Achievement
015825	20	LIGHTHOUSE PUBLIC SCHOOLS	A - Superior Achievement
015827	20	SCHOOL OF SCIENCE AND TECHNOLOGY	C - Meets Standard Achievement
015828	20	HARMONY SCIENCE ACAD (SAN ANTONIO)	A - Superior Achievement
015830	20	BROOKS ACADEMIES OF TEXAS	B - Above Standard Achievement
015831	20	SCHOOL OF SCIENCE AND TECHNOLOGY DISCOVERY	A - Superior Achievement
015833	20	HENRY FORD ACADEMY ALAMEDA SCHOOL FOR ART + DE	B - Above Standard Achievement
015834	20	BASIS TEXAS	A - Superior Achievement
015835	20	GREAT HEARTS TEXAS	B - Above Standard Achievement
015836	20	ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY	A - Superior Achievement
015838	20	COMPASS ROSE PUBLIC SCHOOLS	B - Above Standard Achievement
021803	6	BRAZOS SCHOOL FOR INQUIRY & CREATIVITY	A - Superior Achievement
021805	6	ARROW ACADEMY	A - Superior Achievement
043801	10	IMAGINE INTERNATIONAL ACADEMY OF NORTH TEXAS	A - Superior Achievement
043802	10	LONE STAR LANGUAGE ACADEMY	C - Meets Standard Achievement
046802	13	TRINITY CHARTER SCHOOL	A - Superior Achievement

CDN	REGION	NAME	RATING
057802	10	PEGASUS SCHOOL OF LIBERAL ARTS AND SCIENCES	A - Superior Achievement
057803	10	UPLIFT EDUCATION	A - Superior Achievement
057804	10	TEXANS CAN ACADEMIES	A - Superior Achievement
057805	10	LUMIN EDUCATION	C - Meets Standard Achievement
057806	10	ADVANTAGE ACADEMY	B - Above Standard Achievement
057807	10	LIFE SCHOOL	A - Superior Achievement
057808	10	UNIVERSAL ACADEMY	C - Meets Standard Achievement
057809	10	NOVA ACADEMY	B - Above Standard Achievement
057810	10	ACADEMY OF DALLAS	C - Meets Standard Achievement
057813	10	TRINITY BASIN PREPARATORY	A - Superior Achievement
057814	10	ACADEMY FOR ACADEMIC EXCELLENCE	A - Superior Achievement
057816	10	A W BROWN LEADERSHIP ACADEMY	C - Meets Standard Achievement
057819	10	JEAN MASSIEU ACADEMY	A - Superior Achievement
057827	10	NOVA ACADEMY SOUTHEAST	A - Superior Achievement
057828	10	WINFREE ACADEMY CHARTER SCHOOLS	A - Superior Achievement
057829	10	A+ ACADEMY	A - Superior Achievement
057830	10	INSPIRED VISION ACADEMY	A - Superior Achievement
057831	10	GATEWAY CHARTER ACADEMY	A - Superior Achievement
057833	10	EDUCATION CENTER INTERNATIONAL ACADEMY	C - Meets Standard Achievement
057834	10	EVOLUTION ACADEMY CHARTER SCHOOL	C - Meets Standard Achievement
057835	10	GOLDEN RULE CHARTER SCHOOL	B - Above Standard Achievement
057836	10	ST ANTHONY SCHOOL	A - Superior Achievement
057839	10	LA ACADEMIA DE ESTRELLAS	A - Superior Achievement
057841	10	CITYSCAPE SCHOOLS	B - Above Standard Achievement
057844	10	MANARA ACADEMY	C - Meets Standard Achievement
057845	10	UME PREPARATORY ACADEMY	A - Superior Achievement
057846	10	LEGACY PREPARATORY	A - Superior Achievement
057847	10	VILLAGE TECH SCHOOLS	A - Superior Achievement
057848	10	INTERNATIONAL LEADERSHIP OF TEXAS (ILTEXAS)	A - Superior Achievement
057850	10	PIONEER TECHNOLOGY & ARTS ACADEMY	A - Superior Achievement
057851	10	BRIDGEWAY PREPARATORY ACADEMY	B - Above Standard Achievement

CDN	REGION	NAME	RATING
061802	11	NORTH TEXAS COLLEGIATE ACADEMY	A - Superior Achievement
061804	11	LEADERSHIP PREP SCHOOL	A - Superior Achievement
061805	11	TRIVIUM ACADEMY	A - Superior Achievement
068802	18	COMPASS ACADEMY CHARTER SCHOOL	A - Superior Achievement
070801	10	WAXAHACHIE FAITH FAMILY ACADEMY	B - Above Standard Achievement
071801	19	BURNHAM WOOD CHARTER SCHOOL DISTRICT	B - Above Standard Achievement
071803	19	TRIUMPH PUBLIC HIGH SCHOOLS-EL PASO	A - Superior Achievement
071804	19	EL PASO ACADEMY	A - Superior Achievement
071806	19	HARMONY SCIENCE ACAD (EL PASO)	A - Superior Achievement
071807	19	LA FE PREPARATORY SCHOOL	A - Superior Achievement
071809	19	VISTA DEL FUTURO CHARTER SCHOOL	B - Above Standard Achievement
071810	19	EL PASO LEADERSHIP ACADEMY	A - Superior Achievement
072801	11	PREMIER HIGH SCHOOLS	B - Above Standard Achievement
072802	11	ERATH EXCELS ACADEMY INC	A - Superior Achievement
084802	4	ODYSSEY ACADEMY INC	A - Superior Achievement
084804	4	AMBASSADORS PREPARATORY ACADEMY	B - Above Standard Achievement
092801	7	EAST TEXAS CHARTER SCHOOLS	A - Superior Achievement
101802	4	SER-NINOS CHARTER SCHOOL	A - Superior Achievement
101803	4	ARISTOI CLASSICAL ACADEMY	A - Superior Achievement
101804	4	GEORGE I SANCHEZ CHARTER	A - Superior Achievement
101806	4	RAUL YZAGUIRRE SCHOOLS FOR SUCCESS	B - Above Standard Achievement
101810	4	ACADEMY OF ACCELERATED LEARNING INC	B - Above Standard Achievement
101811	4	EXCEL ACADEMY	C - Meets Standard Achievement
101814	4	THE VARNETT PUBLIC SCHOOL	A - Superior Achievement
101815	4	ALIEF MONTESSORI COMMUNITY SCHOOL	B - Above Standard Achievement
101819	4	AMIGOS POR VIDA-FRIENDS FOR LIFE PUB CHTR SCH	A - Superior Achievement
101821	4	HOUSTON HEIGHTS HIGH SCHOOL	B - Above Standard Achievement
101828	4	HOUSTON GATEWAY ACADEMY INC	B - Above Standard Achievement
101837	4	CALVIN NELMS CHARTER SCHOOLS	A - Superior Achievement
101838	4	SOUTHWEST SCHOOL	A - Superior Achievement
101840	4	TWO DIMENSIONS PREPARATORY ACADEMY	A - Superior Achievement

CDN	REGION	NAME	RATING
101842	4	COMQUEST ACADEMY	F - Substandard Achievement
101845	4	YES PREP PUBLIC SCHOOLS INC	A - Superior Achievement
101846	4	HARMONY SCIENCE ACADEMY	A - Superior Achievement
101847	4	BEATRICE MAYES INSTITUTE CHARTER SCHOOL	A - Superior Achievement
101849	4	ACCELERATED INTERMEDIATE ACADEMY	B - Above Standard Achievement
101853	4	PROMISE COMMUNITY SCHOOL	A - Superior Achievement
101855	4	MEYERPARK ELEMENTARY	A - Superior Achievement
101856	4	DRAW ACADEMY	A - Superior Achievement
101858	4	HARMONY SCHOOL OF EXCELLENCE	A - Superior Achievement
101859	4	STEP CHARTER SCHOOL	A - Superior Achievement
101861	4	THE RHODES SCHOOL FOR PERFORMING ARTS	C - Meets Standard Achievement
101862	4	HARMONY SCHOOL OF SCIENCE - HOUSTON	A - Superior Achievement
101864	4	THE LAWSON ACADEMY	C - Meets Standard Achievement
101868	4	THE PRO-VISION ACADEMY	B - Above Standard Achievement
101870	4	BETA ACADEMY	B - Above Standard Achievement
101871	4	A+ UNLIMITED POTENTIAL	B - Above Standard Achievement
101872	4	ETOILE ACADEMY CHARTER SCHOOL	C - Meets Standard Achievement
101873	4	YELLOWSTONE COLLEGE PREPARATORY	A - Superior Achievement
101874	4	LEGACY SCHOOL OF SPORT SCIENCES	B - Above Standard Achievement
101875	4	BLOOM ACADEMY CHARTER SCHOOL	F - Substandard Achievement
101876	4	REVE PREPARATORY CHARTER SCHOOL	A - Superior Achievement
105801	13	KATHERINE ANNE PORTER SCHOOL	C - Meets Standard Achievement
105802	13	TEXAS PREPARATORY SCHOOL	C - Meets Standard Achievement
105803	13	KI CHARTER ACADEMY	A - Superior Achievement
108802	1	HORIZON MONTESSORI PUBLIC SCHOOLS	B - Above Standard Achievement
108804	1	TRIUMPH PUBLIC HIGH SCHOOLS-RIO GRANDE VALLEY	A - Superior Achievement
108807	1	IDEA PUBLIC SCHOOLS	B - Above Standard Achievement
108808	1	VANGUARD ACADEMY	A - Superior Achievement
108809	1	EXCELLENCE IN LEADERSHIP ACADEMY	A - Superior Achievement
111801	11	LAKE GRANBURY ACADEMY CHARTER SCHOOL	C - Meets Standard Achievement
123803	5	TEKOA ACADEMY OF ACCELERATED STUDIES STEM SCHOOL	B - Above Standard Achievement

CDN	REGION	NAME	RATING
<a href="#">123805</a>	5	EHRHART SCHOOL	A - Superior Achievement
<a href="#">123807</a>	5	BOB HOPE SCHOOL	B - Above Standard Achievement
<a href="#">130801</a>	13	MEADOWLAND CHARTER DISTRICT	A - Superior Achievement
<a href="#">152802</a>	17	RISE ACADEMY	A - Superior Achievement
<a href="#">152803</a>	17	TRIUMPH PUBLIC HIGH SCHOOLS-LUBBOCK	A - Superior Achievement
<a href="#">152806</a>	17	BETTY M CONDRA SCHOOL FOR EDUCATION INNOVATION	F - Substandard Achievement
<a href="#">161801</a>	12	WACO CHARTER SCHOOL	A - Superior Achievement
<a href="#">161802</a>	12	RAPOPORT ACADEMY PUBLIC SCHOOL	A - Superior Achievement
<a href="#">161807</a>	12	HARMONY SCIENCE ACAD (WACO)	A - Superior Achievement
<a href="#">165802</a>	18	MIDLAND ACADEMY CHARTER SCHOOL	B - Above Standard Achievement
<a href="#">170801</a>	6	TEXAS SERENITY ACADEMY	F - Substandard Achievement
<a href="#">178801</a>	2	DR M L GARZA-GONZALEZ CHARTER SCHOOL	B - Above Standard Achievement
<a href="#">178807</a>	2	CORPUS CHRISTI MONTESSORI SCHOOL	A - Superior Achievement
<a href="#">178808</a>	2	SEASHORE CHARTER SCHOOLS	A - Superior Achievement
<a href="#">183801</a>	7	PANOLA CHARTER SCHOOL	A - Superior Achievement
<a href="#">184801</a>	11	CROSSTIMBERS ACADEMY	A - Superior Achievement
<a href="#">193801</a>	20	BIG SPRINGS CHARTER SCHOOL	A - Superior Achievement
<a href="#">212801</a>	7	CUMBERLAND ACADEMY	A - Superior Achievement
<a href="#">213801</a>	11	BRAZOS RIVER CHARTER SCHOOL	A - Superior Achievement
<a href="#">220801</a>	11	TREETOPS SCHOOL INTERNATIONAL	A - Superior Achievement
<a href="#">220802</a>	11	ARLINGTON CLASSICS ACADEMY	A - Superior Achievement
<a href="#">220809</a>	11	FORT WORTH ACADEMY OF FINE ARTS	A - Superior Achievement
<a href="#">220810</a>	11	WESTLAKE ACADEMY CHARTER SCHOOL	A - Superior Achievement
<a href="#">220811</a>	11	EAST FORT WORTH MONTESSORI ACADEMY	A - Superior Achievement
<a href="#">220814</a>	11	TEXAS SCHOOL OF THE ARTS	A - Superior Achievement
<a href="#">220815</a>	11	CHAPEL HILL ACADEMY	A - Superior Achievement
<a href="#">220817</a>	11	NEWMAN INTERNATIONAL ACADEMY OF ARLINGTON	A - Superior Achievement
<a href="#">220819</a>	11	HIGH POINT ACADEMY	A - Superior Achievement
<a href="#">221801</a>	14	TEXAS COLLEGE PREPARATORY ACADEMIES	B - Above Standard Achievement
<a href="#">226801</a>	15	TEXAS LEADERSHIP PUBLIC SCHOOLS	A - Superior Achievement
<a href="#">227803</a>	13	WAYSIDE SCHOOLS	B - Above Standard Achievement

CDN	REGION	NAME	RATING
<a href="#">227804</a>	13	NYOS CHARTER SCHOOL	A - Superior Achievement
<a href="#">227805</a>	13	TEXAS EMPOWERMENT ACADEMY	A - Superior Achievement
<a href="#">227814</a>	13	CHAPARRAL STAR ACADEMY	A - Superior Achievement
<a href="#">227816</a>	13	HARMONY SCIENCE ACADEMY (AUSTIN)	A - Superior Achievement
<a href="#">227817</a>	13	CEDARS INTERNATIONAL ACADEMY	B - Above Standard Achievement
<a href="#">227820</a>	13	KIPP TEXAS PUBLIC SCHOOLS	A - Superior Achievement
<a href="#">227821</a>	13	AUSTIN DISCOVERY SCHOOL	B - Above Standard Achievement
<a href="#">227824</a>	13	PROMESA PUBLIC SCHOOLS	B - Above Standard Achievement
<a href="#">227825</a>	13	AUSTIN ACHIEVE PUBLIC SCHOOLS	A - Superior Achievement
<a href="#">227826</a>	13	MONTESSORI FOR ALL	B - Above Standard Achievement
<a href="#">227827</a>	13	THE EXCEL CENTER (FOR ADULTS)	A - Superior Achievement
<a href="#">227829</a>	13	VALOR PUBLIC SCHOOLS	A - Superior Achievement
<a href="#">234801</a>	7	RANCH ACADEMY	F - Substandard Achievement
<a href="#">236801</a>	6	RAVEN SCHOOL	B - Above Standard Achievement
<a href="#">240801</a>	1	TRIUMPH PUBLIC HIGH SCHOOLS-LAREDO	B - Above Standard Achievement
<a href="#">246801</a>	13	MERIDIAN WORLD SCHOOL LLC	A - Superior Achievement
<a href="#">246802</a>	13	GOODWATER MONTESSORI SCHOOL	B - Above Standard Achievement

<b>A - Superior Achievement</b>	<b>104</b>
<b>B - Above Standard Achievement</b>	<b>44</b>
<b>C - Meets Standard Achievement</b>	<b>17</b>
<b>F - Substandard Achievement</b>	<b>6</b>
<b>Total</b>	<b>171</b>

## INTERNATIONAL LEADERSHIP OF TEXAS (ILTEXAS) (057848)

Status		Indicator Num	Indicator Description	Score
P	†1	1	<a href="#">Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?</a>	YES
P	†1	2	<a href="#">Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</a>	YES
P	†1	3	<a href="#">Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</a>	YES
P	†1 †2	4	<a href="#">Did the charter school make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</a>	YES, Ceiling Not Activated
P	†1 †2	5	<a href="#">Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)</a>	YES, Ceiling Not Activated

Status		Indicator Num	Indicator Description	Score
	†2	6	<u>Was the average change in total net assets over 3 years less than a 25 percent decrease or did the current year total net asset balance exceed 75 days of operational expenditures [(total expenditures less depreciation) /365]*75 days?</u>	Passed
		7	<u>Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation.</u>	10
		8	<u>Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?</u>	10
		9	<u>Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation.</u>	5
		10	<u>Did the charter school average less than a 10 percent variance (90%-110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?</u>	10
		11	<u>Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)</u>	10
		12	<u>Was the debt service coverage ratio sufficient to meet the required debt service?</u>	10
		13	<u>Did the charter school have a debt-to-capitalization percentage that was reasonable for the charter school to continue operating?</u>	0
		14	<u>Was the charter school's administrative cost ratio equal to or less than the threshold ratio?</u>	10
		15	<u>Did the charter school not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the charter school will automatically pass this indicator.)</u>	10
		16	<u>Was the charter school's actual average daily attendance (ADA) within 10 percent of the charter school's annual estimated ADA?</u>	5

Status		Indicator Num	Indicator Description	Score
	†2	17	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function?	Passed
	†2	18	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)	Passed
		19	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	10
		20	Did the charter school post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the charter school's fiscal year end?	5
	†2	21	This indicator is not being scored.	
				<b>95 Weighted Sum</b>
				<b>1 Multiplier Sum</b>
				<b>(100 Ceiling)</b>
				<b>95 Score</b>

†1: must pass 5 total

†2: ceiling indicator



**User: Public**  
**User Role: Public**

**Rating Year:** 2020-2021

**CDN:** 057848

Select An Option

Help

Home

Exit

## 2020-2021 Indicator Test 13

Indicator Details and Formula

Result Determination Reference

**Charter School Name:**

**INTERNATIONAL LEADERSHIP OF TEXAS (ILTEXAS) (057848)**

**Indicator:**

**Did the charter school have a debt-to-capitalization percentage that was reasonable for the charter school to continue operating?**

**Results/Points:**

0

**Last Updated:**

7/13/2021 10:01:25 AM

### Formula

$A / (B + A) * 100 = C$

**Field**

**Value**

A. Long Term Liabilities:

527677527.0000

B. Total Net Assets:

18158519.0000

C. Debt to Capitalization Ratio:

96.6733%

## Options

Print

Back

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charterfirst 3.3.12.0



Figure: 19 TAC §109.1001(f)(5)

Charter FIRST - Rating Worksheet Dated April 2020 for Rating Years 2020-2021+

Fiscal Year Ended June 30, \_\_\_\_, or August 31, \_\_\_\_

Indicator number	Charter FIRST Worksheet based on Fiscal Year End Data	Select the appropriate box below	
Critical Indicators		Pass	Fail
1	Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?	Yes	No
2	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	Yes	No
3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	Yes	No
4	Did the charter school make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? <b>If the charter school received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the charter school is considered to not have made timely payments and will fail this indicator. If the charter school was issued a warrant hold, the maximum points and highest rating that the charter school may receive is 95 points, A = Superior Achievement (even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days).</b>	Yes	No
5	Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's increase of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.) <b>(If the charter school passes indicator 5 based only on the charter school's 7 percent or more increase in students in membership, the maximum points and highest rating that the charter school may receive is 79 points, C = Meets Standard Achievement.)</b>	Yes	No

Solvency Indicators		Points
6	Was the average change in total net assets over 3 years less than a 25 percent decrease or did the current year total net asset balance exceed 75 days of operational expenditures [(total expenditures less depreciation) / 365] * 75 days? <b>(If the charter school fails indicator 6, the maximum points and highest rating that the charter school may receive is 89 points, B = Above Standard Achievement.)</b>	<b>Ceiling Indicator</b>
7	Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation. (See ranges below.)	10
8	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt? (See ranges below.)	10
9	Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	5
10	Did the charter school average less than a 10 percent variance (90%-110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	10

11	Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's increase of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.) (See ranges below.)	10
12	Was the debt service coverage ratio sufficient to meet the required debt service?	10
13	Did the charter school have a debt-to-capitalization percentage that was reasonable for the charter school to continue operating?	5
14	Was the charter school's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	10
15	Did the charter school <b>not</b> have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the charter school will automatically pass this indicator.)	10

Financial Competence Indicators		Points
16	Was the charter school's actual average daily attendance (ADA) within 10 percent of the charter school's annual estimated ADA?	5
17	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function? <b>(If the charter school fails indicator 17, the maximum points and highest rating that the charter school may receive is 89 points, B = Above Standard Achievement.)</b>	<b>Ceiling Indicator</b>
18	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) <b>(If the charter school fails indicator 18, the maximum points and highest rating that the charter school may receive is 79 points, C = Meets Standard Achievement.)</b>	<b>Ceiling Indicator</b>
19	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	10
20	Did the charter school post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the charter school's fiscal year end?	5
21	Did the charter school serve students that reside within its approved geographic boundaries? <b>(If the charter school fails indicator 21, the maximum points and highest rating that the charter school may receive is 89 points, B = Above Standard Achievement.)</b>	<b>Ceiling Indicator</b>

Maximum possible points	100
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### Charter FIRST Determination of Points

Indicator number	10	8	6	4	2	0
6	Yes	<b>Ceiling Indicator - If the charter school fails indicator 6, the maximum points and highest rating that the charter school may receive is 89 points, B = Above Standard Achievement.</b>				No
7	≥ 60	< 60 ≥ 50	< 50 ≥ 40	< 40 ≥ 30	< 30 ≥ 20	< 20
8	≥ 2	< 2 ≥ 1.75	< 1.75 ≥ 1.5	< 1.5 ≥ 1.25	< 1.25 ≥ 1	< 1
9	5	5 points are awarded if the charter school has at least 40 days cash on hand as determined in indicator #7.				0
	≥ 0%					< 0%
10	10	10 points are awarded if the charter school's budgeted to actual revenues are < 10% variance (90% to 110%).				0
	< 10%					≥ 10%
11	≤ 0.60	> 0.60 ≤ 0.70	> 0.70 ≤ 0.80	> 0.80 ≤ 0.90	> 0.90 ≤ 1.00	> 1.00
12	≥ 1.20	< 1.20 ≥ 1.15	< 1.15 ≥ 1.10	< 1.10 ≥ 1.05	< 1.05 ≥ 1.00	< 1.00
13	5	5 points are awarded if the charter school has a debt to capitalization ratio < 95%.				0
	< 95%					≥ 95%

Indicator number	10	8	6	4	2	0
14	Threshold Ratio (based on ADA size)					
ADA Size						
≥ 1,000	≤ 0.1401	> 0.1401 ≤ 0.1651	> 0.1651 ≤ 0.1901	> 0.1901 ≤ 0.2151	> 0.2151 ≤ 0.2401	> 0.2401
500 to 1,000	≤ 0.1561	> 0.1561 ≤ 0.1811	> 0.1811 ≤ 0.2061	> 0.2061 ≤ 0.2311	> 0.2311 ≤ 0.2561	> 0.2561
< 500	≤ 0.2645	> 0.2645 ≤ 0.2895	> 0.2895 ≤ 0.3145	> 0.3145 ≤ 0.3395	> 0.3395 ≤ 0.3645	> 0.3645

Indicator number	10		0
15	Yes		No
16	5		0
	Yes		No
17	Yes	<b>Ceiling Indicator - If the charter school fails indicator 17, the maximum points and highest rating that the charter school may receive is 89 points, B = Above Standard Achievement.</b>	No
18	Yes	<b>Ceiling Indicator - If the charter school fails indicator 18, the maximum points and highest rating that the charter school may receive is 79 points, C = Meets Standard Achievement.</b>	No
19	10		0
	Yes		No
20	5		0
	Yes		No
21	Yes	<b>Ceiling Indicator - If the charter school fails indicator 21, the maximum points and highest rating that the charter school may receive is 89 points, B = Above Standard Achievement.</b>	No

Ceiling Indicators		
Did the charter school meet the criteria for any of the following <b>ceiling indicators</b> 4, 5, 6, 17, 18, or 21? If so, the charter school's applicable maximum points and rating are disclosed below.		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
<b>Indicator 4</b> (Timely Payments) - Charter school was issued a warrant hold.	95	A = Superior Achievement
<b>Indicator 5</b> (Total Net Assets) - Negative total net assets and pass indicator based only on 7% or more increase in students in membership over 5 years.	79	C = Meets Standard Achievement
<b>Indicator 6</b> (Average Change in Total Net Assets) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 17</b> (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
<b>Indicator 18</b> (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
<b>Indicator 21</b> (Geographic Boundaries) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

If the charter school's overall points earned is less than the maximum points allowed by the applicable ceiling indicator, the charter school will receive a rating based on the lesser points earned. If the charter school fails a critical indicator or the charter school's total number of points is equal to or less than 69 points, the charter school will receive an **F = Substandard Achievement** rating, regardless of any ceiling indicator criteria met.

**Examples of the points and rating that a charter school may earn when the criteria of a ceiling indicator is met:**

<b>Example 1:</b> Your charter school fails ceiling indicator 18 and your charter school's total points before failing ceiling indicator 18 is 98 points, the maximum points and rating that your charter school may receive is 79 points, C = Meets Standard Achievement.
<b>Example 2:</b> Your charter school fails ceiling indicator 6 and your charter school's total points before failing ceiling indicator 6 is 86 points, the maximum points and rating that your charter school may receive is 86 points, B = Above Standard Achievement, <b>not</b> 89 points, B = Above Standard Achievement.
<b>Example 3:</b> Your charter school fails critical indicator 4 and ceiling indicator 17 and your charter school's total points before failing indicators 4 and 17 is 67 points, the maximum points and rating that your charter school may receive is 67 points, F = Substandard Achievement.
<b>Example 4:</b> Your charter school fails Part 1 of indicator 5, but passes critical indicator 5 based on Part 2, the charter school's 7% or more increase in growth in students in membership over 5 years. Your charter school's total points before passing indicator 5 solely on Part 2 of the indicator is 100 points, the maximum points and rating that your charter school may receive is 79 points, C = Meets Standard Achievement.
<b>Example 5:</b> Your charter school received a warrant hold (Indicator 4) that was cleared within 30 days from the date that the warrant hold was issued and the charter school's total points is 90 points before any ceiling deduction. The maximum points and rating that your charter school may receive is 90 points, A = Superior Achievement because the total points is less than the ceiling of 95 points.

Determination of Charter School Rating	
Did the charter school fail any of the critical indicators 1, 2, 3, 4, or 5 (parts 1 and 2)? If so, the charter school's rating is F for Substandard Achievement regardless of points earned.	
Determine the rating by the applicable number of points.	Points
<b>A = Superior Achievement</b>	90 through 100
<b>B = Above Standard Achievement</b>	80 through 89
<b>C = Meets Standard Achievement</b>	70 through 79
<b>F = Substandard Achievement</b> ( <i>The charter school receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, 4, or 5, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</i> )	0 through 69

Figure: 19 TAC §109.1001(f)(5)

Charter FIRST - Rating Worksheet Calculations Dated April 2020 for Rating Years 2020-2021+		
	Indicator	Calculation Defined
1	Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?	No calculation involved
2	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	No calculation involved
3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	No calculation involved
4	Did the charter school make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued).	<p>If the charter school received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the charter school is considered to not have made timely payments and will fail this indicator.</p> <p>If the charter school was issued a warrant hold, the maximum points and highest rating that the charter school may receive is 95 points, A = Superior Achievement (even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days).</p> <p>The agency will use the AFR, warrant holds, information from the IRS, and other sources to make a determination of timely payments.</p>
5	Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's increase of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)	<p><math>(A + B) &gt; C</math> OR <math>((D - E) / E) \times 100 \geq F</math>, where</p> <p>A = Total net asset balance in the Statement of Financial Position in the annual financial report</p> <p>B = Pension Expense, Other Post Employment Benefits (OPEB), and Net Pension Liability (NPL), as applicable</p> <p>C = Net assets threshold, which = 0</p> <p>D = Number of students in membership in year 5 from base year</p> <p>E = Number of students in membership in base year</p> <p>F = Threshold for percent increase in students in membership, which = 7%</p>

Charter FIRST - Rating Worksheet Calculations Dated April 2020 for Rating Years 2020-2021+		
	Indicator	Calculation Defined
6	Was the average change in total net assets in the Statement of Financial Position over 3 years less than a 25% decrease or did the current year total net asset balance in the Statement of Financial Position exceed 75 days of operational expenditures [(total expenditures less depreciation) /365]*75?	<p>The average of the change in the total net asset balance in the Statement of Financial Position over 3 years must be less than 25%.</p> $\frac{[(B-A)/A]+((C-B)/B)+((D-C)/C)}{3} < 25\%$ <p>or</p> $D > [(E-F)/365]*75, \text{ where}$ <p>A = Total Net Asset Balance for Year 1 (three years prior to current year under review)  B = Total Net Asset Balance for Year 2 (two years prior to current year under review)  C = Total Net Asset Balance for Year 3 (one year prior to current year under review)  D = Total Net Asset Balance for Year 4 (current year under review)  E = Total Expenditures (total from Statement of Activities)  F = Depreciation (reported in the Charter School AFR Data Template Required Questions tab) <b>Note: The data for variable "F" comes from the Statement of Cash Flows</b></p> <p>If the average change in total net assets is not less than 25%, then use:  <math display="block">D &gt; [(E-F)/365]*75</math></p>
7	Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	$[(A+B)/(C-D-E)] * 365 = F, \text{ where}$ <p>A = Cash &amp; Equivalents (total from the Statement of Financial Position)  B = Current Investments (total from the Statement of Financial Position)  C = Total Expenditures (total from the Statement of Activities)  D = Depreciation Expense (reported in the Charter School AFR Data Template Required Questions tab) <b>Note: The data for variable "D" comes from the Statement of Cash Flows</b>  E = Pension Expense, OPEB, and NPL, as applicable (Notes to the Financial Statements)  F = Days of Cash on Hand &amp; Current Investments</p>
8	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?	$A/B = C, \text{ where}$ <p>A = Current Assets (total from the Statement of Financial Position)  B = Current Liabilities (total from the Statement of Financial Position)  C = Current Assets to Current Liabilities Ratio</p>
9	Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	$[A/(B-C-D)-1] > 0, \text{ where}$ <p>A = Total Revenue (total from the Statement of Activities)  B = Total Expenses (total of all function codes from the Statement of Activities)  C = Depreciation (reported in the Charter School AFR Data Template Required Questions tab) <b>Note: The data for variable "C" comes from the Statement of Cash Flows</b>  D = Pension Expense, OPEB, and NPL, as applicable (Notes to the Financial Statements)</p>
10	Did the charter school average less than a 10 percent variance (90%-110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?	$\frac{[(A-B)/B]+((C-D)/D)+((E-F)/F)}{3} = G \pm 10\% \text{ variance, where}$ <p>A = Actual Revenues for Year 1 (two years prior to current year)  B = Budgeted Revenues for Year 1 (two years prior to current year)  C = Actual Revenues for Year 2 (one year prior to current year)  D = Budgeted Revenues for Year 2 (one year prior to current year)  E = Actual Revenues for Year 3 (current year under review)  F = Budgeted Revenues for Year 3 (current year under review)  G = Average Variance</p> <p>Data source: TSDS PEIMS collections - General fund (420 &amp; 199); object codes 57XX and 58XX, October Snapshot - Fall PEIMS (Budgeted Revenues); and Mid-year PEIMS (Actual Revenues)  <b>Note: October Snapshot is the last Friday in October whether this is a day of instruction or not.</b></p>

Charter FIRST - Rating Worksheet Calculations Dated April 2020 for Rating Years 2020-2021+		
	Indicator	Calculation Defined
11	Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's increase of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)	$(A - B) / C = D$ , where A = Long Term Liabilities; (total from the Statement of Financial Position) B = Pension Expense, OPEB, and NPL, as applicable (Notes to the Financial Statements) C = Total Assets (total from the Statement of Financial Position) D = Long-term Liabilities to Total Assets Ratio
12	Was the debt service coverage ratio sufficient to meet the required debt service?	$(A - B + C + D + E + F) / (D + E) = G$ , where A = Total Revenues (total from the Statement of Activities) B = Total Expenses (total of all function codes from the Statement of Activities) C = Depreciation (as reported in the Charter School AFR Data Template Required Questions tab) D = Interest (as reported in the Charter School AFR Data Template Required Questions tab) E = Principal (as reported in the Charter School AFR Data Template Required Questions tab) F = Pension Expense (Notes to the Financial Statements) G = Debt Service Coverage Ratio  <b>Note: The data for variables C, D, E come from the Statement of Cash Flows</b>
13	Did the charter school have a debt-to-capitalization percentage that was reasonable for the charter school to continue operating?	$A / (B + A) \times 100 = C$ , where A = Long-term Liabilities (total from the Statement of Financial Position) B = Unrestricted Net Assets (total unrestricted from the Statement of Financial Position) C = Debt to Capitalization Percentage
14	Was the charter school's administrative cost ratio equal to or less than the threshold ratio?	$(A / B) < \text{threshold based on CS size}$ , where A = Sum of amounts for function codes 21 and 41 B = Sum of amounts for function codes 11, 12, 13, and 31  *Includes object codes 61XX-64XX in fund codes 199 and 420
15	Did the charter school not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the charter school will automatically pass this indicator.)	$(A / B) - 1 > -0.15$ or $C - D > 0$ , where A = Student to Staff ratio in the year under review B = Student to Staff ratio 3 years prior to the year under review C = Enrollment in the year under review D = Enrollment 3 years prior to the year under review
16	Was the charter school's actual average daily attendance (ADA) within 10% of the charter school's annual estimated ADA?	$(A - B) / B \leq 10\%$ , where A = Actual Average Daily Attendance (ADA) B = Estimated Average Daily Attendance (ADA)
17	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function?	$(A / B) < C$ , where A = Sum of the absolute values of all differences in expenses (determined by function) between the Statement of Activities and PEIMS B = Sum of expenses for all expenses presented in the Statement of Activities C = Threshold for percentage of data variance, which = 3%
18	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, federal funds? (The AICPA defines material weakness.)	No calculation involved
19	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	No calculation involved

Charter FIRST - Rating Worksheet Calculations Dated April 2020 for Rating Years 2020-2021+		
	Indicator	Calculation Defined
20	Did the charter school post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the charter school's fiscal year end?	No calculation involved.
21	Did the charter school serve students that reside within its approved geographic boundaries?	No calculation involved.  Sources: Charter School Tracking System compared to TSDS PEIMS summer submission

## Coversheet

### APPROVE MINUTES OF DECEMBER 1, 2021 SPECIAL BOARD MEETING

**Section:** III. Approve Minutes of Prior Meetings  
**Item:** A. APPROVE MINUTES OF DECEMBER 1, 2021 SPECIAL BOARD MEETING  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for December 1, 2021 Special Board Meeting on December 1, 2021



# International Leadership of Texas, Inc.

## Minutes

### December 1, 2021 Special Board Meeting

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#### Date and Time

Wednesday December 1, 2021 at 6:15 PM

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#### Board of Directors of International Leadership of Texas December 1, 2021

#### Meeting Notice & Mission Statement

In compliance with the Texas Open Meetings Act, the Texas Government Code, Chapter 551, timely public advance written notice (at least 72 hours before the scheduled time of the meeting) is given of the subjects to be considered by the Board of Directors of International Leadership of Texas (the "Board") and the Board will convene a Special Open Meeting of the Board of Directors of International Leadership of Texas on the date and time set forth herein.

International Leadership of Texas Board of Directors will be holding its regularly scheduled public board meeting at the date and time noticed above. Members of the public will be able to watch the meeting via the link <https://zoom.us/j/801651349> or by a link that will be posted on the ILTexas.org website (click the button "Board Meetings" to view any updates to this Notice).

If you would like to sign up to speak at the meeting, please send your name to [board@iltexas.org](mailto:board@iltexas.org), 24-Hours in advance of the noticed Meeting time so that we will be able to promote you to a panelist, which will allow you to speak with our board members.

It is the intent of the Board to have a quorum physically present at the above address. Board members not physically present may participate by live two-way video and audio feed in accordance with the Texas Open Meetings Act. If a quorum of the Board cannot be physically

present at the above address, it is the intent to have the presiding officer physically present at the above address.

The Board hereby certifies that this notice was posted on a bulletin board or on something akin thereto or at a place readily accessible and convenient to the public at 1651 N. Glenville Dr., #216, Richardson, TX 75081, as well as online at [www.ILTexas.org](http://www.ILTexas.org). And that the meeting will be accessible at the address listed immediately above. The items on this Agenda may be taken in any order. The mission of ILTexas is to prepare students for exceptional leadership roles in the international community by emphasizing servant leadership, mastering the English, Spanish, and Chinese languages, and strengthening the mind, body and character.

/s/ Finn Simmensen, For ILTexas' Board

---

### **Directors Present**

Dr. Lynne Beach (remote), Major General James Williams, Soner Tarim (remote), Tracy Cox (remote)

### **Directors Absent**

Gabriela Smith, PETER GUDMUNDSSON

### **Guests Present**

Aaron Thorson, Angela Marcellus, Charles Klein, Craig Timberlake (remote), Dr. Laura Carrasco, Dr. Thomas Seaberry (remote), Finn Simmensen, Frank Miller (remote), James Dworkin, James T. (Tim) Brightman, Jason Ramirez, Kayla Nations-Perkins, Lucy Mariappa (remote), Mark Lee (remote), Mr. Royce Dunn, Ms. Elayne Dunn, Shannon Urbina Haider (remote), Veronica Ibarra

---

## **I. Opening Items**

### **A. Record Attendance and Guests**

### **B. Call the Meeting to Order**

Major General James Williams called a meeting of the board of directors of International Leadership of Texas, Inc. to order on Wednesday Dec 1, 2021 at 6:16 PM.

## **II. Approve Minutes of Prior Meetings**

### **A. APPROVE MINUTES OF OCTOBER 21, 2021 REGULAR BOARD MEETING**

Tracy Cox made a motion to approve the minutes from October 21, 2021 Regular Board Meeting on 10-21-21.

Soner Tarim seconded the motion.

The board **VOTED** unanimously to approve the motion.



## REPORT FROM NOMINATION COMMITTEE

### VI. Executive Session

#### A. AUTHORIZATION

#### B. CONSULT WITH ATTORNEY PURSUANT TO GOVERNMENT CODE 551.071

The Board entered Executive Session at 6:57 p.m. and returned to Open Session at 7:44 p.m., having conducted no votes and having made no decisions while in Executive Session.

### VII. CONSENT AGENDA

#### A. CONSENT AGENDA ITEMS -- SINGLE VOTE UNLESS OTHERWISE SPECIFIED

As to sub-item #7, Charles Klein informed the Board that \$225,000.00 is the amount of the requested authorization.

Soner Tarim made a motion to approve the entire Consent Agenda.

Dr. Lynne Beach seconded the motion.

The board **VOTED** unanimously to approve the motion.

### VIII. Board Items for Discussion/Action

#### A. CONSIDER/ACT ON OCTOBER, 2021 FINANCIAL REPORT

Dr. Lynne Beach made a motion to approve the October, 2021 Financial Report.

Tracy Cox seconded the motion.

CFO James Dworkin reported to the Board.

- Audit
- Quarterly Report
- Financial Report

The board **VOTED** unanimously to approve the motion.

#### B. CONSIDER/ACT TO ADOPT RESOLUTION APPROVING REMOTE INSTRUCTION

Dr. Lynne Beach made a motion to adopt the Resolution.

Soner Tarim seconded the motion.

Dr. Thomas Seaberry briefed the Board on the proposed Resolution.

The board **VOTED** unanimously to approve the motion.

### IX. Closing Items

#### A. Adjourn Meeting

Tracy Cox made a motion to adjourn.

Soner Tarim seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:57 PM.

Respectfully Submitted,  
Finn Simmensen

---

### Documents used during the meeting

- Academic Board Report, Nov 2021.pdf
- SPED\_POLICY\_FRAMEWORK\_2021\_with\_Summary.pdf
- Board Notification 12.1.2021 revised.pdf
- Board Report 12.1.21.pdf
- Accelerated\_Learning\_Student\_Handbook\_Addition.pdf
- Additions to Student Code of Conduct.pdf
- Resolution -- Change Date to Begin Accepting Applications for Admission.docx
- ILT, IL TEXAS, HQ SC AND AV ADDS 11-29-2021.pdf
- Governance\_Letter\_-\_FINAL.pdf
- Audit\_Report\_Final\_057848-2021.pdf
- EMMA\_Quarterly\_FY2022\_-\_1st\_Qtr.pdf
- ILTexas\_FS\_2021-10\_-\_Board\_PKG.pdf
- Resolution re Remote Instruction.docx
- Exhibit\_1--Copy\_of\_Remote\_Learning\_Program\_Proposal.docx

# Coversheet

## SUPERINTENDENT-CEO REPORT

<b>Section:</b>	V. Superintendent-CEO Report and Information Items
<b>Item:</b>	A. SUPERINTENDENT-CEO REPORT
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	D.C. Trip Debriefv3.pdf D.C. Trip Debriefv3.pptx Korea Trip Plan PPT Debrief final.pdf



# Washington D. C. November 2021

INTERNATIONAL LEADERSHIP OF  
TEXAS



# Objectives of the Meeting in Washington DC

- Promote and inform key decision and policy makers in the federal legislative sector about ILTexas.
- Develop relationships with members of Congress in the House and to include staff members who are on key committees with oversight of language education funding and policy making.
- Advocate for changes to the World Language Advancement and Readiness Act (WLARA) to fund and develop the education for critical strategic languages for national defense purposes.
- Promote the development of a Flagship University Program for studies in Mandarin Chinese at Texas A&M University.
- Advocate additional funding for critical language education funding within the National Defense Appropriation Act.



# Nov. 15



Rep. Michael McCaul, R-Texas

## Meeting with Rep. Michael McCaul's Staff

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- Committee assignments for Rep. McCaul are Foreign Relations Committee and on the House Committee on Homeland Security.
- Eddie and Frank met with Zach Isakowitz in the cafeteria of the Sam Rayburn Bldg. Zach is the Legislative Director for Rep. McCaul.
- Zach is relatively new to McCaul office but well versed in the NDAA funding
- Introduced ILTexas mission and presentation.
- Received good feedback from Zach on future meetings with other key congressional leaders



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Sen. Rob Portman R-Ohio

## Meeting with Sen. Rob Portman's National Security Advisor

- Sen. Portman serves on the Senate Finance Committee, Foreign Relations Committee and is the ranking member on the Committee on Homeland Security.
- Col. Wayne Jones, USMC (Ret.) served with Eddie Conger. Col. Jones is now the National Security Advisor to Sen. Portman.
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- Col. Jones provides feedback that NDAA vote will take place that week and it was too late to get any changes.
- Also, recommended that we make the presentation to members of the Texas Congressional Delegation different than to other congressional leaders.
- Very good input in a candid setting.



# Nov. 16



Meeting with: Ms. Yang, Xinyu  
Minister Counselor,  
Embassy of the P. R. China in the U.S.



# Nov. 16

## **Discussion Summary:**

1. Recruiting international students from China, through Dongfang International Center for Education Exchange .
2. Martial arts summer camps in ILTexas 2022.
3. Recruiting J1 Chinese teachers with help of CLEC.
4. Making ILTexas a competition site for Chinese Bridge Proficiency Contest.
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# Nov. 17



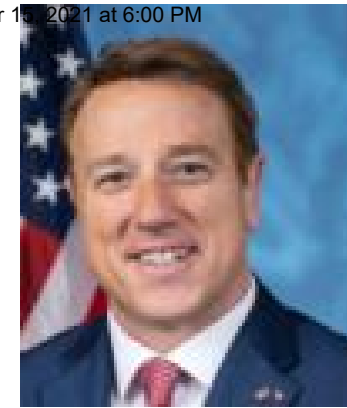
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- Rep. Cuellar serves on the House Appropriations Committee and is the Vice Chairman of the House Appropriations Homeland Security Committee and he serves on the Defense Appropriations Subcommittee.
- He has served the Texas 28<sup>th</sup> Congressional district since 2005 which encompasses most all of Laredo and other portions of South Texas.
- In 2020 ILTexas team met with Congressman Cuellar. This time we met with his Defense Fellow, Capt. Nicole Ward, USAF in the Congressman's office.
- Capt. Ward noted that Rep. Cuellar likes for there to be a report to Congressional members on the results of the grant spending. Noticed that there was not a requirement in the passed legislation for a report from the administering agency.
- Very good meeting. Congressional members were voting on key bills throughout the day and not available to meet.



# Nov. 17



Rep. Pat Fallon, R-TX

## Meeting with Rep. Pat Fallon's Senior Legislative Assistant

- Rep. Fallon serves on the House Committee on Armed Service. He is a member of the Subcommittee on Military Personnel and the Subcommittee on Cyber, Innovative Technology, and Informative Systems.
- Elected to Congress in 2020, he serves Texas's 4<sup>th</sup> Congressional district Texas' Fourth Congressional District covers 18 counties along the Red River in Northeastern Texas from the Dallas-Fort Worth Metroplex to Texarkana and to Oklahoma, Arkansas, and Louisiana on the Northern and Eastern borders of the state.
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- Rep. Castro has been a member of the HASC and will return to that committee in 2022.
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- Eddie and Frank met with Aluara Ervin. She is the Legislative Assistant to Sen. Cornyn for Education, Labor, and Human Services Policy. She previously worked in Sen. Tim Scott's office.
- The ILTexas mission and presentation was given.
- A good meeting in developing a new relationship in a key Senator's office.



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# Nov. 18

Meeting with: Sam Eisen Ph.D.  
Director of Programs  
Defense Language and National Security Education Office



# Nov. 19



Meeting with:

Mr. Qin, Gang

Chinese Ambassador to the United States



**Qin Gang 秦刚** ✓

@AmbQinGang

China government official

Salute to Mr. Eddie Conger from [@ILTexasSchools](#) for his great enthusiasm and many years of untiring efforts to offer Chinese language learning opportunities to 21,000 Texas students.



9:44 PM · Nov 19, 2021 · Twitter Web App



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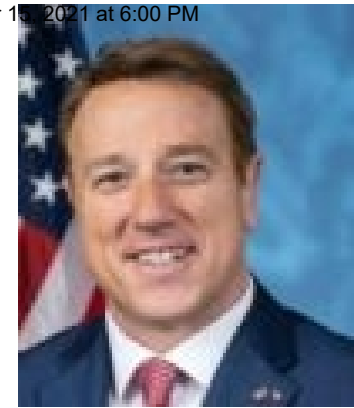
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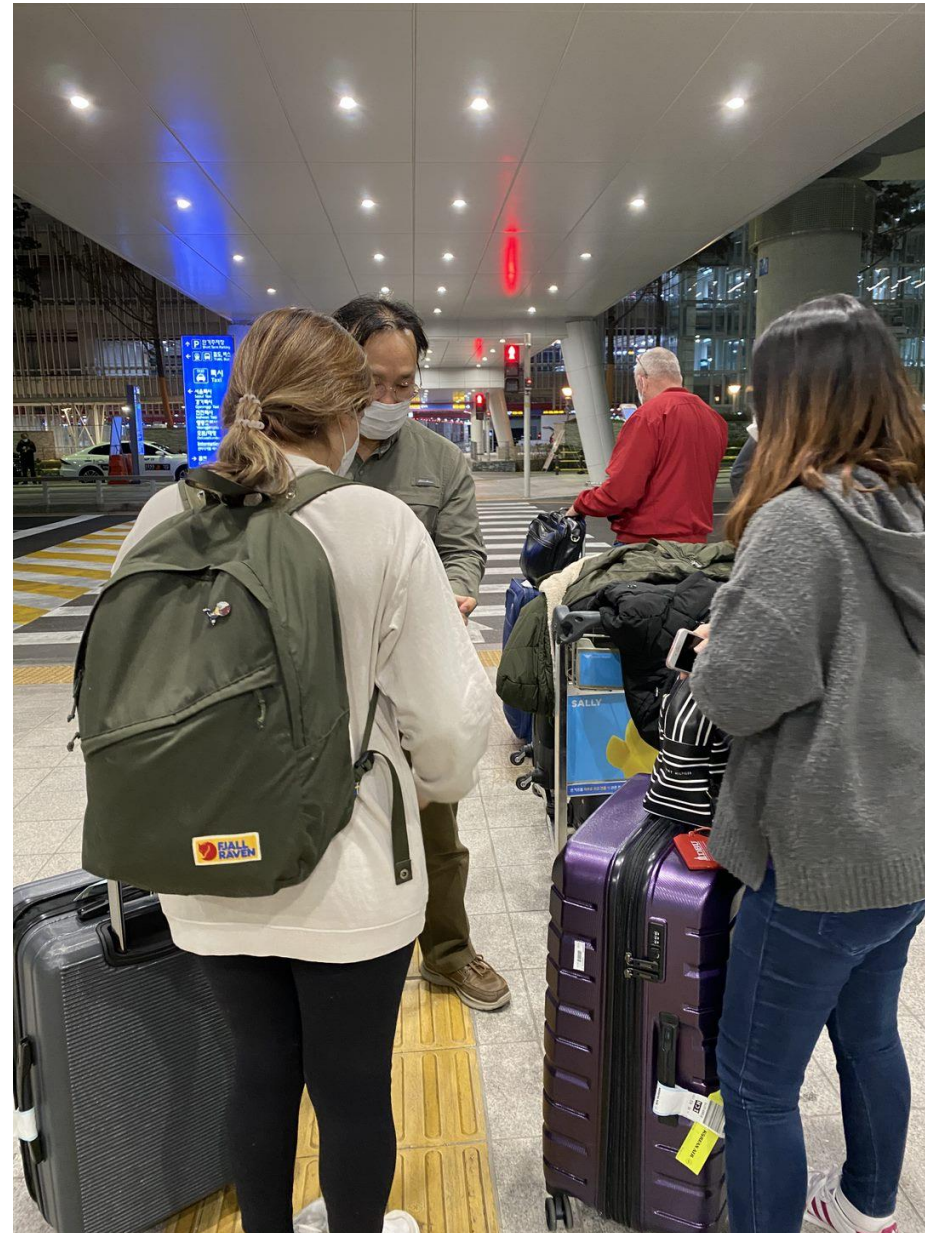


# South Korea November 2021

INTERNATIONAL LEADERSHIP OF  
TEXAS



# Departure





# Day 1





# KCJ International School

## ☐ Campuses

☐ Seoul, South Korea

☐ Qingdao, China

☐ Miyazaki, Japan

☐ Students visit campuses in other countries every year to study for a year.

☐ Met with Founder and some parents

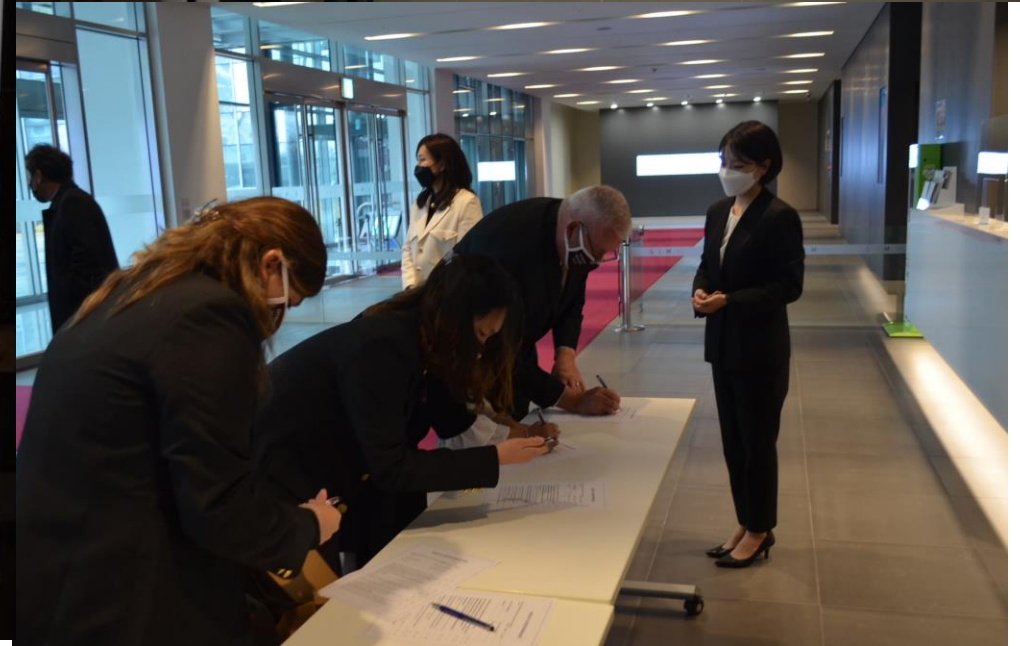




# Samsung



Powered by BoardOnTrack





# KCJ International School

- ☐ Pathway for success for students
- ☐ Students spend a year in Seoul, Qingdao, Miyazaki and then attend ILTexas Schools in Texas!
- ☐ Campuses
  - ☐ Seoul, South Korea
  - ☐ Qingdao, China
  - ☐ Miyazaki, Japan
  - ☐ ILTexas HS 11<sup>th</sup> and 12<sup>th</sup> Grade





# Moon Jong Hong

- ❑ Former National Assembly member – 4 Terms
- ❑ Has a Ph.D., Harvard University Graduate School of Education
- ❑ Students spend a year in Seoul, Qingdao, Miyazaki and then attend ILTexas Schools in Texas!
- ❑ Has Kyungmin School Foundation of Private Schools
- ❑ Foundation Compound of 2 Middle Schools, 3 High Schools and a University
- ❑ Future MOU with Foundation





# Day 2





# Gwan-yeong Kim

## About Mr. Kim

- ☐ Former Supreme member of the Democratic Party
- ☐ Representative of the policy think tank - 'Korea Institute for Public Policy Strategy (similar to the George Bush Foundation)
- ☐ Has the Largest law firm in Korea: Kim & Chang

## Discussions

- ☐ Impressed with ILTexas Mission
- ☐ Introduction to Sang- Hoon Bae University Professor
- ☐ Learned about Korean Schools and how they operate
- ☐ Differences between Private and Public Schools and role of Government
- ☐ Sharing of Contacts including Samsung Executives





# Media Coverage

- Article about Mr. Conger on Kuki News and digital media outlets





# Eun-gi Joo

Vice President of External Relations, Samsung Electronics

- Discussed ILTexas Mission
- Samsung Investing \$17 Billion in Texas
- Samsung has a Regional office in Shenzhen, China
- Invited Samsung to Leadership Speaker Series
- First people to tour the Samsung Innovation Museum





# Prospective Student Meeting

- Discussed ILTexas Mission and answered questions
- Parent so impressed that she applied the same day!
- Student will be attending in January





# Day 3





# Daisy English

## After School English Tutoring

- Private English Class Institution Franchise
- Has a total 10 branches in Korea and 400 students
- Daisy set up parent meeting for recruitment
- Signed MOU for camps and student recruitment





# Governor of Jeollabuk-do Ha-jin Song



Provincial  
Government

Area:  
1,993,906.17(AC)

Population:  
1,817,302

GRDP: 50.595  
Billion ₩

- ☐ 35th Jeollabuk-do Governor
- ☐ Discussed the ILTexas Mission
- ☐ Gave his blessing to working with schools and businesses in his state
- ☐ Would like to open an ILTexas in state which will lead to a more developed state, higher population and increase overall economy



# Seung-woo Moon

Chairman of the Jeonbuk



- ☐ Discussed the ILTexas Mission
- ☐ Discussed the 25<sup>th</sup> Jamboree that will be hosted in Korea
- ☐ Conversations about ILTexas possible involvement in [25<sup>th</sup> World Scout Jamboree](#)





# Seunghwan Kim

## Jeollabuk-do Superintendent of Education

☐ ILTexas Mission

☐ Interest student exchanges for Joellabuk-do students

☐ Total Budget (2021)  
3,372,681,200 ₩



	Number of schools	Number of students	Number of students
Kindergarten	507	21,190	1,941
Elementary Schools	426	94,661	7,439
Middle Schools	210	48,873	4,538
High schools	133	52,932	5,106
	1,276	217,656	42,466
Headquarter			7,775
Education Support Offices			13,425
Direct agency (12)	Education and Training Institute, Science Education Center, Education Research Information Center, Student Training Center, Student Maritime Training Center, Early Childhood Education Center, etc.		6,562
			70,228



HOME > 뉴스 > 문화/교육/대학

## 텍사스 '국제리더십학교' 이사장 새만금 수변도시 방문 이우

정영욱 기자 | 승인 2021.12.06 10:28 | 댓글 0

에드워드 컨저 이사장, 송하진 도지사, 김승환 도교육감 등 잇따라 예방 새만금에 국제학교 설립 검토... 중국 학교 한국 내 이전도 검토 중 군산출신 이원호 한국학생담당 책임자, 전북도 등 방문 숨은 공로자



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pinetrest TED: Ideas worth sp... Mail - Basma Yacou...

김승환 공식 블로그

생생 포토

## 텍사스 국제 리더십 학교(International Leadership of Texas)관계자 전북교육청 방문 교육교류 협력, 김승환교육감

김승환 2021. 12. 2. 10:05

+ 이웃추가

12.1.(수) 오후에 텍사스 국제 리더십 학교(International Leadership of Texas) 관계자들과 학생들의 방문을 받았습니다.



방문단은 이사장 Edward Conger, 과장 Basuma Ycoub, 실장 이원호, 학생대표 이은채(군산 출신) Maia Escobedo로 구성되어 있었습니다.





# Day 4





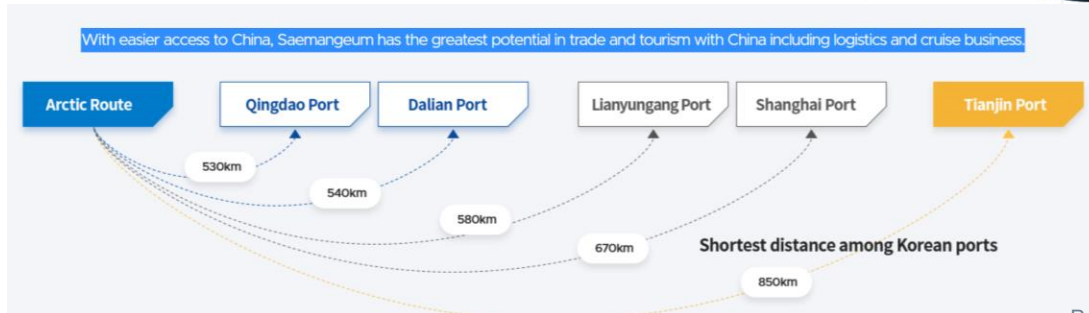
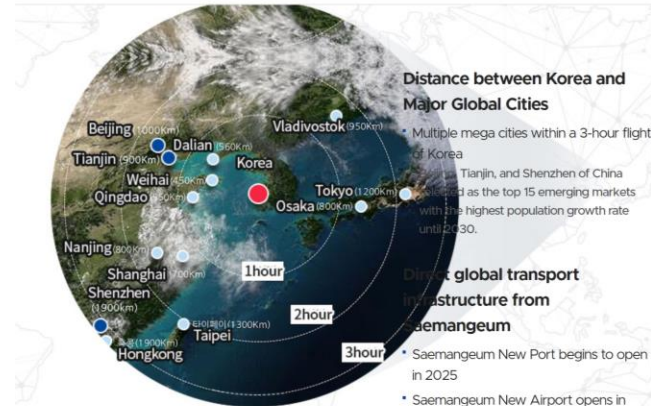
# Superintendent of Guangdong School Foundation Seung-woo Lee

- Jeollabuk-do Deputy Governor of Political Affairs
- CEO of Saemangeum Tourism Development
- Director of the Central Public Officials Training Center
- President of Gunjang University
- Interested in building an ILTexas in Korea
- 100 Million dollar investment
- Discussed benefits for Jeollabuk





## Saemangeum Smart City and Global Education



# MOU Gunsan Jungang High School (Private Boarding School)



- Number of students: 572
- Number of faculty: 51
- Principal: Jae-Sung Choi
- Date of establishment: 1950



# Parent Meeting

Flying Saucers Agency

Met with students



# Busan Consultant Investment Group





# Day 5





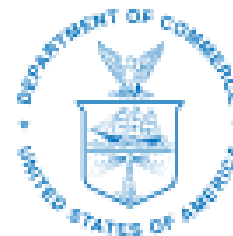
# Eulji Middle School (Public)

- ❑ 717 Students
- ❑ Have current exchanges with international Schools including Malaysia, Iran and others
- ❑ School Mission: We symbolize the inclusion of knowledge based on the spirit of love, humanity, unity, and harmony.





U.S. Commercial Service Korea  
U.S. Embassy Seoul



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

- ☐ Ms. Song was impressed with the connections we had
- ☐ Will provide us with future support and a connection in Texas

South Korea represents the third largest source of foreign students matriculating at U.S. universities, comprising 4.6 percent of total international students in the U.S. The Open Doors of Institute of International Education (IIE) indicates that a total of 49,809 Korean students were enrolled in U.S. institutions for academic year 2019-2020. On a per capita basis, Korea sends the second-most students to the U.S. from Asia. The fields of study of Korean students in the U.S. have now become more diversified which is attributed to the preferred majors in job market. Currently 25 percent of Korean students are seeking STEM majors, while 14 percent are studying engineering, 13 percent are studying business management, 12 percent are studying fine & applied arts, and 11 percent are studying social studies in the U.S.

Many talented Korean students opt for the best schools outside of the country and obtain a diploma from an accredited overseas school. Although Korean students with U.S. degrees no longer can enjoy the same advantages in the job market as they did a decade ago, English language skills, internship experience, vocational trainings, or a degree from a mid-ranked state university in the U.S. is seen as providing a competitive advantage to secure full-time employment. This translates into opportunities for U.S. schools to recruit some of Korea's most talented students. The Korean government also runs a Scholarship Program by providing financial aid up to \$40,000 per year for those students. Each year, 70 students are benefitted by this government funds to study abroad.

While this market is very attractive to a wide swath of U.S. educational service providers, it has become, over the last few years, an increasingly tough market. The number of Korean students studying in the U.S. has trended slightly downward in each of the last five years. While the U.S. remains by far one of the most preferred overseas destinations, especially for undergraduate studies, fewer Korean students are going to the U.S. because there are simply fewer high school graduates due to decreasing birth rate. Korea is a rapidly



# Day 6





## Seocho County Counselor Ms Eun Heo

- ☐ In her county there is need for families of young children to get a quality education
- ☐ Parent would want to travel to US with a K-8 student to study in the US
- ☐ She would help recruit these families as long as we meet the need for stable housing
- ☐ Can be a future way to fill International Student Apartments





# Others Before Self



Powered by BoardOnTrack

# Coversheet

## SCHOOL LEADERSHIP REPORT

<b>Section:</b>	V. Superintendent-CEO Report and Information Items
<b>Item:</b>	B. SCHOOL LEADERSHIP REPORT
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	This Page is Blank.docx

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# Coversheet

## DEPUTY SUPERINTENDENT OF ACADEMIC STUDENT SERVICES REPORT

<b>Section:</b>	V. Superintendent-CEO Report and Information Items
<b>Item:</b>	C. DEPUTY SUPERINTENDENT OF ACADEMIC STUDENT SERVICES
<b>REPORT</b>	
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	Academic Board Report, Dec 2021 12-15 7 pp.pdf

# **ILTexas Academic Board Report**

December 15, 2021

Presented by: Dr. Laura Carrasco  
Deputy Superintendent of Academics & Student Services



# 2021-2022 ILTexas Priorities:

## Increase capacity of principals/APs as instructional leaders (w Dr. Seaberry as lead):

- a) Instructional Leadership Professional Development (PD)
- b) Observation/ Feedback Support & Instructional Rounds
- c) Clarity/follow through with academic non-negotiables, roles & responsibilities (campus-area-HQ)

## Improve Tier 1 Instruction:

- a) High Quality Instructional Materials (HQIM)/ Lesson Plans
- b) Improved Instruction: i) Intellectual Preparation Process during Professional Learning Communities, ii) PD from Deans/ICs during PLC time and iii) Coaching Observation Feedback efficacy
- c) Improve fidelity to DLI program implementation
- d) Ensure special populations have the supports they need

## System for Multi-Tiered Systems of Support (MTSS):

- a) Improve Access to Tier 2 Diagnostics/Diagnostic Data Analysis & clarity of available academic and behavior interventions
- b) Ensure campuses have a system for tracking and monitoring MTSS
- c) Reading & Math Accelerated Learning (w/ weekly implementation data)

## 2021-2022 ILTexas Priorities:

### Increase capacity of principals/APs as instructional leaders (w Dr. Seaberry as lead):

Have held 2 work sessions and have solicited/gathered stakeholder feedback around key roles anchored around our primary teacher actions. By the end of January will have a more refined Instructional Leadership Roles and Responsibilities document.

### Improve Tier 1 Instruction:

- \*Have hosted 3 department specific Course Lead trainings.

- \*Math Department has refocused the department specific lift around content Professional Learning Communities (anchored in our protocols and rubrics).

- \*December 13 (Houston) & December 14 (DFW) hosted an Academic Department end of semester 1 retreat to reflect and refine our practices around our key priorities; namely, those anchor in improving Tier 1 instruction.

### System for Multi-Tiered Systems of Support (MTSS):

Developed a Training of Trainer (ToT) module for our campus coaches to deliver to teachers, by grade band during an upcoming campus level professional development opportunity addressing Tier 1 accommodations & Tier 2 & Tier 3 interventions. Campus coaches will have the ability to differentiate this module for the needs of each specific campus and grade level.

**ILTexas hosted the DFW Model United Nations Regional Summit this past Sat. 12/11 with over 200 participants (representing over 30 countries) discussing critical world issues. Pictured below are ILTexas student delegates:**



International Leadership of Texas, Inc. | December 1, 2021 | Regular Board Meeting and Chapter FMS/ST Representative Agenda | Wednesday, December 1, 2021 at 6:00 PM

**Highlighting the team of campus, area and HQ leaders who spent a couple of days this month in collaboration with over 500 school districts at the Lead4ward Conference.**



## **ILTexas Educator Preparation Program**

Approximately 18 months ago, Mr. Conger charged us with developing and applying for ILTexas to host our own Educator Preparation Program (EPP) to help us address our teacher certification needs (namely, Bilingual/ESL teacher certifications).

ILTexas submitted our application to the state about a year and worked through the tasks around receiving TEA approval and then subsequent State Board of Educator Certification (SBEC) approval.

This past Friday, during the SBEC meeting in Austin, ILTexas received approval to begin serving teachers on January 3rd. Today, our EPP program was officially turned on. We look forward to providing our teachers needing certification a quality, affordable EPP program provided around their work schedule and ILTexas calendar.





Thank you! ¡Gracias! 谢谢!

# Coversheet

## CHIEF ADMINISTRATIVE OFFICER REPORT

<b>Section:</b>	V. Superintendent-CEO Report and Information Items
<b>Item:</b>	D. CHIEF ADMINISTRATIVE OFFICER REPORT
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	Board Notification 12.15.2021 (1).pdf Board Report 12.15.2021.pdf Board Notification 12.15.2021 (1).pdf Board Report 12.15.2021.pdf



## INTERNATIONAL LEADERSHIP OF TEXAS

**Faculty and Support Staff New Hires  
Subsequent to November 17, 2021  
For Board Notification on December 15, 2021**

<b>NEW HIRES FOR THE 21/22 SCHOOL YEAR</b>			
<b>Position</b>	<b>Assignment</b>	<b>Building</b>	<b>Start Date</b>
PROF - CAMPUS	ARD FACILITATOR	AREA OFFICE DALLAS	12/08/2021
TEACHER	MIDDLE	EAST FW MIDDLE	11/29/2021
PROF - DISTRICT	COORDINATOR	AREA OFFICE HOUSTON	11/29/2021
AUX - MAINTENANCE	COURIER	AREA OFFICE DALLAS	12/08/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	ARLINGTON ELEMENTARY	11/18/2021
TEACHER	MIDDLE	ARLINGTON MIDDLE	11/29/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	LANCASTER HIGH	12/14/2021
TEACHER	ELEMENTARY	ARLINGTON ELEMENTARY	12/03/2021
TEACHER	PFC	ARLINGTON HIGH	11/29/2021
PARA - DISTRICT	EXECUTIVE ADMIN ASSISTANT	AREA OFFICE DALLAS	12/01/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	LANCASTER ELEMENTARY	12/06/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	LANCASTER ELEMENTARY	12/06/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	HOUSTON OREM MIDDLE	12/06/2021
PARA - CAMPUS	RECEPTIONIST/BUDGET CLERK	GARLAND ELEMENTARY	11/29/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	SAGINAW ELEMENTARY	12/02/2021
TEACHER	HIGH	LANCASTER HIGH	12/06/2021
PROF - DISTRICT	EXECUTIVE DIRECTOR	HEADQUARTERS	12/14/2021
PROF - DISTRICT	EXECUTIVE DIRECTOR	HEADQUARTERS	12/14/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	WM LAKES ELEMENTARY	11/29/2021
TEACHER	MIDDLE	NRH MIDDLE	11/29/2021
PARA - CAMPUS	ATTENDANCE CLERK	SAGINAW ELEMENTARY	11/29/2021
AUX - FOOD SERVICE	FOOD SERVICE CASHIER	WM LAKES ELEMENTARY	12/10/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	HOUSTON OREM MIDDLE	12/06/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	LANCASTER MIDDLE	12/06/2021
TEACHER	LONG TERM SUBSTITUTE	ARLINGTON ELEMENTARY	12/08/2021
PARA - CAMPUS	CAMPUS TECHNICIAN	GARLAND HIGH	12/14/2021
PROF - CAMPUS	ARD FACILITATOR	AREA OFFICE TARRANT	12/08/2021
TEACHER	MIDDLE	LANCASTER MIDDLE	12/10/2021

**Total employees hired subsequent to 11/17/2021: 28**

**Total Employee Count for 21/22 SY: 2,290**

**All employees are contingent upon Fingerprint and HR Clearance.**



## INTERNATIONAL LEADERSHIP OF TEXAS

### Authorized Position Report

December 15, 2021

21/22 SCHOOL YEAR

Position	# Positions	Positions Filled	Available FTE	Pending	Unfilled
AUX - FOOD SERVICE	14	13	1		1
AUX - MAINTENANCE	34	32	2		2
AUX - TRANSPORTATION	29	27	2		2
COUNSELOR	53	49	4		4
LIBRARIAN/MEDIA	21	20	1		1
NURSE	17	17	-		-
PARA - CAMPUS - INSTRUCTIONAL AIDE	311	247	64	7	57
PARA - CAMPUS - FRONT OFFICE	128	120	8		8
PARA - DISTRICT	73	65	8		8
PROF - CAMPUS	45	37	8		8
PROF - CAMPUS ADMIN	90	90	-		-
PROF - DISTRICT	203	178	25	10	15
SLP	13	10	3		3
SUPERINTENDENT	1	1	-		-
TEMPS	2	1	1		1
TEACHER	1,439	1,383	56		56
<b>Total</b>	<b>2,473</b>	<b>2,290</b>	<b>183</b>	<b>17</b>	<b>166</b>



## INTERNATIONAL LEADERSHIP OF TEXAS

**Faculty and Support Staff New Hires  
Subsequent to November 17, 2021  
For Board Notification on December 15, 2021**

<b>NEW HIRES FOR THE 21/22 SCHOOL YEAR</b>			
<b>Position</b>	<b>Assignment</b>	<b>Building</b>	<b>Start Date</b>
PROF - CAMPUS	ARD FACILITATOR	AREA OFFICE DALLAS	12/08/2021
TEACHER	MIDDLE	EAST FW MIDDLE	11/29/2021
PROF - DISTRICT	COORDINATOR	AREA OFFICE HOUSTON	11/29/2021
AUX - MAINTENANCE	COURIER	AREA OFFICE DALLAS	12/08/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	ARLINGTON ELEMENTARY	11/18/2021
TEACHER	MIDDLE	ARLINGTON MIDDLE	11/29/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	LANCASTER HIGH	12/14/2021
TEACHER	ELEMENTARY	ARLINGTON ELEMENTARY	12/03/2021
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PARA - CAMPUS	INSTRUCTIONAL AIDE	LANCASTER ELEMENTARY	12/06/2021
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TEACHER	HIGH	LANCASTER HIGH	12/06/2021
PROF - DISTRICT	EXECUTIVE DIRECTOR	HEADQUARTERS	12/14/2021
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PARA - CAMPUS	INSTRUCTIONAL AIDE	WM LAKES ELEMENTARY	11/29/2021
TEACHER	MIDDLE	NRH MIDDLE	11/29/2021
PARA - CAMPUS	ATTENDANCE CLERK	SAGINAW ELEMENTARY	11/29/2021
AUX - FOOD SERVICE	FOOD SERVICE CASHIER	WM LAKES ELEMENTARY	12/10/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	HOUSTON OREM MIDDLE	12/06/2021
PARA - CAMPUS	INSTRUCTIONAL AIDE	LANCASTER MIDDLE	12/06/2021
TEACHER	LONG TERM SUBSTITUTE	ARLINGTON ELEMENTARY	12/08/2021
PARA - CAMPUS	CAMPUS TECHNICIAN	GARLAND HIGH	12/14/2021
PROF - CAMPUS	ARD FACILITATOR	AREA OFFICE TARRANT	12/08/2021
TEACHER	MIDDLE	LANCASTER MIDDLE	12/10/2021

**Total employees hired subsequent to 11/17/2021: 28**

**Total Employee Count for 21/22 SY: 2,290**

**All employees are contingent upon Fingerprint and HR Clearance.**



## INTERNATIONAL LEADERSHIP OF TEXAS

### Authorized Position Report

December 15, 2021

21/22 SCHOOL YEAR

Position	# Positions	Positions Filled	Available FTE	Pending	Unfilled
AUX - FOOD SERVICE	14	13	1		1
AUX - MAINTENANCE	34	32	2		2
AUX - TRANSPORTATION	29	27	2		2
COUNSELOR	53	49	4		4
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PARA - CAMPUS - INSTRUCTIONAL AIDE	311	247	64	7	57
PARA - CAMPUS - FRONT OFFICE	128	120	8		8
PARA - DISTRICT	73	65	8		8
PROF - CAMPUS	45	37	8		8
PROF - CAMPUS ADMIN	90	90	-		-
PROF - DISTRICT	203	178	25	10	15
SLP	13	10	3		3
SUPERINTENDENT	1	1	-		-
TEMPS	2	1	1		1
TEACHER	1,439	1,383	56		56
<b>Total</b>	<b>2,473</b>	<b>2,290</b>	<b>183</b>	<b>17</b>	<b>166</b>

# Coversheet

## REPORT FROM FINANCE AND AUDIT COMMITTEE

<b>Section:</b>	VI. BOARD COMMITTEE REPORTS
<b>Item:</b>	A. REPORT FROM FINANCE AND AUDIT COMMITTEE
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	This Page is Blank.docx

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# Coversheet

## REPORT FROM NOMINATION COMMITTEE

<b>Section:</b>	VI. BOARD COMMITTEE REPORTS
<b>Item:</b>	B. REPORT FROM NOMINATION COMMITTEE
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	This Page is Blank.docx

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## Coversheet

### CONSENT AGENDA ITEMS -- SINGLE VOTE UNLESS OTHERWISE SPECIFIED

**Section:** VIII. CONSENT AGENDA  
**Item:** A. CONSENT AGENDA ITEMS -- SINGLE VOTE UNLESS OTHERWISE  
SPECIFIED  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:**  
Lease Proposal - International Leadership of Texas (Tower 360).doc  
Lease Agreement - International Leadership of Texas (1901 State Hwy 360 - Suite 335) December  
2021.pdf

## Tower 360



Prepared For:

International Leadership of Texas



office 972.776.7000 3100 McKinnon Street, Suite 400  
 fax 972.776.7083 Dallas, Texas 75201

[bradford.com](http://bradford.com)

December 7, 2021

Rodney Cooksy  
 Superintendent – Tarrant County  
 International Leadership of Texas  
 1506 W. Pioneer Parkway, Suite 205  
 Arlington, TX 76013

Via: E-Mail: [rcooksy@iltexas.org](mailto:rcooksy@iltexas.org)

**Re: Proposal for International Leadership of Texas – Tower 360**

Dear Mr. Cooksy:

On behalf of ownership, it is my pleasure to present you the following proposal for International Leadership of Texas:

**Location:** Tower 360  
 1901 N. State Highway 360  
 Grand Prairie, Texas 75050

**Landlord:** Capital Commercial Investments, Inc.  
 500 N Capital of Texas Hwy, Suite 200, Austin TX 78746

**Tenant:** International Leadership of Texas

**Size:** Approximately **3,549 rsf** on the third floor, **Suite 335**

**Lease Term:** Option A: 61-Month Term  
 Option B: 86-Month Term

**Commencement:** January 1, 2022. Tenant will be permitted temporary occupancy beginning December 16, 2021 in an adjacent, vacant suite, for the purpose of storing furniture/equipment prior to the Commencement Date. Temporary Occupancy will be pursuant to a separate written agreement, between Tenant and Landlord.

**Rental Rate:** **Option A:**  
61 Month Term:

Months 01-01:	\$00.00+E psf	(\$ 00.00/Month+E)
Months 02-12:	\$20.50+E psf	(\$6,062.00/Month+E)
Months 13-24:	\$21.00+E psf	(\$6,210.75/Month+E)
Months 25-36:	\$21.50+E psf	(\$6,358.63/Month+E)
Months 37-48:	\$22.00+E psf	(\$6,506.50/Month+E)
Months 49-61:	\$22.50+E psf	(\$6,654.38/Month+E)

**Option B:**  
86 Month Term

Months 01-02:	\$00.00+E psf	(\$ 00.00/Month+E)
Months 03-12:	\$20.00+E psf	(\$5,915.00/Month+E)
Months 13-24:	\$20.50+E psf	(\$6,062.88/Month+E)
Months 25-36:	\$21.00+E psf	(\$6,210.75/Month+E)
Months 37-48:	\$21.50+E psf	(\$6,358.63/Month+E)
Months 49-60:	\$22.00+E psf	(\$6,506.50/Month+E)
Months 61-72:	\$22.50+E psf	(\$6,654.38/Month+E)
Months 73-86:	\$23.00+E psf	(\$6,802.25/Month+E)

\*2022 Electric (E) is estimated to be \$1.67 psf

**Expenses:** Tenant shall have a Base Year 2022 Expense Stop on all Operating Expenses, including property taxes, calculated as if the building were 95% occupied.

**Tenant Improvements:** Landlord, at Landlord's sole cost shall complete the following:

1. Repaint Premises throughout
2. Replace existing carpet throughout
3. Remove toilet and cap plumbing in existing restroom
4. Remove countertop and sink in existing restroom, replace with flat countertop

Other than the above, Tenant accepts Premises in "as-is" condition.

**Renewal Option:** Landlord agrees to provide Tenant one (1) five-year option to renew the entire premises, no sooner than fifteen (15) months and no later than twelve (12) months prior to lease expiration. The rent shall be at the then fair market rate.

**Parking:** Parking at Tower 360 is at a ratio of 4.5 spaces per 1,000 square feet of leasable area. Parking is available around the perimeter of the Building on a first come, first serve basis.

**HVAC:** Landlord will provide HVAC services to the Building and the Premises Monday thru Friday, 7:00 a.m. to 7:00 p.m. and 8:00 a.m. to 5:00 p.m. on Saturdays, excluding legal holidays.

**Telecom Providers:** AT&T and Time Warner.

**Security:** Tower 360 features a card key access control system for after-hours security.

**Security Deposit:** Upon Lease Execution, Landlord requests the First Month rent prepaid, after any period of abated rent and a Security Deposit equal to the Last Month of Rent.

**Disclaimer:** This proposal is preliminary and its contents will not constitute and will not give rise to any legally binding obligation on the part of either party. The terms of this proposal are valid for a period of two (2) weeks from the date first mentioned above and are subject to Landlord's review of Tenant's financial information.

We look forward to getting to the next steps in finalizing a lease. Once you have had a chance to review this proposal, I would be happy to discuss any questions that you might have. I can be reached at 972.776.7045.

Sincerely,

**BRADFORD COMMERCIAL REAL ESTATE SERVICES, INC.**



Richmond Collinsworth  
First Vice President  
972-776-7041



Jared Laake  
Vice President  
972-776-7045



Erik Blais  
Vice President  
817-921-8179

## OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (this "Lease") is made and entered into as of the "Lease Date" (as defined below), by and between CCI-NORTH HWY 360, L.P., a Texas limited partnership ("Landlord"), and INTERNATIONAL LEADERSHIP OF TEXAS, INC., a Texas corporation ("Tenant").

### 1. BASIC LEASE INFORMATION.

The words and phrases defined below are hereby incorporated into and made a part of this Lease and are hereinafter referred to as the "Basic Lease Information".

(a) "Lease Date": The date upon which this Lease is mutually executed as indicated below, provided that if Landlord and Tenant execute this Lease on different dates, the latter of the two dates shall be the "Lease Date."

(b) "Building": The six story office building, having a "total rentable area" of approximately 105,541 square feet, situated on a 3.92 acre (more or less) parcel of land (the "Land") located at 1901 North Highway 360, Grand Prairie, Tarrant County, Texas 75050.

(c) "Premises": Suite No. 335 having a "rentable area" of approximately 3,549 square feet, and being located on the third floor of the Building, as depicted on the floor plans attached hereto as Exhibit A.

(d) "Tenant's Proportionate Share": The ratio between the rentable area of the Premises and the total rentable area of the Building, expressed as a percentage, Tenant's Proportionate Share being 3.36%.

(e) "Permitted Use": General office purposes and for no other use or purpose without the prior written consent of Landlord, which consent shall not be unreasonably withheld; provided that Tenant's use of the Premises shall be subject to compliance with the Rules and Regulations attached to and made part of this Lease as Exhibit B.

(f) "Lease Term": The period commencing on January 1, 2022 (the "Commencement Date") and expiring on February 28, 2029 Date (the "Expiration Date"). Tenant shall have one options to extend the Lease Term by a period of 60 calendar months subject to the terms and conditions found in Exhibit C attached to and made part hereof. Commencing on December 16, 2021 and ending on the Commencement Date, Tenant shall have the right to use Suite 340 in the Building for the sole purpose of storing furniture and equipment subject to the all terms and conditions of this Lease other than the obligation to pay Rent.

(g) "Base Year": The calendar year 2022.

(h) "Security Deposit": The sum of \$7,296.15 which amount shall be paid by Tenant within three (3) business days following the Lease Date.

(i) "Base Rent": The rental amount due and payable to Landlord by Tenant over the course of the Lease Term pursuant to Section 3 hereof, such amount to be paid in monthly installments at the annual rate per rentable square foot ("RSF") shown in the schedule set forth below; provided that the monthly installment of Base Rent and Tenant's estimated share of Electrical Costs due for the first (1<sup>st</sup>) full month of the Lease Term shall be paid in advance within three (3) business days following the Lease Date

<u>Monthly Period</u>	<u>Annual Rental Rate</u>	<u>Monthly Base Rent</u>
Months 1 - 2	\$ 0.00 / RSF	\$ 0.00 *
Months 3 - 12	\$ 20.00 / RSF	\$5,915.00
Months 13 - 24	\$ 20.50 / RSF	\$6,062.88
Months 25 - 36	\$ 21.00 / RSF	\$6,210.75
Months 37 - 48	\$ 21.50 / RSF	\$6,358.63
Months 49 - 60	\$ 22.00 / RSF	\$6,506.50
Months 61 - 72	\$ 22.50 / RSF	\$6,654.38
Months 73 - 86	\$ 23.00 / RSF	\$6,802.25

\* Base Rent abatement only. Tenant shall be responsible for all other Rent payments during these months.

(j) “Electrical Costs”. The cost of all electrical utility service to the Building, net of any excess electricity usage costs charged to other Building occupants; the Electrical Costs as currently estimated by Landlord for calendar year 2022 being \$1.67 per RSF.

(k) “Parking Spaces”: A total of sixteen parking spaces located in the unreserved parking areas appurtenant to the Building, such Parking Spaces to be available for use by Tenant, its employees and invitees, during the Lease Term pursuant to Section 2.6 of this Lease.

- (l) “Landlord’s Address”: CCI-North Highway 360, LP  
c/o Capital Commercial Investments, Inc.  
Attn: Teddy Childers  
500 N. Capital of Texas Highway  
Building 1, Suite 200  
Austin, Texas 78746
- (m) “Tenant’s Address”: International Leadership of Texas, Inc.  
1901 N. State Highway 36, Suite 335  
Grand Prairie, Texas 75050
- (n) “Brokers”: “Landlord’s Broker”: Bradford Commercial Real Estate Services  
“Tenant’s Broker”: None

## 2. PREMISES; TERM.

2.1 Grant of Lease. Landlord, in consideration of the Base Rent and any Additional Rent to be paid and the other covenants and agreements to be performed by Tenant pursuant to the provisions hereof, does hereby lease, demise and let unto Tenant the Premises, commencing as of the Commencement Date and ending on the Expiration Date, unless sooner terminated as herein provided. If the Premises are not available and ready for occupancy, for any reason whatsoever, on or before the Commencement Date, Landlord shall not be deemed to be in default hereunder and shall not be liable or responsible for any claims, damages or liabilities in connection with any such delay in Tenant’s occupancy thereof; and in such event, Tenant shall accept possession of the Premises at such time as Landlord is able to tender the same. It is further understood and agreed that any delay in Landlord’s delivery of the Premises shall have no effect on the duration of the Lease Term as specified in the Basic Lease Information. Upon Landlord’s written request, Tenant agrees to execute a Memorandum of Lease Commencement, certifying that Tenant has accepted delivery of the Premises, subject to the punch list items, and that the condition of the Premises complies with Landlord’s obligations hereunder and confirming the Commencement Date and Expiration Date.

2.2 Condition of Premises. Subject to the completion of Landlord’s Work, [which among other things includes painting and new carpet for the Premises](#), Tenant agrees to accept possession of the Premises in its “as-is” condition and agrees that the Premises are suitable for the Permitted Use and satisfactory to Tenant in all respects. Other than as may be expressly provided in this Lease, Landlord has made no representations or warranties to Tenant regarding the physical condition of the Premises and hereby expressly disclaims all representations and warranties, express, implied or statutory, with respect to the Premises and any and all leasehold improvements and fixtures contained therein. Tenant further acknowledges and agrees that Landlord has no obligation to install or construct any leasehold improvements or to make any alterations or modifications to the Premises other than Landlord’s Work. It is understood and agreed that Landlord’s Work shall consist of repainting the Premises, replacing the carpet in the Premises, removing the toilet and capping plumbing in the existing restroom, and removing the countertop and sink in the existing restroom and replacing with a flat countertop.

2.3 Building Common Areas and Service Areas. As long as this Lease remains in effect and Tenant is not in default hereunder, Tenant shall have the non-exclusive right, in common with the Landlord, other Building tenants, subtenants and invitees, to use the common areas of the Building (the “Common Areas”), which consist of

the Building parking areas, walkways, and driveways, the elevator(s), entrance foyer and main lobby of the Building and all other lobbies, corridors, stairwells and public restrooms located in the Building, as well as those areas appurtenant to or servicing the elevators and the shipping and receiving areas in the Building which are available for the common use of the employees, agents and guests of Building tenants; provided that Landlord shall have the right at any time and from time to time, at Landlord's discretion, to limit access to such Common Areas as Landlord may determine, so long as Tenant's access to and use of the Premises is not unreasonably limited or denied. Tenant shall not have access to the floor area of all janitorial closets, electric rooms, mechanical rooms, and other Building areas used or useful in the operation of the Building that are accessible only to Landlord and its agents (the "Service Areas").

2.4 Floor Area Computation. Landlord, at its election, may re-measure the Premises according to BOMA standards, in which event Tenant's Base Rent due under Section 1(i) and Tenant's Proportionate Share shall be re-computed based on such re-measurement and shall thereupon be applicable for the remainder of the Lease Term.

2.5 Relocation of Premises. At any time upon sixty (60) days' prior written notice to Tenant, Landlord, at its sole discretion, shall be entitled to cause Tenant to relocate from the Premises to other office space located within the Building having a usable area of not less than 90% or more than 110% of the usable area of the Premises and being of comparable design and improvements (the "Relocation Space"). The reasonable costs actually incurred in connection with the physical relocation of the Tenant to the Relocation Space shall be at the expense of Landlord. Such a relocation shall not terminate or otherwise affect or modify this Lease except that from and after the date of such relocation, the term "Premises" shall refer to the Relocation Space into which Tenant has been moved, rather than the original Premises as herein defined, and the Base Rent and Tenant's Proportionate Share shall be the same as the Base Rent and Tenant's Proportionate Share applicable to the original Premises.

2.6 Parking. So long as this Lease is in effect, Tenant shall have the use of the Parking Spaces. Tenant's use of the Parking Spaces shall be subject to the terms and conditions of this Lease, including any Rules and Regulations pertaining to such use.

### 3. RENT.

3.1 Base Rent. The Base Rent installment due for the first (1<sup>st</sup>) full calendar month of the Lease Term shall be payable by Tenant to Landlord within three (3) business days following the Lease Date. If the Commencement Date is other than the first day of a calendar month, then the per diem Base Rent amount due for such partial month of the Term shall be due and payable as of the Commencement Date. The per diem Base Rent amount shall be calculated by dividing the Base Rent due for the first (1<sup>st</sup>) full calendar month of the Lease Term by the number of days in the month containing the Commencement Date. The remaining monthly installments of Base Rent shall be due and payable without demand beginning on the first day of the calendar month following the expiration of the Base Rental Abatement Period and continuing thereafter on or before the first day of each succeeding calendar month during the Lease Term.

3.2 Additional Rent. Both Tenant and Landlord expressly understand and agree that all other sums, other than Base Rent, which may from time to time become due under this Lease, shall be deemed "Additional Rent". Tenant's obligation to make payments of Additional Rent, if any, hereunder shall be deemed to be an independent covenant of this Lease.

3.3 Late Charge. If any installment of Base Rent, Additional Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after the due date, then Tenant shall immediately pay to Landlord a late payment charge equal to the greater of either (i) five percent (5%) of the amount due or (ii) the sum of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00). The parties hereby agree that such late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of late payment by Tenant and that such charge is in addition to any interest due on the overdue payment as otherwise provided in this Lease. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount or prevent Landlord from exercising any of the other rights and remedies granted hereunder.

### 3.4 Operating Expenses.

3.4.1 Tenant's Obligation. Commencing as of the first day of the calendar year following the Base Year and continuing throughout the Lease Term, Tenant shall be obligated to pay Landlord, as Additional Rent, Tenant's Proportionate Share of the amount by which the Operating Expenses incurred during such calendar year exceed the Operating Expenses incurred during the Base Year (the "Base Year Operating Expenses"), such excess amount (the "Excess Operating Expenses") to be paid by Tenant in equal monthly installments as hereinafter set forth. The obligation of Tenant to pay Tenant's Proportionate Share of the Excess Operating Expenses shall survive the expiration or any earlier termination of the Lease Term. Operating Expenses are currently estimated by Landlord as \$8.46 per RSF for the calendar year 2022. This estimate for Operating Expenses does not include electrical costs which Tenant pays pro rata according to Sections 3.5 of this Lease

3.4.2 Definition. "Operating Expenses" shall mean any and all costs, expenses and disbursements of every kind and character (subject to any limitations set forth herein) which Landlord shall incur or pay in connection with the ownership of any estate or interest in, operation, insurance, maintenance, repair, replacement, and security of the Building, or any portion thereof, as determined in accordance with sound, accepted cash accounting principles consistently applied; provided that Operating Expenses shall include, but not be limited to, the following:

- (a) Costs of supplies, including but not limited to the cost of "re-lamping" all light fixtures, as the same may be required from time to time;
- (b) Costs incurred in connection with obtaining and providing electrical service to the Common Areas, as well as costs for HVAC services furnished to the Common Areas;
- (c) Costs of water and sanitary sewer and storm drainage services;
- (d) Costs of window cleaning and security services, if any;
- (e) Costs of general maintenance and repairs, including costs under HVAC and other mechanical maintenance contracts, and repairs and replacements of equipment used in connection with such maintenance and repair work;
- (f) Costs of maintenance of the Common Areas and any plazas and other areas used by tenants of the Building, including reasonable replacement of plants and landscaping;
- (g) Costs of maintenance, repair, striping and repaving of parking areas;
- (h) Costs of trash and snow removal;
- (i) Any fees, costs or assessments imposed by any property owners association;
- (j) Insurance premiums, including fire and all-risk coverage, together with loss of rent endorsement, public liability insurance, and any other commercially reasonable insurance carried by Landlord on the Building or any component parts thereof (collectively referred to herein as "Insurance");
- (k) Labor costs, including wages and other payments, costs to Landlord of workmen's compensation and disability insurance, payroll taxes, welfare fringe benefits and all legal fees and other costs or expenses incurred in resolving any labor disputes;
- (l) Professional building management fees and related management costs;
- (m) Legal, accounting, inspection and other consultation fees (including, without limitation, fees charged by consultants retained by Landlord for services that are designed to produce a reduction in Operating Expenses

or reasonably to improve the operation, maintenance or state of repair of the Building) incurred for the normal, prudent operation of the Building;

(n) The costs of any machinery or equipment installed in the Building or other structural repairs, replacements or capital improvements made in or to the Building in order to comply with changes in any applicable laws, ordinances, rules, regulations or orders of any governmental or quasi-governmental authority having jurisdiction over the Building promulgated after the Commencement Date (referred to herein as "Required Capital Improvements"), the costs of any capital improvements and structural repairs and replacements designed primarily to reduce Operating Expenses (referred to herein as "Cost Savings Improvements"), and a reasonable annual reserve for all other capital improvements and structural repairs and replacements reasonably necessary to permit Landlord to maintain the Building as a first class office building; provided that the expenditures for Required Capital Improvements and Cost Savings Improvements shall be amortized over the useful life of such capital improvement or structural repair or replacement (as determined by Landlord's accountants), and provided that the amortized amount of any Cost Savings Improvement shall be limited in any year to the reduction in Operating Expenses as a result thereof;

(o) "Real Estate Taxes", including all real property taxes and assessments levied against the Building by any governmental or quasi-governmental authority, including any taxes, assessments, surcharges, or service or other fees of a nature not presently in effect which shall hereafter be levied on the Building as a result of the use, ownership or operation of the Building or for any other reason, whether in lieu of or in addition to any current real estate taxes and assessments; provided, however, that any taxes which shall be levied on the rentals of the Building shall be determined as if the Building were Landlord's only property; and "Assessments", including any and all so-called special assessments, license tax, business license fee, business license tax, commercial rental tax, levy, charge or tax imposed by any authority having the direct power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, water, drainage or other improvement or special district thereof, against the Premises, the Building or against any legal or equitable interest of Landlord therein; provided further, that in no event shall the terms Real Estate Taxes or Assessments, as used herein, include any federal, state or local income taxes levied or assessed on Landlord, unless such taxes are a specific substitute for real property taxes; such terms shall, however, include the so-called Texas "Margin Tax" and also any expenses reasonably incurred by Landlord for tax consultants employed to assist in contesting the amount or validity of any such Real Estate Taxes or Assessments (all of the foregoing being collectively referred to herein as "Taxes"); and

(p) Any other expense which under generally accepted accounting principles would be considered a normal maintenance or operating expense of the Building.

3.4.3 Landlord's Statement. Commencing as of the first calendar year following the Base Year and continuing for each calendar year throughout the Lease Term, Landlord shall send Tenant a statement ("Landlord's Statement"), setting forth: (i) the actual amount of the Operating Expenses incurred during the preceding calendar year; (ii) the total amount paid, if any, by Tenant during such calendar year as Tenant's Proportionate Share of any Excess Operating Expenses; and (iii) Landlord's estimate of the amount of the Excess Operating Expenses for the calendar year in which the Landlord's Statement is given. Landlord shall make a good faith effort to deliver Landlord's Statement to Tenant by not later than May 1<sup>st</sup> of each calendar year; provided that any delay in delivery or Landlord's failure to render Landlord's Statement with respect to any period shall not eliminate or reduce Tenant's obligation to pay Tenant's Proportionate Share of any Excess Operating Expenses and shall not prejudice Landlord's right to render Landlord's Statement with respect to any subsequent period. In the event that less than ninety-five percent (95%) of the total rentable area of the Building is occupied by tenants during any calendar year of the Lease Term, Landlord shall make the necessary adjustments to all Operating Expense items that vary based on Building occupancy so that the actual Operating Expenses used in determining Tenant's Proportionate Share are "grossed up" to reflect a 95% Building occupancy rate.

3.4.4 Tenant's Payments. Within thirty (30) days following delivery of Landlord's Statement, Tenant shall pay to Landlord the entire remaining balance due of Tenant's Proportionate Share of the Excess Operating Expenses for the prior calendar year, if any; provided that in the event that Tenant has overpaid, Landlord shall credit any such overpayment against the next payment of Rent due and owing by Tenant, or, if no further Rent payments are due, refund such overpayment directly to Tenant within thirty (30) days of determination. For each month following

delivery of Landlord's Statement, Tenant shall pay the estimated monthly installment of Tenant's Proportionate Share of any Excess Operating Expenses as set forth therein, subject to any credit due with respect to overpayment in the prior calendar year.

3.4.5 Tenant Audit. Upon not less than thirty (30) days prior written notice to Landlord, and not more frequently than once per calendar year, Tenant shall have the right, at Tenant's expense, to cause an audit to be made of Landlord's computation of the Operating Expenses and Tenant's Proportionate Share of any Excess Operating Expenses as set forth herein for the prior calendar year, which audit shall be conducted at Landlord's offices. If such audit shows that Landlord's calculation of Tenant's Proportionate Share of any Excess Operating Expenses for any calendar year was overstated by more than five percent (5%), then Landlord shall reimburse Tenant for the reasonable cost of such audit as paid to third parties. Tenant shall not be entitled to withhold or deduct any portion of Base Rent or Additional Rent during the pendency of any such audit. Any errors disclosed by such audit shall be promptly corrected, provided that Landlord shall have the right to cause another independent audit to be made of such computations, and in the event of a disagreement between the auditors, the audit disclosing the least amount of deviation from Landlord's original computations shall be conclusively deemed to be correct.

### 3.5 Electrical Costs.

3.5.1 Tenant shall pay Landlord, as Additional Rent, an amount equal to Tenant's Proportionate Share of the Electrical Costs, such amount to be paid in monthly installments beginning on the Commencement Date and continuing on the first day of each calendar month thereafter. If the Commencement Date is other than the first day of a calendar month, then the per diem Electrical Costs due for such partial month of the Term shall be due and payable as of the Commencement Date. The per diem Electrical Costs amount shall be calculated by dividing the Electrical Costs due for the first full calendar month of the Lease Term by the number of days in the month containing the Commencement Date. The amount of each such installment payment shall be based on Landlord's estimate of Tenant's Proportionate Share of the Electrical Costs due for each calendar month as set forth in written notice thereof to Tenant; provided that Landlord shall have the right to revise its estimate of the Electrical Costs at any time and from time to time throughout the year.

3.5.2 Commencing as of the first calendar year following the Commencement Date and continuing for each calendar year throughout the Lease Term, Landlord shall send Tenant an annual statement of Electrical Costs setting forth: (i) the actual amount of the Electrical Costs incurred during the preceding calendar year; (ii) the total amount paid by Tenant during such calendar year as Tenant's Proportionate Share of the Electrical Costs; and (iii) the amount by which Tenant may have underpaid or overpaid Tenant's Proportionate Share of the Electrical Costs, based on Landlord's previous estimates of the amount due. Landlord shall make a good faith effort to deliver Landlord's statement of the Electrical Costs to Tenant by not later than May 1<sup>st</sup> of each calendar year; provided that any delay in delivery of such statement shall not eliminate or reduce Tenant's obligation to pay Tenant's Proportionate Share of the Electrical Costs. Within fifteen (15) days following Landlord's delivery of the annual statement of Electrical Costs pursuant to this Section, Tenant shall pay to Landlord the entire remaining balance due of Tenant's Proportionate Share of the Electrical Costs for the prior calendar year, if any; provided that in the event that Tenant has overpaid, Landlord shall credit any such overpayment against the next payment of Tenant's Proportionate Share of the Electrical Costs due and owing by Tenant, or, if no further payments are due, refund such overpayment directly to Tenant within fifteen (15) days of determination.

3.5.3 If Tenant, as reasonably determined by Landlord, requires electric current in excess of that usually furnished or supplied to the Premises, Landlord may, at its election, either cause an electric current meter to be installed in the Premises so as to measure the electric current consumed for such excess use, or Landlord may determine the value of such excess use by causing an independent electrical engineer or consulting firm, selected by Landlord, to conduct a survey of Tenant's use of electric current and to certify such determination in writing to Landlord and Tenant. The cost of any such survey or installation and maintenance of such meter shall be borne by Tenant if the survey or meter indicates excess use by Tenant. Additionally, Tenant agrees to pay to Landlord, as Additional Rent, promptly upon demand by Landlord, the amount determined to be due for the excess electric current consumed by Tenant, as shown by said meter or as indicated in said survey, as the case may be, at the rate charged for such electrical service by the local public authority or the local public utility, as the case may be, furnishing the same, plus any additional expenses incurred by Landlord in monitoring the electric current consumed.

#### 4. SECURITY DEPOSIT.

The Security Deposit shall be payable by Tenant to Landlord within three (3) business days following the Lease Date. Landlord shall not be required to keep the Security Deposit separate from its general funds. The Security Deposit shall be held by Landlord without liability for interest and as security for performance of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of Rent or a measure of Landlord's damages in case of default by Tenant. If Landlord transfers its interest in the Premises during the Lease Term, Landlord will assign the Security Deposit to the transferee and, thereafter, shall have no further liability for the return of such Security Deposit. Notwithstanding any provision of this Lease to the contrary, Tenant, to the extent permitted by law, hereby waives the provisions of §§ 93.004-93.011 of the Texas Property Code, if applicable, as it pertains to the Security Deposit. Provided that Tenant is not in default under this Lease, Landlord shall return any unapplied portion of the Security Deposit to Tenant within thirty (30) days following the Expiration Date or any early Termination Date.

#### 5. USE AND OCCUPANCY OF PREMISES.

5.1 Permitted Use. The Premises shall be used and occupied only for the Permitted Use. Tenant shall not conduct any auction, liquidation sale, or going out of business sale in, on or about the Premises.

5.2 Legal Compliance. Tenant shall not use the Premises nor permit anything to be done in the Premises which will in any way violate or conflict with any law, statute, ordinance, protective covenants or governmental or quasi-governmental rules or regulations now in force or which may hereafter be enacted or promulgated which affect the Building.

5.3 Waste and Nuisance. Tenant shall not commit, suffer or permit any waste, damage, disfiguration or injury to the Premises, or commit any waste or injury to the common areas in the Building, or the fixtures and equipment located therein or thereon. Tenant shall not permit or suffer any overloading of the floors of the Premises, and shall not place therein any heavy business machinery, safes, computers, data processing machines, or other items heavier than customarily used for general office purposes without first obtaining the written consent of Landlord. Tenant shall not use or permit to be used any part of the Premises or use any part of the Building for any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance, noise, or odors in, at or emanating from the Premises that disturbs other Building occupants.

5.4 Insurance Cancellation. Tenant shall not do or permit any use to be made of the Premises or Building which will invalidate or cause the cancellation of any insurance policy covering the Premises or the Building; and if Tenant's use of the Premises causes an increase in the premiums due with respect to any such insurance, Tenant shall pay any such increase or reimburse Landlord for such payments as Additional Rent, together with interest on any amount that may be paid by Landlord, all of which shall be payable by Tenant within five (5) days after receipt of written demand.

5.5 Rules and Regulations. Tenant shall faithfully observe and comply with the rules and regulations set forth in Exhibit B to this Lease, as amended from time to time (the "Rules and Regulations"), which are hereby incorporated herein by this reference.

5.6 Signs. Landlord shall provide a suite identification sign for the Premises to be placed on the outside of the Premises entry door and an entry for Tenant on the Building directory. Tenant shall not install, paint, display, inscribe, place or affix, or otherwise attach, any sign, fixture, advertisement, notice, lettering or direction on any part of the outside of the Premises or the Building or in the interior or other portion of the Building without obtaining the prior written consent of the Landlord, which consent may be withheld in Landlord's sole discretion.

#### 6. LANDLORD'S SERVICES.

6.1 Basic Services. Subject to any federal, state and local law, rule or governmental order or regulation, and further subject to any circumstance described as “Force Majeure” in Section 22.17, Landlord shall furnish the following services:

- (a) Heat, ventilation and air conditioning (“HVAC”), whichever is required, from 7:00 a.m. to 6:00 p.m., Monday through Friday and 9:00 a.m. through 1:00 p.m. on Saturday, excluding legal holidays, consistent with other comparable office buildings in the vicinity of the Building;
- (b) Hot and cold water for lavatory purposes only and electric current for lighting the Premises and for ordinary office equipment only; and
- (c) Janitorial services.

6.2 Interruption of Services. Landlord hereby reserves the right from time to time to interrupt Building services as necessary to install, use, maintain, repair, replace and relocate utility service to the Premises and other parts of the Building, and to alter or relocate any other facility in the Building; provided that the exercise of such right shall not unreasonably interfere with Tenant’s use of or access to the Premises.

6.3 Additional HVAC Service. If Tenant requires HVAC service during time periods other than as set forth above (hereafter “After Hours HVAC Service”), such After Hours HVAC Service must be requested from the Building manager at least twenty-four (24) hours prior thereto; and such After Hours HVAC Service shall be supplied in full Building floor increments only and for a minimum of period of two (2) hours, with increments of one (1) additional hour thereafter. Tenant shall reimburse Landlord, as Additional Rent, for all costs and expenses for After Hours HVAC Service in accordance with the then prevailing operational rate per hour per floor as reasonably determined by Landlord (which is currently estimated at \$75.00 per hour).

## 7. MAINTENANCE, REPAIRS AND ALTERATIONS.

7.1 Landlord's Obligations. Subject to the provisions of Section 5.2, 11 and 12 hereof, Landlord shall cause the foundation, roof, exterior walls and other structural portions of the Building and the mechanical, electrical, plumbing and fire/life safety systems serving the Building to be maintained in good order, condition and repair; provided that Tenant shall be required to repair, at its sole expense, any damage to the Premises or Building caused by any negligent or intentional act or omission of Tenant, Tenant's agents, employees, representatives, customers or invitees.

7.2 Tenant's Obligations. Subject to the provisions of Sections 5.2, 11 and 12, Tenant, at Tenant's expense, shall keep the interior of the Premises in good order, condition and repair, including, without limitation, all interior walls and interior surfaces of exterior walls, ceilings, windows, doors, and plate glass located within the Premises.

### 7.3 Alterations to Premises.

7.3.1 Tenant shall not, without Landlord's prior written consent, construct or install any alterations, improvements or additions (referred to collectively herein as “Alterations”) in, on or about the Premises; provided that Landlord shall not unreasonably withhold, condition or delay consent to any Alterations that (i) do not affect any structural element of the Building or any electrical, mechanical or other system serving any portion of the Building other than the Premises and (ii) are not visible from outside the Premises. Furthermore, Tenant shall not be required to obtain Landlord’s consent to the installation of any minor decorations in the Premises. As a condition to the approval of any Alterations proposed by Tenant, Landlord may require that Tenant remove any or all of said Alterations at the expiration of the Lease Term, or such other time at which Tenant ceases to possess the Premises, and restore the Premises to their prior condition. Should Tenant make any Alterations without the prior written approval of the Landlord, Landlord may require that Tenant immediately remove any or all of such items and/or Landlord may declare a default by Tenant under this Lease. Except in connection with normal interior decorating of the Premises, Tenant shall not place any holes in any part of the Premises, and in no event shall Tenant place any exterior or interior signs or interior drapes, blinds, or similar items visible from the outside of the Premises without the prior written approval of Landlord, which approval may be withheld in Landlord’s sole discretion.

7.3.2 Any Alterations requiring Landlord's prior written consent that Tenant shall desire to make shall be presented to Landlord in written form with proposed detailed plans and specifications. If Landlord shall give its consent, the consent shall be deemed conditioned upon: (i) Tenant acquiring any required permit(s) to do the work from appropriate governmental agencies and furnishing a copy thereof to Landlord prior to the commencement of the work; and (ii) Tenant's compliance with all conditions of any such permit(s) and with all specifications in the Landlord-approved plans in a prompt and expeditious manner. Tenant shall not permit any of the work to be performed by persons not currently licensed and insured under any applicable licensing laws or regulations pertaining to the types of work to be performed. Landlord shall not be deemed unreasonable in the exercise of its discretion for withholding approval of any Alterations which involve or might affect any structural or exterior element of the Building, any area or element outside of the Premises, or any Building system or facility serving any area of the Building outside of the Premises, or which will require unusual expense to re-adapt the Premises to normal office use on the termination or expiration of the Lease. Landlord may require Tenant, at Tenant's sole cost and expense, to obtain and provide to Landlord a lien and completion bond (or such other applicable bond as determined by Landlord) in an amount equal to one and one-half (1-1/2) times the estimated cost of any approved Alterations, to insure Landlord against liability, including but not limited to liability for mechanic's and material men's liens and to insure completion of the work.

7.3.3 Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanic's or material men's lien against the Premises or the Building. Tenant shall give Landlord not less than ten (10) days notice prior to the commencement of any work in, on or about the Premises, and Landlord shall have the right to post notices of non-responsibility in, on or about the Premises as provided by law. Tenant shall have no power or authority to do any act or make any contract which may create or be the basis for any lien upon the interest of the Landlord, the Premises or the Building, or any portion thereof. If any mechanics or other lien or any notice of intention to file a lien shall be filed or delivered with respect to the Premises or the Building, based upon any act of the Tenant or of anyone claiming through the Tenant, or based upon work performed or materials supplied allegedly for the Tenant, Tenant shall cause the same to be canceled and discharged of record within thirty (30) days after receipt of notice thereof. If Tenant has not so canceled the lien within thirty (30) days as required herein, Landlord may, but shall not be required to, pay such amount, and the amount so paid, together with interest thereon from the date of payment and all legal costs and charges, including attorneys fees, incurred by Landlord in connection with said payment and cancellation of the lien or notice of intent, shall be Additional Rent and shall be due and payable on demand. Landlord may, at its option and without waiving any of its rights set forth in the immediately preceding sentence, permit Tenant to contest the validity of any such lien or claim; provided that in such event, Tenant shall at its expense defend itself and Landlord against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against Landlord, the Premises or the Building. Notwithstanding the foregoing, Landlord may at any time require Tenant to promptly deposit with the court exercising jurisdiction over such disputed lien such amount as may be necessary under applicable statutes to cause the release and discharge of the lien; and if Tenant shall fail to do so, Landlord may deposit such amount, in which event such amount, together with interest thereon from the date of payment and all legal costs and charges, including attorneys fees, incurred by Landlord in connection therewith shall be deemed Additional Rent and shall be payable on demand. Nothing herein contained shall be construed as a consent on the part of Landlord to subject the interest and estate of Landlord to liability under any lien law of the state in which the Premises are situated, for any reason or purpose whatsoever, it being expressly understood that Landlord's interest and estate shall not be subject to such liability and that no person shall have any right to assert any such lien.

7.3.4 Unless Landlord requires removal of any Alterations as set forth in this Section, all Alterations which may be made on the Premises shall, at the expiration of the Lease Term or such other time at which Tenant ceases to possess the Premises, become the property of Landlord and remain upon and be surrendered with the Premises. Notwithstanding the provisions of this Section, Tenant's machinery, equipment and any trade fixtures, other than fixtures that cannot be removed without material, irreparable damage to the Premises, shall remain the property of Tenant and may be removed by Tenant subject to the provisions of this Section; provided that Tenant is not in default under this Lease at the time Tenant ceases to possess the Premises. Tenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any of Tenant's machinery, equipment and trade fixtures pursuant to this Section or shall reimburse Landlord for the cost of any such repairs within thirty (30) days of Landlord's demand for payment.

7.4 Disability Law Compliance. Landlord shall deliver the Premises to Tenant as of the Commencement Date in compliance with the requirements of the Americans with Disabilities Act of 1990 and the Texas Accessibility

Standards, and all rules, regulations, and guidelines promulgated thereunder, as the same may be amended from time to time (collectively, "Disability Laws"). Thereafter, Tenant shall be responsible for, and shall bear all costs and expenses associated with, any and all improvements, additions, or Alterations made in or to the Premises at the request of or by Tenant or as a result of Tenant's use of the Premises, as may be required to be made in order to comply with the Disability Laws. Tenant shall indemnify and hold Landlord harmless from and against any and all liability incurred arising from the failure of the Premises to conform with the Disability Laws as a result of any Alteration or Tenant's specific use of the Premises, including the cost of making any alterations, renovations or accommodations required by the Disability Laws, or any government enforcement agency, or any courts, any and all fines, civil penalties, and damages awarded against Landlord (or those awarded against Tenant which could become a lien upon the Land) resulting from a violation or violations of the Disability Laws as a result of any Alteration or Tenant's specific use of the Premises, and all reasonable legal expenses and court costs incurred in defending claims made under the Disability Laws, including without limitation reasonable consultants', attorneys' and paralegals' fees, expenses and court costs.

#### 8. TENANT'S USE OF COMMON AREAS.

Tenant's non-exclusive use of the Common Areas shall be subject to the Rules and Regulations, as the same may be amended from time to time. Tenant agrees to repair at its cost any damages to the Common Areas occasioned by its negligence or intentional misconduct or that of its officers, agents, representatives, customers, employees or invitees.

#### 9. PERSONAL PROPERTY TAXES.

Tenant shall pay prior to delinquency all taxes assessed against and levied upon all fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or elsewhere, including without limitation any leasehold improvements to the Premises that may be classified as personal property (collectively referred to as "Personal Property"). Tenant shall promptly deliver to Landlord, upon Landlord's written request, receipts for payments of all taxes, charges, rates, dues, assessments and licenses in respect of all of Tenant's Personal Property.

#### 10. INSURANCE AND INDEMNITY.

10.1 Landlord's Insurance. From and after the date of this Lease, Landlord shall maintain, at its expense, a policy or policies of all risk extended coverage insurance covering the Building (excluding property required to be insured by Tenant) endorsed to provide replacement cost coverage and providing protection against perils included within the standard Texas form of fire and extended coverage insurance policy, together with insurance against sprinkler damage, vandalism, malicious mischief and such other risks as Landlord may reasonably from time to time determine and with any such commercially reasonable deductibles as Landlord may from time to time determine. Any insurance to be maintained by Landlord hereunder may be provided by a policy or policies of blanket insurance covering additional items or locations or insured parties, provided that the requirements of this Section 10.1 are otherwise satisfied. Tenant shall have no rights in any insurance policy or policies maintained by Landlord. The costs of the insurance coverage required to be maintained by Landlord hereunder shall be included as part of the Operating Expenses.

10.2 Tenant's Insurance. At all times during the Lease Term, Tenant shall, at Tenant's expense, obtain and keep in force: (i) commercial general liability damage insurance, insuring Tenant against any liability for bodily injury and property damage claims arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, with combined single limit general liability coverage in an amount not less than \$1,000,000 bodily injury and property damage, with an aggregate limit of \$3,000,000 per occurrence; (ii) not less than \$3,000,000.00 umbrella liability coverage; (iii) workers compensation insurance at statutory levels; (iv) employers liability insurance, with minimum liability limits of \$1,000,000 bodily injury by accident for each accident, \$1,000,000 bodily injury by disease policy limit, and \$1,000,000 bodily injury each employee; and (v) commercial hired/non-hired automobile liability coverage with a combined single limit of not less than \$1,000,000 for each accident. The foregoing insurance coverage amounts are understood to be minimum requirements and are not intended to in any way limit any liability of Tenant under this Lease. If in the reasonable opinion of Landlord the amount of liability insurance required hereunder is not adequate, then not more frequently than once during each year of the Lease Term and any extension or renewal term, if any, Tenant shall increase said insurance coverage as reasonably required by

Landlord.

Tenant shall also obtain and keep in force during the Lease Term, at Tenant's expense, "all risk" or "special form" coverage insurance upon the property of every description and kind owned by Tenant and located in the Building or for which Tenant is legally liable or installed by or on behalf of Tenant, including without limitation, furniture, fittings, installations, Alterations, additions, partitions, fixtures and anything in the nature of leasehold improvements that are not covered as part of the Building standard leasehold improvements, such insurance to cover the full replacement cost thereof (without regard to depreciation). In the event that there shall be a dispute as to the amount which comprises the full replacement cost, the determination thereof by Landlord shall be conclusive. If Tenant shall fail to procure and maintain the insurance required hereunder, Landlord may, but shall not be required to, procure and maintain the same, and any amount so paid by Landlord for such insurance shall be Additional Rent which, together with interest thereon from the date paid, shall be due and payable by Tenant on demand.

10.3 Insurance Policies. Insurance required by Tenant hereunder shall be in companies rated A-Class VII or better in "Best's Insurance Guide" and shall also include Landlord and Landlord's property manager and asset manager for the Building as additional insured parties; provided that prior to taking possession of the Premises, Tenant shall deliver to Landlord copies of policies of such insurance or certificates evidencing the existence and amounts of such insurance with loss payable and additional insured clauses reasonably satisfactory to Landlord. No such policy shall be cancelable or subject to reduction of coverage or other modification except after ten (10) days' prior written notice to Landlord. Tenant shall, within ten (10) days prior to the expiration of such policies, furnish Landlord with renewals thereof; and in the event Tenant fails to timely provide Landlord with evidence of renewal, Landlord may, but shall not be required to, order such insurance and charge the cost thereof to Tenant, which amount, together with interest thereon, shall be Additional Rent and shall be payable by Tenant within five (5) days of receipt of written demand.

10.4 Waiver of Subrogation. Landlord and Tenant each waives any and all rights of recovery against the other and its officers, employees, agents and representatives for loss or damage to the property of the waiving party or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Upon obtaining the property insurance policies as required in this Lease, both Tenant and Landlord shall (i) give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease and (ii) insure that their respective insurance policies include a waiver by the insurance carrier of all rights of subrogation against Landlord or Tenant in connection with any insured loss or damage.

#### 10.5 Indemnification and Hold Harmless.

10.5.1 Tenant's Obligations. **TO THE EXTENT ALLOWED BY LAW, TENANT SHALL INDEMNIFY AND HOLD LANDLORD AND LANDLORD EMPLOYEES, OFFICERS, PARTNERS AND AGENTS HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, COSTS, DAMAGES, LIABILITIES OR EXPENSES INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEY'S FEES AND COURT COSTS, ARISING OUT OF ANY CLAIMS OF ANY PERSON OR PERSONS ON ACCOUNT OF ANY OCCURRENCE IN, UPON OR AT THE PREMISES OR RESULTING FROM THE OCCUPANCY OR USE THEREOF BY TENANT OR ANY PERSON OR PERSONS HOLDING THEREUNDER, OR BY REASON OF THE MISUSE OF THE PARKING AREAS OR ANY COMMON AREAS IN THE BUILDING BY TENANT OR BY ANY PERSON OR PERSONS HOLDING OR USING ALL OR ANY PART OF THE PREMISES UNDER TENANT, INCLUDING, WITHOUT LIMITATION, TENANT'S EMPLOYEES, CONTRACTORS, SUBTENANTS, OR ASSIGNEES, LICENSEES OR CONCESSIONAIRES; AND WITHOUT LIMITING THE GENERALITY OF FOREGOING, TENANT SHALL INDEMNIFY AND HOLD LANDLORD HARMLESS FROM AND AGAINST ANY PENALTY, DAMAGE OR CHARGE INCURRED AS THE RESULT OF TENANT'S NEGLIGENCE OR ANY VIOLATION OF LAW, STATUTE, ORDINANCE, OR GOVERNMENTAL RULE, REGULATION, OR REQUIREMENT NOW OR HEREAFTER IN FORCE, BY TENANT OR ANY PERSON OR PERSON HOLDING UNDER TENANT, AND FROM ANY COST, DAMAGE OR EXPENSE ARISING OUT OF THE DEATH OR INJURY TO ANY PERSON OR PERSONS HOLDING UNDER TENANT AND USING THE PREMISES OR THE PARKING AREAS OR ANY COMMON AREAS IN THE BUILDING. LANDLORD SHALL HAVE NO RESPONSIBILITY TO PREVENT, AND SHALL NOT BE LIABLE TO TENANT FOR, LIABILITY OR LOSS TO TENANT, ITS EMPLOYEES, AGENTS, INVITEES OR LICENSEES,**

ARISING OUT OF LOSSES DUE TO THEFT, BURGLARY OR DAMAGES TO PERSONS OR PROPERTY DONE BY PERSONS GAINING ACCESS TO THE PREMISES OR THE BUILDING OR PARKING AREAS.

10.5.2 Landlord's Obligations. Landlord shall indemnify and hold Tenant and Tenant's employees, officers, partners and agents harmless from and against any and all losses, costs, damages, liabilities or expenses including, but not limited to, reasonable attorney's fees and court costs, arising out of any claims of any person or persons on account of any occurrence in, upon or at the Premises or resulting from the occupancy or use thereof by Landlord or any person or persons holding thereunder, or by reason of the misuse of the Parking Areas or any common areas in the Building by Landlord or by any person or persons holding or using all or any part of the Premises under Landlord, including, without limitation, Landlord's employees, contractors, subtenants, or assignees, licensees or concessionaires; and without limiting the generality of foregoing, Landlord shall indemnify and hold Tenant harmless from and against any penalty, damage or charge incurred as the result of Landlord's negligence or any violation of law, statute, ordinance, or governmental rule, regulation, or requirement now or hereafter in force, by Landlord or any person or persons holding under Landlord, and from any cost, damage or expense arising out of the death or injury to any person or persons holding under Landlord and using the Premises or the Parking Areas or any Common Areas in the Building. Tenant shall have no responsibility to prevent, and shall not be liable to Landlord for, liability or loss to Landlord, its employees, agents, invitees or licensees, arising out of losses due to theft, burglary or damages to persons or property done by persons gaining access to the Premises or the Building or Parking Areas.

10.5.3 Survival. EACH INDEMNITY AGREEMENT AND HOLD HARMLESS AGREEMENT CONTAINED HEREIN SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

10.6 Limitation of Landlord's Liability. Tenant hereby agrees that Landlord shall not be liable for and waives any claim in connection with any injury to Tenant's business or any loss of income, including without limitation from any relocation by Landlord of Tenant within the Building, or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, representatives, agents, invitees, customers or any other person in, on or about the Premises or Building; nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, representatives, agents, customers, or invitees, regardless of cause, unless such injury, loss of income or damage is caused by the Landlord's gross negligence or intentional acts or omissions. Landlord shall not be liable for any damages arising from any act, omission or neglect of any other tenant or occupant of the Building. Tenant hereby assumes all risk of damage to property or injury to persons in, on or about the Premises or the Building from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, excepting where said damage arises out of the gross negligence or intentional acts or omissions of Landlord.

## 11. DAMAGE OR DESTRUCTION.

11.1 Option to Terminate Lease. If either (i) more than sixty percent (60%) of the rentable area of the Premises shall be substantially damaged by fire or other casualty or (ii) the Premises or any substantial part thereof shall be damaged or destroyed by fire or other casualty to the extent that the repairs and restoration thereof can be reasonably anticipated to take longer than one hundred eighty (180) days, then, in either such instance, Landlord or Tenant may, at its option, elect to terminate this Lease by giving notice to the other within thirty (30) days after Landlord receives actual notice of such fire or other casualty; provided however that Tenant shall have no option to terminate this Lease if such damage or destruction is caused by the Tenant or Tenant's contractors, agents, representatives, employees, customers or invitees. In the event that either party gives the other timely notice of termination, the Lease Term shall expire by lapse of time upon the tenth (10<sup>th</sup>) day after such termination notice is given. Should neither party give the other timely notice of termination, then the provisions of this Lease pertaining to repair and restoration of the Building and the Premises shall apply.

11.2 Obligation to Repair or Restore. If and only if all of the following conditions are met with respect to any casualty damage to or destruction of the Premises, Landlord or Tenant may not elect to terminate the Lease as provided in this Section, but rather Landlord must repair or restore the Premises:

(a) There is no fault or neglect on the part of the Tenant, Tenant's contractors, agents, representatives, employees, customers or invitees which contributed to the damage or destruction;

(b) The damage or destruction to the Building and the Premises is less than fifty percent (50%) of the replacement cost thereof as determined by Landlord;

(c) The Landlord is either fully insured or insurance is required hereunder that would cover the casualty that caused the damage or destruction, the insurance claim has been paid, and the insurance proceeds have been made available to Landlord by the holder or holders of any mortgages or deeds of trust covering the Premises;

(d) The date of the damage or destruction is more than two (2) years prior to the Expiration Date or the expiration of any renewal or extension term; and

(e) Less than sixty percent (60%) of the total rentable area of the Building is so damaged or destroyed, as determined by Landlord, regardless of the percentage of rentable area of the Premises which may be damaged or destroyed.

11.3 Restoration. Should either (i) the termination option as provided above in this Section not apply or, if applicable, should neither party elect to timely exercise such option, or (ii) should Landlord otherwise be required to repair and restore the Premises as provided herein, then Landlord shall repair or restore the Premises to substantially the same condition as existed before such damage or destruction. Upon electing to repair or restore or being required to repair or restore pursuant to this Section, Landlord may proceed with reasonable dispatch to perform the necessary work, and the Base Rent and the Additional Rent attributable to Tenant's Proportionate Share of the Operating Expenses due for the period following the casualty shall be abated in proportion to the unusable Premises for a period commencing as of the date of the casualty damage until the repairs and restoration of the Premises are substantially complete. Landlord shall not be liable to Tenant for any delay which arises by reason of any Force Majeure as described in Section 22.17 or any other cause beyond Landlord's control, and in no event shall Landlord be liable for any loss of profits or income experienced by Tenant as a result of such casualty damage or repair and restoration work. If such repair or restoration is not substantially complete within one hundred eighty (180) days after the date it is determined that Landlord is obligated to make such repairs, then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate at any time after the expiration of said one hundred eighty (180) day period and before Landlord's substantial completion of such repair or restoration; provided that if Tenant delivers said notice in a timely manner, this Lease shall terminate as of the date of the fire or other casualty.

11.4 Fault of Tenant. Landlord may exercise its option to repair or restore the Premises as described in this Section even if such damage or destruction is due to the fault or neglect of Tenant, Tenant's agents, representatives, employees, customers or invitees. However, in such event, (i) Landlord's election to repair or restore shall be without prejudice to any other rights and remedies of Landlord under this Lease, (ii) there shall be no apportionment or abatement of any Rent of any kind, and (iii) Landlord shall not be liable for any other loss to Tenant of any nature whatsoever. Furthermore, notwithstanding any provision hereof to the contrary, Tenant shall have no option to terminate and there shall be no abatement, apportionment or reduction in the Rent obligations of Tenant if the damage or destruction is caused by the Tenant or Tenant's contractors, agents, representatives, employees, customers or invitees.

11.5 Obligations of Tenant. Except as may otherwise be provided in this Section 11, Tenant's obligations under this Lease shall not be affected by any damage to or destruction of the Premises resulting from any cause whatsoever. Tenant hereby expressly waives any and all rights it might otherwise have under any law, regulation or statute which would act to modify the provisions of the immediately preceding sentence.

## 12. CONDEMNATION.

If the Premises are taken under any public or private power of eminent domain, or sold by Landlord under the threat of the exercise of said power (all of which is herein referred to as "condemnation"), or if any portion of the Building is so condemned so that it would not be practical, in Landlord's judgment, to continue to maintain the Building, this Lease shall terminate as of the date of the condemning authority takes title or possession, whichever occurs first. All awards for any taking of the Premises or any payment made under the threat of the exercise of power of eminent domain shall be the property of Landlord, whether made as compensation for diminution of value of the leasehold or for the taking of the fee or as severance damages. No award for any taking shall be apportioned, and

Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof.

### 13. ASSIGNMENT AND SUBLETTING.

#### 13.1 Landlord's Consent Required.

13.1.1 Tenant shall not voluntarily, or by operation of law, assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of the Lease. Notwithstanding anything to the contrary contained in this Article 13, neither (i) an assignment to an entity which acquires all or substantially all of the stock or assets of Tenant, (ii) an assignment of the Premises to a transferee which is the resulting entity of a merger or consolidation of Tenant with another entity, nor (iii) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant) (collectively, "Affiliates"), shall be deemed a Transfer under this Article 13, provided that Tenant notifies Landlord of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such assignment or sublease or such affiliate (excluding any documentation regarding the economic terms of the merger or sale transaction, but including documentation regarding the assignment or subletting), and further provided that such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease. "Control," as used in this Section 13.1.1, shall mean the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of more than fifty percent (50%) of the voting interest in, any person or entity.

13.1.2 As a condition of obtaining Landlord's consent, Tenant shall submit to Landlord the name of the proposed assignee or subtenant, the terms and provisions of the proposed transaction, and such information as to the nature of the proposed assignee's or subtenant's business and its financial responsibility and credit-worthiness as Landlord may reasonably require, together with the effective date of the proposed transfer, which date shall be at least fifteen (15) days after the date of submission of such information to Landlord. Landlord's failure to consent to any proposed transfer under this Section shall not be deemed unreasonably withheld if: (i) the occupancy resulting from such transfer will not be consistent with Permitted Use or the general character of the business carried on by the tenants of the Building or violates any rights or options held by any other tenant of the Building; or (ii) any proposed assignee of this Lease does not, in Landlord's reasonable opinion, have the financial strength and stability to pay the Rent due or otherwise perform the obligations of this Lease; or (iii) Tenant fails to provide satisfactory guaranties from one or more owners or affiliates of the proposed assignee as reasonably requested by Landlord to provide reasonable assurance to secure the performance of the financial obligations under this Lease; or (iv) any proposed sublease does not incorporate this Lease in its entirety so as to be subject and subordinate to the terms of this Lease; or (v) any proposed sublease does not require the sublessee to attorn to Landlord at Landlord's option in the event of a default by Tenant under this Lease; or (vi) Tenant does not agree to pay to Landlord, as Additional Rent, half of all moneys or other consideration received by Tenant from its transferee in excess of the amounts owed by Tenant to Landlord under this Lease, net of any market standard leasing commissions.

13.1.3 Notwithstanding anything in this Lease to the contrary, Landlord shall have no obligation to grant consent to any transfer as defined in this Section if Tenant is in default under this Lease at the time the request for consent is made or at any time thereafter through the effective date of the transfer.

13.2 Landlord's Right to Terminate. In the event that Tenant proposes to assign this Lease or to sublet all or any portion of the Premises by submitting the information required by Section 13.1.2 of this Lease to Landlord, Landlord shall have the right, exercisable by notice in writing after receipt of the request by Tenant, to terminate this Lease as to all or any portion of the Premises; provided that Landlord shall not have any such termination right if Tenant withdraws its request to enter into such assignment or sublease within ten (10) days after being notified by Landlord that it has elected to exercise said termination right.

13.3 No Release of Tenant. Regardless of Landlord's consent, no subletting or assignment or other transfer described in Section shall release Tenant from any of the obligations under this Lease or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder. Consent to one assignment, subletting or other transfer shall not be deemed consent to any subsequent transfer. In the event of default by any assignee of Tenant or any successor of Tenant in the performance of any of the provisions hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said assignee or successor. Landlord may consent to subsequent assignments, subletting, or transfers of this Lease or amendments or modifications to this Lease with assignees or successors of Tenant without notifying Tenant and without obtaining its consent thereto, and no such action by Landlord shall relieve Tenant of liability under this Lease.

13.4 Attorneys' Fees and Administrative Fees. In the event Tenant shall request the consent of Landlord to any assignment, subletting or transfer except in connection with a transfer to Affiliates, then Tenant shall pay Landlord a fee of Five Hundred Dollars (\$500.00) to defray Landlord's costs incurred in connection with such transfer.

13.5 Right to Collect Rent. The acceptance of rent by Landlord from any person other than Tenant shall not be deemed to be a waiver by Landlord of any provision of this Lease. If the Premises are sublet or occupied by anyone other than Tenant and Tenant is in default hereunder, or this Lease is assigned by Tenant, then, in any such event, Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the rent reserved in this Lease, but no such collection shall be deemed a waiver of the covenant in this Lease against assignment and subletting or the acceptance of such assignee, subtenant or occupant as tenant, or a release of Tenant from further performance of the covenants contained in this Lease.

#### 14. DEFAULTS; REMEDIES.

14.1 Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant ("Tenant Default"):

- (a) The failure by Tenant to make any payment of Base Rent, Additional Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) business days after receipt of written notice thereof from Landlord to Tenant; or
- (b) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than a failure to pay Rent, where such failure shall continue after a period of thirty (30) days following receipt of written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default as reasonably determined by Landlord is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure as soon as possible within said thirty (30) day period and thereafter diligently prosecutes such cure to completion; or
- (c) Either: (i) the insolvency of the Tenant or the execution by the Tenant of an assignment for the benefit of creditors, or the convening by Tenant of a meeting of its creditors, or any class thereof, for the purposes of effecting a moratorium upon or extension or composition of its debts; or the failure of the Tenant to generally pay its debts as they mature; or (ii) the filing by or for reorganization or arrangement under any law relating to bankruptcy (unless in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

#### 14.2 Landlord's Remedies.

14.2.1 In the event of a Tenant Default, Landlord shall have the right at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may otherwise have, either to terminate this Lease or to re-enter without terminating this Lease and remove all persons and property from the Premises and, at its option, to attempt to re-let the Premises or any portion thereof, using any

force as may reasonably be necessary to accomplish said purposes, all without service of notice or resort to legal process and without being deemed guilty of trespass or forcible entry or becoming liable for any loss or damage which may be occasioned thereby. In order to regain possession of the Premises and to deny Tenant access thereto, Landlord or its agent may, at the expense and liability of Tenant, alter or change any or all locks or other security devices controlling access to the Premises without posting or giving notice of any kind to Tenant, and thereafter, Landlord shall have no obligation to provide Tenant a key to any new locks installed in the Premises or grant Tenant access to the Premises. Landlord may take the actions described in this Section without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer and without incurring any liability for any damage resulting from such actions, including any liability arising under Chapter 93 of the Texas Property Code, as amended (the "TPC"), and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder or by operation of law; Tenant hereby waiving any right to claim damage for such re-entry and expulsion, including any rights granted to Tenant by Chapter 93 of the TPC.

14.2.2 Should Landlord elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings, or pursuant to any notice provided for by law, Landlord may make such alterations, additions, improvements and repairs as may be necessary in order to re-let the Premises, and may, at its option, attempt to re-let the Premises or any part thereof for such term or terms (which may be for a term extending beyond the Lease Term) and at such rental or rentals and upon such other terms and conditions as Landlord may determine to be advisable. Neither the re-entry nor taking possession of the Premises by Landlord nor any acts pursuant thereto shall be construed as an election by Landlord to terminate this Lease unless a written notice of such termination is given to Tenant by Landlord. No notice from Landlord under this Lease or under any applicable forcible entry and detainer or eviction statute or similar law shall constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Notwithstanding any such re-letting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

14.2.3 If Landlord shall at any time terminate this Lease due to a Tenant Default, then, in addition to any other remedies, Landlord may recover from Tenant all damages incurred by reason thereof, including the cost of recovering the Premises, reasonable attorneys fees, and an amount equal to the full amount of the Rent and such other charges as are required to be paid by Tenant under the terms of this Lease for the remainder of the stated Lease Term less the then reasonable market rental value of the Premises for the remainder of the stated Lease Term, all of which amounts shall be immediately due and payable from Tenant to Landlord; provided, however, that if the then reasonable market rental value of the Premises exceeds the value of the Rent and other charges required to be paid by Tenant under this Lease as aforesaid, Tenant shall have no right to claim any interest in all or any portion of such excess value.

14.3 Default by Landlord. Landlord shall not be in default hereunder unless Landlord fails to perform any obligation required of Landlord within thirty (30) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises, specifying the manner in which Landlord has failed to perform such obligation; provided however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance as determined by Landlord, then Landlord shall not be in default if Landlord commences performance within such thirty-day period and thereafter diligently prosecutes the same to completion; and provided further that Landlord's obligation to perform any act under this Lease shall be excused for any period of time during which Landlord is prevented from performing because of any circumstance beyond Landlord's control.

14.4 Interest on Past Due Obligations. Except as may expressly be provided in this Lease to the contrary, any amount due to Landlord not paid when due shall bear interest at the lesser of either: (i) eight percent (8%) per annum; or (ii) the highest rate allowed under applicable law. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

## 15. SUBORDINATION; ATTORNTMENT.

15.1 Definitions. As used throughout this Section, the term "mortgage" shall refer to any mortgage, deed of trust or ground lease that affects the Premises, and the term "mortgagee" shall refer to the holder of any such mortgage, deed of trust, or ground lease.

15.2 Subordination. This Lease and the rights of Tenant hereunder shall be and are hereby made subject and subordinate to the provisions of any mortgage affecting the Premises, to each advance made or hereafter to be made under the same, and to all renewals, modifications, consolidations and extensions thereof and all substitutions in lieu thereof. This Section shall be self-operative and no further instrument of subordination shall be required. Upon request by Tenant, Landlord shall make commercially reasonable efforts to obtain a Subordination and Non-Disturbance Agreement from its lender.

15.3 Attornment. Tenant shall and does hereby agree to attorn to any mortgagee or successor in title and to recognize such mortgagee or successor as Landlord hereunder in the event any such person or entity succeeds to the interest of Landlord. Notwithstanding any other provision of this Lease, in the event that any mortgagee or its respective successor in title shall succeed to the interest of Landlord hereunder, the liability of such mortgagee or successor shall exist only so long as it is the owner of the Building or any interest therein or is the lessee under any ground lease.

## 16. NOTICES.

Except as may be otherwise expressly provided in this Lease to the contrary, whenever demand is made for any notice or declaration of any kind, or where it is deemed desirable or necessary by either party to give or serve any such notice, demand or declaration to the other party, such notice, demand or declaration shall be in writing and served either personally or sent either (i) by certified United States mail, return receipt requested, postage prepaid, or (ii) by a nationally recognized overnight courier service, and, in either case, addressed either to the address set forth in this Lease or to such other address as may be given by a party to the other by proper notice hereunder; provided however that once Tenant has accepted possession of the Premises, any such notice, demand or declaration directed to Tenant may be addressed to the Premises. The effective date of any notice hereunder shall be deemed to be the date of personal delivery (as evidenced by written proof of service) or the date three (3) days following the date on which the certified mail is deposited with the United States Postal Service.

## 17. QUIET POSSESSION; SURRENDER; HOLDOVER.

17.1 Quiet Possession. Upon Tenant paying the sums due hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Lease Term hereof and any renewal and extension thereof, subject to all of the provisions of this Lease.

17.2 Surrender. On the Expiration Date or on any sooner termination date on which Tenant ceases to possess the Premises, Tenant shall surrender the Premises to Landlord in good and clean condition, ordinary wear and tear excepted and subject to the provisions of Sections 11 and 12.

17.3 Holdover. Should Tenant, or any of its successors in interest, hold over in possession of the Premises or any part thereof after the expiration of the Lease Term, then unless otherwise agreed in writing by Landlord, such holding over shall constitute and be construed as a tenancy-at-will only. If Tenant holds over in the Premises, Tenant shall pay Landlord a daily rental charge equal to twice the daily Rent payable during the last month of the Lease Term. Landlord's acceptance of any such holdover rental payments shall not be construed as Landlord's consent for Tenant to hold over. Tenant will indemnify Landlord against all damages, costs, liabilities and expenses, including reasonable attorneys' fees and costs, which Landlord incurs on account of Tenant's failure to vacate the Premises as required under this Lease.

## 18. OFAC PROVISIONS.

18.1 Tenant's Representations and Warranties. Tenant hereby represents, warrants and certifies that neither Tenant nor any of its affiliates or their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, legal representatives or agents:

- (a) is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the United States Department of the Treasury, including without limitation any person or entity named on OFAC's "Specially Designated and Blocked Persons List" ("SDN List") or under any other statute or governmental executive order (including

the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental regulations, orders or directives (any such person or entity being referred to herein as a "Blocked Person");

(b) is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any governmental executive order or the United States Treasury Department as a terrorist, a Blocked Person, or any other prohibited or banned person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by OFAC;

(c) is facilitating or executing this Lease, directly or indirectly, on behalf of any person, group, entity or nation that is among the individuals, groups, entities or nations named on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists.

18.2 Indemnity. To the extent allowed by law, Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

18.3 Release. Tenant hereby acknowledges that Landlord is legally (i) prohibited from doing business with any Blocked Person and (ii) obligated to freeze any assets of any Blocked Person which may come into Landlord's possession; and therefore, Tenant releases Landlord from any liability to Tenant for any such actions taken by Landlord in a good faith effort to comply with such legal obligations.

## 19. HAZARDOUS MATERIALS.

19.1 Definitions. The term "Hazardous Substance", as used in this Lease shall mean pollutants, contaminants, toxic or hazardous wastes, or any other substances, the use, storage and/or the removal of which is required, restricted, prohibited or penalized by any federal, state or local law, ordinance or other statute of a governmental or quasi-governmental authority relating to pollution or protection of the environment (collectively, "Environmental Laws").

19.2 Tenant's Obligations. Tenant hereby agrees that: (i) no activity will be conducted on the Premises that will produce any Hazardous Substance; (ii) the Premises will not be used in any manner for the storage of any Hazardous Substances, except for the storage of such materials that are used in the ordinary course of Tenant's business ("Permitted Materials") as approved in writing by Landlord, and provided such Permitted Materials are properly stored in a manner and location so as not to result in a violation of any Environmental Laws; and (iii) Tenant will not allow any conditions to exist or come into existence as a result of Tenant's actions or the conduct of Tenant's business on the Premises that constitute, or with the passage of time may constitute, a violation of any Environmental Laws.

19.3 Landlord's Inspection Rights. Landlord or Landlord's representative shall have the right, but not the obligation, to enter the Premises for the purposes of inspecting the storage, use and disposal of any Permitted Materials to ensure compliance with all Environmental Laws. Should it be determined, in Landlord's sole opinion, that any Permitted Materials are being improperly stored, used, or disposed of, then Tenant shall immediately take the appropriate corrective action within twenty-four (24) hours; and should Tenant fail to do so, Landlord shall have the right, but not the obligation, to take the appropriate corrective action and require Tenant to promptly reimburse Landlord for any and all costs associated therewith.

19.4 Indemnification. To the extent allowed by law, Tenant agrees to indemnify Landlord against and save and hold Landlord harmless from any and all claims, demands, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of Tenant's use of the Premises in any manner that constitutes a violation of any Environmental Laws. The obligations of Tenant pursuant to this Section, including the indemnification of Landlord, shall survive the termination or expiration of this Lease.

## 20. LANDLORD'S LIEN AND SECURITY INTEREST.

Tenant hereby grants to Landlord a lien upon and security interest in all furniture, fixtures, equipment, inventory, merchandise and other personal property belonging to the Tenant and located in, on or about the Premises or Building

at any time while this Lease is in effect, whether such items are presently owned by Tenant or are after acquired, to secure the payment of all Base Rent, Additional Rent and other charges due and to become due under this Lease and to further secure the faithful performance of all of the other obligations of this Lease required to be performed by Tenant. Landlord's lien imposed by this Section shall be prior to any other lien on Tenant's property, except for a lien in favor of the seller or lessor of such property to secure the unpaid purchase price or lease payments. All exemption laws with respect to such personal property are hereby expressly waived by Tenant. This lien and security interest may be foreclosed in the same manner as a Financing Statement under the version of the Uniform Commercial Code enacted in the state in which the Premises are situated, or pursuant to any similar law so enacted if a version of the Uniform Commercial Code is not in effect; and the filing of this Lease in accordance with said law shall constitute full lawful notice of this lien.

## 21. MISCELLANEOUS PROVISIONS.

21.1 Estoppel Certificate. Tenant shall at any time upon not less than ten (10) days receipt of prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing ("estoppel certificate") certifying: (i) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification, identifying the instruments of modification and certifying that this Lease, as so modified, is in full force and effect); (ii) the amount of and date to which the Base Rent, Additional Rent and other charges are paid in advance, if any; (iii) the amount of the Security Deposit, if any; (iv) the existence of any options to renew, extend or terminate or cancel the Lease Term, increase or reduce the rentable area of the Premises, or purchase any interest in the Premises or the Building; and (v) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any, which are claimed. Tenant's failure to deliver such estoppel certificate during said ten-day period shall be conclusive upon Tenant that that this Lease (i) that this Lease is unmodified and in full force and effect, without modification except as may be represented by Landlord, (ii) there are no uncured defaults on the part of Landlord hereunder, and (iii) Tenant has not paid more than one month's installment of Base Rent or Additional Rent. Tenant's failure to deliver such estoppel certificate shall authorize, without need for any further action on behalf of Tenant, Landlord to execute an estoppel certificate on Tenant's behalf.

21.2 Landlord's Interest and Liability. The term "Landlord" as used herein shall mean only the owner or owners at the time in question of the fee title to the Premises. In the event of any transfer of such fee title interest, Landlord herein named (and in case of any subsequent transfers the then grantor) shall be relieved of all liability with respect to Landlord's obligations hereunder from and after the date of such transfer; provided that any funds in the hands of Landlord or the then grantor at the time of such transfer in which Tenant has an interest shall be delivered to the grantee. The obligations contained in this Lease to be performed by Landlord shall, except as aforesaid, be binding on Landlord's successors and assigns only during their respective periods of ownership. Notwithstanding any provision of this Lease to the contrary, Tenant shall look solely to Landlord's interest in the Premises for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease; and no other property or assets of Landlord or the holder of any interest therein shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Tenant's remedies.

21.3 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

21.4 Entire Agreement. This Lease contains the entire agreement and understanding between the parties hereto. There are no oral understandings, terms, or conditions between the parties hereto with respect to this Lease, the Premises or the Building, and neither party has relied upon any representations, express or implied, not contained in this Lease.

21.5 Time of The Essence. Time is of the essence in the performance by Tenant of its obligations hereunder.

21.6 Captions. Any captions contained in this Lease are not a part hereof, are for convenience of reference only, and are not to be given any substantive meaning in construing any of the provisions hereof.

21.7 Modification of Lease; Waivers. No modification of this Lease shall be binding unless such modification shall be evidenced by a written instrument signed by the parties hereto. No failure by either party to insist upon the strict performance of any agreement, term, covenant or condition hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment or the continuance of any such breach, shall constitute a waiver of any such breach of such agreement, term, covenant or condition or a relinquishment of the right to exercise such right or remedy.

21.8 Recording and Confidentiality. Tenant shall not record this Lease in any form in any public records, and any such recordation by Tenant shall be a breach of this Lease. Tenant shall not disclose, and shall ensure that its partners, joint venturers, members, managers, and employees do not disclose, the Base Rent and other terms of this Lease to any person or entity other than their lenders, partners, joint venturers, members, managers, employees, and professional advisors.

21.9 Cumulative Remedies. No remedy or election by Landlord hereunder shall be deemed exclusive, but shall wherever possible be cumulative with all other remedies at law or in equity to which Landlord may be entitled.

21.10 Covenants and Conditions. Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

21.11 Binding Effect. Subject to any provisions hereof restricting assignment, subletting or transfer by Tenant, this Lease shall bind the parties, their personal representatives, heirs, successors and assigns.

21.12 Attorneys' Fees. In the event of litigation relating to this Lease, the prevailing party shall be entitled to recover from the losing party any costs or reasonable attorneys' fees incurred by the prevailing party in connection with such litigation. If Landlord utilizes the services of an attorney in a reasonable effort to enforce any of its rights hereunder but such enforcement effort does not result in the bringing of legal action, Tenant shall immediately pay to Landlord upon demand the amount of such attorneys' fees reasonably incurred in such enforcement effort.

21.13 Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Landlord, terminate all or any existing subleases or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subleases.

21.14 Brokers. The parties hereto acknowledge and agree that the Broker(s) named in this Lease, if any, was (were) the sole real estate broker(s) that represented the Landlord and Tenant with respect to this Lease, and Tenant and Landlord agree to indemnify, defend and hold harmless the other from claims for commission from any other brokers arising out of the execution of this Lease. Landlord shall, pursuant to a separate agreement, pay any real estate commission due the Broker(s) in connection with this Lease.

21.15 Governing Law. This lease shall be governed by and construed in accordance with the laws of the State of Texas.

21.16 No Joint Venture. Any intention to create a joint venture or partnership relationship between Landlord and Tenant is hereby expressly disclaimed.

21.17 Force Majeure. In the event that Landlord shall be delayed in the performance of any obligation hereunder as a result of strikes, lockouts, shortages of labor, fuel or materials, acts of God, legal requirements, fire or other casualty, or any other cause beyond the control of Landlord (collectively, "Force Majeure"), then the performance of such obligation shall be excused for the period of such delay, and the period for the performance of such obligation shall be extended by the number of days equivalent to the number of days of such delay. Landlord shall in no event be required to settle or compromise any strike, lockout or other labor disputes, the resolution thereof being within the sole discretion of Landlord.

21.18 Financial Records. If Landlord desires to sell, finance or refinance the Premises or the Building, or any part thereof, Tenant hereby agrees to deliver to Landlord and to any prospective purchaser or lender designated by Landlord such existing financial statements of Tenant as may be reasonably required by such prospective purchaser

or lender; provided that Landlord shall request such statements only one time in any calendar year of the Lease Term. Such financial statements may include but not be limited to the past three (3) years' financial statements of Tenant. All such financial statements shall be received and held by Landlord and any prospective purchaser or lender in confidence and shall be used only for the purposes herein set forth.

21.19 Exhibits and Attachments. All exhibits, attachments, riders and addenda referred to in this Lease and the exhibits listed below and attached hereto are incorporated into this Lease and made a part hereof for all intents and purposes as if fully set out herein. All capitalized terms used in such exhibits, attachments, riders and addenda shall, unless otherwise defined therein, have the same meanings as are otherwise set forth herein.

Exhibit A – Schematic Floor Plan of the Premises

Exhibit B – Rules and Regulations

Exhibit C – Extension Option

21.20 Counterparts; Electronic Copies. This Lease may be executed in multiple identical counterparts, each of which is deemed an original but together constitute one and the same instrument. This Lease may be executed by electronic copy, and each party has the right to rely upon an electronic counterpart of this Lease signed by the other party to the same extent as if such party had received an original counterpart.

*[The remainder of this page is intentionally blank. The signature page follows.]*

IN WITNESS WHEREOF, each of Landlord and Tenant has executed this Lease to be effective as of the Lease Date as set forth above.

LANDLORD: CCI-NORTH HWY 360, LP, a Texas limited partnership

By: CCI-North Hwy 360 GP, LLC, a Texas limited liability company  
as General Partner

By: Capital Commercial Investments, Inc.,  
as Authorized Agent

By: \_\_\_\_\_  
Michael Brigance  
Executive Vice President

Date of Landlord's Execution: \_\_\_\_\_, 2021

TENANT: INTERNATIONAL LEADERSHIP OF TEXAS, INC., a Texas corporation

By: \_\_\_\_\_

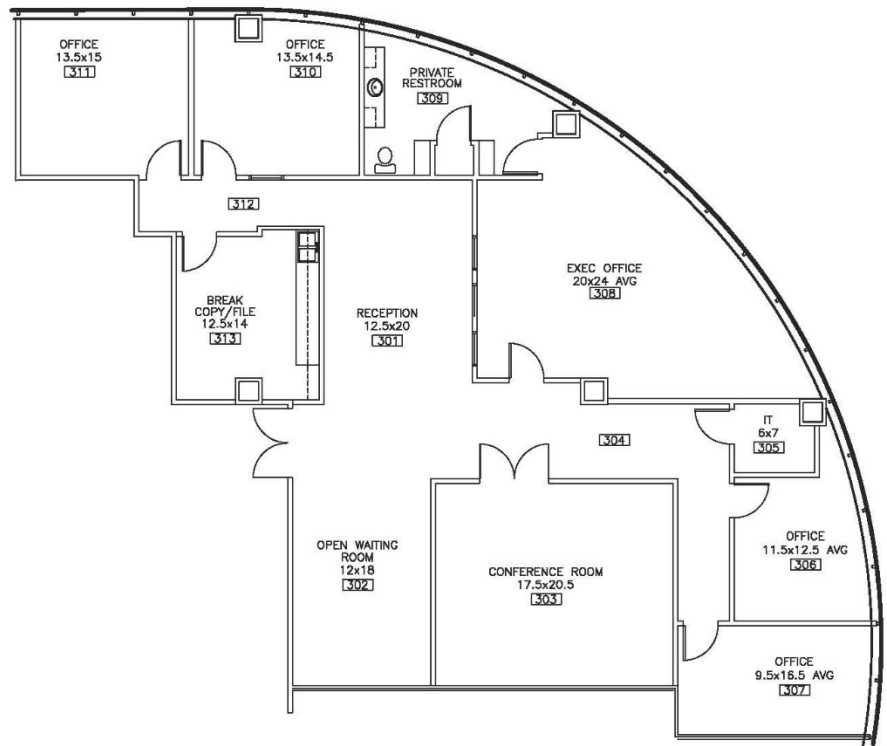
Print Name:

As Its:

Date of Tenant's Execution: \_\_\_\_\_, 2021

**EXHIBIT A**

**SCHEMATIC FLOORPLAN OF THE PREMISES**



## **EXHIBIT B**

### **LANDLORD'S RULES AND REGULATIONS**

The following rules and regulations shall apply, where applicable, to the Building and to each portion thereof:

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by tenants or used by any tenant for any purpose other than ingress and egress to and from the premises and for going from one to another part of the Project.

2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed therein. Damage resulting to any such fixtures or appliances from misuse by a tenant or such tenant's agents, employees or invitees shall be paid by such tenant and Landlord shall not in any case be responsible therefor.

3. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors or other exterior part of the Project (or be visible from any public or common area) unless they are of such color, size and style and in such places as shall be first approved in writing by Landlord. Landlord, at tenant's sole cost and expense, shall install all letters or numerals by or on doors in such tenant's leased premises which letters or numerals shall be in building standard graphics. No nails, hooks or screws shall be driven or inserted in any part of the Building outside the premises except by the Building maintenance personnel nor shall any part of the Building be defaced by tenants. No curtains or other window treatments shall be placed between the glass and the Building standard window treatments.

4. Keys to the locks on the corridor doors entering each tenant's leased premises shall be furnished by Landlord free of charge as set forth in the Lease, with any additional keys to be furnished by Landlord to each tenant, at tenant's cost. Landlord shall provide all locks for other doors in each tenant's leased premises, at the cost of such tenant, and no tenant shall place any additional lock or locks on any door in or to its leased premises without Landlord's prior written consent. All such keys shall remain the property of Landlord. Each tenant shall give to Landlord the explanation of the combination of all locks for safe, safe cabinets and vault doors, if any, in such tenant's leased premises.

5. With respect to work being performed by tenants in any leased premises with the approval of Landlord, all tenants will refer all contractors, contractors' representatives and installation technicians rendering any service to them to Landlord for Landlord's supervision, approval and control before the performance of any contractual services. This provision shall apply to all work performed in the Building including, but not limited to, installation of telephones, telegraph equipment, electrical devices and attachments, doors, entranceways, and any and all installations of every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment and any other physical portion of the Building.

6. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise or materials which requires use of elevators or stairways, or movement through the Building entrances or lobby shall be restricted to such hours as Landlord shall designate. All such movements shall be under the supervision of Landlord and in the manner agreed between the tenants and Landlord by prearrangement before performance. Such pre-arrangement initiated by a tenant will include determination by Landlord, and subject to its decision and control, as to the time, method, and routing of movement and as to the limitations for safety or other concern which may prohibit any article, equipment or any other item from being brought into the Building. The tenants are to assume all risks as to the damage to articles moved and injury to persons or public engaged or not engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for a tenant from time of entering the property to completion of work; and Landlord shall not be liable for acts of any person engaged in, or any damage or loss to any of said property or persons resulting from, any act in connection with such service performed for a tenant.

7. Landlord shall have the right to prescribe the weight and position of safes and other heavy equipment or items, which shall in all cases, to distribute weight, stand on supporting devices approved by Landlord. All damages

done to the Building by the installation or removal of any property of a tenant, or done by a tenant's property while in the Building, shall be repaired at the expense of such tenant. Tenant shall bear all costs incurred by Landlord or Tenant in determining the feasibility or actual installation of any such heavy equipment.

8. A tenant shall notify the Building manager when safes or other heavy equipment are to be taken in or out of the Building and the moving shall be done under the supervision of the Building manager, after written permission from Landlord. Persons employed to move such property must be acceptable to Landlord.

9. Corridor doors, when not in use, shall be kept closed.

10. Each tenant shall cooperate with Landlord's employees in keeping its leased premises neat and clean.

11. Landlord shall be in no way responsible to the tenants, their agents, employees or invitees for any loss of property from the leased premises or public areas or for any damages to any property thereon from any cause whatsoever.

12. To ensure orderly operation of the Building, no ice, mineral or other water, towels, newspapers, etc. shall be delivered to any leased area except by persons appointed or approved by Landlord in writing.

13. Should a tenant require telegraphic, telephonic, annunciator or other communication service, Landlord will direct the electrician where and how wires are to be introduced and placed and none shall be introduced or placed except as Landlord shall direct. Except as provided in each tenant's lease, electric current shall not be used for heating or nonstandard power requirements without Landlord's prior written permission.

14. Tenant shall not make or permit any improper objectionable or unpleasant noises or odors in the Building or otherwise interfere in any way with other tenants or persons having business with them.

15. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals shall be brought into or kept in, on or about any tenant's leased premises.

16. No machinery of any kind shall be operated by tenant on its leased area without the prior written consent of Landlord, nor shall any tenant use or keep in the Building any inflammable or explosive fluid or substance.

17. No portion of any tenant's leased premises shall at any time be used or occupied as sleeping or lodging quarters.

18. Each tenant and its agents, employees and invitees shall park only in those areas designated by Landlord for parking by such tenant and shall not park on any public or private streets contiguous to, surrounding or in the vicinity of the Building without Landlord's prior written consent.

19. Landlord will not be responsible for lost or stolen property, money or jewelry from tenant's leased premises or public or common areas regardless of whether such loss occurs when the area is locked against entry or not.

20. The Building is a non-smoking building. Smoking is prohibited at all times within the entire Building, including all leased premises, as well as all public/common areas. This prohibition applies during business and non-business hours to restrooms, elevators, elevator lobbies, first floor lobby, stairwells, common hallways, the lunch room and any other public/common area, as well as to all areas within the Leased Premises by Tenants. Smoking is only permitted in the designated smoking area outside the Building and away from the entrances to the Building.

21. Tenant shall not allow in the Premises, on a regular basis, more than one person for each one hundred fifty (150) rentable square feet of the Premises.

## EXHIBIT C

### EXTENSION OPTION

IN FURTHER CONSIDERATION OF the mutual covenants and conditions set forth in this Lease, Landlord and Tenant hereby agree that Tenant shall have the option to extend the Lease Term (this "Extension Option") for one additional term of sixty full calendar months, subject to the following conditions:

(a) This Extension Option may not be exercised by Tenant at any time that any condition exists that shall constitute a Tenant Default hereunder. Furthermore, in the event that a Tenant Default exists as of the expiration of the Lease Term, the fact that Tenant may have previously exercised this Extension Option shall in no way affect Landlord's rights and remedies with respect to such Tenant Default. This Extension Option may not be exercised by any assignee or subtenant of Tenant, notwithstanding Landlord's consent to same.

(b) In the event that Tenant elects to exercise this Extension Option, Tenant shall give Landlord written notice thereof (the "Extension Notice") not later than the date twelve (12) months prior to the Expiration Date and not earlier than fifteen (15) months prior to the Expiration Date. If Tenant should fail to give Landlord an Extension Notice on a timely basis, then this Extension Option shall be rendered null and void.

(c) Upon giving Landlord an Extension Notice, the Lease Term for the Premises shall be extended for an additional term of sixty (60) full calendar months (the "Extension Term"), subject to earlier termination as otherwise provided in this Lease. The Extension Term shall commence as of the day following the then current Expiration Date, and said Expiration Date shall then be extended to the last day of the last calendar month of the Extension Term.

(d) Subject to the foregoing provisions of this Exhibit, the remaining provisions of this Lease shall not be affected by Tenant's exercise of this Extension Option and shall continue to be applicable to Tenant's use and occupancy of the Premises during the Extension Term, except as follows: (i) upon exercising this Extension Option, Tenant shall have no further right to renew or extend the Lease Term; (ii) Landlord shall have no obligation to cause any repairs, renovations, or improvements to be made to the Premises as a consequence of Tenant having exercised this Extension Option and (iii) the Base Rent payable during the Extension Term (the "Extension Rate") shall be determined as described in paragraph (e) of this Exhibit C.

(e) Landlord shall give Tenant written notice of its determination of the Extension Rate within ten (10) business days following Landlord's receipt of an Extension Notice; provided that Tenant shall then have a period of ten (10) business days following receipt of Landlord's notice in which to give Landlord written notice of its determination of the Extension Rate. Landlord and Tenant shall then have ten (10) business days to mutually agree on the Extension Rate. If the Landlord and Tenant are able to agree to upon the Extension Rate during such ten (10) day period, then the Lease shall be extended as provided herein. If the Landlord and the Tenant are unable to so agree upon the Extension Rate within such ten (10) day period, then, within ten (10) days following the expiration of the aforesaid 10-day period, Landlord and Tenant shall each appoint a real estate broker or an independent real estate appraiser who has been a member of the Appraisal Institute of America (MAI) for at least five (5) years prior to such date and each of which has at least ten (10) years' commercial real estate appraisal (or leasing, as applicable) experience for office space in the vicinity of the Building (together, with the third Appraiser described below, herein collectively called the "Appraisers") and such Appraisers as so appointed by Landlord and Tenant shall then, within ten (10) days after the designation of the last of such two (2) Appraisers to be so designated, select an independent third Appraiser with like qualifications; provided, that Landlord and Tenant shall then each provide all three such Appraisers with the Extension Rate determined and proposed by each such party, and the aforesaid three Appraisers shall then decide, within ten (10) business days after the selection of the third Appraiser, which Extension Rate proposed by Landlord or Tenant shall be the Extension Rate. Landlord and Tenant shall each bear the cost of the respective Appraiser selected by such party pursuant hereto, and the party whose proposed Extension Rate is not selected will then pay the cost or fee of the third Appraiser selected pursuant hereto.





(f) Upon determination of the Extension Rate, Tenant shall execute and deliver an amendment to this Lease to be prepared by Landlord, reflecting (i) the Expiration Date of the Lease Term as extended by the Extension Term and (ii) all economic terms.

# Coversheet

## CONSIDER/ACT ON NOVEMBER, 2021 FINANCIAL REPORT

<b>Section:</b>	IX. Board Items for Discussion/Action
<b>Item:</b>	A. CONSIDER/ACT ON NOVEMBER, 2021 FINANCIAL REPORT
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	Board Financial Dashboard 2021-11a.pdf Board Financial 2021-11b.pdf

**ILTexas Board Report****Chief Financial Officer****November 30, 2021**

Key Ratios / Indicators	Results	Stat	Notes
Days Cash On Hand Day's Cash	61 Days \$608,200		Goal = 120 days Bonds = 50 days FIRST >20 days
Debt Service Coverage Ratio	1.5x		Goal = 1.50x Bonds = 1.10x FY-20 = 1.87x
D/E Ratio DS % of Revenue	13 : 1 16%		
Current Enrollment (As of end of Month)	20,567 (+8) ADA 19,083 (TEA)		

**Treasury****BANKING**

PNC	37,220,000
TexPool	60,000
<b>Total Cash</b>	<b>\$ 37,280,000 (61 days)</b>

Available Bond Funds	6,270,000 (10 days)
Available \$10m Revolver	10,000,000 (16 days)

**YTD Fixed Assets****Purchases & Improvements = \$ 15,600,000 YTD**

Vehicles                      \$    250,000

**Other Information****BBVA Loans**

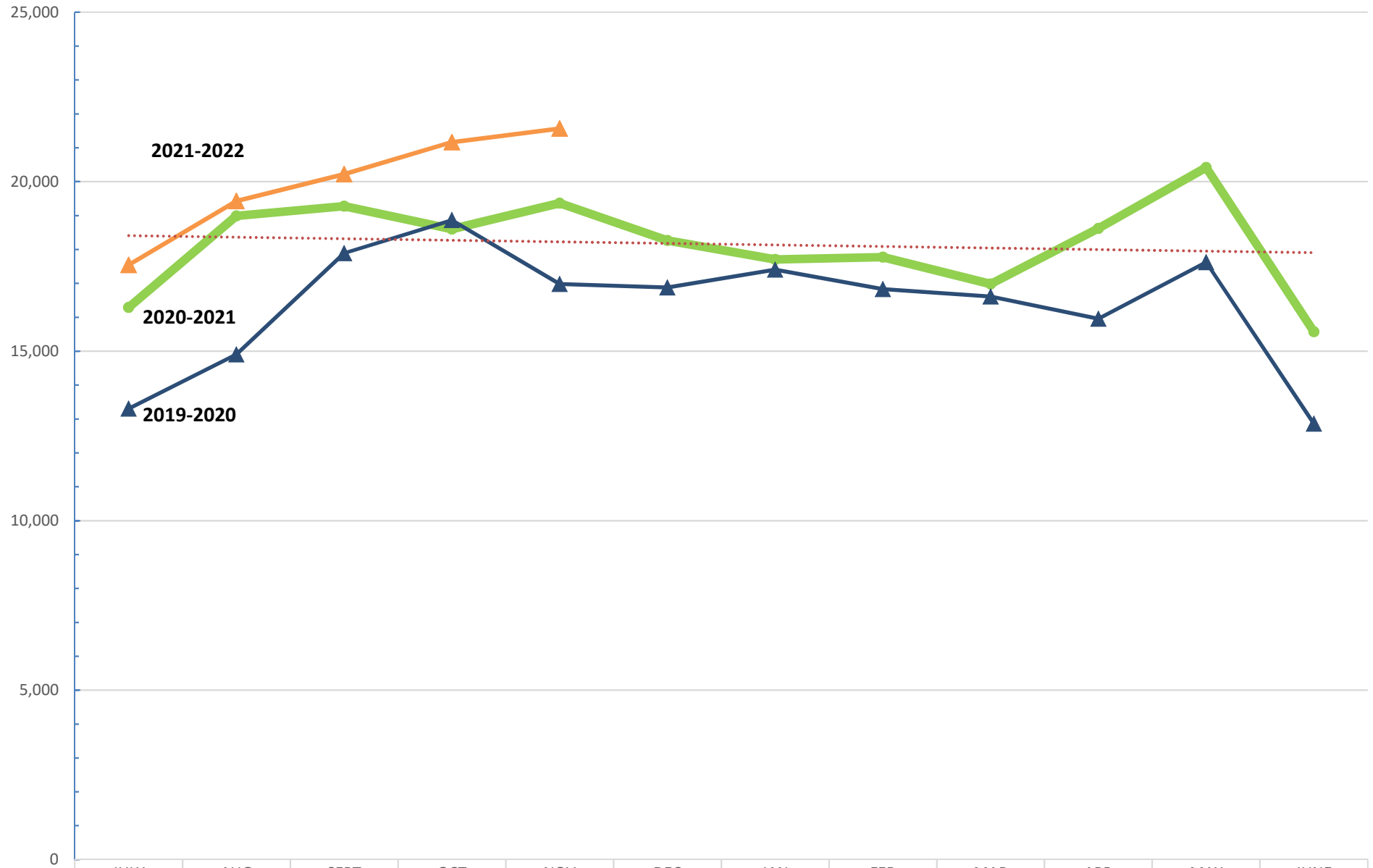
- \* \$-0- million drawn on \$10 million line (4.00%)
- \* \$-0- million drawn on \$35 million line (3.15%)

**Financing**

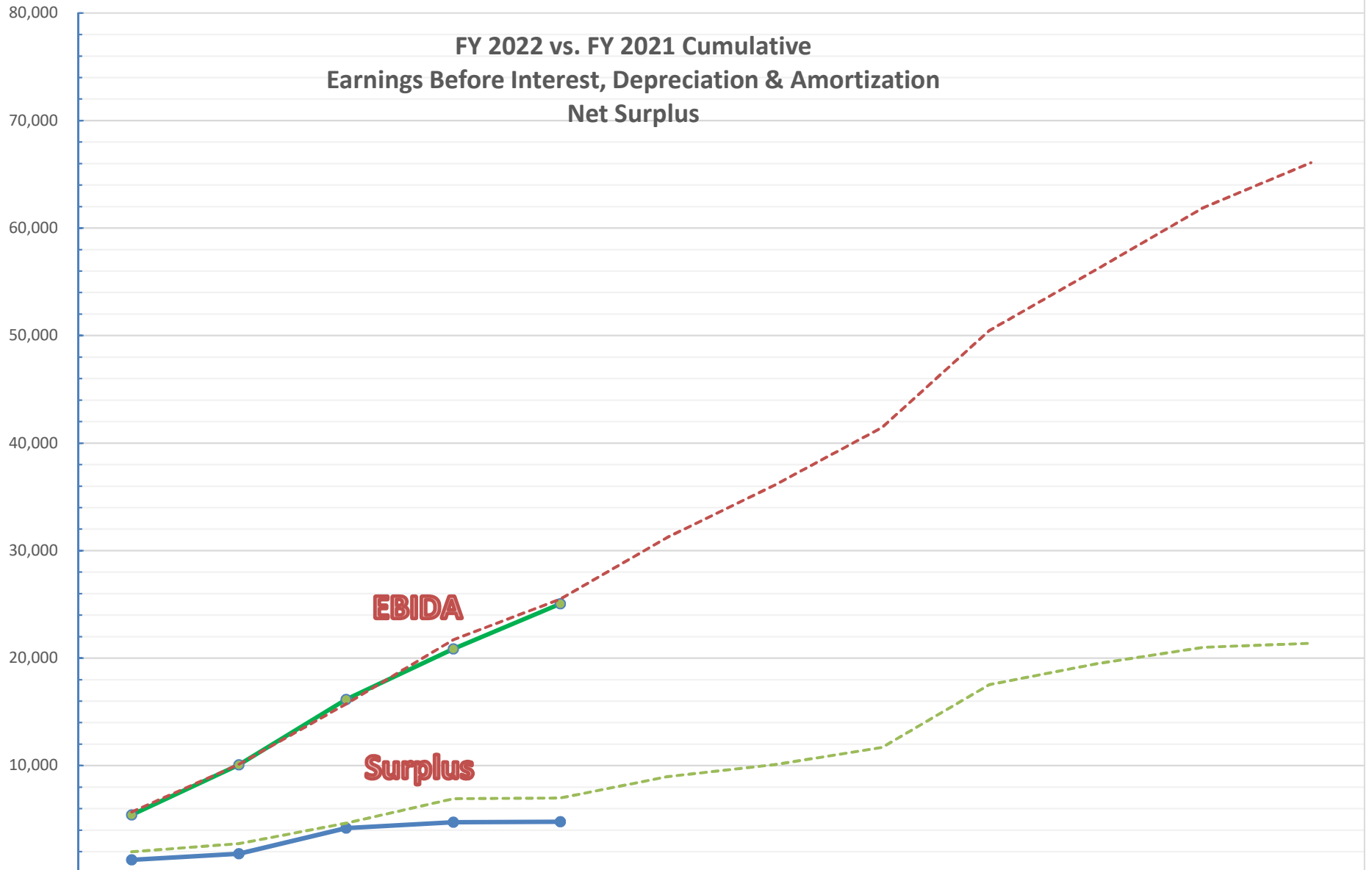
- \* Expansion of Credit Lines planned
- \* Planning bond issue between May & August 2022
- \* Working with Masterson Advisors for timing.

Key Indicators	Final 2021	2022 Budget	YTD 2022
Revenue	\$ 239,100,000	\$ 267,000,000	\$ 104,700,000
Expenses	\$ 217,100,000	\$ 252,600,000	\$ 99,900,000
Net Income	\$ 22,000,000	\$ 14,400,000	\$ 4,800,000

## TOTAL MONTHLY EXPENSES



# FY 2022 vs. FY 2021 Cumulative Earnings Before Interest, Depreciation & Amortization Net Surplus



	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
FY-22 EBIDA	5,410,463	10,080,345	16,150,015	20,850,944	25,047,598							
FY-21 EBIDA	5,689,037	10,112,916	15,727,469	21,707,415	25,498,772	31,239,484	36,108,031	41,456,280	50,460,195	56,156,954	61,908,383	66,076,296
FY-22 NI	1,239,172	1,807,454	4,190,337	4,730,940	4,779,991							
FY-21 NI	1,986,285	2,741,600	4,647,200	6,914,070	6,984,612	8,976,801	10,094,214	11,687,498	17,533,518	19,478,978	21,010,638	21,379,915

# INTERNATIONAL LEADERSHIP OF TEXAS

## UNAUDITED

### Financial Summary

	Jul-21 2021-2022	Aug-21 2021-2022	Sep-21 2021-2022	Oct-21 2021-2022	Nov-21 2021-2022	Dec-21 2021-2022	Year-to-Date 2021-2022	Budget 2021-2022
<b>Total Ending Cash</b>	<b>\$ 52,988,110</b>	<b>\$ 46,577,344</b>	<b>\$ 51,933,111</b>	<b>\$ 40,204,272</b>	<b>\$ 37,279,062</b>			
<i>Days Cash (excl. Bond Int. Fund)</i>	<i>100.2</i>	<i>83.2</i>	<i>89.8</i>	<i>67.5</i>	<i>61.3</i>			
Bond Project Fund	6,274,749	6,274,749	6,274,749	6,274,749	6,274,749			
Lease & Notes Payable	\$ 147,993	\$ 138,142	\$ 128,291	\$ 118,440	\$ 108,589			
\$10 million PNC Revolver	-	-	10,000,000	-	-			
\$35 million PNC Revolver	-	-	-	-	-			
<b>Revenues</b>	<b>\$ 18,784,628</b>	<b>\$ 19,999,331</b>	<b>\$ 22,606,615</b>	<b>\$ 21,703,248</b>	<b>\$ 21,615,606</b>		<b>\$ 104,709,429</b>	<b>\$ 267,000,000</b>
<b>Less Expenses:</b>								
Payroll Costs	9,602,559	11,337,631	12,441,494	11,963,641	12,023,303		57,368,629	145,600,000
Other Operating	3,771,606	3,991,817	4,095,451	5,038,678	5,395,650		22,293,202	59,700,000
Interest & Amort.	2,710,493	2,639,187	2,186,098	2,658,575	2,645,853		12,840,206	32,300,000
Depreciation	1,460,798	1,462,415	1,500,688	1,501,750	1,501,750		7,427,401	15,000,000
Other Gain (Loss)								-
<b>Change in Net Assets</b>	<b>1,239,172</b>	<b>568,281</b>	<b>2,382,883</b>	<b>540,603</b>	<b>49,051</b>		<b>4,779,991</b>	<b>14,400,000</b>
<b>EBIDA</b>	<b>\$ 5,410,463</b>	<b>\$ 4,669,883</b>	<b>\$ 6,069,670</b>	<b>\$ 4,700,929</b>	<b>\$ 4,196,654</b>		<b>\$ 25,047,598</b>	<b>\$ 61,700,000</b>
Total Liabilities	588,756,492	588,496,791	595,539,791	585,399,836	587,127,191			
Total Equity	41,431,718	42,000,000	44,382,883	44,923,486	44,972,537			
<b>D/E</b>	<b>14 : 1</b>	<b>14 : 1</b>	<b>13 : 1</b>	<b>13 : 1</b>	<b>13 : 1</b>			
<b>Equity Percent</b>	<b>6.6%</b>	<b>6.7%</b>	<b>6.9%</b>	<b>7.1%</b>	<b>7.1%</b>			
<b>Interest = % of Revenue</b>	<b>14.4%</b>	<b>13.8%</b>	<b>12.3%</b>	<b>12.3%</b>	<b>12.3%</b>			
Bond Cash Interest	\$ 2,629,690	\$ 2,596,264	\$ 2,143,175	\$ 2,596,264	\$ 2,596,264		\$ 12,561,656	
Bond Principal	691,265	725,849	725,849	725,849	725,849		3,594,659	
Other Debt Interest	38,291	411	411	19,800	7,078		65,991	
Other Debt Principal	9,862	9,851	9,851	9,851	9,851		49,266	
Cash Debt Service*	\$ 3,369,108	\$ 3,332,374	\$ 2,879,286	\$ 3,351,763	\$ 3,339,041		\$ 16,271,572	
<b>D-S Coverage (YTD)</b>	<b>1.6</b>	<b>1.5</b>	<b>1.7</b>	<b>1.6</b>	<b>1.5</b>		<b>1.5</b>	
<b>D-S % of Revenue (YTD)</b>	<b>17.9%</b>	<b>17.3%</b>	<b>15.6%</b>	<b>15.6%</b>	<b>15.5%</b>		<b>15.5%</b>	

\* Excludes optional pre-payments

## INTERNATIONAL LEADERSHIP OF TEXAS

## UNAUDITED

	July 2021	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Unaudited	Budget
	FY2022	FY2022	FY2022	FY2022	FY2022	FY2022	Year-to-Date	FY2022
<b>Enrollment</b>								
<b>Total Local Support</b>	4,938	44,118	14,373	6,102	38,478	-	108,009	300,000
<b>Total State Funds</b>	16,815,897	17,078,622	21,005,791	17,564,745	17,767,319	-	90,232,374	228,300,000
<b>Federal Program Revenues</b>								
Title I/II/III+Immigrant/IV/IDEAB	824,561	674,783	599,281	524,803	657,244	-	3,280,672	
Carl Perkins Grant	-	-	53,499	6,365	14,900	-	74,764	
Teacher Leadership / Cycle 2	10,000	-	-	-	-	-	10,000	
Instructional Continuity Grant	17,498	-	-	-	-	-	17,498	
ESSER II	-	-	-	1,778,501	1,827,257	-	3,605,758	
ESSER III	-	-	-	519,469	636,711	-	1,156,180	
Health+Related Svc (SHARS)	-	-	10,730	-	-	-	10,730	
Medicaid Admin. Claim	10,214	517	(10,790)	2,320	-	-	2,261	
JROTC	13,630	13,630	13,630	7,041	13,630	-	61,559	
Child Nutrition	1,087,891	2,187,661	920,101	1,293,903	660,067	-	6,149,624	
<b>Total Federal Program Rev.</b>	<u>1,963,794</u>	<u>2,876,591</u>	<u>1,586,451</u>	<u>4,132,401</u>	<u>3,809,809</u>	<u>-</u>	<u>14,369,046</u>	<u>38,400,000</u>
<b>Total Revenues</b>	<b>\$ 18,784,628</b>	<b>\$ 19,999,331</b>	<b>\$ 22,606,615</b>	<b>\$ 21,703,248</b>	<b>\$ 21,615,606</b>	<b>\$ -</b>	<b>\$ 104,709,429</b>	<b>\$ 267,000,000</b>
<b>Expenses</b>								
11 Instructional	7,154,922	9,096,215	9,522,034	9,513,588	9,032,433	-	44,319,191	116,000,000
12 Inst. resources & media	86,532	100,997	104,610	125,332	141,010	-	558,482	1,200,000
13 Curriculum & inst. staff devel.	534,429	596,277	580,194	615,436	685,063	-	3,011,400	7,800,000
21 Instructional leadership	231,776	329,904	411,812	353,995	474,151	-	1,801,638	1,900,000
23 School leadership	796,542	1,042,591	1,063,852	1,025,707	925,672	-	4,854,364	11,400,000
31 Guidance counseling & eval.	388,457	403,126	460,006	814,827	617,936	-	2,684,352	6,500,000
32 Social work services	5,365	5,595	12,625	15,003	11,385	-	49,972	100,000
33 Health services	118,652	129,313	149,444	150,716	146,745	-	694,871	2,200,000
34 Student transportation	95,445	107,622	309,478	156,791	152,130	-	821,465	1,400,000
35 Food services	683,027	807,688	741,389	778,768	1,415,391	-	4,426,263	14,400,000
36 Extracurricular activities	170,000	92,961	105,436	100,818	114,740	-	583,954	1,900,000
41 General administration	1,462,189	(363,654)	(69,276)	691,158	442,289	-	2,162,706	7,400,000
51 Facilities maintenance & ops.	2,502,911	3,062,950	3,925,181	2,375,157	3,057,320	-	14,923,520	32,000,000
52 Security and Monitoring	134,850	215,662	110,146	422,288	229,935	-	1,112,881	2,800,000
53 Data processing services	235,084	587,627	323,158	1,114,516	1,196,901	-	3,457,286	7,900,000
61 Community services	206,155	547,625	257,061	201,279	242,595	-	1,454,715	2,900,000
71 Debt service	2,710,493	2,639,187	2,186,098	2,675,575	2,645,853	-	12,857,206	34,700,000
81 Fundraising	28,627	29,364	30,483	31,691	35,006	-	155,171	100,000
<b>Total Expenses</b>	<b>\$ 17,545,456</b>	<b>\$ 19,431,050</b>	<b>\$ 20,223,732</b>	<b>\$ 21,162,645</b>	<b>\$ 21,566,556</b>	<b>\$ -</b>	<b>\$ 99,929,438</b>	<b>\$ 252,600,000</b>
<b>Change in Total Net Assets</b>	<b>\$ 1,239,172</b>	<b>\$ 568,281</b>	<b>\$ 2,382,883</b>	<b>\$ 540,603</b>	<b>\$ 49,051</b>	<b>\$ -</b>	<b>\$ 4,779,991</b>	<b>\$ 14,400,000</b>

**INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED****Expenses by Object Code**

	<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>	<b>Nov-21</b>	<b>Dec-21</b>	<b>ILTexas</b>
	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>2020-2021</b>
<b>61-- Payroll Costs</b>	<b>9,602,559</b>	<b>11,337,631</b>	<b>12,441,494</b>	<b>11,963,641</b>	<b>12,023,303</b>	<b>-</b>	<b>57,368,629</b>
	51.1%	56.7%	55.0%	55.1%	55.6%		54.8%
6211 Legal Services	6,987	32,419	12,230	45,226	33,161	-	130,024
6212 Audit Services	10,000	61,100	-	-	-	-	71,100
6219 Professional Services	-	-	-	-	748	-	748
6239 ESC Services	10,300	2,850	6,236	33,904	89,735	-	143,026
6249 Contracted Maint/Repair	211,444	760,618	168,939	769,477	139,193	-	2,049,671
6254 Internet Services	20,359	18,352	9,783	17,736	31,699	-	97,930
6255 Cell Phones	6,332	6,332	-	14,852	6,495	-	34,010
6256 Water/Waste Mgmt	66,715	79,268	69,794	83,025	100,604	-	399,405
6257 Phone	35,139	21,481	31,425	30,306	27,224	-	145,574
6258 Electric	165,966	266,690	190,689	232,213	201,838	-	1,057,396
6259 Gas	3,186	2,251	2,459	3,933	9,311	-	21,140
6269 Rentals-Op Leases	75,469	101,537	102,546	116,325	136,710	-	532,588
6291 Consulting Services	-	75,222	-	3,000	-	-	78,222
6297 Security Service/Student	134,850	159,177	28,271	315,538	160,586	-	798,421
FOOD Child Nutrition Contr. Svcs.	639,868	652,566	681,676	590,204	1,271,988	-	3,836,303
6299 Misc. Contracted Service	796,434	1,739,762	991,557	1,587,104	1,861,480	-	6,976,338
<b>62-- Professional And Contracted Svcs.</b>	<b>2,183,049</b>	<b>3,979,625</b>	<b>2,295,606</b>	<b>3,842,843</b>	<b>4,070,770</b>	<b>-</b>	<b>16,371,893</b>
6311 Fuel	5,833	12,929	23,666	21,778	19,612	-	83,818
6319 Supplies M/O	10,447	46,943	87,445	62,738	107,539	-	315,112
6321 Textbooks	249	5,943	16,068	36,364	64,086	-	122,711
6329 Reading Materials	154,123	73,998	20,804	86,077	30,987	-	365,990
6339 Testing Materials	-	3,106	3,701	-	3,910	-	10,717
6344 USDA Commodities	-	135,966	-	114,903	79,055	-	329,924
6395 IT Repair Equipment	-	11,036	9,155	54,621	100,232	-	175,045
6396 Student Credits	-	(87,977)	(11,994)	(3,059)	(12,307)	-	(115,338)
6398 General Expense	1,000,000	(1,000,000)	-	-	-	-	-
6399 General Supplies	294,894	617,912	193,017	400,516	714,961	-	2,221,300
66xx Asset Purchases	-	-	-	60,848	(3,310)	-	57,539
<b>63+66 Other Supplies &amp; Materials</b>	<b>1,465,546</b>	<b>(180,144)</b>	<b>341,864</b>	<b>834,787</b>	<b>1,104,765</b>	<b>-</b>	<b>3,566,817</b>
6411 Employee Travel	109,286	23,694	39,155	56,599	109,272	-	338,006
6412 Travel-Students	-	-	4,669	-	5,411	-	10,080
6419 Travel-Non-Emp	-	-	-	-	-	-	-
6429 Ins/Bonding Costs	64	(6,728)	1,630,177	13,428	203	-	1,637,144
6449 Depr Exp	1,460,798	1,462,415	1,500,688	1,501,750	1,501,750	-	7,427,401
6494 Reclass Transp Exp	-	-	-	-	-	-	-
6495 Memberships And Dues	780	13,420	217,870	188,453	11,089	-	431,612
6497 Dyslexia	-	-	(0)	-	-	-	(0)
6498 Campus Discr. Fund	3,933	21,118	32,565	16,418	13,221	-	87,255
6499 Misc Op Costs	8,948	140,832	(466,455)	69,150	80,919	-	(166,606)
<b>64-- Other Operating Expenses</b>	<b>1,583,809</b>	<b>1,654,751</b>	<b>2,958,670</b>	<b>1,845,799</b>	<b>1,721,864</b>	<b>-</b>	<b>9,764,892</b>
6521 Interest on Bonds	2,663,166	2,629,741	2,176,652	2,629,741	2,629,741	-	12,729,041
6522 Capital Lease Interest	416	411	411	411	411	-	2,060
6523 Interest on Other Debt	37,875	-	-	19,389	6,667	-	63,931
6524 Amort. Bond Issue Costs	42,512	42,512	42,512	42,512	42,512	-	212,559
6525 Amort. Bond Disc.(Prem.)	(33,476)	(33,477)	(33,477)	(33,477)	(33,477)	-	(167,384)
6529 Bond Issuance & Maint.	-	-	-	17,000	-	-	17,000
6598 Penalties+Net Pay Discounts	-	-	-	-	-	-	-
6599 Other Debt Fees	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 17,545,456</b>	<b>\$ 19,431,050</b>	<b>\$ 20,223,732</b>	<b>\$ 21,162,645</b>	<b>\$ 21,566,556</b>	<b>\$ -</b>	<b>\$ 99,929,438</b>

## INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

### Expenses by Object Code

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	ILTexas
	FY 2021	FY 2021	FY 2021	FY 2021	FY 2021	FY 2021	2020-2021
6111 Salary Control	-	-	-	-	-	-	-
6112 Salaries/Wages Sub Teach	9,525	26,465	241,810	310,701	478,324	-	1,066,824
6117 Extra Duty/Professional	284,920	45,246	77,834	98,582	82,778	-	589,361
6118 Stipends/Professional	271,640	293,658	290,163	299,057	287,208	-	1,441,725
6119 Salaries Teachers/Profesional	6,728,419	8,466,194	8,742,625	8,466,922	9,576,167	-	41,980,327
6121 O/T Support Personnel	38,779	88,483	78,111	44,510	49,917	-	299,800
6127 Extra Duty Pay/Support Persnl	14,851	11,234	13,609	12,258	10,747	-	62,700
6129 Salaries/Wages Sup Persnl	910,966	998,517	1,083,777	1,096,285	1,109,881	-	5,199,425
6139 Employee Allowances	36	-	-	-	-	-	36
6141 FICA/Medicare	115,351	137,903	145,991	142,927	161,195	-	703,366
6142 GRP Health/Life Insurance	618,859	612,883	734,176	744,500	733,397	-	3,443,815
6143 Workers'Comp	12,308	-	242,683	(2,295)	-	-	252,696
6146 TRS	396,904	457,048	590,716	550,196	533,688	-	2,528,553
6149 Employee Benefits	-	-	-	-	-	-	-
6179 Payroll Accrual	200,000	200,000	200,000	200,000	(1,000,000)	-	(200,000)
<b>61-- Payroll Costs</b>	<b>9,602,559</b> 51.1%	<b>11,337,631</b> 56.7%	<b>12,441,494</b> 55.0%	<b>11,963,641</b> 55.1%	<b>12,023,303</b> 55.6%	-	<b>57,368,629</b> 54.8%
<b>PAYROLL BY DESIGNATED FUNDS SOURCE</b>							
<b>4XX State General Funds</b>	<b>8,810,171</b>	<b>10,748,052</b>	<b>11,913,649</b>	<b>10,941,984</b>	<b>10,876,078</b>	-	<b>53,289,933</b>
<b>240 Child Nutrition</b>	<b>18,033</b>	<b>17,573</b>	<b>51,410</b>	<b>51,652</b>	<b>53,692</b>	-	<b>192,360</b>
211 Title I, A	465,508	321,748	266,661	260,049	258,068	-	1,572,034
224 IDEA B Formula	214,452	181,925	137,338	146,730	160,671	-	841,116
244 Carl Perkins	-	-	-	-	-	-	-
255 Title II	62,748	34,469	30,458	31,099	28,157	-	186,931
256 Teachers Leadership Cycle	-	-	-	-	-	-	-
263 Title III	18,139	13,737	12,819	13,238	13,012	-	70,944
266 ESSER I	-	-	-	-	-	-	-
276 Instructional Continuity	-	-	-	-	-	-	-
281 Esser II	-	-	-	-	-	-	-
282 Esser III	-	-	-	498,225	610,672	-	1,108,896
289 Title IV	13,510	20,127	29,160	20,666	22,952	-	106,415
<b>Federal Funds</b>	<b>774,355</b>	<b>572,006</b>	<b>476,435</b>	<b>970,006</b>	<b>1,093,532</b>	-	<b>3,886,335</b>
<b>61-- Payroll Costs</b>	<b>9,602,559</b> 51.1%	<b>11,337,631</b> 56.7%	<b>12,441,494</b> 55.0%	<b>11,963,641</b> 55.1%	<b>12,023,303</b> 55.6%	-	<b>57,368,629</b> 54.8%

# INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

## BALANCE SHEET

Assets	Beginning	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
<b>Current assets:</b>						
Cash and cash equivalents	\$ 71,469,063	\$ 52,988,110	\$ 46,577,344	\$ 51,933,111	\$ 40,204,272	\$ 37,279,062
Cash, bond project fund	6,274,749	6,274,749	6,274,749	6,274,749	6,274,749	6,274,749
Cash, bond maintenance fund	268,137	276,471	284,804	293,137	301,471	301,471
Cash, bond debt service funds	19,482,335	19,482,335	19,482,335	19,482,335	19,482,335	19,482,335
Cash, debt service reserve fund	38,761,493	38,761,493	38,761,493	38,761,493	38,761,493	38,761,493
Due from government agencies	36,530,541	37,066,212	37,625,255	38,312,068	40,666,949	44,010,514
Other current assets	-	-	-	-	-	-
<b>Total current assets</b>	<b>172,786,319</b>	<b>154,849,370</b>	<b>149,005,980</b>	<b>155,056,893</b>	<b>145,691,268</b>	<b>146,109,624</b>
<b>Non-current assets:</b>						
Land	46,346,699	46,346,699	46,346,699	46,346,699	46,346,699	46,346,699
Buildings	439,127,983	439,127,983	441,835,394	441,860,201	441,860,201	441,868,500
Furniture and equipment	8,427,557	8,427,557	9,175,841	9,175,841	9,175,841	9,175,841
Vehicles	4,479,061	4,576,079	4,688,700	4,727,616	4,727,616	4,727,616
Less: Accumulated depreciation	(55,353,785)	(56,814,583)	(58,276,997)	(59,777,686)	(61,279,436)	(62,781,186)
Construction in Process	34,774,296	33,675,105	37,721,175	42,533,110	43,801,133	46,652,634
<b>Total non-current assets</b>	<b>477,801,810</b>	<b>475,338,840</b>	<b>481,490,811</b>	<b>484,865,781</b>	<b>484,632,054</b>	<b>485,990,103</b>
<b>Total assets</b>	<b>\$ 650,588,129</b>	<b>\$ 630,188,210</b>	<b>\$ 630,496,791</b>	<b>\$ 639,922,674</b>	<b>\$ 630,323,322</b>	<b>\$ 632,099,728</b>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities:</b>						
Accounts payable	14,351,672	6,328,382	7,804,778	5,368,563	5,671,085	9,093,217
Accrued payroll	14,505,092	14,700,401	14,903,732	15,102,228	15,302,316	14,302,278
Accrued interest	10,892,252	10,892,252	10,892,252	10,892,252	10,892,252	10,892,252
Student activity funds	760,730	763,061	822,848	830,232	914,332	946,257
Deferred revenue	4,760,491	1,639,140	366,590	366,590	366,590	366,590
Lease liabilities, current	118,223	111,671	105,122	98,573	92,024	85,475
Bonds, current maturities	8,295,182	8,342,743	8,390,293	8,437,843	8,485,393	8,532,943
<b>Total current liabilities</b>	<b>53,683,641</b>	<b>42,777,651</b>	<b>43,285,616</b>	<b>41,096,282</b>	<b>41,723,992</b>	<b>44,219,013</b>
	3.2	3.6	3.4	3.8	3.5	3.3
<b>Long-term liabilities:</b>						
Lease liabilities, long-term	39,632	36,322	33,020	29,718	26,416	23,114
Notes payable, long-term	10,000,000	-	-	10,000,000	-	-
Bonds payable, long-term	556,103,015	555,364,189	554,590,790	553,817,392	553,043,993	552,270,595
Bonds payable, net premium (discount)	1,009	(32,467)	(65,944)	(99,421)	(132,898)	(166,375)
Bonds payable, issue costs	(9,431,715)	(9,389,203)	(9,346,691)	(9,304,179)	(9,261,667)	(9,219,155)
<b>Total long-term liabilities</b>	<b>556,711,941</b>	<b>545,978,841</b>	<b>545,211,175</b>	<b>554,443,509</b>	<b>543,675,844</b>	<b>542,908,178</b>
<b>Total liabilities</b>	<b>85.6% 610,395,583</b>	<b>588,756,492</b>	<b>588,496,791</b>	<b>595,539,791</b>	<b>585,399,836</b>	<b>587,127,191</b>
<b>Net assts (deficit):</b>						
Beginning balance	16,829,679	40,191,630	40,191,630	40,191,630	40,191,630	40,191,630
Current year change in net assets	23,362,866	1,240,088	1,808,369	4,191,253	4,731,856	4,780,906
<b>Total net assets</b>	<b>40,192,546</b>	<b>41,431,718</b>	<b>42,000,000</b>	<b>44,382,883</b>	<b>44,923,486</b>	<b>44,972,537</b>
<b>Total liabilities and net assets</b>	<b>\$ 650,588,129</b>	<b>\$ 630,188,210</b>	<b>\$ 630,496,791</b>	<b>\$ 639,922,674</b>	<b>\$ 630,323,322</b>	<b>\$ 632,099,728</b>

# INTERNATIONAL LEADERSHIP OF TEXAS - UNAUDITED

## CASH FLOWS

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	FYTD
<b>Operating activities:</b>						
Increase in net assets	\$ 1,239,172	\$ 568,281	\$ 2,382,883	\$ 540,603	\$ 49,051	4,779,991
Adjustments to change in net assets:						
Depreciation	1,460,798	1,462,415	1,500,688	1,501,750	1,501,750	7,427,401
Amortization of bond discount (premium)	(33,476)	(33,477)	(33,477)	(33,477)	(33,477)	(167,384)
Amortization of debt issuance cost	42,512	42,512	42,512	42,512	42,512	212,559
Change in cash held in trust - projects	-	-	-	-	-	-
Change in cash held in trust - maintenance	(8,333)	(8,333)	(8,333)	(8,333)	-	(33,333)
Changes in assets:						-
Due from Texas Education Agency	(535,671)	(559,042)	(686,813)	(2,354,880)	(3,343,566)	(7,479,973)
Other current assets	-	-	-	-	-	-
Changes in liabilities:						
Accounts payable and accruals	(7,776,999)	1,796,964	(2,230,335)	586,709	2,454,019	(5,169,641)
<b>Net cash provided by operations</b>	<b>(5,611,998)</b>	<b>3,269,320</b>	<b>967,124</b>	<b>274,884</b>	<b>670,290</b>	<b>(430,381)</b>
<b>TEA accel. payments (deferred rev.)</b>	<b>(3,170,000)</b>	<b>(1,330,000)</b>	-	-	-	<b>(4,500,000)</b>
<b>Net cash used in investing</b>	<b>1,002,172</b>	<b>(7,614,386)</b>	<b>(4,875,658)</b>	<b>(1,268,023)</b>	<b>(2,859,799)</b>	<b>(15,615,694)</b>
Asset retirements at original cost						
<b>Cash flows from (to) financing activities:</b>						
Principal paid on Bond debt obligations	(691,265)	(725,849)	(725,849)	(725,849)	(725,849)	(3,594,659)
Principal paid on Other debt obligations	(9,862)	(9,851)	(9,851)	(9,851)	(9,851)	(49,266)
2020A Bond Issue						-
Bank loan - \$10M Revolver	(10,000,000)		10,000,000	(10,000,000)		(10,000,000)
Bank loan - \$35M Revolver						-
<b>Cash provided (used) by financing</b>	<b>(10,701,127)</b>	<b>(735,700)</b>	<b>9,264,300</b>	<b>(10,735,700)</b>	<b>(735,700)</b>	<b>(13,643,925)</b>
<b>Net increase (decr) in cash &amp; equivalents</b>	<b>(18,480,953)</b>	<b>(6,410,766)</b>	<b>5,355,767</b>	<b>(11,728,839)</b>	<b>(2,925,209)</b>	<b>(34,190,000)</b>
Cash and cash equivalents at beginning of period	71,469,063	52,988,110	46,577,344	51,933,111	40,204,272	71,469,063
Cash and cash equivalents at end of period	52,988,110	46,577,344	51,933,111	40,204,272	37,279,062	37,279,062

# Coversheet

## CONSIDER/ACT ON GRADUATION RANKING POLICY

<b>Section:</b>	IX. Board Items for Discussion/Action
<b>Item:</b>	B. CONSIDER/ACT ON GRADUATION RANKING POLICY
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	Board Presentation_ Early Graduation and Class Rank.pptx.pdf

# Brief to ILTexas Board

## Early Graduation & Class Rank



# Task Force

- **Question:** Do Class Rank advantages exist for early graduates. In other words, do 3-year graduates have a Class Rank advantage over their 4-year counterparts?
- **Task Force Participants:** Deputy Superintendents (DSAAS and DSSL), Area Superintendents, High School Principals, High School Guidance Counselors, College Advising, PEIMS, Accountability/Data Analysis, and Legal.
- **Review:**
  1. Parents' concerns: Early Graduation and Class Rank
  2. Top 40 students in 11th and 12th grade classes from selected campuses (most veteran).
  3. TAC §61.1201 /TEC §28.026
    - i. ranking top 10% students
    - ii. implications regarding college acceptance
  4. Early Graduation and Class Rank Policy for neighboring school districts
  5. ILTexas Early Graduation and Class Rank Policy: 2021-22 Student Handbook (pgs.70-81)

# Current Policy

To be classified as a senior - 18 credits (10 credits must be English, Math, Science and Social Studies)

All courses taken during the regular school year at ILTexas shall count toward GPA (exceptions: aide positions, study hall, peer tutoring, college credits that are not dual credits, credit by examination credits, & SAT prep class).

Only courses taken at ILTexas count towards local GPA. Local GPA is based on a 100-point scale. Further, weightings are based on the following scale:

- Advance Placement/Dual Credit 1.15
- Honors/Pre-AP 1.1
- All other courses 1
- For the 2021-2022 school year, beginning with the incoming freshman (class of 2025), dual credit courses will have a GPA set of 1.1

For the purpose of determining honors to be conferred during graduation activities, the campus shall calculate class rank by using grades available at the time of calculation at the end of the 5th six week grading period of the senior year. For the purpose of applications to institutions of higher education, ILTexas shall also calculate class rank as required by state law (top 10% only).

Graduating seniors with the highest and second highest cumulative local weighted grade point average as determined at the end of the 5th grading period of the senior year, will be eligible to serve as the Valedictorian and Salutatorian respectively. The Valedictorian shall be the eligible graduate with the highest local GPA; the Salutatorian shall be the eligible graduate with the second highest local GPA.

# Findings

Is there a class rank advantage to graduating early?

- There are many variables. Each individual student scenario is dependant on the classes taken, such as, 1) the number of high school courses taken as a middle school student, 2) the number of AP and Dual Credit courses, 3) the number of weighted core classes rather than an elective (i.e., AP level fine arts classes, etc.), 4) summer school courses, and 5) course load year-to-year (i.e., seniors not taking an elective or Fitness their senior year).
- When comparing the top 40 11th and 12th graders of our most established high school campuses, the following trends emerged:
  - 2 out of 3 high schools' data demonstrated that traditional 4-year seniors had top ten advantage
  - 3-year seniors, in some scenarios, had advantage in the rank of 2, 3, and 4
- Upon review of surrounding school districts' policy regarding Early Graduation and Class Rank, most are including early graduates in class rank. - with no penalty for completing requirements in three years. However, one school district, Keller ISD, does not allow early graduates to be named as Valedictorian or Salutatorian.
- Early Graduation is, and always has been, an option for all ILTexas students.

# Recommendations

1. Discuss and act on the current criteria used to establish Valedictorian and Salutatorian: Graduating seniors with the highest and second highest cumulative local weighted grade point average as determined at the end of the 5th grading period will be eligible to serve as the Valedictorian and Salutatorian respectively. The Valedictorian shall be the eligible graduate with the highest local GPA; the Salutatorian shall be the eligible graduate with the second highest local GPA.
  - If the eligible graduate(s) with the highest or second highest GPA is displaced in class rank by an early graduate, ILTexas shall establish separate Valedictorians and/or Salutatorians for each cohort (early graduates and 4-year graduates). Additionally, if displaced by a 3-year graduate, ILTexas will issue a scholarship to the highest ranking 4-year graduate that equals the Texas Education Agency's Highest Ranking scholarship (currently approximately \$15K).
2. Discuss and act on adding clarity to our student handbook regarding early graduation eligibility and requirements.
  - A student that will meet all ILTexas graduation requirements (i.e., Graduation Plan, Service Learning Project, Service Hours, etc.), by the end of the academic year of the intended graduation class, shall be eligible for Early Graduation.
3. Discuss and act on application deadline for Early Graduation.
  - Early Graduation Application Deadline - last day of January of the intended graduation class.

## Coversheet

### CONSIDER/ACT ON SUPERINTENDENT EVALUATION, COMPENSATION AND CONTRACT

**Section:** IX. Board Items for Discussion/Action  
**Item:** C. CONSIDER/ACT ON SUPERINTENDENT EVALUATION,  
COMPENSATION AND CONTRACT  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** This Page is Blank.docx

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