

**WACO INDEPENDENT SCHOOL DISTRICT
SPECIAL MEETING**

**Bosque Theater at Waco Convention Center
100 Washington Ave
Waco, TX 76701**

Tuesday, October 7, 2025 - 6:00 PM

A joint meeting between the City of Waco City Council and the Waco Independent School District Board of Trustees will be held on Tuesday, October 7, 2025 at 6:00 P.M. in the Bosque Theater at the Waco Convention Center, 100 Washington Avenue, Waco, Texas.

AGENDA

1. **Call to Order**
2. **Consider, Discuss and Take Appropriate Action on:**
 - 2.A. Approving a Purchase and Sale Agreement with the City of Waco ("City") for the purchase of: (1) approximately 11.455 acres located at 500 N. University Parks Drive (former site of Indian Spring Middle School); and (2) approximately 11.361 acres of land located at 324 Jefferson Avenue along N. 4th Street (Waco ISD sports/track site), all in Waco, Texas, (collectively, the "Properties"), for a purchase price of \$32,200,000.00;
 - 2.B. Approving a Lease Agreement for Waco ISD's continued use of 500 N. University Parks Drive through March 31, 2025;
 - 2.C. Approving an Interlocal Agreement with the City for use of downtown space for education-related events, learning experiences at City facilities and project sites, and outreach for the Downtown Redevelopment Project; and
 - 2.D. Authorizing the Superintendent or designee to execute any documents in connection therewith
3. **Adjournment**

PURCHASE AND SALE AGREEMENT FOR REAL PROPERTIES

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is entered into as of October 7, 2025 (the “**Effective Date**”), between **WACO INDEPENDENT SCHOOL DISTRICT** (“**Seller**”) and **THE CITY OF WACO, TEXAS** (“**Purchaser**” or “**City**”).

In consideration of the mutual covenants set forth herein and in consideration of the earnest money deposit herein called for, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. **Purchase and Sale Agreement**. Seller shall sell, convey, and assign to Purchaser, and Purchaser shall purchase and accept from Seller, for the Purchase Price (defined below) and subject to the terms and conditions herein set forth, property at 500 N University Parks Drive (approximately 11.455 acres; also known as all of Lot 1, Block A, Jefferson Park Addition) (“Former School Site”) and 324 Jefferson Avenue and a parcel on N. 4th Street (approximately 11.361 acres; also known as all of the remainder of Lot 4, Block B, and all of Lot 5, Block B, Jefferson Park Addition) (“Track Site”) all in Waco, McLennan County, Texas, 76701, the real property legally described further in **Exhibit A**, which is attached hereto, together with all improvements thereon that are not demolished and all rights and interests appurtenant thereto, including all of Seller’s right, title, and interest in and to adjacent streets, alleys, rights-of-way, and any adjacent strips and gores of real estate (collectively referred to as the “**Properties**”). The Properties shall be conveyed to Purchaser at Closing (defined below) free and clear of all liens, claims, and encumbrances whatsoever except for the Permitted Encumbrances (defined below).

This Agreement is contingent upon the Seller and City executing a Lease Agreement for the Former School Site at Closing, which is attached hereto as **Exhibit D**.

“Properties” does not include items listed in **Exhibit E**, which is attached hereto and incorporated herein, unless these items are abandoned by Seller at the termination of the Lease Agreement.

Section 2. **Purchase Price**. The price for which Seller shall sell, convey, and assign the Properties to Purchaser, and which Purchaser shall pay to Seller, is THIRTY-TWO MILLION TWO HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$32,200,000.00) (“**Purchase Price**”), which is contingent upon Waco City Council’s approval of said Purchase Price.

The Purchase Price shall be paid as follows:

- At Closing, Purchaser shall wire funds to Title Company in the amount of \$28,480,000.00 (Twenty-Eight Million Four Hundred Eighty Thousand Dollars and Zero Cents) and closing costs. Seller shall deliver a General Warranty Deed to Purchaser conveying the Properties to Purchaser at Closing.
- At Closing, Purchaser shall deposit in escrow with the Title Company the second payment to be made by the City in the amount of \$3,720,000. The City acknowledges that funds are released by the City upon deposit in escrow. The

Seller may instruct the Title Company to deposit said money in an interest bearing account, and said payment, with accrued interest, to be released by the Title Company to Seller upon the termination of the Lease Agreement (for the Former School Site). Any action taken by Title Company at the direction of the Seller is at the Title Company's and/or the Seller's risk (not the City's risk).

Section 3. **Earnest Money.** Within ten (10) business days after the execution hereof, Purchaser shall deliver to First Title Company of Waco, LLC ("**Title Company**"), funds in the amount of \$30,000.00 which Title Company shall immediately deposit for collection. As used in this Agreement, the term "**Earnest Money**" shall mean the amount so deposited by Purchaser, together with all interest earned thereon while in the custody of Title Company. Seller and Purchaser stipulate that Purchaser's agreement to so deposit the Earnest Money is sufficient consideration to support this Agreement notwithstanding Purchaser's right to terminate under this Agreement; however, if Purchaser does not timely deposit the Earnest Money, then this Agreement shall terminate and be of no further force or effect.

Section 4. **Feasibility Period.** Purchaser may terminate this Contract for any reason whatsoever within twenty-five (25) calendar days after the Effective Date (the "Feasibility Period") by providing written notice of termination to the other party. If Purchaser terminates this Contract within the Feasibility Period, the Earnest Money will be refunded to Purchaser.

Section 5. **Delivery of Information by Seller.**

(a) Within ten (10) business days after the Effective Date of this Agreement, Seller shall deliver or cause to be delivered to Purchaser the following:

- (1) Copies of all current leases, including any mineral leases pertaining to the Properties, including all modifications, amendments, and supplements to the leases;
- (2) Copies of all warranties and guaranties relating to all or part of the Properties;
- (3) Copies of any plats of the Properties;
- (4) True, complete, and legible copies of all documents referred to in the Title Commitment ;
- (5) Copies of any existing survey(s) of the Properties; and,
- (6) Copies of all previous environmental assessments, geotechnical reports, studies, results, or analysis made on or relating to the Properties, and copies of any other engineering or technical reports in Seller's possession (or in Seller's representatives' possession) or reports to be provided to the Seller (or Seller's representative) before the expiration of the contingency period that concern the Properties, including, without limitation, flood analysis, soils testing reports, and reports of environmental or hazardous waste inspections or surveys. (If Seller fails to furnish a

Phase 1 environmental report within the time prescribed, the Purchaser may perform Phase 1 testing of the Properties, at the Purchaser's expense, and deliver a copy of the test results to the Seller prior to the expiration of the contingency period, if not already procured and provided by the Purchaser.)

(7) Copies of all current or former agreements, reports, and correspondence concerning archaeological studies or permits relating to the Properties.

Section 6. **Title Policy.**

(a) Purchaser acknowledges that Purchaser has already received a copy of the Commitment for Title Insurance (the "**Title Commitment**") from the Title Company setting forth the status of the title of the Properties and showing all liens, claims, encumbrances, easements, rights-of-way, encroachments, reservations, restrictions, and all other matters of record affecting the Properties.

(b) Purchaser has no objections to the Title Commitment (dated September 16, 2025) that Purchaser has received.

(c) If the Title Policy includes an exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachment or protrusions, or any overlapping improvements, then at Purchaser's sole discretion (and sole expense), Purchaser can request that this language be amended to read "shortages in areas." Purchaser will pay to insure "shortages in areas"

Section 7. **Seller's Representations, Warranties, and Covenants.** Seller represents and warrants to Purchaser that, to Seller's knowledge:

(a) Seller has full right, power, and authority to execute and deliver this Agreement and to consummate the purchase and sale transactions provided for herein without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties. This Agreement, when executed and delivered by Seller and Purchaser, will constitute the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms.

(b) Seller has good and indefeasible title in fee simple to the Properties, free and clear of all liens (except liens that will be released at or before Closing), but subject to any easements, covenants, restrictions, reservations, or other title exceptions shown visible, apparent, or shown of record in McLennan County, Texas; and no party, except as herein set forth, has or shall have on the Closing Date any rights in, or to acquire, the Properties.

(c) There are no actions, suits, claims, assessments, or proceedings pending or, to the knowledge of Seller, threatened that could adversely affect the ownership, operation, or maintenance of the Properties or Seller's ability to perform hereunder.

(d) All bills and other payments due with respect to the ownership and maintenance of the Properties have been paid or will be paid prior to Closing.

(e) From the date hereof until the Closing Date, Seller shall not: (i.) commit or permit to be committed any waste to the Properties; or (ii.) enter into any agreement or instrument or take any action that would encumber the Properties after Closing or that would bind Purchaser or the Properties after Closing.

(f) Until payment is made by Purchaser, title and possession of the Properties remain with the Seller, who shall bear all risk of loss to any and all such property.

(g) The Properties have not been the site of any activity that would violate any past or present law or regulation of any governmental body or agency having jurisdiction over the Properties. Specifically, but without limitation: (i.) solid waste, petroleum, or petroleum products have not been handled or stored on the Properties such that they may have contaminated the Properties, (ii.) there is no on-site contamination resulting from activities on the Properties or adjacent tracts, and (iii.) the Properties contain no contamination of “hazardous materials” which shall mean any petroleum products, flammables, explosives, radioactive materials, asbestos, radon, or other hazardous waste including without limitation substances defined as “hazardous substances”, “hazardous materials”, or “toxic substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Hazardous Materials Transportation Act; and the Resources Conservation and Recovery Act, and any other material or substance whose use, storage, or disposal is regulated by law.

(h) If (A) any of Seller’s representations and warranties set forth in this Section 6 are untrue in any material respect, or (B) at any time at or before Closing there is any material change with respect to the matters represented and warranted by Seller pursuant to this Section 6, then Seller shall give Purchaser prompt written notice thereof, and Purchaser shall have the right to terminate this Agreement in accordance with Section 12.(b) by delivering notice to Seller at any time at or before the Closing. All of Seller’s representations and warranties shall survive the Closing for a period of one (1) year.

Section 8. Legal Status SELLER AND PURCHASER EXPRESSLY ACKNOWLEDGE THAT BOTH ARE POLITICAL SUBDIVISIONS OF THE STATE OF TEXAS, AND NOTHING IN THIS AGREEMENT WILL BE CONSTRUED AS A WAIVER OR RELINQUISHMENT BY EITHER OF THE RIGHT TO CLAIM SUCH EXEMPTIONS, PRIVILEGES, AND IMMUNITIES AS MAY BE PROVIDED BY LAW TO EACH, RESPECTIVELY.

(a) Governmental Function. The parties expressly agree that, in all things relating to this Agreement, the parties enter into this Agreement for the purpose of performing governmental functions as defined by the Texas Tort Claims Act. The parties further expressly agree that every act or omission of each party, which in any way pertains to or arises out of this Agreement, falls within the definition of governmental function. No provision of this Agreement that imposes an obligation or restriction on either party not permitted by applicable law shall be enforceable.

(b) Sovereign Immunity. Seller and Purchaser reserve, and do not waive, their respective rights of sovereign immunity and similar rights and do not waive their rights under the Texas Tort

Claims Act. Neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its powers or functions or pursuant to the Texas Tort Claims Act or other applicable statutes, laws, rules, or regulations.

- (c) **No Indemnification.** The parties expressly agree that, except as provided herein, neither party shall have the right to seek indemnification or contribution from the other party for any losses, costs, expenses, or damages directly or indirectly arising, in whole or part, from this Agreement.

Section 9. **Closing.** The closing (the “**Closing**”) of the sale of the Properties by Seller to Purchaser shall occur on a mutually agreeable date and time on or before November 14, 2025 (the “**Closing Date**”), in the offices of Title Company. At the Closing, the following, which are mutually concurrent conditions, shall occur:

- (a) Purchaser shall deliver or cause to be delivered to Seller the following:

- (1) The Purchase Price (as more specifically provided in Section 2 above); and
- (2) Evidence reasonably satisfactory to Seller and Title Company that the person executing the Closing documents on behalf of Purchaser has full right, power, and authority to do so.

- (b) Seller shall deliver or cause to be delivered to Purchaser the following:

- (1) General Warranty Deed in the form attached hereto as Exhibit C, fully executed and acknowledged by Seller, conveying the Properties to Purchaser, subject only to the Permitted Encumbrances;
- (2) Evidence reasonably satisfactory to Purchaser and the Title Company that the persons executing and delivering the Closing documents on behalf of Seller have full right, power and authority to do so;
- (3) Certificate in the form of Exhibit B meeting the requirements of Section 1445 of the Internal Revenue Code of 1986, executed, and sworn to by Seller;
- (4) A disclosure of interested parties (Form 1295) The Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties (Form 1295) to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

(c) The City of Waco and Seller are both exempt from property taxes, so no proration is needed for that item. All other normal and customarily proratable items, including without limitation utility bills, and insurance premiums shall be prorated as of the Closing Date, Seller being charged and credited for all of same up to such date. If the actual amounts to be prorated are not known as of the Closing Date, the prorations shall be made on the basis of the best evidence then available, and thereafter, when actual figures are received, Seller is responsible for requesting any reimbursement that Seller believes is owed to Seller.

(d) Title Company shall return the Earnest Money to Purchaser or, at Purchaser's option, apply the Earnest Money to the Purchase Price.

(e) Purchaser at Purchaser's expense shall pay for Title Policy in its entirety.

(f) Purchaser shall pay all other closing costs including, but not limited to, escrow fees, recording fees, and tax certificates.

Section 10. **Possession.** Seller will deliver possession of the Properties to Purchaser upon closing and funding, and free and clear of all tenancies of every kind and parties in possession, in the same condition as on the date hereof. Any possession by Purchaser before closing or by Seller after closing is not authorized, unless by a written amendment to this agreement.

Section 11. **Destruction, Damage, or Taking Before Closing.** If, before closing, all or any part of the Properties is destroyed or damaged, or becomes subject to condemnation or eminent domain proceedings, then Seller shall promptly notify Purchaser thereof. Purchaser may elect to proceed with the Closing (subject to the other provisions of this Agreement) by delivering notice thereof to Seller within five (5) business days of receipt of Seller's notice respecting the damage, destruction, or taking, but Purchaser shall be entitled to all insurance proceeds or condemnation awards payable as a result of such damage or taking and, to the extent the same may be necessary or appropriate, Seller shall assign to Purchaser at Closing Seller's rights to such proceeds or awards. If, within five (5) business days of receipt of Seller's notice respecting the damage, destruction, or taking, Purchaser notifies Seller of its intent to terminate this Agreement, or if Purchaser gives no notice within such period, then Purchaser shall be deemed to have terminated this Agreement pursuant to Section 12.(b).

Section 12. **Termination and Remedies.**

(a) If Purchaser fails to consummate the purchase of the Properties pursuant to this Agreement for any reason other than termination hereof pursuant to a right granted to Purchaser in Sections 4, 5, 7, and 11, then Seller shall have the right to: (A) terminate this Agreement by notifying Purchaser thereof, in which event Title Company shall deliver the Earnest Money to Seller as liquidated damages, whereupon neither Purchaser nor Seller shall have any further rights or obligations hereunder: (A) enforce specific performance of the obligations of Buyer hereunder; or (B) seek all other rights, recourses, or remedies available to Seller, whether hereunder, at law, or in equity, said rights, remedies, and recourses being cumulative.

(b) If Purchaser terminates this Agreement pursuant to Sections 4, 5, 7, or 11, then Title Company shall return the Earnest Money to Purchaser, whereupon neither party hereto shall have any further rights or obligations hereunder.

(c) If Seller fails to consummate the sale of the Properties pursuant to this Agreement for any reason other than Purchaser's failure to perform its obligations hereunder, or termination hereof by Purchaser in accordance with Section 12.(b), then Purchaser shall have the right to: (A) terminate this Agreement by notifying Seller thereof, in which case Title Company shall return the Earnest Money to Purchaser and neither party hereto shall have any further rights or obligations hereunder; (B) enforce specific performance of the obligations of Seller hereunder; or (C) seek all other rights, recourses, or remedies available to Purchaser whether hereunder, at law, or in equity, said rights, remedies, and recourses being cumulative.

(d) The provision for payment of liquidated damages in Section 12.(a) has been included because, in the event of a breach by Purchaser, the actual damages to be incurred by Seller can reasonably expected to approximate the amount of liquidated damages called for herein and because the actual amount of such damages would be difficult if not impossible to measure accurately.

Section 13. **Notices.** All notices provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested; or by delivering the same in person to such party. Notices may also be by electronic mail (with confirmation of receipt) as long as the original notice is provided by United States mail, addressed to the party to be notified, postage prepaid, and registered or certified with return receipt requested or delivery in person. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the parties shall be as follows:

If to Seller, to: Waco ISD
 Superintendent's Office
 P.O. Box 27
 Waco, Texas 76703
 tiffany.spicer@wacoisd.org

with a required copy to: Elisabeth Cox
 Chief of Staff
 elisabeth.cox@wacoisd.org

If to Purchaser, to: The City of Waco
 City Manager's Office
 P.O. Box 2570
 Waco, Texas 76702-2570

BradleyF@wacotx.gov

with a required copy to: Kendra Anderson
P.O. Box 2570
Waco, Texas 76702-2570
KendraA@wacotx.gov

And to: Waco City Attorney's Office
Attn: City Attorney
P.O. Box 2570
Waco, Texas 76702-2570
KathleenP@wacotx.gov

Either party hereto may change its address for notice by giving three (3) business days prior written notice thereof to the other party.

Section 14. **Assigns; Beneficiaries.** This Agreement shall inure to the benefit of and be binding on the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns. This Agreement is for the sole benefit of Seller and Purchaser, and no third party is intended to be a beneficiary of this Agreement.

Section 15. **Governing Law; Venue.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas. Venue on any dispute arising hereunder shall be at McLennan County, Texas.

Section 16. **Time.** Time is of the essence in this Agreement. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this Agreement falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

Section 17. **Contingent on Council and Board approval.** This Agreement is contingent upon the City Council approving the Agreement and authorizing the City Manager to execute the Agreement. This Agreement is contingent upon the Seller's Board of Trustees approving the Agreement and authorizing the Superintendent to execute the Agreement.

Section 18. **Entire Agreement.** This Agreement is the entire agreement between Seller and Purchaser concerning the sale of the Properties, and no modification hereof or subsequent agreement relative to the subject matter hereof shall be binding on either party unless reduced to writing and signed by the party to be bound. All Exhibits attached hereto are incorporated herein by this reference for all purposes.

Section 19. **Broker Fee.** Seller and Purchaser SHALL NOT pay any broker or real estate agent's sales commission or fee.

[Signature Page Follows This Page]

Executed as of the Effective Date first set forth above.

SELLER:

WACO INDEPENDENT SCHOOL DISTRICT

By: _____

Print: _____

Title: _____

PURCHASER:

THE CITY OF WACO, TEXAS

By: _____

Bradley Ford,
City Manager

ATTEST:

Michelle Hicks, City Secretary

AS TO FORM AND LEGALITY:

Kathleen Perdon, Deputy City Attorney

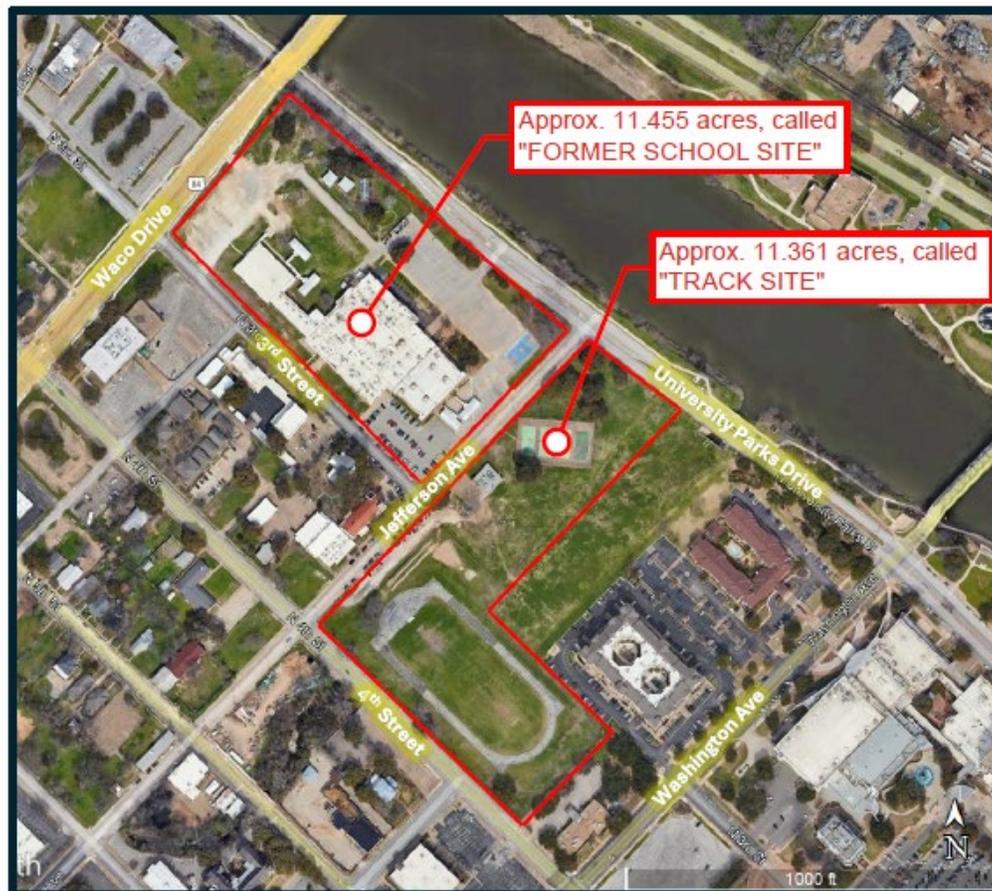
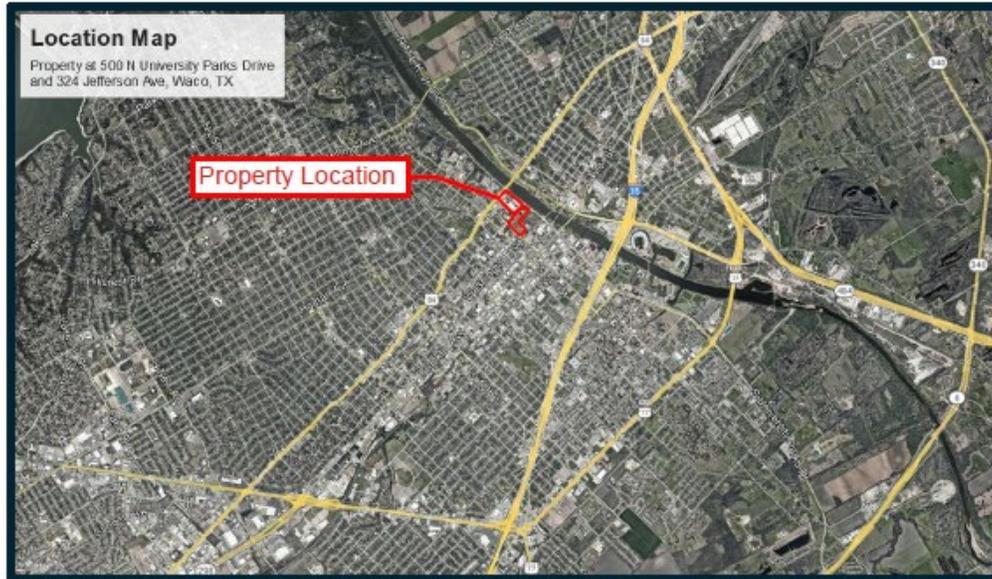
Schedule of Exhibits

- A - Description of Properties
- B - Form of FIRPTA Certificate
- C - Form of General Warranty Deed
- D - Lease of Former School Site
- E - Salvage Items (excluded from “Properties”)

EXHIBIT A

Description of Properties

A.1. Location Map



A.2. Field Notes

A.2.1 Called "Former School Site"

11.455 ACRES
BEING ALL OF LOT 1, BLOCK A, JEFFERSON PARK ADDITION
TO THE CITY OF WACO, McLENNAN COUNTY, TEXAS

FIELD NOTES FOR A 11.455 ACRE TRACT, BEING ALL OF LOT 1, BLOCK A, JEFFERSON PARK ADDITION TO THE CITY OF WACO, McLENNAN COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1077, PAGE 535 OF THE DEED RECORDS OF McLENNAN COUNTY, TEXAS. SAID 11.455 ACRE TRACT BEING MORE PARTICULARLY SHOWN ON THE ATTACHED LAND TITLE SURVEY DRAWING AND FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN THE SOUTHWEST RIGHT-OF-WAY LINE OF UNIVERSITY PARKS DRIVE (VARIABLE WIDTH) AT ITS INTERSECTION WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF WEST WACO DRIVE (110' WIDE) MARKING THE NORTH CORNER OF SAID LOT 1 AND OF THE HEREIN DESCRIBED TRACT;

THENCE WITH THE SOUTHWEST RIGHT-OF-WAY LINE OF SAID UNIVERSITY PARKS DRIVE THE FOLLOWING THREE CALLS:

- 1) **S 52°04'52" E – 581.20'** TO A 1/2" IRON ROD FOUND FOR AN ANGLE POINT,
- 2) **S 52°28'42" E – 177.11'** TO A 1/2" IRON ROD FOUND FOR AN ANGLE POINT,
- 3) **S 56°29'22" E – 234.33'** TO A 1/2" IRON ROD FOUND IN THE NORTHWEST RIGHT-OF-WAY LINE OF JEFFERSON AVENUE (65' WIDE) FOR THE EAST CORNER OF LOT 1 AND OF THE HERIN DESCRIBED TRACT;

THENCE S 42°29'01" W – 571.23' WITH THE NORTHWEST RIGHT-OF-WAY LINE OF SAID JEFFERSON AVENUE TO A MAG NAIL IN ASPHALT FOUND IN THE NORTHEAST RIGHT-OF-WAY LINE OF N 3RD STREET (70' WIDE) FOR THE SOUTH CORNER OF LOT 1 AND OF THE HEREIN DESCRIBED TRACT;

THENCE N 47°27'50" W – 949.00' WITH THE NORTHEAST RIGHT-OF-WAY LINE OF SAID N 3RD STREET TO A 1/2" IRON ROD FOUND IN THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID WEST WACO DRIVE FOR THE WEST CORNER OF LOT 1 AND OF THE HEREIN DESCRIBED TRACT;

THENCE N 37°51'04" E – 473.78' WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID WEST WACO DRIVE RETURNING TO THE **POINT OF BEGINNING** AND CONTAINING 11.455 ACRES OF LAND AS SURVEYED BY DANAB. SPIGENER, REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 4809 ON JANUARY 1, 2025. BEARINGS CITED WITHIN THIS DESCRIPTION ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, TEXAS CENTRAL ZONE ACQUIRED FROM GLOBAL POSITIONING SYSTEM OBSERVATIONS.

A.2.2 Called "Track Site"

11.361 ACRES
LOCATED IN THE JOHN MORROW SURVEY, ABSTRACT 607, THE BENJAMIN ROBERTS SURVEY,
ABSTRACT 760, AND THE THOMAS J. CHAMBERS SURVEY, ABSTRACT 7
IN THE CITY OF WACO, McLENNAN COUNTY, TEXAS

FIELD NOTES FOR A 11.361 ACRE TRACT LOCATED IN THE JOHN MORROW SURVEY, ABSTRACT 607, THE BENJAMIN ROBERTS SURVEY, ABSTRACT 760, AND THE THOMAS J. CHAMBERS SURVEY, ABSTRACT 7, IN THE CITY OF WACO, McLENNAN COUNTY, TEXAS, BEING ALL OF THE REMAINDER OF LOT 4, BLOCK B, AND ALL OF LOT 5, BLOCK B, JEFFERSON PARK ADDITION TO THE CITY OF WACO, McLENNAN COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN McLENNAN COUNTY CLERK'S DOCUMENT (M.C.C.D.) 2001011944 OF THE OFFICIAL PUBLIC RECORDS OF McLENNAN COUNTY, TEXAS (O.P.R.M.C.T.), AND ALL OF THE CALLED 10 FEET BY 350 FEET PORTION

OF THE ABANDONED (20' WIDE) ALLEY DESCRIBED IN A QUITCLAIM DEED FROM THE CITY OF WACO TO WACO INDEPENDENT SCHOOL DISTRICT, RECORDED IN VOLUME 1176, PAGE 122 OF THE DEED RECORDS OF McLENNAN COUNTY, TEXAS. SAID 11.361 ACRE TRACT BEING MORE PARTICULARLY SHOWN ON THE ATTACHED LAND TITLE SURVEY DRAWING AND FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD WITH A CAP STAMPED "W.W.R. INC." IN CONCRETE FOUND IN THE SOUTHWEST RIGHT-OF-WAY LINE OF UNIVERSITY PARKS DRIVE (VARIABLE WIDTH) AT ITS INTERSECTION WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF JEFFERSON AVENUE (65' WIDE) MARKING THE NORTH CORNER OF SAID LOT 4 AND OF THE HEREIN DESCRIBED TRACT;

THENCE S 54°38'27" E – 307.86' WITH SOUTHWEST RIGHT-OF-WAY LINE OF SAID UNIVERSITY PARKS DRIVE TO A 1/2" IRON ROD WITH A CAP STAMPED "WALKER PARTNERS" FOUND MARKING THE NORTH CORNER OF A CALLED 3.350 ACRE TRACT DESCRIBED IN A DEED TO THE CITY OF WACO, TEXAS, RECORDED IN M.C.C.D. 2013033564 OF THE O.P.R.M.C.T., SAME BEING THE MOST NORTHERLY EAST CORNER OF THE REMAINDER OF SAID LOT 4 AND OF THE HEREIN DESCRIBED TRACT;

THENCE S 42°34'06" W – 750.93' WITH THE NORTHWEST LINE OF SAID 3.350 ACRE TRACT TO A 1/2" IRON ROD WITH A CAP STAMPED "WALKER PARTNERS" SET FOR THE WEST CORNER OF THE 3.350 ACRE TRACT, SAME BEING AN INSIDE CORNER OF THE REMAINDER OF SAID LOT 4 AND OF THE HEREIN DESCRIBED TRACT;

THENCE S 47°27'32" E – 191.12' WITH THE COMMON LINE OF SAID LOT 4 AND SAID 3.350 ACRE TRACT TO A 1/2" IRON ROD FOUND MARKING THE SOUTH CORNER OF THE 3.350 ACRE TRACT, THE NORTH CORNER OF THE ABOVE MENTIONED LOT 5, AND THE WEST CORNER OF LOT 2, BLOCK B, AMENDED PLAT OF JEFFERSON PARK ADDITION TO THE CITY OF WACO ACCORDING TO THE PLAT THEREOF, RECORDED IN M.C.C.D. 2009029055 OF THE O.P.R.M.C.T., FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT;

THENCE S 47°26'34" E – 276.41' WITH THE COMMON LINE OF SAID LOT 5 AND SAID LOT 2 TO A LEAD PLUG AND TACK IN CONCRETE FOUND MARKING A WEST CORNER OF THE NORTH 3RD STREET RIGHT-OF-WAY (75' WIDE) AT AN OUTSIDE CORNER OF SAID LOT 2, SAME BEING THE NORTH CORNER OF THE ABOVE MENTIONED 10 FEET BY 350 FEET PORTION OF THE ABANDONED (20' WIDE) ALLEY;

THENCE S 47°26'34" E – 10.00' TO A 1/2" IRON ROD WITH A CAP STAMPED "GE WALKER" FOUND IN THE SOUTHWEST RIGHT-OF-WAY LINE OF SAID NORTH 3RD STREET MARKING THE EAST CORNER OF SAID 10 FEET BY 350 FEET TRACT AT THE CENTER OF SAID ABANDONED (20' WIDE) ALLEY, FOR THE MOST SOUTHERLY EAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 42°32'52" W – 350.04' WITH THE SOUTHEAST LINE OF SAID 10 FEET BY 350 FEET TRACT, ALONG THE CENTER OF SAID ABANDONED ALLEY TO A 1/2" IRON ROD WITH A CAP STAMPED "WALKER PARTNERS" SET IN THE NORTHEAST RIGHT-OF-WAY LINE OF NORTH 4TH STREET (75' WIDE) FOR THE SOUTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE WITH SAID RIGHT-OF-WAY LINE THE FOLLOWING THREE CALLS:

- 1) **N 47°11'20" W – 10.00'** TO A POINT FOR THE WEST CORNER OF SAID 10 FEET BY 350 FEET TRACT, SAME BEING THE SOUTH CORNER OF SAID LOT 5,
- 2) **N 47°11'20" W – 276.37'** TO A 1/2" IRON ROD FOUND MARKING THE WEST CORNER OF SAID LOT 5, SAME BEING THE SOUTH CORNER OF SAID LOT 4, FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT,
- 3) **N 47°11'08" W – 494.33'** TO A 1/2" IRON ROD WITH A CAP STAMPED "W.W.R. INC." IN CONCRETE FOUND IN THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID JEFFERSON AVENUE FOR THE WEST CORNER OF LOT 4 AND OF THE HEREIN DESCRIBED TRACT;

THENCE N 42°26'22" E – 1058.86' WITH SAID RIGHT-OF-WAY LINE OF JEFFERSON AVENUE RETURNING TO THE **POINT OF BEGINNING** AND CONTAINING 11.361 ACRES OF LAND AS SURVEYED BY DANA B. SPIGENER, REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 4809 ON JANUARY 1, 2025. BEARINGS CITED WITHIN THIS DESCRIPTION ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, TEXAS CENTRAL ZONE ACQUIRED FROM GLOBAL POSITIONING SYSTEM OBSERVATIONS.

A.3. Surveys

A.3.1 Called "Former School Site"

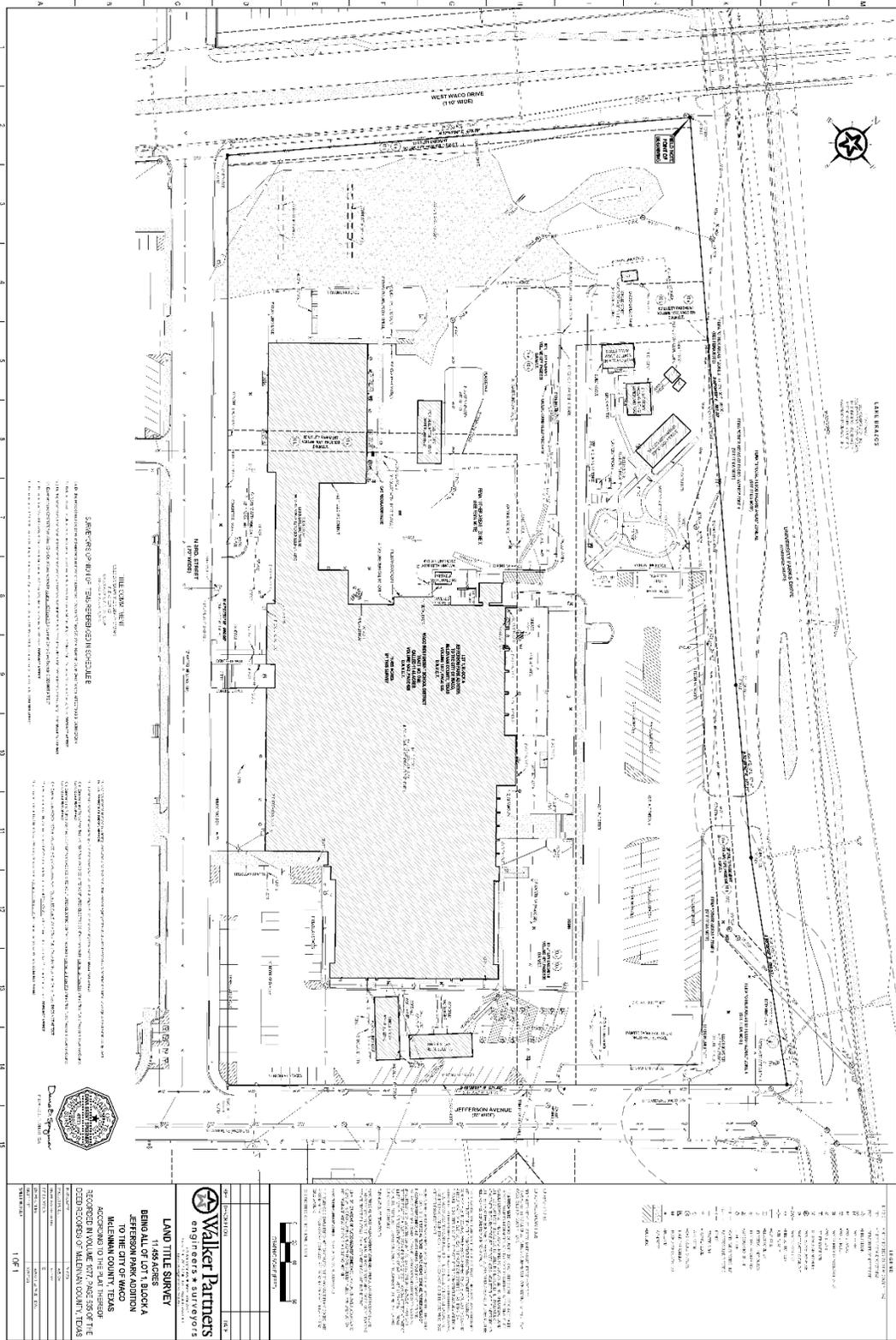


EXHIBIT B

CERTIFICATIONS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real properties interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon my disposition of a U.S. real properties interest I, Waco Independent School District (WISD) , hereby certify the following:

1. WISD is not a nonresident alien for purposes of U.S. income taxation;
2. WISD U.S. taxpayer identifying number is _____; and
3. WISD address is: _____

I understand that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement I have made herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete.

NAME

EXHIBIT C

General Warranty Deed

[follows this page]

General Warranty Deed

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

Date: _____, 2025

Grantor: Waco Independent School District

Grantor's Mailing Address: Post Office Box 27, Waco, McLennan County, Texas 76702-2570

Grantee: CITY OF WACO, TEXAS, a Texas municipal corporation

Grantee's Mailing Address: Post Office Box 2570, Waco, McLennan County, Texas 76702-2570

Consideration: Cash and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

Property (including any improvements):

TRACT 1:

That certain tract of land containing approximately 11.455 acres, being all of Lot 1, Block A, Jefferson Park Addition, Waco, McLennan County, Texas, 76701, also known as 500 N University Parks Drive, according to the plat thereof recorded in Volume 1077, Page 535 of the deed records of McLennan County, Texas; described at the McLennan County Appraisal District as Property I.D. No. 178495; and shown in the field notes and diagram of **Exhibit A**, which is attached hereto and incorporated herein.

TRACTS 2 AND 3:

That certain tract of land containing approximately 11.361 acres located in the John Morrow Survey, Abstract 607, the Benjamin Roberts Survey, Abstract 760, and the Thomas J. Chambers Suvery, Abstract 7, in the City of Waco, McLennan County, Texas, 76701, being all of the remainder of Lot 4, Block B, and all of Lot 5, Block B, Jefferson Park Addition to the City of Waco, McLennan County, Texas, also known known as 324 Jefferson Avenue and a portion of N. 4th Street, according to the plat thereof recorded in McLennan County Clerk's Document (M.C.C.D.) 2001011944 of the Official Public Records of McLennan County, Texas (O.P.R.M.C.T.), and all of the called 10 feet by 350 feet portion of the abandoned (20' wide) alley described in a quitclaim deed from the City of Waco to Waco Independent School District, recorded in Volume 1176, Page 122 of the Deed Records of McLennan County, Texas; described at the McLennan County Appraisal District as Property I.D. Nos. 315939 and 315940; and shown in the field notes and diagram of **Exhibit A**, which is attached hereto and incorporated herein.

Reservations from Conveyance: None.

Exceptions to Conveyance and Warranty: This deed is given subject to the following:

All restrictions, covenants, conditions, reservations, leases, easements, ad valorem or rollback taxes, and rights-of-way relating to the Property, only to the extent that the same are still in effect and shown of record in McLennan County, Texas, or can be determined from a careful examination of the Property on the ground, and all zoning laws, regulations, and ordinances of municipal and other governmental authorities, only to the extent that the same are still in effect and relate to the Property. Further, Grantor disclaims all warranties, covenants or representations of title, acreage, or fitness or of any other kind, express or implied, and no agreement is made to defend title, as to the oil, gas and other minerals conveyed herein, if any.

Grantor, for the consideration and subject to the reservations from conveyance and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the Property together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from conveyance and exceptions to conveyance and warranty.

When the context requires, singular nouns and pronouns include the plural.

WACO INDEPENDENT SCHOOL DISTRICT

By _____

Name: _____

Title: _____

THE STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on _____, 2025, by _____.

NOTARY PUBLIC, STATE OF TEXAS

After recording return to:
Kendra Anderson-Zadnik
City of Waco Property Manager
City of Waco
Post Office Box 2570
Waco, Texas 76702-2570

EXHIBIT D

Lease Agreement for Former School Site

[follows this page]

EXHIBIT E

Salvage Items (excluded from “Properties”)

Items excluded from Purchase and Sale of Properties, which will be retained by Seller on or before Termination Date of *Lease Agreement for the Former School Site*

1. Removal of Personal Property (*any time on or before Termination Date*). Items include:
 - a. Stored inventory/equipment
 - b. Furniture
 - c. Classroom/office fixtures and technology, including:
 - i. White Boards
 - ii. Audio Visual equipment - Projector, TV, Monitors, document cameras, screens, mounts, air tames, and any other accessible equipment.
 - iii. Classroom Technology - Computer hardware, docking station, keyboard and mice, and any other accessible equipment.
 - iv. Office Technology - Phones, Printers, Computer hardware, Docking Stations, cables and cords, clocks, time clocks, and any other accessible equipment.
 - v. Teacher Workroom Technology - Large format printers, STEM/STEAM products, Die cut machines, and any other accessible equipment.

2. Removal of Select Building Improvements (*any time on or before Termination Date*). Limited to the following items:
 - a. Bathroom Partitions
 - b. Bathroom Fixtures
 - c. Kitchen Improvements
 - d. Drinking Fountains,
 - e. Ceiling Tiles

3. Removal of Other Structures (*any time on or before Termination Date*). Limited to the following items:
 - a. Playground Equipment

4. Removal of Building Systems and Improvements (*10-days prior to Termination Date, only*). To be conducted in a manner that properly manages the security and safety of the building and site through Termination Date. Items include:
 - a. Building Systems equipment and fixtures (M/E/P + alarm/detection), including:
 - i. HVAC and rooftop units
 - ii. Fire alarm panel and points (smoke detector, strobes, etc.)

- iii. Network technology - Switches, routers, access points, security cameras, card access, burglar alarm panels and any other accessible equipment
 - iv. Emergency lighting (fixtures and ballast)
 - v. Electrical breakers
 - b. Building Improvements equipment and fixtures, including:
 - i. Interior and exterior doors
5. Following Lease Termination. Any contents or personal property remaining on site following the lease termination date will be disposed of at the sole discretion of the City.

**LEASE AGREEMENT BETWEEN CITY OF WACO, TEXAS AND WACO
INDEPENDENT SCHOOL DISTRICT FOR THE FORMER SCHOOL SITE**

THE STATE OF TEXAS §
 §
COUNTY OF MCLENNAN §

This Lease Agreement (“the Lease”) is made and entered into by and between the **CITY OF WACO, TEXAS**, a municipal corporation of McLennan County, Texas, hereinafter referred to as “City,” and **WACO INDEPENDENT SCHOOL DISTRICT**, a _____, hereinafter referred to as “Lessee,”

ARTICLE 1. LEASED PREMISES

1.01. City, in consideration of: (i) the Rent (as defined in Article 3.01 below), (ii) all other sums to be paid by Lessee under this Lease (“Additional Rental”); and (iii) the other covenants and agreements to be performed by Lessee, hereby demises and leases to Lessee and Lessee leases from City 500 N University Parks Drive (an approximately 11.455-acre parcel; also known as all of Lot 1, Block A, Jefferson Park Addition), Waco, TX 76701 (“Former School Site”) and non-exclusive use of the parking lot on said parcel. The premises are more particularly described in **Exhibit A**, attached hereto and incorporated herein, and are referred to in this Lease as “Former School Site,” “the Premises,” or/and “the Leased Premises.” Several educational buildings and related amenities such as playground equipment and sports court are situated on the property (“Facilities”). The Former School Site will still contain Salvage Items that are described in more detail at Article 8.

ARTICLE 2. TERM

2.01. The term of this Lease begins upon execution of this Lease Agreement (the date that the last party signs the Lease) (“Effective Date”) and expires on March 31, 2026 (“Termination Date”).

ARTICLE 3. RENT

3.01. Lessee shall pay to City without demand, deduction or set off, \$10.00 monthly (“Rent”). The entire Rent will be due at the time of execution of this Lease Agreement.

3.02. Payments are due at City’s then current physical location or at the Post Office Box designated by City in writing from time to time. Until further notice, payments are due at the address set out in this Lease document.

3.03. If any check that is tendered to City by Lessee for any charges due under this Lease is returned to City by Lessee's financial institution for any reason (including but not limited to absence of Lessee's signature, insufficient funds, stop payment, or closed account) then, in addition to any other liability of Lessee for the amount of the check, Lessee shall be liable to City for a service fee of \$50.00 for each returned check. City has no obligation to redeposit any check that is returned for any reason and Lessee shall immediately cure the non-payment that has resulted from the returned check. If City receives 2 or more returned checks during the term of this Lease, then City may require that all future payments from Lessee be made by cashier's check.

ARTICLE 4. USE OF PREMISES

4.01. The purpose for Lessee's use of Premises is for short-term storage space and salvage for Lessee, including its employees (Superintendent, principals, teachers, and other faculty), board members, students, parents of students and potential students, alumni, and other persons Lessee invites on to the Premises. Lessee shall not store any explosives, gasoline, kerosene, oil, acids, caustics, or any other inflammable, explosive, toxic or hazardous material on the Premises.

4.02. The privileges and rights granted under this Lease to use the driveway access and the parking lot shall be nonexclusive. Lessee will use the driveway access and parking lot in a reasonable, orderly, and sanitary manner in cooperation with the City and all other lessees and their officers, employees, agents and invitees.

4.03. Lessee will not use the Premises, or permit any portion of the Premises to be occupied or used for any business or purpose other than the permitted use or for any use or purpose which is unlawful in part or in whole or deemed to be disreputable in any manner or extra hazardous on account of fire, nor permit anything to be done which will in any way increase the rate of fire insurance on the building or contents.

Insurance Hazards

4.04. Lessee may not use, or permit using, the Premises in any manner that will cause a cancellation of, or an increase in, the existing rates for fire, liability, or other insurance policies covering the Premises or for insuring City for any liability in connection with owning the Premises. If Lessee's occupancy causes any increase in the rate of insurance covering the Premises, Lessee agrees to pay to City the amount of such increase on demand and such increase will be Additional Rental. Lessee shall pay any Additional Rental owed within 30 calendar days of being billed by City.

Waste, Nuisance, or Illegal Uses

4.05. Lessee may not use, or permit using, the Premises in any manner that results in waste of Premises or constitutes a nuisance or for any illegal purpose. Lessee, at its own expense, will comply, and will cause its employees, board members, students, parents, and

other invitees to comply, with all applicable laws, ordinances, and governmental rules and regulations concerning the use of the Premises. Nothing contained herein shall require Lessee to make structural repairs or alterations unless Lessee has by its manner of use of the Premises or method of operation therein, violated any such laws, ordinances, orders, rules, regulations or requirements with respect thereto. Removal of any Salvage Items from the Premises is subject to Federal, State and Local laws, rules, and regulations, *including any permit(s) required for the removal of such.*

Lessee shall have the right to keep the Leased Premises open at all times as it desires. Lessee shall be responsible for locking the Facilities as Lessee chooses. Lessee is responsible for anyone entering any of the Facilities during the term of this Lease agreement.

ARTICLE 5. UTILITIES

5.01. Lessee shall be responsible for utilities, if any, at the Premises, which shall be paid for by Lessee.

5.02. No interruption, moratorium, or malfunction of any utilities, or the failure of any machinery or equipment to operate for any reason, constitutes an eviction or disturbance of Lessee's use and possession of the Leased Premises, nor is it a breach by City of any of its obligations under this Lease, nor does it render City liable for damages or entitle Lessee to relief from any of its obligations under this Lease (including the obligation to pay Rent), nor does it grant Lessee any right of setoff or recoupment. City shall have the right to shut down all or any of the utilities supplied to the Leased Premises in the event of an emergency or if required by law, regardless of whether the need for the shutdown arises in respect of the Leased Premises. Whenever possible, City shall give Lessee prior notice of any shutdown of utilities. City shall have no liability to Lessee for any loss, damage, or expense that Lessee may sustain due to a utility shutdown.

ARTICLE 6. CONDITION OF PREMISES AND MAINTENANCE AND REPAIR

6.01. Lessee accepts the Leased Premises in its as-is condition. The City has no duty under this Lease to maintain the Leased Premises.

6.02. Subject to Lessee's rights regarding removal of the Salvage Items, Lessee shall be responsible for the maintenance and repair of the Leased Premises so that the Leased Premises is kept well maintained, in reasonably good order and condition, normal wear and tear excepted. Should the Lessee fail to maintain the Leased Premises, the City notifies Lessee of the maintenance issue, and the Lessee fails to make the necessary repairs within 30 days after the notice, Lessor will perform the maintenance and Lessee will be responsible for the cost of said maintenance.

6.04. At the end of the lease term, subject to Lessee's rights regarding removal of the Salvage Items, Lessee shall turn the Leased Premises back to the City in as good condition as it is at the beginning of the Lease term, reasonable wear and tear, fire, tornado or other damage, casualty, condemnation, maintenance and repair obligations of the City, and damage by parties other than Lessee, its agents, servants, employees, contractors, invitees and guests excepted.

6.05. If Lessee causes damage beyond routine maintenance or causes waste to the Premises, City may, but is not required to, cause repairs or corrections to be made. Any costs incurred for repairs or corrections for which Lessee is responsible under this paragraph will be Additional Rent and are payable by Lessee to City after 30 days from invoice date to the extent City undertakes such repairs or corrections.

ARTICLE 7. TAXES AND ASSESSMENTS

Lessee will pay all taxes levied or assessed against the leasehold estate and its personal property, furniture, or fixtures it places in or on the Leased Premises prior to such taxes becoming delinquent.

The Leased Premises is **not** in the City's Public Improvement District No. 1.

The Leased Premises is in the City's Tax Increment Financing Zone No. 1. Lessee will not be responsible for paying the TIF1 tax.

ARTICLE 8. ALTERATIONS, ADDITIONS, IMPROVEMENTS, AND FIXTURES

8.01. Subject to Lessee's rights regarding removal of the Salvage Items, Lessee shall not make any alteration, improvement, repair, replacement, or addition to the Leased Premises (collectively, "Alteration") without the prior written consent of City. If City grants prior written consent for an Alteration, the Alteration must be at Lessee's expense. If City grants its consent to an Alteration, City may condition its consent upon Lessee's contractors, laborers, and materialmen not interfering with any labor utilized by City and/or City's contractors. If using its own workers or contractors, Lessee must require said workers/contractors to have: (1) a Payment Bond (if the work exceeds \$50,000.00), (2) a Performance Bond (if the work exceeds \$100,000.00), **and** (3) insurance in types and amounts approved in advance in writing by the City. If Lessee's contractors, subcontractors, laborers, and materialmen cause labor disharmony or interference, City may withdraw its consent upon forty-eight (48) hours' written notice to Lessee. The Salvage Items listed in Exhibit B (which is attached hereto and incorporated herein) are approved Alterations.

8.02. Lessee may remove the Salvage Items listed in Exhibit B in accordance with the time frames listed in said exhibit. The categories of Salvage Items in Exhibit B are: *Personal Property, Select Building Improvements, Other Structures, and Building Systems and Improvements*. Salvage Items may only be removed by Lessee if the removal

will not cause: (a) a nuisance on the Leased Premises, and/or (b) further damage to the Leased Premises, including (but not limited to) water damage, electrical damage, fire damage and/or sewer damage. The City acknowledges that removal of *Building Systems and Improvements* Salvage Items will not cause a nuisance as long as these items are only removed within *ten days prior to* the Termination Date.

All other property at the Leased Premises and any Alteration to the Leased Premises is the property of City after the Termination Date and must remain upon and be surrendered with the Leased Premises after the Termination Date without any further payment or compensation to Lessee. City may, however, require Lessee to remove any Alterations made by Lessee prior to the Termination Date and to repair any damage caused by such removal.

ARTICLE 9. DAMAGE OR DESTRUCTION

9.01. If the Leased Premises or any part thereof shall be damaged by fire or other casualty, Lessee shall give prompt written notice thereof to City. In case the Leased Premises should be so damaged by fire or other casualty that substantial alteration or reconstruction of the Leased Premises shall, in City's reasonable determination, be required, City may at its option, terminate this Lease and the term and estate hereby granted by notifying Lessee in writing of such termination and setting a new termination date. City shall not be required to rebuild, repair, or replace any part of the Facilities nor Lessee's personal property, furniture, trade fixtures, equipment, or Salvage Items located in the Leased Premises and removable by the Lessee under the provisions of this Lease. City shall not be liable for any inconvenience or annoyance to Lessee or injury to the business of Lessee resulting in any way from such damage or the repair thereof. If the damages are caused by the negligence of Lessee, its agents, servants, employees, contractors, or invitees, Lessee will be liable for any damages in excess of the amount paid by insurance proceeds.

ARTICLE 10. INSPECTION BY CITY

10.01. City and its officers, agents, employees, contractors, potential contractors, and representatives may enter any part of the Leased Premises at all reasonable hours for purposes of inspection, cleaning, maintenance, repairs, alterations, potential future demolition, or additions as City considers necessary (but without any obligation to perform any of these functions except as stated in this Lease. Lessee is not entitled to any abatement or reduction of Rent by reason of the entry of City or any of its officers, agents, representatives, contractors or employees under this article, nor will such reasonable entries be considered an actual or constructive eviction.

ARTICLE 11. MECHANIC'S LIEN

11.01. Lessee will not permit any mechanic's lien or liens to be placed upon the Premises or upon improvements on them. If a mechanic's lien is filed on the Premises or

on improvements on them which is caused by Lessee's acts or use of the Premises, Lessee will promptly pay it. If default in payment of the lien continues for thirty (30) days after City's written notice to Lessee, City may, at its option, pay the lien or any portion of it without inquiring into its validity. Any amounts City pays to remove a mechanic's lien caused by Lessee to be filed against the Premises or against improvements on the Premises, including expenses and interest, are due from Lessee to City and must be repaid to City immediately on rendition of notice, together with interest at eighteen percent (18%) annually until repaid.

ARTICLE 12. COVERAGE AND IMMUNITY

12.1. Lessee shall obtain and maintain in full force and effect for the duration of the Lease, and any extension hereof, at Lessee's sole expense, coverage as shown on Exhibit C and shall maintain Worker's Compensation as required by statute. Lessee shall provide a certificate of coverage evidencing said coverage.

12.2. Real and Personal Property Insurance. Lessee agrees to and shall carry Real and Personal Property insurance coverage on the Leased Premises and all improvements located thereon for the replacement cost value or actual cash value, and shall provide City with evidence of coverage reflecting such coverage, including the City as a loss payee. Lessee shall provide City with evidence of coverage reflecting the required coverage within ten (10) days of the date of this Lease and thereafter new certificates prior to the expiration date of each successive policy. The City shall not be responsible for any deductibles, and the coverage must include a waiver of subrogation.

12.3. GOVERNMENTAL FUNCTION AND IMMUNITY

- A) Governmental Function.** The parties expressly agree that, in all things relating to this Agreement, the parties enter into this Agreement for the purpose of performing governmental functions as defined by the Texas Tort Claims Act. The parties further expressly agree that every act or omission of each party, which in any way pertains to or arises out of this Agreement, falls within the definition of governmental function. No provision of this Agreement that imposes an obligation or restriction on either party not permitted by applicable law shall be enforceable.
- B) Sovereign Immunity.** The parties reserve, and do not waive, their respective rights of sovereign immunity and similar rights and do not waive their rights under the Texas Tort Claims Act. Neither party waives, nor shall be deemed hereby to

waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its powers or functions or pursuant to the Texas Tort Claims Act or other applicable statutes, laws, rules, or regulations.

12.4. RISK ALLOCATION – LIMITATION OF LIABILITY

- A) Liability. This Agreement is not intended to alter or reallocate any defense or immunity authorized or available to either party by law. Each party shall be solely responsible for fiscal penalties, fines or any other sanctions occasioned as a result of a finding that violations of any applicable local, state, or federal regulations, codes or laws occurred as a result of that party's actions.
- B) Intentional Risk Allocation. Each party acknowledges that the provisions of this Agreement were negotiated to reflect an informed, voluntary allocation between them of all risks (both known and unknown) associated with the transactions associated with this Agreement. The disclaimers and limitations in this Agreement are intended to limit the circumstances of liability. The remedy limitations, and the limitations of liability, are separately intended to limit the forms of relief available to the parties.
- C) No Indemnification. The Parties expressly agree that, except as provided herein, neither Party shall have the right to seek indemnification or contribution from the other Party for any losses, costs, expenses, or damages directly or indirectly arising, in whole or part, from this Agreement.

ARTICLE 13. ASSIGNMENT AND SUBLETTING

13.01. Lessee shall not assign this Lease or sublease all or any part of the Leased Premises or mortgage, pledge, or hypothecate its leasehold interest, or grant any concession or license within the Leased Premises without the prior express written permission of City (which permission may be withheld by City for any reason in its sole discretion). Any attempt to do any of the foregoing without the prior express written permission of City is an Event of Default and is void and of no effect. This prohibition against assigning or subletting includes a prohibition against any assignment or subletting by operation of law.

ARTICLE 14. DEFAULT AND REMEDIES

14.01. Events of Default. The following events shall be deemed to be events of default under this Lease:

(a) Lessee or City, within either party's power, fails to comply with any term, provision or covenant of this Lease, other than the payments described in subsection (a) above, and do not cure such failure within ten (10) calendar days after written notice of the noncompliance is sent to the defaulting party, if no other cure period is provided in the Lease. No such failure, however, will be deemed to exist if the party has commenced to

cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of the party. Cure notices sent under this paragraph 14.01(b) are effective on the sooner of the following: (i) the date a notice sent by certified or registered mail is signed for or refused by the addressee or delivery of such notice is not possible because the addressee has moved, (ii) the date that a notice is actually delivered to Lessee at the Premises or posted on the main entry to the Premises or sent to City at the contact address provided in the Lease.

(b) Lessee or City suffers material financial deterioration as evidenced by any of the following:

1. An assignment for the benefit of creditors.
2. Filing a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state.
3. A judgement, bankruptcy or insolvency in legal proceeding filed against Lessee and such adjudication is not vacated or set aside within thirty (30) days.
4. The appointment of a receiver or Trustee for all or substantially all of the assets of the party and such receivership is not terminated within thirty (30) days.

(c) Lessee repudiates its obligations under this Lease or deserts, vacates or abandons any substantial portion of the Premises.

14.02. Remedies. Upon the occurrence of any event of default by Lessee specified in Article 14.01, City shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this Lease in which event Lessee shall immediately surrender the Leased Premises (including Salvage Items not yet removed) to City, and if Lessee fails to do so, City may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession and expel or remove Lessee and any other person who may be occupying all or part of the Premises, by force if necessary, without being liable for prosecution or any claim of damages. Lessee agrees to pay to City on demand the amount of all loss and damage which City may suffer by reason of such termination, whether through inability to rent the Premises on satisfactory terms or otherwise, including the loss of rental for the remainder of the Lease term.

(b) Enter upon the Premises by force if necessary, without being liable for prosecution or any claim for damages, and do whatever Lessee is obligated to do under the terms of this Lease; and Lessee agrees to reimburse City on demand for any expenses which City may incur in thus effecting compliance with Lessee's obligations under this Lease, and Lessee further agrees that City shall not be liable for any damages resulting to the Lessee from such action.

(c) No re-entry or taking possession of the Premises by City shall be construed as an election on its part to terminate this Lease, unless an express written notice of such intention is given to Lessee.

(d) Upon the occurrence of any event of default by City specified in Article 14.01, and if City fails to cure, or commence to cure, any default by City within the applicable cure period specified in Article 14.01, then Lessee shall have the option to terminate the Lease and vacate the premises and in such case, not be liable for any future Rent obligations from the termination date,

(e) Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies listed in this Lease or any other remedies provided by law. Pursuit of any remedy under this Lease shall not constitute a forfeiture or waiver of any rent due to City or of any damages accruing to City by reason of the violation of any portion of this Lease. City's acceptance of any payment following an event of default shall not be construed as City's waiver of such event of default and shall not constitute a reinstatement of this Lease or of the right to possession unless City specifically states in writing the election to do so. No waiver by City of any violation or breach of this Lease shall constitute a waiver of any other violation or breach of this Lease. Forbearance by City to enforce one or more of its rights under this Lease shall not be deemed or construed to constitute a waiver of any other violation, default or breach of this Lease. If City at any time terminates this Lease or the right to possession for any default, in addition to any other remedy City may have, City may recover from Lessee all damages City may incur by reason of such default including the cost of recovering the Premises and the loss of rental for the remainder of the Lease term. If City is able to lease the space to a new Lessee, then City may recover any damages including leasing costs and any difference between the new Lessee's rental rate and Lessee's contractual rental rate through the remainder of the Lease term. In no event shall City collect damages from Lessee, that when combined with the income from the new Lessee, would exceed Lessee's scheduled rent through the remainder of the Lease term.

ARTICLE 15. LANDLORD'S LIEN

15.01. To secure the performance of all of Lessee's other covenants in this Lease, Lessee grants to City an express contract lien on and security interest in and upon all proceeds of any insurance which may accrue to Lessee upon the damage or destruction of any such property. Lessee waives all exemption laws.

ARTICLE 16. RIGHTS UPON TERMINATION

16.01. On or before the Termination Date, Lessee shall remove all personal property, including those items listed in Exhibit B from the Leased Premises on or before the Termination Date and, subject to Lessee's rights regarding removal of the Salvage Items, return the premises and improvements thereon to City in a good state of repair. If Lessee fails to so remove said property, said property may thereafter be removed by City at Lessee's expense.

16.02. Upon termination of this Lease, title to all permanent improvements and Salvage Items that remain on the Premises shall vest in City, free and clear of all debts , liens and encumbrances.

ARTICLE 17. HOLDING OVER

17.01. After the Termination Date, if Lessee, or any of its successors in interest, continues to occupy any portion of the Premises then a tenancy from month to month will be created (meaning, in part, that either party may terminate the tenancy with 30 days' notice). Monthly rent during the holdover period will be \$500.00 per month plus any Additional Rental. Nothing in this article or otherwise constitutes an agreement by City to permit any holding over after the end of the term. Holdover rental payments shall be due and payable on or before the first day of each month.

ARTICLE 18. MISCELLANEOUS

18.01. Notices and Addresses. All notices required under this Lease must be given by certified or registered mail, addressed to the proper party, at the following addresses:

To City:

City Manager
City of Waco
P. O. Box 2570
Waco, Texas 76702-2570

With a copy to:

Property Manager
City of Waco
P. O. Box 2570
Waco, Texas 76702-2570

To Lessee:

Superintendent
Waco ISD
P.O. Box 27
Waco, Texas 76703

With a copy to:

Elizabeth Cox
Chief of Staff
ElizabethCox@wacoisd.org

Either party may change the address to which notices are to be sent by sending written notice of the new address to the other party in accordance with the terms of this section.

18.02. Parties Bound. This agreement binds and inures to the benefit of the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when this agreement permits.

18.03. Venue and Texas Law to Apply. This agreement is to be construed under Texas law, and all obligations of the parties created by this agreement are performable in McLennan County, Texas. Venue for any dispute pursuant to this Lease is a court of competent jurisdiction in McLennan County, Texas.

18.04. Legal Construction. If any one or more of the provisions in this Lease are for any reason held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not affect any other provision of the Lease, which will be construed as if it had not included the invalid, illegal, or unenforceable provision.

18.05. Prior Agreements Superseded. This agreement constitutes the parties' sole agreement and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter .

18.06. Amendment. No amendment, modification, or alteration of the terms of this Lease is binding unless in writing, dated subsequent to the date of this Lease, and duly executed by the parties.

18.07. Rights and Remedies Cumulative. The rights and remedies provided by this Lease are cumulative, and either party's using any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

18.08. Attorney's Fees and Costs. If, as a result of either party's breaching this Lease, the other party employs an attorney or attorneys to enforce its rights under this Lease, the breaching or defaulting party will pay the other party the reasonable attorney 's fees and costs incurred to enforce the Lease.

18.09. Force Majeure. Neither City nor Lessee is required to perform any term or covenant of this Lease so long as performance is delayed or prevented by FORCE MAJEURE, which includes acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within City's or Lessee's control and that City or Lessee cannot, by exercising due diligence, prevent or overcome in whole or part.

18.10. Time of Essence. Time is of the essence of this agreement .

CITY OF WACO, TEXAS

By: _____
Bradley Ford, City Manager

Date: _____

ATTEST:

By: _____
Michelle Hicks, City Secretary

APPROVED AS TO FORM & LEGALITY:

By: _____
Kathleen Perdon, Deputy City Attorney

WACO INDEPENDENT SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

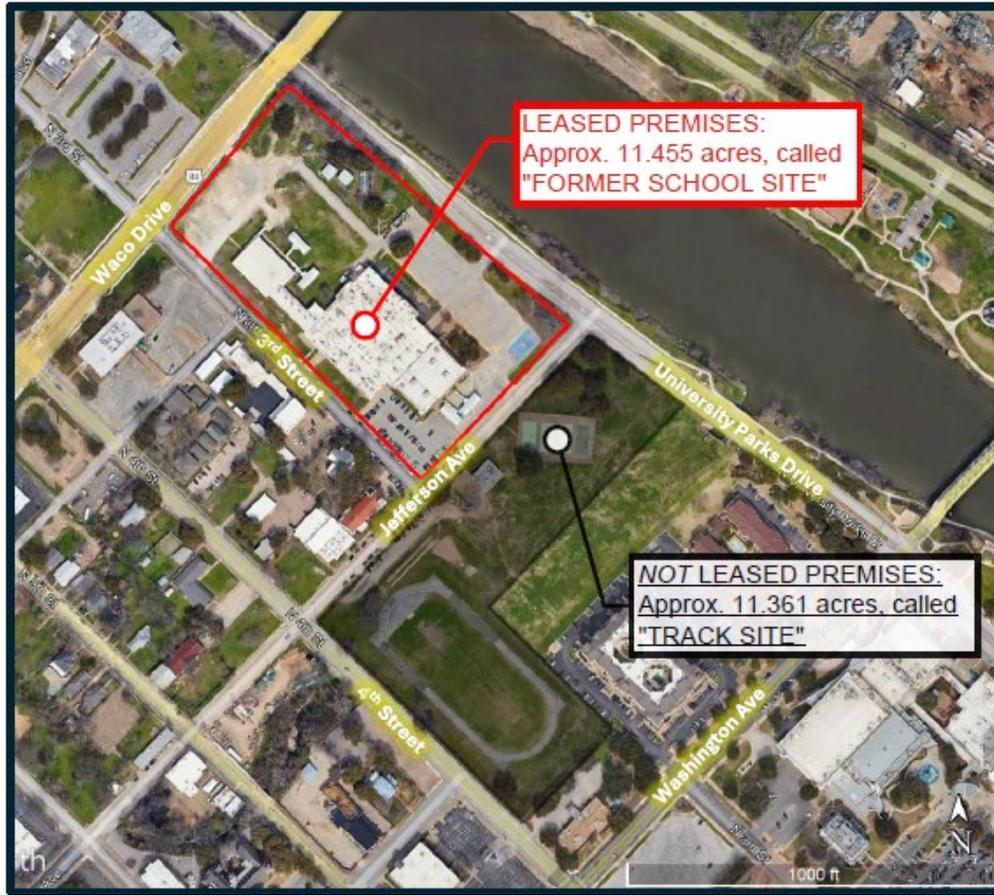
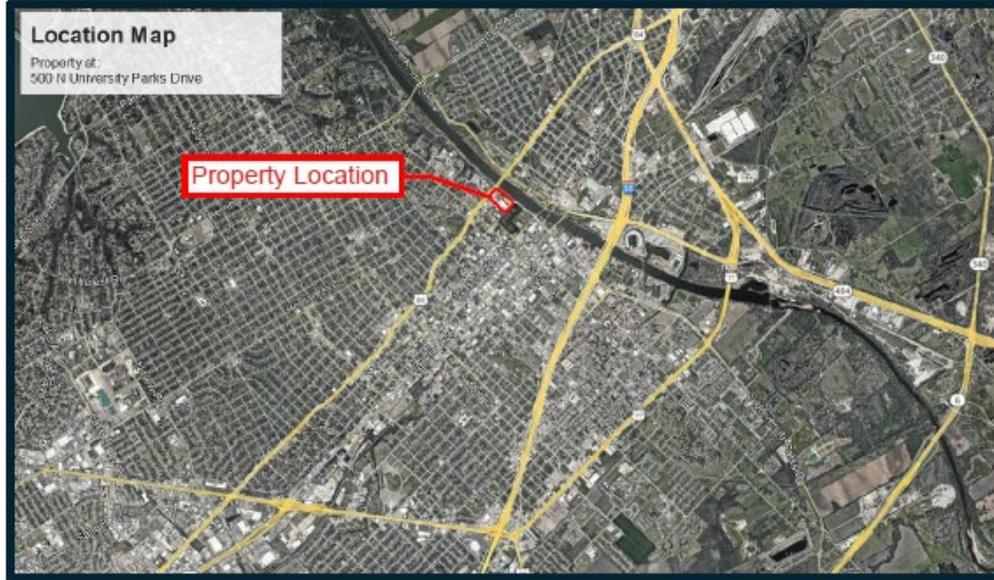
Date: _____

ATTEST:

EXHIBIT A

Leased Premises

A.1. Location Map



A.2. Field Notes

A.2.1 Called "Former School Site"

11.455 ACRES
BEING ALL OF LOT 1, BLOCK A, JEFFERSON PARK ADDITION
TO THE CITY OF WACO, McLENNAN COUNTY, TEXAS

FIELD NOTES FOR A 11.455 ACRE TRACT, BEING ALL OF LOT 1, BLOCK A, JEFFERSON PARK ADDITION TO THE CITY OF WACO, McLENNAN COUNTY, TEXAS ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1077, PAGE 535 OF THE DEED RECORDS OF McLENNAN COUNTY, TEXAS. SAID 11.455 ACRE TRACT BEING MORE PARTICULARLY SHOWN ON THE ATTACHED LAND TITLE SURVEY DRAWING AND FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND IN THE SOUTHWEST RIGHT-OF-WAY LINE OF UNIVERSITY PARKS DRIVE (VARIABLE WIDTH) AT ITS INTERSECTION WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF WEST WACO DRIVE (110' WIDE) MARKING THE NORTH CORNER OF SAID LOT 1 AND OF THE HEREIN DESCRIBED TRACT;

THENCE WITH THE SOUTHWEST RIGHT-OF-WAY LINE OF SAID UNIVERSITY PARKS DRIVE THE FOLLOWING THREE CALLS:

- 1) **S 52°04'52" E – 581.20'** TO A 1/2" IRON ROD FOUND FOR AN ANGLE POINT,
- 2) **S 52°28'42" E – 177.11'** TO A 1/2" IRON ROD FOUND FOR AN ANGLE POINT,
- 3) **S 56°29'22" E – 234.33'** TO A 1/2" IRON ROD FOUND IN THE NORTHWEST RIGHT-OF-WAY LINE OF JEFFERSON AVENUE (65' WIDE) FOR THE EAST CORNER OF LOT 1 AND OF THE HERIN DESCRIBED TRACT;

THENCE **S 42°29'01" W – 571.23'** WITH THE NORTHWEST RIGHT-OF-WAY LINE OF SAID JEFFERSON AVENUE TO A MAG NAIL IN ASPHALT FOUND IN THE NORTHEAST RIGHT-OF-WAY LINE OF N 3RD STREET (70' WIDE) FOR THE SOUTH CORNER OF LOT 1 AND OF THE HEREIN DESCRIBED TRACT;

THENCE **N 47°27'50" W – 949.00'** WITH THE NORTHEAST RIGHT-OF-WAY LINE OF SAID N 3RD STREET TO A 1/2" IRON ROD FOUND IN THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID WEST WACO DRIVE FOR THE WEST CORNER OF LOT 1 AND OF THE HEREIN DESCRIBED TRACT;

THENCE **N 37°51'04" E – 473.78'** WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF SAID WEST WACO DRIVE RETURNING TO THE **POINT OF BEGINNING** AND CONTAINING 11.455 ACRES OF LAND AS SURVEYED BY DANA B. SPIGENER, REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 4809 ON JANUARY 1, 2025. BEARINGS CITED WITHIN THIS DESCRIPTION ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, TEXAS CENTRAL ZONE ACQUIRED FROM GLOBAL POSITIONING SYSTEM OBSERVATIONS.

A.3. Surveys

A.3.1 Called "Former School Site"

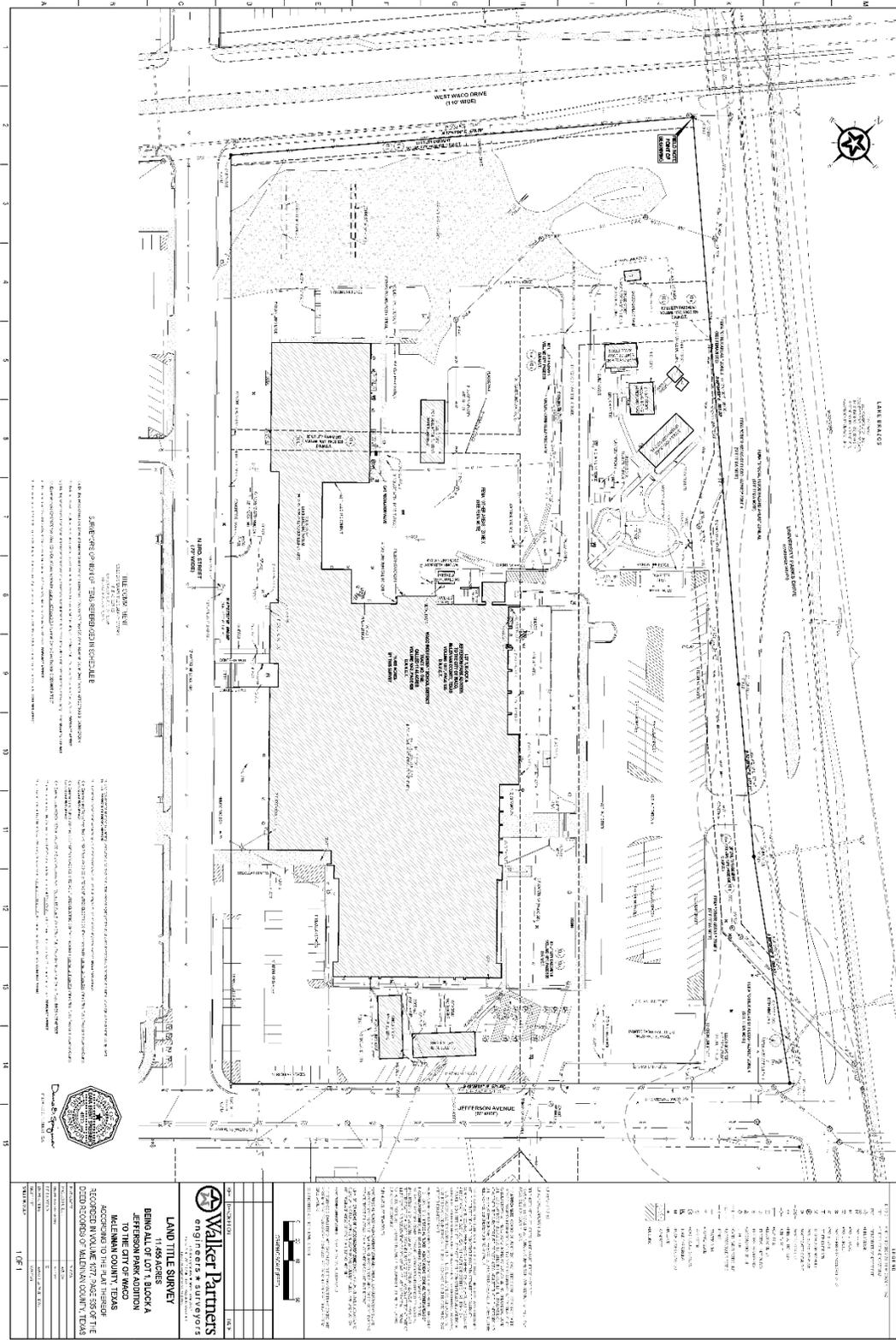


EXHIBIT B

Salvage Items (excluded from “Properties”)

Items excluded from Purchase and Sale of Properties, which will be retained by Seller on or before Termination Date of *Lease Agreement for the Former School Site*

1. Removal of Personal Property (*any time on or before Termination Date*). Items include:
 - a. Stored inventory/equipment
 - b. Furniture
 - c. Classroom/office fixtures and technology, including:
 - i. White Boards
 - ii. Audio Visual equipment - Projector, TV, Monitors, document cameras, screens, mounts, air tames, and any other accessible equipment.
 - iii. Classroom Technology - Computer hardware, docking station, keyboard and mice, and any other accessible equipment.
 - iv. Office Technology - Phones, Printers, Computer hardware, Docking Stations, cables and cords, clocks, time clocks, and any other accessible equipment.
 - v. Teacher Workroom Technology - Large format printers, STEM/STEAM products, Die cut machines, and any other accessible equipment.

2. Removal of Select Building Improvements (*any time on or before Termination Date*). Limited to the following items:
 - a. Bathroom Partitions
 - b. Bathroom Fixtures
 - c. Kitchen Improvements
 - d. Drinking Fountains,
 - e. Ceiling Tiles

3. Removal of Other Structures (*any time on or before Termination Date*). Limited to the following items:
 - a. Playground Equipment

4. Removal of Building Systems and Improvements (*10-days prior to Termination Date, only*). To be conducted in a manner that properly manages the security and safety of the building and site through Termination Date. Items include:
 - a. Building Systems equipment and fixtures (M/E/P + alarm/detection), including:
 - i. HVAC and rooftop units
 - ii. Fire alarm panel and points (smoke detector, strobes, etc.)

- iii. Network technology - Switches, routers, access points, security cameras, card access, burglar alarm panels and any other accessible equipment
 - iv. Emergency lighting (fixtures and ballast)
 - v. Electrical breakers
 - b. Building Improvements equipment and fixtures, including:
 - i. Interior and exterior doors
5. Following Lease Termination. Any contents or personal property remaining on site following the lease termination date will be disposed of at the sole discretion of the City.

EXHIBIT C

TASB School Liability Coverage

[follows this page]

SCHOOL LIABILITY COVERAGE AGREEMENT
Table of Contents

1. Recitals and Acknowledgements..... 1

2. General Coverage Grant Terms 1

 2.1 Effect of the Agreements..... 1

 2.2 Duty to defend..... 1

 2.3 Claim administration 1

3. Defined Terms..... 1

 3.1 Covered Person 1

 3.2 Damages 2

 3.3 Claim Expense..... 2

 3.4 Automobile 2

 3.5 Participation Period 2

 3.6 Claim 2

 3.7 Wrongful Act..... 2

 3.8 Occurrence 3

 3.9 Bodily Injury..... 3

 3.10 Property Damage..... 3

 3.11 Personal Injury..... 3

 3.12 Mold 3

 3.13 Volunteer..... 3

4. Professional Legal Liability Coverage..... 3

 4.1 Grant of coverage for reported Claims..... 3

 4.2 Grant of coverage for reported incidents..... 4

 4.3 Optional extended reporting period 4

 4.4 Criminal allegations—no duty to defend..... 4

 4.5 Consent to settle 4

 4.6 Fund-requested contribution 4

5. PLL Exclusions 5

 5.1 Other coverage 5

 5.2 Profit or advantage..... 5

 5.3 Salaries or benefits 5

 5.4 Compensation awards 5

 5.5 Student discipline 5

 5.6 IDEA matters..... 5

 5.7 Shared services arrangements 5

 5.8 Joint Ventures..... 5

 5.9 Fund Member versus Covered Person 6

6. General Liability Grant of Coverage..... 6

7. GL Exclusions..... 6

 7.1 Automobile or aircraft 6

 7.2 Watercraft 6

 7.3 Property custody 6

 7.4 Occupied premises 6

7.5	Service agreements	6
7.6	Member products	6
7.7	Libel or slander	7
7.8	Student discipline	7
7.9	Advertising	7
7.10	Civil rights	7
7.11	Mold	7
8.	Employee Benefits Liability Grant of Coverage.....	7
9.	EBL Defined Terms	7
10.	EBL Exclusions	7
10.1	Non-performance by others	7
10.2	Insolvency	8
10.3	Investment or advice	8
10.4	Compliance failure	8
10.5	Civil rights violation	8
11.	Hired and Non-Owned Vehicles Liability Grant of Coverage.....	8
12.	HNVL Non-CCS Limits	8
13.	HNVL Defined Terms	8
14.	HNVL Exclusions	8
14.1	Self-propelled equipment or aircraft	8
14.2	Safety law violation	8
14.3	General law violation	8
14.4	Unauthorized use	9
14.5	Extended use	9
14.6	Other auto coverage.....	9
15.	General Provisions	9
16.	Related Acts	9
16.1	PLL related acts	9
16.2	GL, EBL, and HNVL related acts	9
17.	Limits of Liability	9
17.1	Limits	9
17.2	Multiple Fund Members	10
17.3	Sublimits	10
17.4	No accumulation of limits	10
17.5	Maximum annual aggregate limit.....	10
18.	Deductibles	10
18.1	Single deductible	10
18.2	Proportionate deductible	10
19.	General Exclusions	10
19.1	Intentional acts	10

19.2	Violation of law.....	10
19.3	Criminal charges.....	10
19.4	Government action, nuclear event, or hostile act.....	11
19.5	Terrorism.....	11
19.6	Alcoholic beverages.....	11
19.7	Pollutants.....	11
19.8	Pollutant removal.....	12
19.9	Benefits laws.....	12
19.10	Employee injury.....	12
19.11	Real property rights.....	12
19.12	Failure to maintain insurance.....	12
19.13	Breach of contract.....	12
19.14	Students.....	12
19.15	ERISA.....	12
19.16	Financing or investments.....	12
19.17	Taxes.....	12
19.18	Communicable disease.....	13
19.19	Cyber event.....	13
20.	Other Insurance or Coverage.....	13
20.1	Multiple lines.....	13
20.2	Excess coverage.....	13
21.	Duties of a Covered Person.....	13
21.1	Notice.....	13
21.2	Copies.....	13
21.3	Cooperation.....	13
21.4	Waiver.....	13
22.	Conditions of Coverage.....	14
22.1	Compliance.....	14
22.2	Condition precedent for reporting.....	14
22.3	Agent.....	14
22.4	Consent of the Fund.....	14
23.	Miscellaneous Terms.....	14
23.1	Assignments.....	14
23.2	Insolvency.....	14
23.3	Action against the Fund.....	14
23.4	“Including”.....	14
23.5	Singular usage.....	14
23.6	“Coverage Agreement”.....	14
23.7	Fund designee.....	14
23.8	Severability.....	14
23.9	Headings.....	14

Endorsement

Chapter 118 Endorsement

SCHOOL LIABILITY COVERAGE AGREEMENT

PART A GENERAL PROVISIONS

- 1. Recitals and Acknowledgments.** The TASB Risk Management Fund (the “Fund”) provides coverage for school liability risk to educational entities in Texas. This coverage is only available to Fund Members that have executed both the TASB Risk Management Fund Interlocal Participation Agreement (the “IPA,” which is the enabling agreement that allows a Fund Member to participate in the Fund’s school liability risk program) and a separate Contribution and Coverage Summary (the “CCS”) for a specified **Participation Period**. This School Liability Coverage Agreement (the “SLCA”) document is referred to in the IPA as a “coverage document” and a “Coverage Agreement.” The IPA, the CCS, this SLCA, the endorsements to this SLCA (if any), the Fund Member’s coverage questionnaire, and the documents incorporated by reference into any of the previous documents comprise the complete understanding and contract agreement between the Fund and the Fund Member regarding the Fund Member’s school liability risk coverage for the **Participation Period** specified in the Fund Member’s CCS. The above documents, collectively referred to in this SLCA as “the Coverage Agreement,” are incorporated by reference into this SLCA and should be construed together as a single contract by any interpreting court. This coverage relies on information and assurances provided by the Fund Member. Coverage is contingent upon the Fund Member’s full compliance with the Coverage Agreement as a condition precedent to coverage.

The Coverage Agreement is a risk sharing and risk participation agreement and is not a contract of insurance. The Fund is not an insurance company, nor is any member an insured. The Fund is a self-insured risk pool through which its members agree to share in the pool’s risk through the member’s financial contributions and actively participate in the risk through their contractual obligations and commitment to efficient individual operations, all to lessen risk and cost for all members. The Fund Member and the Fund agree that, as sophisticated entities, any interpretation of the Coverage Agreement’s coverage provisions will reflect the risk-sharing nature of the Fund’s purpose and the Fund Member’s risk participation obligations contained in the Coverage Agreement. All disputes will be decided in favor of the Fund Member sharing and participating in the risk with the Fund rather than transferring risk to the Fund. This § 1 is incorporated into the terms of the Coverage Agreement.

- 2. General Coverage Grant Terms.** The Coverage Agreement incorporates Professional Legal Liability Coverage (PLL), General Liability Coverage (GL), Employee Benefits Liability Coverage (EBL), and Hired and Non-Owned Vehicles Liability Coverage (HNVL). Each coverage has a specified grant of coverage, and the following additional provisions apply to all:

- 2.1 Effect of the Coverage Agreement.** The provisions of the Coverage Agreement may further limit or exclude coverage.

- 2.2 Duty to defend.** The Fund has the right and duty to defend any **Claim**, suit, other types of claim, or loss seeking **Damages** against a **Covered Person** even if any of the allegations are groundless, false, or fraudulent. In no event will the Fund be obligated to pay **Damages** or continue to defend any matter after the applicable limits of liability have been exhausted. The Fund will have no duty to defend the **Covered Person** against a **Claim**, suit, other types of claim, or loss to which the Coverage Agreement does not apply.

- 2.3 Claim administration.** The Fund has sole authority in all claim decisions, including the extent to which any coverage or limit applies. The **Covered Person** retains all rights afforded by law.

- 3. Defined Terms.** The following bolded and first-letter capitalized terms are defined and applicable throughout the Coverage Agreement unless otherwise limited or excluded:

- 3.1 Covered Person** means the Fund Member, and any past, present, or future:

- (A) trustee or school board member, student-teacher, **Volunteer**, or employee (including a student-employee, an employee-participant in the guardian or School Marshal programs, or a law enforcement employee) acting within the course and scope of their Fund Member duties or employment; or
- (B) student of the Fund Member, under General Liability Coverage only:
 - (1) while the student is operating Fund Member-owned or -leased self-propelled motor-driven equipment (such as a lawnmower or forklift) or specialized motor vehicle (such as an all-terrain vehicle, golf cart, or tractor) that is not registered for use on a public road and at the direction of a Fund Member employee acting within the course and scope of their employment; or
 - (2) if a K-12 student, while participating in a career or technology program approved by the Fund Member but only up to a \$50,000 sublimit.

3.2 Damages mean any amount, within the coverage limits, that a **Covered Person** is legally obligated to pay unless otherwise excluded in the Coverage Agreement. **Damages** include settlements, judgments, related court costs, and interest on any judgment. **Damages** do not include:

- (A) punitive or exemplary damages or cost or interest attributed to them, or consequential damages for loss of profits or income or otherwise, or multiple or additional damages intended as a penalty; or
- (B) criminal or civil fines, forfeitures, monetary sanctions, taxes, or penalties, assessed as court costs or otherwise, imposed against any **Covered Person**.

3.3 Claim Expense means reasonable and necessary fees charged by an attorney selected by the Fund and all other reasonable expenses approved by the Fund arising from the investigation or defense of any claim. **Claim Expense** will be in addition to the limits of liability shown on the CCS or in the Coverage Agreement. **Claim Expense** includes payment for premiums on appeal bonds required in any suit and premiums on bonds to release attachments. The Fund has no obligation to apply for or furnish these bonds. Any bond payment may not exceed the applicable limit of liability in the CCS. **Claim Expense** excludes salaries, loss of income, earnings, or benefits, or other consequential losses of any **Covered Person**.

3.4 Automobile means self-propelled motor-driven equipment (including a lawnmower or forklift) that is state-registered or -permitted for use on a public road, or any automobile, motor vehicle, trailer, or semi-trailer, whether state-registered or -permitted or not. An **Automobile** does not include either of the following that is not state-registered or -permitted for use on a public road: a special purpose motor vehicle (such as an all-terrain vehicle, golf cart, or tractor) or self-propelled motor-driven equipment.

3.5 Participation Period means the effective dates of coverage under the Coverage Agreement as stated in the CCS.

3.6 Claim means any written demand for monetary or non-pecuniary relief alleging a **Wrongful Act** presented to and naming a **Covered Person** from which litigation is reasonably anticipated or that results in litigation. A **Claim** does not include demands presented that require an administrative proceeding or an alternative dispute resolution before any federal, state, or local administrative agency, commission, or board, or any related damages, costs, or expenses. Additionally, a **Claim** does not include any litigation first filed by the Fund Member (including resulting counter- or crossclaims, but excepting IDEA appeals under the exception indicated in § 5.6.) or a **Claim** resulting from an action by the Fund Member against an otherwise **Covered Person** (see § 5.9). When the Coverage Agreement utilizes the term "**Claim**," it will be given its defined meaning, while the use of "claim" will be given its ordinary meaning.

3.7 Wrongful Act means any actual or alleged act, error, or omission by a **Covered Person**.

3.8 Occurrence means:

- (A) for General Liability Coverage, any negligent act, incident or event, including any continuous or repeated act, omission, or exposure to substantially the same harmful conditions, that results in **Bodily Injury, Property Damage, or Personal Injury** that is not expected or intended by the **Covered Person**;
- (B) for Employee Benefits Liability Coverage, any negligent act or omission; or
- (C) for Hired and Non-Owned Vehicles Liability Coverage, any **Automobile** accident that results in **Bodily Injury or Property Damage** that is not expected or intended by the **Covered Person**.

3.9 Bodily Injury means bodily injury, sickness, disease, other physical injuries, including related mental anguish, or death sustained by any person. **Bodily Injury** includes an injury arising from the rendering or failure to render treatment by a **Covered Person** but is limited to medical, surgical, dental, or nursing treatment.

3.10 Property Damage means physical harm to or the making inaccessible of the tangible property of others, including its loss of use, whether it has been physically harmed.

3.11 Personal Injury means injury, other than **Bodily Injury**, including humiliation or mental anguish, that results directly from the following:

- (A) an oral or written publication of material that slanders or libels a person or organization, that disparages a person's or organization's goods, products, or services, or violates a person's right of privacy;
- (B) infringement of intellectual property;
- (C) a wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a dwelling or premises;
- (D) false arrest, detention, or imprisonment; or
- (E) malicious prosecution.

3.12 Mold means any type or form of fungus, including mold or mildew, or any mycotoxins, spores, scents, or by-products produced or released by fungi.

3.13 Volunteer means a person, other than a Fund Member student or employee, who gratuitously and freely provides Fund Member-authorized services for or on behalf of a Fund Member and who does not legally benefit, including receiving compensation other than reimbursement for reasonable expenses.

PART B

PROFESSIONAL LEGAL LIABILITY COVERAGE (PLL)—CLAIMS-MADE AND REPORTED

4. Professional Legal Liability Coverage. The following provisions apply to the Professional Legal Liability Coverage:

4.1 Grant of coverage for reported Claims. The Fund will pay **Damages** arising out of a **Wrongful Act** provided a **Claim** is first made against the **Covered Person** during the **Participation Period** and reported by them to the Fund during, or within 30 days of the last day of, the **Participation Period**, or, if purchased, reported during an extended reporting period. This reporting is a condition precedent to coverage. If the **Wrongful**

Act occurred before the **Participation Period**, the Fund would only provide coverage if all the following provisions are met:

- (A) no **Covered Person** gave notice to any prior insurer or provider of coverage of the **Wrongful Act**;
- (B) the otherwise **Covered Person** seeking coverage had no actual or constructive knowledge of the **Wrongful Act** likely to give rise to a **Claim**, or actual or constructive knowledge of any related circumstance or incident likely to give rise to a **Claim** (although any knowledge by an otherwise **Covered Person** will not be imputed to any other **Covered Person**); and
- (C) the **Claim** is first made against the **Covered Person** and reported to the Fund during the **Participation Period**.

4.2 Grant of coverage for reported incidents. The Fund will pay **Damages** arising out of a suspected incident or **Wrongful Act** that has not resulted in a **Claim** if the Fund receives notice of the incident or **Wrongful Act** from a **Covered Person** during the **Participation Period** and a **Claim** is subsequently made. A **Claim** first made and reported after the **Participation Period** when the incident or **Wrongful Act** was previously reported will be considered to have been made on the last day of the reporting **Participation Period**.

4.3 Optional extended reporting period. The Fund may offer, in its sole discretion, the purchase of an extended reporting period of one year from the end of the **Participation Period** to report a **Claim** arising from a **Wrongful Act** that occurred or a **Claim** that was made but not reported during the **Participation Period**. If offered, the Fund Member must exercise this purchase option in writing within 30 days of the Fund's offer and pay any additional contribution within 30 days of acceptance. These contributions will be considered fully earned and non-refundable. **Wrongful Acts** that occur during the extended reporting period are excluded. Any **Claim** reported during the extended reporting period will be subject to the same terms and conditions as any other **Claim**. The extended reporting period does not provide new, additional, or renewed limits of liability, and the Fund's maximum limit for all **Claims** reported during the extended reporting period will be limited to the remaining portion of the applicable liability limit.

4.4 Criminal allegations—no duty to defend. The Fund has no duty to defend a **Claim** made against an otherwise **Covered Person** alleging a violation of criminal law. If there is no criminal finding, verdict, judgment, sentence, decision, outcome, or decree (including any form of deferred adjudication) that is legally adverse to the **Covered Person**, the Fund will, on request, reimburse the **Covered Person** for reasonable civil defense costs incurred. These reimbursable costs include legal fees based on contemporaneous rates paid by the Fund in defense of similar civil actions. If the Fund extends Professional Legal Liability Coverage to this **Covered Person** after the conclusion of any criminal action against them, all provisions of the Coverage Agreement apply, including the Fund's right to select counsel.

4.5 Consent to settle. The Fund has the right to settle any **Claim** except for a **Claim** against the Fund Member, which requires the consent of the Fund Member. If the Fund Member refuses their consent to the settlement recommended by the Fund, the Fund Member will be responsible for any further negotiations and defense of the **Claim**. The Fund's monetary liability will not exceed the amount that the **Claim** could have been settled for plus the **Claim Expense**, costs, and expenses incurred with the Fund's consent up to the date of the Fund Member's refusal to consent to any settlement recommended by the Fund, and minus any remaining deductible payable by the Fund Member. The Fund Member's failure to express consent to the settlement in writing within 30 days will be considered a refusal to consent by the Fund Member.

4.6 Fund-requested contribution. The Fund may request a monetary or non-pecuniary contribution that is not covered by the Coverage Agreement from a **Covered Person** to settle a **Claim**. A Fund-requested non-covered contribution to a settlement may be for any reason, including for damages, expenses, fees, costs, interest, or services demanded by a plaintiff. If the **Covered Person** refuses a Fund-requested contribution to the settlement offer, the **Covered Person** will be responsible for any further negotiations and defense of

the **Claim**. The Fund's monetary liability will not exceed the amount that the **Claim** could have been settled for (excluding the **Covered Person's** contribution) plus the **Claim Expense**, costs, and expenses incurred with the Fund's consent up to the date of the **Covered Person's** refusal to consent to any contribution to a settlement recommended by the Fund, and minus any remaining deductible payable by the Fund Member. The **Covered Person's** failure to express consent to the contribution in writing within 30 days of the Fund's request will be considered a refusal to consent by that **Covered Person**.

5. **PLL Exclusions.** The Fund will not provide coverage under Professional Legal Liability Coverage for the following:

5.1 Other coverage. Any **Damages** or **Claim Expense** arising from a **Claim** for **Bodily Injury** (except for **Bodily Injury** arising from student discipline or punishment administered by a **Covered Person**), **Property Damage**, or **Personal Injury** when coverage exists under other liability coverage, or for any acts or omissions when coverage exists under any employee benefits liability coverage.

5.2 Profit or advantage. Any **Damages** or **Claim Expense** for a **Claim** against a **Covered Person** for a gain of any profit or advantage to which the **Covered Person** is not legally entitled.

5.3 Salaries or benefits. Any **Damages** or **Claim Expense** arising out of or in connection with salaries, wages, or other employment-related benefits that the **Covered Person** is liable to pay any employee by operation of the Fair Labor Standards Act (except the Equal Pay Act) or similar state laws. Coverage extends to retaliation claims that arise under the Fair Labor Standards Act or similar state laws.

5.4 Compensation awards. Any **Damages** that are considered compensation, wages, benefits, or related damages or obligations sought by, awarded to, or as a result of a settlement with an employee, officer, director, trustee, or board member of a Fund Member, including workers' compensation and disability benefits, social security benefits, employee benefits, and unemployment insurance, whether accrued or not.

5.5 Student discipline. Any **Damages** arising out of the actual, alleged, or threatened infliction of student discipline or punishment with intent to cause injury, or the actual or alleged student discipline or punishment administered in violation of law or the Fund Member's policies, procedures, or regulations. However, this exclusion does not apply to a **Claim** or allegations arising from **Covered Persons'** vicarious liability for, or failure to exercise due care in, employing or supervising the person administering the student discipline or punishment.

5.6 IDEA matters. Any **Damages** or **Claim Expense** arising from the Individuals with Disabilities Education Act, including compensatory services, awards, plaintiff attorney fees, legal defense costs, or other payment incurred by or rendered against any **Covered Persons**. This exclusion does not apply to IDEA post-administrative hearing **Claim Expense** or awards of post-administrative hearing plaintiff attorney fees, court costs, and investigative costs rendered by a United States district or appellate court against a **Covered Person**.

5.7 Shared services arrangements. Any **Damages** or **Claim Expense** incurred as a component Fund Member of a Shared Services Arrangement, or to any **Damages** or **Claim Expense** incurred by a Shared Services Arrangement against a component Fund Member. Coverage extends to a third-party **Claim** against a component Fund Member of a Shared Service Arrangement for its obligations when this coverage would otherwise extend.

5.8 Joint Ventures. Any **Damages** or **Claim Expense** arising out of any allegation of a **Wrongful Act** or omission, or a violation of any state or federal statute, constitution, administrative rule, or court order in the course and scope of a **Covered Person's** duties for or participation in a Joint Venture. A Joint Venture means a relationship in which a **Covered Person** and one or more persons, organizations, or legal entities combine their labor, property, or resources in an undertaking. The term Joint Venture includes any form of

partnership or collaborative activity. Coverage will only extend to a **Covered Person** participating in a Joint Venture composed exclusively of the Fund Member and other governmental entities or political subdivisions, including an in-district or 1882 partnership charter schools; however, no coverage extends to the charter operator or its employees.

5.9 Fund Member versus Covered Person. Any **Damages** or **Claim Expense** arising from a **Claim** resulting from an action by the Fund Member against an otherwise **Covered Person**.

PART C
GENERAL LIABILITY COVERAGE (GL)—OCCURRENCE

6. General Liability Grant of Coverage. The Fund will pay **Damages** arising out of an **Occurrence** that takes place during the **Participation Period** because of **Bodily Injury, Property Damage, or Personal Injury**.

7. GL Exclusions. The Fund will not provide coverage under General Liability for the following:

7.1 Automobile or aircraft. Any **Damages** or **Claim Expense** arising out of the ownership, maintenance, operation, use, loading, or unloading of any **Automobile** or aircraft. "Aircraft" will not include drones or Unmanned Aerial Vehicles.

7.2 Watercraft. Any **Damages** or **Claim Expense** arising out of the ownership, maintenance, operation, use, loading, or unloading of any watercraft over twenty-six feet in length and owned or operated by or rented or loaned to or for any **Covered Persons**. This exclusion does not apply to watercraft while ashore on premises owned by, rented to, or controlled by the Fund Member.

7.3 Property custody. Any **Damages** or **Claim Expense** arising out of **Property Damage** to property or **Automobiles** owned by, leased to, or in the care, custody, and control of a **Covered Person**.

7.4 Occupied premises. Any **Damages** or **Claim Expense** arising out of **Property Damage** to premises owned by, rented to, leased to, occupied by, abandoned by, or left vacant by the Fund Member.

7.5 Service agreements. Any **Damages** or **Claim Expense** for the loss of use of tangible property that is not physically injured or destroyed but results from:

(A) a delay in or lack of performance of any contract or agreement by or on behalf of the Fund Member;
or

(B) the failure of the Fund Member's products or work performed by or on behalf of the Fund Member to meet the level of performance, quality, fitness, or durability warranted or represented by the Fund Member.

7.6 Member products. Any **Damages** or **Claim Expense** arising out of the Fund Member's products or any part of such products, or **Damages** or **Claim Expense** arising out of work performed by or on behalf of the Fund Member from any portion of the work or out of materials, parts, or equipment furnished in connection with the work. This includes any **Damages** arising out of the withdrawal, inspection, repair, replacement, or loss of use of the Fund Member's products, work completed by or for the Fund Member, or any property of which such products are a part if such products, work, or property are withdrawn from the market or from use because of any known or suspected defect or deficiency.

- 7.7 Libel or slander.** Any **Damages** or **Claim Expense** arising out of an oral or written publication of material once it is established that the publication was done by or at the direction of a **Covered Person** with knowledge of its falsity, or its first publication took place before the beginning of the **Participation Period**.
- 7.8 Student discipline.** Any **Damages** or **Claim Expense** arising out of the administration of discipline or corporal punishment to a student.
- 7.9 Advertising.** Any **Damages** or **Claim Expense** arising out of the failure of a **Covered Person's** goods, products, or services to conform with advertised description, quality, price, or performance.
- 7.10 Civil rights.** Any **Damages** or **Claim Expense** for any alleged violation of constitutional or civil rights.
- 7.11 Mold.** Any **Damages** or **Claim Expense** arising out of the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **Mold** on or within a building or structure, including its contents, regardless of whether any other cause, event, material, or product contributed concurrently with or in any sequence to such injury or damage. This includes the abating of, testing for, monitoring of, cleaning of, removing of, containing, treating for, detoxifying of, neutralizing of, remediating of, disposing of, or in any way responding to or assessing the effects of **Mold** by any Fund Member or by any other person or entity.

PART D
EMPLOYEE BENEFITS LIABILITY COVERAGE (EBL)—OCCURRENCE

- 8. Employee Benefits Liability Grant of Coverage.** The Fund will pay **Damages** arising out of an **Occurrence** committed in the Administration of the Fund Member's Employee Benefits Program during the **Participation Period**.
- 9. EBL Defined Terms.** The following first-letter capitalized terms are defined and only applicable to the Employee Benefits Liability Coverage unless otherwise limited or excluded:
- (A) Employee Benefits Program means benefit programs of the following types:
- (1) if no one other than Employees of the Fund Member may subscribe to the plans, then life, accident, or health group insurance plans or self-insurance plans administered by the Fund Member or others, as well as deferred compensation plans, individual retirement accounts, or tax-sheltered annuities; or
 - (2) plans for unemployment benefits, social security benefits, workers' compensation benefits, or disability benefits, or any other similar plan.
- (B) Administration means counseling Employees, including their dependents and beneficiaries, for the Employee Benefits Program, handling records in connection with the Employee Benefits Program, or effecting or terminating any Employee's participation in a plan included in the Employee Benefits Program.
- (C) Employee means employees of the Fund Member, whether actively employed, disabled, or retired.
- 10. EBL Exclusions.** The Fund will not provide coverage under the Employee Benefits Liability Coverage for the following:
- 10.1 Non-performance by others.** Any **Damages** or **Claim Expense** for any loss of benefits arising out of or based on the non-performance or breach of a contract by any broker, insurer, individual or group self-insurance, or third-party administrator of the Employee Benefits Program.

10.2 Insolvency. Any **Damages** or **Claim Expense** for any loss of benefits arising out of or based on an insufficiency of funds, insolvency, bankruptcy, receivership, or lack of funds to meet any obligation under any plan included in the Employee Benefits Program.

10.3 Investment or advice. Any **Damages** or **Claim Expense** arising out of or based on:

(A) the failure of any investment to perform as represented by any **Covered Persons**; or

(B) the advice given whether to participate in any plan included in the Employee Benefits Program.

10.4 Compliance failure. Any **Damages** or **Claim Expense** arising out of or based on the failure to comply with any law concerning workers' compensation insurance, unemployment insurance, social security insurance, disability benefits insurance, or health care insurance, including the HIPAA or the Affordable Care Act.

10.5 Civil rights violation. Any **Damages** or **Claim Expense** for any alleged violation of constitutional or civil rights.

PART E

HIRED AND NON-OWNED VEHICLES LIABILITY COVERAGE (HNVL)—OCCURRENCE

11. Hired and Non-Owned Vehicles Liability Grant of Coverage. The Fund will pay **Damages** arising out of an **Occurrence** for the use of any Hired Automobile or Non-owned Automobile operated by a **Covered Person** during the **Participation Period**. For this coverage to extend, the Fund Member may not own any **Automobile** or lease or rent any **Automobile** under a written agreement of longer than 14 days.

12. HNVL Non-CCS Limits. The Fund's limit of liability for **Damages** under Hired and Non-Owned Vehicles Liability is \$100,000 per person, not to exceed \$300,000 per **Occurrence**, for **Bodily Injury** and \$100,000 per **Occurrence** for **Property Damage**. The deductible amount is \$2,500 per **Occurrence**.

13. HNVL Defined Terms. The following first-letter capitalized terms are defined and only applicable to the Hired and Non-Owned Vehicles Liability Coverage unless otherwise limited or excluded:

(A) Hired Automobile means an **Automobile** not owned by the Fund Member rented by or loaned to the Fund Member under a written agreement for 14 days or less. A Hired Automobile may not include **Automobiles** owned by or registered in the name of any **Covered Person**.

(B) Non-owned Automobile means an **Automobile** that is operated by a **Covered Person** that is neither owned by the Fund Member nor is a Hired Automobile.

14. HNVL Exclusions. The Fund will not provide coverage under the Hired and Non-Owned Vehicles Liability Coverage for the following:

14.1 Self-propelled equipment or aircraft. Any **Damages** or **Claim Expense** arising out of the maintenance, operation, use, loading, or unloading of self-propelled motor-driven equipment, motor vehicle, aircraft, or any conveyance not given coverage under §§ 11–14.

14.2 Safety law violation. Any **Damages** or **Claim Expense** arising out of the ownership, maintenance, operation, use, loading, or unloading of any **Automobile** in violation of any state or federal law or regulation specifically addressing safety in the transportation of students.

14.3 General law violation. Any loss, **Damages**, or **Claim Expense** arising out of a **Covered Person** operating any **Automobile** in a manner or under a condition that is legally prohibited.

- 14.4 Unauthorized use.** Any **Damages** or **Claim Expense** arising out of the use of any **Hired or Non-owned Automobile** for purposes or functions not authorized or sponsored by the **Fund Member**.
- 14.5 Extended use.** Any **Damages** or **Claim Expense** arising out of the operation, use, loading, or unloading of any **Automobile** leased, rented, or borrowed by the **Fund Member** for more than 14 days.
- 14.6 Other auto coverage.** Any **Damages** or **Claim Expense** arising out of the maintenance, operation, use, loading, or unloading of any **Automobile** covered by any other automobile liability coverage or insurance.

PART F
SCHOOL LIABILITY COVERAGE
General Provisions, Limits, Exclusions, Duties, and Conditions

15. General Provisions. §§ 16–23 of the Coverage Agreement describe the general provisions, limits, exclusions, conditions, terms and other requirements that apply to all coverages in the Coverage Agreement, unless the context requires otherwise, and are in addition to the provisions described above.

16. Related Acts. The following provisions apply to related acts:

16.1 PLL related acts. The same **Wrongful Act**, or an interrelated series of **Wrongful Acts**, or a series of similar or related **Wrongful Acts**, any by one **Covered Person** or by **Covered Persons**, will be considered a single **Wrongful Act** (and subject to the **Claim’s** limit of liability) and to have commenced at the time of the earliest **Wrongful Act**. This provision will be without consideration of circumstantial factors, including the frequency, repetition, locations, type, or the number of acts, events, **Claims**, suits, or **Participation Periods**, or whether the same or a different victim, claimant, **Covered Person**, individual, perpetrator, cause of action, type or degree of **Damage**, or any combination of factors is involved. All **Damages** from related acts are within the original limit of liability of the earliest **Claim**. This provision intends to disallow the accumulation of limits for related acts for any reason. But this provision will not be read to unreasonably connect disassociated **Claims**.

16.2 GL, EBL, and HNVL related acts. The same **Occurrence**, or an interrelated series of **Occurrences**, or a series of similar or related **Occurrences** will be considered a single **Occurrence** (and subject to its limit of liability) and to have commenced at the time of the earliest **Occurrence**. This provision will be without consideration of circumstantial factors, including the frequency, repetition, locations, type, or the number of acts, events, claims, suits, or **Participation Periods**, or whether the same or a different victim, claimant, individual, perpetrator, cause of action, type or degree of **Damage** or loss, or any combination of factors is involved. All **Damages** from related acts are within the original limit of liability of the earliest **Occurrence**. This provision intends to disallow the accumulation of limits for related acts for any reason. But this provision will not be read to unreasonably connect disassociated **Occurrences**.

17. Limits of Liability. The following provisions apply to all limits of liability:

17.1 Limits. The Fund will pay for **Damages** above the deductible amount and within the limit of liability stated in the CCS or the Coverage Agreement. The limit of liability stated is the maximum amount the Fund will pay for **Damages** for a single **Claim** or **Occurrence**, regardless of any purchased extended reporting period, or the number of related acts, **Wrongful Acts**, **Claims**, **Occurrences**, other types of claims, losses, **Covered Persons**, claimants, suits, or types of **Damages**. The amount of **Claim Expense** will not reduce any limit of liability. When the limit of liability is exhausted through payment or tendering of **Damages**, the Fund has no further liability or obligation to any **Covered Person** to pay further **Damages**, defend any suit, or pay any **Claim Expense** or other expense or cost. The limit of liability in the original **Participation Period** does not increase with the purchase of an extended reporting period.

- 17.2 Multiple Fund Members.** If more than one Fund Member (or their **Covered Persons**) has the same or a related **Claim, Occurrence, Wrongful Act**, other types of claim, or loss, the single highest applicable limit of liability stated in any CCS will be the maximum total amount the Fund will pay regardless of any other circumstance. The maximum limit of liability for each Fund Member will become the proportionate limit that each Fund Member's maximum applicable limit bears on the total of maximum applicable limits for all affected Fund Members. This provision intends to disallow the accumulation of limits among Fund Members for any reason.
- 17.3 Sublimits.** The sublimits and supplemental coverages are within the overall limits of liability stated in the CCS unless otherwise indicated.
- 17.4 No accumulation of limits.** There will be no accumulation of coverage limits arising from a **Claim, Occurrence, Wrongful Act**, related acts under § 16, other types of claim, or loss. If a claim asserts any allegation that may be covered under more than one liability coverage of the Coverage Agreement, only one liability limit will apply to all claims, and the Fund will make this determination. The maximum amount paid by the Fund relating to all claims will be the maximum limit applicable to the liability coverage deemed most appropriate for this claim by the Fund, regardless of the allegations.
- 17.5 Maximum annual aggregate limit.** For Professional Legal Liability Coverage only, the maximum annual aggregate limit stated in the CCS is the maximum amount the Fund will pay for **Damages** arising from all **Claims** reported in the **Participation Period** and any purchased extended reporting period regardless of the number of **Wrongful Acts, Claims**, other types of claims, losses, **Covered Persons**, claimants, suits, types of **Damages**, or related acts. If payment for **Damages** reaches the maximum annual aggregate limit, the Fund will have no further liability or obligation to any **Covered Person** to pay further **Damages**, defend any suit, or pay any **Claim Expense** or other expense or cost. The maximum annual aggregate limit in the original **Participation Period** does not increase because of any extended reporting period.

18. Deductibles. The following provisions apply to deductibles:

- 18.1 Single deductible.** Only one deductible will apply for each **Claim** or **Occurrence**. The Fund Member will, on notice from the Fund, pay the deductible amount stated in the CCS. The deductible applies to judgments, settlements, and **Claim Expense**, regardless of the disposition of the claim.
- 18.2 Proportionate deductible.** If more than one Fund Member has the same or related **Claim, Occurrence, Wrongful Act**, other types of claim, or loss, the total deductible amount applied to the claim for all Fund Members will be equal to the largest deductible of any single Fund Member. Each Fund Member will pay a proportionate percentage of the applied deductible based on the relative size of their deductible.

19. General Exclusions. The Fund will not provide coverage for the following:

- 19.1 Intentional acts.** Any **Damages** or **Claim Expense** for any **Covered Person** once it has been established by admission or adjudication that the **Covered Person** intentionally engaged in or committed unlawful, dishonest, fraudulent, criminal, or malicious acts; or intentional acts, errors, or omissions; or acts involving deliberate indifference; or acts involving violations of constitutional or civil rights.
- 19.2 Violation of law.** Any **Damages** or **Claim Expense** for any **Covered Person** once it has been established by admission or adjudication that the **Covered Person** violated or intentionally disregarded any law, regulation, common law, or any school policy, directive, or procedure, if this act was committed by, or with the consent of, a **Covered Person**.
- 19.3 Criminal charges.** Any **Damages** or **Claim Expense** for any **Covered Person** once a filing or obtaining of a criminal charge, information, or indictment against the **Covered Person** has occurred. The Fund is entitled to rely on extrinsic evidence to determine whether coverage applies under these circumstances.

19.4 Government action, nuclear event, or hostile act. Any **Damages** or **Claim Expense** arising out of:

- (A) the use, seizure, or destruction of property by order of a governmental authority;
- (B) nuclear reaction or radiation, or radioactive contamination, regardless of cause;
- (C) war, undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- (D) insurrection, rebellion, revolution, usurped power, or action taken by a governmental authority in hindering or defending against any of these events.

19.5 Terrorism. Any **Damages** or **Claim Expense** arising out of any acts of terrorism or actions taken by any government branch or agency in response. This exclusion applies whether or not any acts of terrorism are committed in concert with or on behalf of any organization or government.

19.6 Alcoholic beverages. Any **Damages** or **Claim Expense** for which the **Covered Person** or their indemnitee may be held liable for the following:

- (A) as a person or organization specifically engaged in the business of manufacturing, distributing, selling, or serving alcoholic beverages; or
- (B) if not engaged, as an owner or lessor of premises used for these purposes, if this liability is imposed:
 - (1) for violation of any statute, ordinance, or regulation related to the sale, gift, distribution, or use of any alcoholic beverage; or
 - (2) for selling, serving, or giving any alcoholic beverage to a minor or a person under the influence of alcohol, or for contributing to any person's intoxication.

19.7 Pollutants. Any **Damages** or **Claim Expense** arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape (collectively, **Discharge**) of a **Pollutant**, or act, omission, or alleged violation of law or regulation regarding a **Pollutant**. A **Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including PFAS in any form, petroleum products, asbestos, smoke, vapor, lead, soot, fumes, acids, alkalis, electromagnetic radiation, **Mold**, chemicals, and **Waste**. **Waste** includes materials to be recycled, reconditioned, or reclaimed. This exclusion includes any **Pollutant** at and **Discharge** from:

- (A) any premises, site, or location that is or was at any time owned, occupied, rented, or loaned by or to the Fund Member;
- (B) any premises, site, or location that is or was at any time used by or for the Fund Member or others for the handling, storage, disposal, processing, or treatment of **Waste**; or
- (C) any premises, site, or location on which the **Covered Person** or any contractors or subcontractor working directly or indirectly on behalf of the **Covered Person** are performing operations if the **Pollutants** are brought on or to the premises, site, or location in connection with such operations, or if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **Pollutants**; and

(D) Additionally, this coverage excludes any **Damages** or **Claim Expense** arising from Pollutants (and any resulting discharge) that were designed, manufactured, transported, handled, stored, treated, monitored, tested, distributed, or disposed of or processed as Waste by or for the Fund Member or any person or organization for whom the Fund Member may be legally responsible.

19.8 Pollutant removal. Any **Damages, Claim Expense** or cost arising out of any request, demand, order, suit, or **Claim** by any party that the Fund Member or others test for, monitor, clean up, remove, contain, treat, detoxify, abate, mitigate, or neutralize, or in any way respond to or assess the effects of Pollutants as defined in § 19.7.

19.9 Benefits laws. Any **Damages, Claim Expense** or any other obligation for which any **Covered Persons** or their insurer may be held liable under any workers' compensation, unemployment compensation, or disability benefits law, or under any health care coverage law (including HIPAA or the Affordable Healthcare Act), or under any similar law.

19.10 Employee injury. Any **Damages** for **Bodily Injury** to any employee of the Fund Member arising out of and in the course and scope of his or her employment by the Fund Member or to any obligation of the Fund Member to indemnify another because of **Damages** arising out of this injury.

19.11 Real property rights. Any **Damages** or **Claim Expense** arising out of inverse condemnation, adverse possession, dedication by adverse use, or property easement rights.

19.12 Failure to maintain insurance. Any **Damages** or **Claim Expense** arising out of any failure or omission on the part of any **Covered Persons** to effect and maintain any form of insurance or agreement of coverage, or any negligent act, error, omission, or breach of duty in judgment or discretion in procuring or maintaining insurance or concerning the amount, form, conditions, or provisions of insurance or agreement of coverage. The term insurance includes workers' compensation coverage under Chapter 504, Texas Labor Code, and health care coverage under Chapter 172 of the Texas Local Government Code.

19.13 Breach of contract. Any **Damages** or **Claim Expense** arising out of an assumption of liability in a contract or agreement, arising out of a breach of contract or agreement (including any unwritten or implied agreement, or quantum meruit claim), or arising out of a claim sounding in tort that is based directly or indirectly on a contractual obligation. This exclusion does not apply to liability that the **Covered Persons** would have in the absence of a contract or agreement, nor does it apply to misappropriation of advertising ideas under an implied but not written contract. This exclusion does not apply to **Claim Expense** defending a claim by an employee against the Fund Member for breach of that employee's employment contract. This exclusion does, however, apply to any **Damages** awarded for an employment contract claim.

19.14 Students. Any **Damages** or **Claim Expense** for any student of the Fund Member unless the student is otherwise a **Covered Person**.

19.15 ERISA. Any **Damages** or **Claim Expense** arising out of the Fund Member's participation in an agreement established or maintained under the Employee Retirement Income Security Act of 1974 as amended.

19.16 Financing or investments. Any **Damages** or **Claim Expense** arising out of any debt security financing or the investment of public funds, including the failure of investments to perform as represented.

19.17 Taxes. Any **Damages** or **Claim Expense** arising out of or in any manner related to any specific property owner's tax assessment, appraisal, dispute, or adjustment; or any tax collection, seizure, refund, disbursement, or application of any taxes, or the Fund Member's failure to anticipate tax revenue shortfalls.

19.18 Communicable disease. Any **Damages** or **Claim Expense** arising out of any actual, alleged, or anticipated infectious disease, including any act or omission in response. This exclusion does not apply to **Damages** or **Claim Expense** arising from a Fund Member’s compliance with governmental health orders, but a \$1,000,000 sublimit will apply.

19.19 Cyber event. Any **Damages** or **Claim Expense** arising out of or in any manner related to any act or omission regarding a Cyber Privacy Event, a Cyber Security Event, or any other handling of or incident related to electronic data. A Cyber Privacy Event means the actual, alleged, or attempted access to, or disclosure or loss of, nonpublic personally identifiable information, including any alleged violation of any privacy or security law or regulation. A Cyber Security Event means any actual, alleged, attempted, or threatened breach of, attack on, or incident regarding a computer system (including all peripheral or supporting software, hardware, networks, or interfaces) or any devices accessing a computer system, including any alleged violation of any privacy or security law or regulation.

20. Other Insurance or Coverage. The following provisions apply to the availability of other coverage, including insurance:

20.1 Multiple lines. If a claim is covered under more than one line of coverage offered by the Fund, the Fund will determine which coverage, limit, and deductible apply.

20.2 Excess coverage. This coverage is excess over any other coverage that applies to a claim or loss whether the other coverage applies on a primary, excess, or contingent coverage basis. If all coverages apply on an excess basis, the Fund will not pay for a greater proportion of the claim or loss than that stated in the applicable contribution provision below:

(A) **Contribution by equal shares.** If all other coverage provides for contribution by equal shares, the Fund will not pay for a greater proportion than its equal share until the share of the other coverage or the Fund Member’s limits equals the lowest applicable limit of liability under any of the coverage, or the full amount of the loss is paid. Any remaining amount of the claim or loss will be paid by any remaining Fund Member’s limit of liability, until exhaustion, by continuing to contribute equal shares to the remaining amount of the claim or loss.

(B) **Contribution by limits.** If the remaining coverage does not provide for contribution by equal shares to the loss, the Fund will pay the Fund Member’s applicable limit of liability in proportion to the total limits of liability of all other coverage.

21. Duties of a Covered Person. In the event of a **Claim, Occurrence, Wrongful Act**, other types of claim, or loss, the **Covered Person** must:

21.1 Notice. Give notice to the Fund as soon as practicable from the **Covered Person’s** first knowledge. This notice must include the date and circumstances of the loss, **Occurrence**, claim, or **Wrongful Act**.

21.2 Copies. Provide the Fund with copies and date of any demands, notices, summonses, or legal papers received, and authorize the Fund to obtain records and other related information. There is no coverage if the failure to provide notice prejudices the Fund’s defense.

21.3 Cooperation. Cooperate with the Fund and assist as reasonably necessary, including assistance in the investigation, valuation, defense, and settlement of claims and suits, and in enforcing any right of contribution, indemnity, or subrogation against any person or organization.

21.4 Waiver. Not waive any rights of recovery of any party.

22. Conditions of Coverage. The following conditions apply to the Coverage Agreement:

- 22.1 Compliance.** A denial of a claim or loss of coverage may occur if the **Covered Person** fails to comply with any of the provisions of the Coverage Agreement, misrepresents of any material fact, engages in fraudulent acts, makes false statements, or fails to comply with reasonable Fund requests.
- 22.2 Condition precedent for reporting.** Under Professional Legal Liability Coverage, it is a condition precedent to coverage that the **Covered Person** reports a **Claim** to the Fund as indicated under that coverage.
- 22.3 Agent.** The Fund Member will act for all **Covered Persons** concerning the giving and receiving of notice of any claim.
- 22.4 Consent of the Fund.** A **Covered Person** may not admit liability or settle any claim without the written consent of the Fund. Additionally, a **Covered Person** may not incur any expense payment or obligation without the Fund’s written consent, except at the **Covered Person’s** own cost.

PART G
MISCELLANEOUS TERMS

23. Miscellaneous Terms. The following miscellaneous terms apply:

- 23.1 Assignments.** Any assignment by the Fund Member under the Coverage Agreement will not bind the Fund.
- 23.2 Insolvency.** In the event of the Fund Member’s insolvency, the Fund will not be relieved of the payment for any claim under the Coverage Agreement.
- 23.3 Action against the Fund.** The Fund Member may not act against the Fund unless, as a condition precedent, the Fund Member has fully complied with all provisions of the Coverage Agreements. No person has a right under the Coverage Agreement to join the Fund as a party or otherwise bring it into a suit filed against the Fund Member.
- 23.4 “Including.”** Unless the context requires otherwise, the term “including” and its variants mean “including but not limited to.”
- 23.5 Singular usage.** Unless the context requires otherwise, any use of the singular form of a word will include its plural.
- 23.6 “Coverage Agreement.”** Unless the context requires otherwise, any use of the term “the Coverage Agreement” will be given the meaning indicated in § 1.
- 23.7 Fund designee.** Unless the context requires otherwise, any use of the term “Fund” includes its designees.
- 23.8 Severability.** If a court for any reason holds a provision of the Coverage Agreement unenforceable, the rest remains fully enforceable.
- 23.9 Headings.** Unless the context requires otherwise, such as with the defined terms, headings are only for convenience and do not affect the interpretation of the Coverage Agreement.

Chapter 118 Endorsement

1. **Endorsement Intent.** This endorsement modifies coverage provided under the School Liability Coverage Agreement for K-12 school districts only. This endorsement’s intent is to extend limited coverage as outlined below for **Claims** arising from Chapter 118 of the Texas Civil Practice and Remedies Code on or after September 1, 2025, or on or after the first day of the **Participation Period** for Fund Members renewing or purchasing School Liability Coverage after September 1, 2025, if this endorsement is not already in force. These coverage changes include the exclusion of coverage for Chapter 118 claims from General Liability Coverage; the extension of limited coverage for Chapter 118 **Claims** under Professional Legal Liability Coverage; the limitation for Chapter 118 **Claims** filed in state court to a \$1 million per **Claim** and annual aggregate limit, including defense costs within limits; and the exclusion of adjudicated or admitted liability under Chapter 118. It is not the intent of this endorsement to limit or exclude coverage for non-Chapter 118 **Claims** or claims. For this endorsement, “state court Chapter 118 **Claims**” means those **Claims** that are filed and adjudicated in, or remanded to, the state courts of Texas.

2. **Part A—General Provisions.** The following Part A provisions are revised as follows:
 - (A) § 3.3 **Claim Expense**, second sentence, is revised to add the following underlined language:

“**Claim Expense** will be in addition to the limits of liability shown on the CCS or in the Coverage Agreement, except for state court Chapter 118 **Claims**, which will be within the limits of liability for the Chapter 118 endorsement.”

 - (B) § 3.7 **Wrongful Act** is revised to add the following underlined language:

“**Wrongful Act** means any actual or alleged act, error, or omission by a **Covered Person**, including the Fund Member’s act, error, or omission arising under Chapter 118.”

3. **Part B—Professional Legal Liability Coverage (PLL)—Claims-Made and Reported.** The following Part B provision is revised as follows:

§ 5 **PLL Exclusions** under § 5.1 **Other coverage** is revised to add another exception to the parenthetical language, “(except for **Bodily Injury** arising from student discipline or punishment administered by a **Covered Person** or **Claims** arising from Chapter 118)[.]”

4. **Part C—General Liability Coverage (GL)—Occurrence.** The following Part C provision is revised as follows:

§ 7 **GL Exclusions** adds an exclusion, § 7.12. “**Chapter 118. Any Damages or Claim Expense** arising from any act, error, or omission alleged under Chapter 118.”

5. **Part F—School Liability Coverage—General Provisions, Limits, Exclusions, Duties, and Conditions.** The following Part F provisions are revised as follows:



(A) § 17 **Limits of Liability** under § 17.1 **Limits** is revised to add the following underlined language:

“The Fund will pay for **Damages** above the deductible amount and within the limit of liability stated in the CCS or the Coverage Agreement, except for **Damages** arising from state court Chapter 118 **Claims**, which will be paid above the deductible amount and within a maximum \$1 million PLL limit of liability after the deduction of paid or incurred **Claim Expense**. The limit of liability stated is the maximum amount the Fund will pay for **Damages** (and **Claim Expense**, for state court Chapter 118 **Claims**) for a single **Claim** or **Occurrence**, regardless of any purchased extended reporting period, or the number of related acts, **Wrongful Acts, Claims, Occurrences**, other types of claims, losses, **Covered Persons**, claimants, suits, or types of **Damages**. The amount of **Claim Expense** will not reduce any limit of liability, except for **Claim Expense** arising from state court Chapter 118 **Claims** as outlined above. When the limit of liability is exhausted through payment or tendering of **Damages** (or payment or incurred cost of **Claim Expense** for state court Chapter 118 **Claims**), the Fund has no further liability or obligation to any **Covered Person** to pay further **Damages**, defend any suit, or pay any **Claim Expense** or other expense or cost. The limit of liability in the original **Participation Period** does not increase with the purchase of an extended reporting period.”

(B) § 17 **Limits of Liability** under § 17.5 **Maximum annual aggregate limit** is revised to add the following underlined language:

“For Professional Legal Liability Coverage only, the maximum annual aggregate limit stated in the CCS is the maximum amount the Fund will pay for **Damages** arising from all **Claims** reported in the **Participation Period** and any purchased extended reporting period regardless of the number of **Wrongful Acts, Claims**, other types of claims, losses, **Covered Persons**, claimants, suits, types of **Damages**, or related acts, except for state court Chapter 118 **Claims**, which will have a maximum annual aggregate limit of \$1 million included within, not separate from, the maximum annual aggregate limit stated in the CCS for all PLL **Claims**. If payment for **Damages** (or payment or incurred cost of **Claim Expense** for state court Chapter 118 **Claims**) reaches the maximum annual aggregate limit, the Fund will have no further liability or obligation to any **Covered Person** to pay further **Damages**, defend any suit, or pay any **Claim Expense** or other expense or cost. The maximum annual aggregate limit in the original **Participation Period** does not increase because of any extended reporting period.”

(C) § 19 **General Exclusions**” under § 19.1 **Intentional acts** is revised to add the following underlined language:

“Any **Damages** or **Claim Expense** for any **Covered Person** once it has been established by admission or adjudication that the **Covered Person** intentionally engaged in or committed unlawful, dishonest, fraudulent, criminal, grossly negligent, or malicious acts; or intentional acts, errors, or omissions, including intentional misconduct; or acts involving conscious or deliberate indifference or recklessness; or acts involving violations of constitutional or civil rights.”



NOW, THEREFORE, in consideration of the promises, covenants, and agreements contained herein, the **CITY of WACO, Texas**, hereinafter called "City; and the **WACO INDEPENDENT SCHOOL DISTRICT**, a political subdivision of the State of Texas, hereinafter called "Waco ISD," both acting by and through their respective governing bodies, (collectively referred to as the "parties") do hereby agree as follows:

**ARTICLE
RECITALS**

All recitals listed above are true and correct to the best knowledge of both parties.

**ARTICLE 1
EFFECTIVE DATE**

This Agreement is effective from the date of Closing established by the Purchase and Sale Agreement (anticipated by November 14, 2025).

**ARTICLE 2
PURPOSES**

- 2.1 To encourage Waco ISD employee, student, and faculty use of downtown Waco facilities for educational and education-related events;
- 2.2 To encourage Waco ISD participation in community projects;
- 2.3 And, to encourage local talent pipeline development, increase student exposure to City projects and opportunities, and inspire Waco ISD students to consider the possibilities of working and living in Waco as they pursue a variety of careers.
- 2.4 This agreement is executed pursuant to *Texas Government Code* Chapter known as the Interlocal Cooperation Act.

**ARTICLE 3
LIMITED VENUE RIGHTS FOR SPECIFIC WACO ISD EVENTS**

- 3.1 The City reserves annually, through Waco ISD's 2036-2037 school year, two (2) of the City's Community Events, not to exceed a maximum of four (4) days under the Baylor MDA for Waco ISD's use for District graduations as described in further detail below.
 - a) "Waco ISD Event" is defined in this Section 3.1 as a graduation, or other events permissible under the Baylor MDA
 - b) City will provide notice to Baylor University that the City conveys its consent for "Community Event" usage of the Foster Pavilion by the District, under Article 5.4(c) of the Baylor MDA, authorizing the District to directly to coordinate with the Foster Pavilion for up to two (2) Waco ISD Events per year, through Waco

ISD's 2036-2037 academic school year. Any venue usage-rights unutilized by Waco ISD in a given year shall not be carried over to the next year.

- c) Waco ISD is responsible for directly coordinating with Baylor University (not with CITY) for any Waco ISD Event at Foster Pavilion.
- d) In accordance with the Baylor MDA, Waco ISD Event use of the Foster Pavilion shall be subject to the conditions and obligations set forth for City events and "Community Event" usage, including:
 - i. Availability and use of reservation-eligible areas within the Foster Pavilion; some areas are "Baylor Exclusive Areas";
 - ii. Baylor will have the sole authority to schedule the Waco ISD Event, but Baylor will accommodate the dates and times requested by Waco ISD unless said requests conflict with a scheduled basketball event, or "University Event" or "Performance" (as defined in the Baylor MDA)
 - iii. Reservations shall not be subject to rental fee or use fee, but Waco ISD shall be solely responsible for the remaining costs actually incurred by Baylor in hosting each Waco ISD Event, including without limitation, setup, custodial, grounds-keeping, and/or security costs.
- e) The Baylor MDA and the Baylor Ground Lease contain Termination clauses not solely within the City's control. If the Baylor MDA or the Baylor Ground lease is ever terminated such that Community Events are no longer available at the Foster Pavilion, the City's responsibilities under this Section 3.1 are void without penalty to the City, as the City does not own the Facility.
- f) This Interlocal Agreement does not give Waco ISD any of the City's additional rights under the Baylor MDA beyond those rights described above.

3.2 The City agrees to provide notice of its request for the use of Convention Center for up to five (5) Waco ISD events per year, through 2036, in accordance with the WCC Management Agreement, as described in further detail below:

- a) "Waco ISD Event" is defined in this Section 3.2 as a prom, convocation, and/or State-of-the-District (or alternate assembly)
- b) City representative (in accordance with Article XV of the WCC Management Agreement) will provide notice to ASM of the City's request for ASM scheduling coordination with Waco ISD for up to five (5) Waco ISD Events per year, which in any given year shall not exceed two (2) proms, two (2) convocations, and one (1) State-of-the-District or alternative event. Any venue usage-rights unutilized by Waco ISD in a given year shall not be carried over to the next year.
- c) Waco ISD is responsible for directly coordinating reservations and event details with ASM (not with CITY) for use of the Waco Convention Center for any Waco ISD Event.
- d) In accordance with the WCC Management Agreement between the City and ASM, Waco ISD Event use of the Waco Convention Center shall be subject to the conditions and obligations set forth for City events and "Use of the Facility at Direction of the City," including:
 - i. Reservations shall be made upon reasonable notice, subject to availability, and subject and subordinate to profit-generating events booked by ASM.
 - For each desired Waco ISD Event reservation, Waco ISD may begin

coordination with ASM to secure soft holds for the desired date and up to 2 alternative dates, 12-months prior to desired reservation.

- The dates of local event reservations, including City and Waco ISD Events remain subordinate to profit generating events, and are not confirmed by contract or secured by deposit with ASM until 6-months prior to event.
- ii. Reservations shall not be subject to rental fee or use fee, but Waco ISD shall remain subject to all direct expenses incurred in connection with such use, including but not limited to catering, equipment, ushers, ticket-takers, security, cleaning, and other expenses incurred by ASM in facilitating Waco ISD Event use of the Waco Convention Center.
- iii. Reimbursement to Convention Center shall be billed directly, and is due within thirty (30) days after receipt of an itemized invoice
- e) The WCC Management Agreement includes Termination clause(s) not solely within the City's control. If the WCC Management Agreement is ever terminated, the City's responsibilities under this Section 3.2 remain intact, as owner of the Facility.
- f) This Interlocal Agreement does not give Waco ISD any of the City's additional rights under the WCC Management Agreement beyond those rights described above.

ARTICLE 4

STUDENT LEARNING EXCURSIONS

4.1 A "Student Learning Excursion" is defined as a District-facilitated activity in which Waco ISD students and staff enter a City of Waco facility, project site, or other designated location and interact with City staff and/or City contractors/vendors. The intent of a Student Learning Excursion is to leverage ongoing City project(s) and operations to provide behind-the-scenes exposure and structured, project-based learning experiences that:

- a) build awareness and excitement for City initiatives,
- b) provide exposure to real-world work environments and career-paths, and
- c) Encourage students to apply classroom knowledge to authentic community challenges.

4.2 Over the next ten (10) years, Waco will offer at least two (2) and not more than six (6) Learning Excursions per year.

- a) Each Learning Excursion will last for a minimum of 1.5 hours and a maximum of six (6) hours.
- b) Each Learning Excursion is limited to a maximum of forty (40) elementary students and no more than seventy-five (75) secondary students. Depending on the nature of the excursion, breakout groups may be established to comply with capacity and/or safety requirements. In no case shall a breakout group have less than 1 WISD adult per 20 students.

4.3 Waco ISD shall facilitate all transportation, and teacher/chaperone supervision of students

at a ratio of no less than one (1) Waco ISD teacher chaperone per twenty (20) students . Each teacher/chaperone must be an employee of Waco ISD.

4.4 Waco ISD will require any student and any teacher/chaperone involved with a Learning Excursion to sign Assumption of Risk, Release of Liability, and Hold Harmless Agreement attached as **Exhibit A**.

4.5 Each party will designate a contact person with whom the Learning Excursions will be coordinated for each party. At a minimum:

- a) Waco ISD’s Assistant Superintendent for Teaching and Learning (or designee) and the Office of School Leadership shall identify and prioritize excursion opportunities on a bi-annual basis.
- b) The City’s Infrastructure Director (or designee) shall provide bi-annual updates regarding current or upcoming City projects, operations, and department initiatives that may safely accommodate experiential or project-based learning.

4.6 Both parties will work collaboratively to ensure that Student Learning Excursions are meaningful, safe, and aligned with the District’s instructional goals and the City’s operational capacities.

4.7 The City reserves the ability to cancel any Learning Excursion for public safety and/or health reasons, without penalty.

ARTICLE 5

STUDENT INTERNSHIPS/TEACHER EXTERNSHIPS

5.1 The Parties shall develop a minimum combined total of 10 annual student internship and/or teacher externship opportunities (“Opportunities”) with the City of Waco over the next ten (10) years, which function cross departmentally in fields such as Business Management, Culinary, Cybersecurity, Digital Design and Communication, Engineering and Technology, Hospitality, Marketing, Tourism, and Welding.

5.2 Each Opportunity will be unpaid *unless Waco ISD establishes payment from a non-City resource*. Said non-City payment will be paid to the participating student(s) in accordance with terms and process established by Waco ISD.

- a) The student interns and teacher externship participants will not be employees of the City and will not be paid by the City. The City will not pay the interns or externs any benefits, including the accrual of vacation, holiday, or sick leave. Neither the interns nor the externs will participate in the City’s health or other insurance plans.
- b) The student interns and teacher externship participants will not be eligible for Worker’s Compensation benefits from the City.

5.3 Each Opportunity will comprise a minimum of at least 8 hours of experience and/or job shadowing. Teacher Externship Opportunities will typically be short-term, “day in the life” job-

shadowing experiences designed to provide exposure to a professional work setting.

5.4 The City reserves the right to offer Opportunities (student internships and teacher externships), based on its capacity and needs, in any combination at the sole discretion of the City, as long as a minimum of ten total Opportunities are offered annually.

5.5 There will be no penalty to the City if a minimum of ten Opportunities are offered to Waco ISD, and Waco ISD students/teachers do not accept, fill, and/or complete said Opportunities.

5.6 The City reserves the ability to cancel any time period of an internship and/or externship for public safety and/or health reasons, without penalty.

5.7 Waco ISD will confirm that student interns are residents of the City of Waco, Texas and each student is a student enrolled with Waco ISD at the time of the internship, and that each teacher extern is an employee of Waco ISD at the time of the externship.

- a) any student involved with a City internship; and
- b) any teacher involved with a City externship.

5.8 Waco ISD will require the following individuals to sign Assumption of Risk, Release of Liability, and Hold Harmless Agreement attached as **Exhibit A**.

5.9 The City of Waco's Director of Human Resources (or designee), the Waco ISD Deputy Superintendent (or designee), and the Waco ISD Assistant Superintendent of Teaching and Learning (or designee) shall convene annually to:

- a) Review prior year participation and outcomes,
- b) Identify new internship/externship Opportunities for the upcoming school year(s), and
- c) Pair City department leaders with Waco ISD CTE staff to ensure alignment with curriculum pathways.

5.10 Each Party shall designate contact person(s) responsible for coordination of Opportunities depending on specific CTE Pathway and Department Opportunity alignment

- a) Waco ISD CTE staff will facilitate its own screening, interview, and selection process to propose candidates to the City for specific internship placement opportunities.
- b) Waco ISD will facilitate its own screening, interview, and selection process to propose externship candidates to the City.
- c) Selection criteria for both staff and student participation will be developed by Waco ISD in collaboration with the City, and recommendations will be communicated to the City by the District

5.11 Responsibilities of Waco ISD:

- a) To orient students and City to the monitoring and evaluation procedures described below.

- b) To monitor the internship placement through telephone and in-person contact with City and students throughout the work period, including visits to the worksite whenever possible.
- c) To instruct students and City in the use of evaluation instruments and to see that they are completed in a timely manner.
- d) To provide support necessitated by the off-campus nature of the program, including assistance with job-related needs.
- e) To make appropriate interventions involving students' internship placement when problems occur, including recommendations for altering or terminating the internship if necessary.
- f) To use WISD's resources and internship expertise to enable students and City to realize maximum and equal benefit from participation in the Internship Program.

5.12 Responsibilities of the City:

- a) To provide adequate orientation, training, and supervision to students on the job, including clear communication of expectations regarding performance of the job.
- b) To provide opportunities for productive work which matches student abilities, knowledge, and interests to the extent possible.
- c) To inform the WISD CTE Director of any potential problems or changes involving students' internship placements in a timely manner, so that appropriate interventions can be made.
- d) To use the City's resources and expertise to create a work/learning environment in which the student can acquire marketable skills and experience and make a valuable contribution to the organization.

ARTICLE 6

PUBLIC OUTREACH RELATED TO DOWNTOWN REDEVELOPMENT

6.1 Public outreach will take place as part of the City's Downtown Redevelopment Project. Waco ISD will be involved with such public outreach in order to ensure that the history and perspectives of the Former School Site and education facility(ies) in Waco named in honor of Professor Alexander James Moore, alumni of said education facility(ies), and the African American community are captured and reflected in unique design details and elements of the overall Downtown Redevelopment Project much the same way that the history and perspectives of former residents of the Calle Dos Neighborhood have informed the design of the Barron's Branch District through committed engagement by the City.

6.2 The A.J. Moore Alumni Association will be engaged with as part of said public outreach efforts, to invite the active participation of the Association's members.

6.3 The Waco ISD Board of Trustees will be given an opportunity to help recruit, promote and attract alumni association members to be engaged in the process.

6.4 The Downtown Redevelopment Strategic Roadmap shall be amended to more clearly

reflect this public outreach priority.

6.5 For any public outreach opportunity that occurs at a Waco ISD property, Waco ISD is responsible for any damage to its facilities or injury to attendees.

ARTICLE 7 TERM OF AGREEMENT

7.1 This agreement shall go into full force and effect as stated above in Article 1 and shall continue in full force and effect for a ten (10) year term, unless otherwise stated in this agreement.

7.2 Either City or Waco ISD may terminate any discrete program, obligation, or component of this Agreement described in Articles 4, 5, or 6 and/or any Waco ISD Event under the circumstances described in Article 3 (each, a “Component”) by giving written Notice (as described in Section 8.19) at least ninety (90) days prior to the proposed effective date of termination. Termination of a Component under this Section 7.2 shall not terminate this Agreement as a whole, and all non-terminated provisions shall continue in full force and effect. Termination of a Component (under this Article) is different from a cancellation under Section 4.7 and Section 5.6.

7.3 Termination Shall Not Be Construed as Release. Termination of the entire agreement or of any Component by either party shall not be construed as a release of any claims that the terminating party may be lawfully entitled to assert against the other party. Further, the terminated party shall not be relieved of any liability for damages sustained by the terminating party by virtue of any breach of this Agreement. Termination of this Interlocal Agreement or of any Component does not release Waco ISD of its responsibility for any costs due to Baylor and/or ASM for any Waco ISD Event, even if said Waco ISD Event was not completed.

7.4 Effect of Termination. Except as otherwise provided herein, all duties, obligations or undertakings as are set forth herein of the City and Waco ISD shall cease upon termination or expiration of this Agreement. Termination of this Interlocal Agreement will have **no effect** on the Purchase and Sales Agreement executed by the Parties for the conveyance of approximately 23 acres of real property from Waco ISD to City, the deed(s) conveying said acreage to Waco, nor on the Lease Agreement concerning the lease of a Former School Site (by City to Waco ISD through March 2026).

ARTICLE 8 MISCELLANEOUS

8.1 **Independent Contractors.** The parties to this Agreement are governmental entities which are entering into this Agreement pursuant to Chapter 791, Texas Government Code, which establishes the legal relationship between the parties. No other legal relationship is intended to be created by this Agreement.

8.1.1 The CITY acknowledges and agrees that it does not have, and will not attempt to assert, the authority to make commitments for or to bind WACO ISD to any obligation other than the obligations set forth in this Agreement. WACO ISD also acknowledges and agrees that it does not have, and will not attempt to assert, the authority to make

commitments for or to bind the CITY to any obligation other than the obligations set forth in this Agreement.

8.1.2 WACO ISD and the CITY are independent legal entities. Nothing in this Agreement shall be construed to create the relationship of employer and employee, or principal and agent, or any relationship other than that of independent parties contracting with each other solely for the purpose of carrying out the terms of this Agreement. Neither WACO ISD nor the CITY nor any of their respective agents or employees shall control or have any right to control the activities of the other party in carrying out the terms of this Agreement.

8.2 **Governmental Function and Immunity.**

8.2.1 The parties expressly agree that, in all things relating to this Agreement, the parties enter into this Agreement for the purpose of performing governmental functions as defined by the Texas Tort Claims Act. The parties further expressly agree that every act or omission of each party, which in any way pertains to or arises out of this Agreement, falls within the definition of governmental function. No provision of this Agreement that imposes an obligation or restriction on either party not permitted by applicable law shall be enforceable.

8.2.2 **Sovereign Immunity.** The CITY and WACO ISD reserve, and do not waive, their respective rights of sovereign immunity and similar rights and do not waive their rights under the Texas Tort Claims Act. Neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its powers or functions or pursuant to the Texas Tort Claims Act or other applicable statutes, laws, rules, or regulations

8.3 **No Indemnification.** The Parties expressly agree that, except as provided herein, neither Party shall have the right to seek indemnification or contribution from the other Party for any losses, costs, expenses, or damages directly or indirectly arising, in whole or part, from this Agreement.

8.4 **Representation of Counsel; Mutual Negotiation.** Each party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the parties, at arms' length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any party.

8.5 **Force Majeure.** Notwithstanding any provisions of this Agreement to the contrary, no failure, delay or default in performance of any obligation hereunder shall constitute an event of default or a breach of this Agreement if such failure to perform, delay or default arises out of causes beyond the control and without the fault or negligence of the party otherwise chargeable with failure, delay or default; including but not limited to acts of God, acts of public enemy, pandemic or epidemic, civil war, insurrection, riots, fires, floods, explosion, theft, earthquakes, natural disasters or other casualties, strikes or other labor troubles, which in any way restrict the performance under this Agreement by the parties.

8.6 Open Meetings Act. The parties hereby represent and affirm that this Agreement was adopted in an open meeting held in compliance with the Texas Open Meetings Act (Tex.Gov. Code, Ch. 551), as amended.

8.7 Counterparts. This Agreement may be executed in multiple counterparts which, when taken together, shall be considered as one original.

8.8 Venue. All obligations of the parties created hereunder are performable in McLennan County, Texas.

8.9 Choice of Law. This agreement is governed by the laws of the State of Texas

8.10 Entire Agreement. This agreement constitutes the entire agreement of the parties hereto and supersedes any prior understandings or written or oral contracts between the parties respecting the subject matter.

8.11 Liability. This Agreement is not intended to alter or reallocate any defense or immunity authorized or available to either party by law. Each party shall be solely responsible for fiscal penalties, fines or any other sanctions occasioned as a result of a finding that violations of any applicable local, state, or federal regulations, codes or laws occurred as a result of that party's actions.

8.12 Intentional Risk Allocation. The CITY and WACO ISD each acknowledge that the provisions of this Agreement were negotiated to reflect an informed, voluntary allocation between them of all risks (both known and unknown) associated with the transactions associated with this Agreement. The disclaimers and limitations in this Agreement are intended to limit the circumstances of liability. The remedy limitations, and the limitations of liability, are separately intended to limit the forms of relief available to the parties.

8.13 Waiver of Claims. It is understood and agreed that neither party accepts liability for injuries or damages suffered to the employee of the other. Each party waives any rights of subrogation or third-party claims it have against the other arising from said injuries, and each party will use its best efforts to obtain waivers of subrogation rights from their insurers.

8.14 Partial invalidity. If any term, provisions, covenant, or condition of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

8.15 Amendments. No amendment, modification, or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

8.16 Rights and Remedies Cumulative. The rights and remedies provided by this agreement are cumulative and the use of any one right or remedy by either party shall not preclude or

waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

8.17 No Waiver. No waiver by either party of any event of default, or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation hereof.

8.18 Assignment. Neither party shall sell, assign, transfer, convey, or encumber this agreement or any right or interest therein or thereunder, or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law without the prior written consent of the other party.

8.19 Notice. Any notices described herein or by law shall be given to the parties in writing, and by certified mail, return receipt requested, at the addresses hereinafter set forth, or to such other addresses as the parties may hereinafter substitute by dated written notice given in the manner prescribed in this Article. Notices shall be effective upon receipt unless specifically provided otherwise herein.

TO WACO INDEPENDENT SCHOOL DISTRICT:

Tiffany Spicer, Ph.D.
Superintendent
Waco Independent School District
P.O. Box 27
Waco, TX 76703

TO CITY:

Bradley Ford
City Manager
City of Waco
P.O. Box. 2570
Waco, Texas 76702-2570

8.20 Multiple Copies. This agreement may be executed in multiple counterparts each of which constitutes an original.

8.21 Misspelled Words. Misspelling of one or more words in this agreement shall not vitiate this agreement. Such misspelled words shall be read so as to have the meaning apparently intended by the parties.

[Signature Page Follows This Page]

EXECUTED this 7th day of October, 2025.

CITY OF WACO, TEXAS

BY: _____
Bradley Ford, City Manager

ATTEST:

Michelle Hicks, City Secretary

APPROVED AS TO FORM & LEGALITY:

Kathleen Perdon, Deputy City Attorney

WACO INDEPENDENT SCHOOL DISTRICT

BY: _____

ATTEST:

EXHIBIT A

**ASSUMPTION of RISK, RELEASE of LIABILITY
and HOLD HARMLESS AGREEMENT(s)**

A.1. Adult/Over-18 Participant Waiver



**WAIVER BY WACO ISD PARTICIPANT,
INCLUDING RELEASE OF LIABILITY**

I, _____, being over the age of 18 years and being of sound mind, hereby request that the City of Waco (“City”) permit and allow me to participate in Learning Excursion(s), Internship and/or Externship (individually or collectively “Activities”) at the City and/or City project. I wish to work as an intern for the City of Waco in order to gain some experience in my field of study (_____). As part of the Activities, I may be allowed access to various City of Waco facilities and may be allowed to use certain equipment. Some Activities may involve work that is performed outdoors in a natural environment as well as in an office.

As consideration for the City allowing me to participate in Activities, I hereby state: *(initial each line)*

_____ I am not an employee of the City of Waco and all Activities in which I participate will be as a Volunteer. As I am not an employee of the City, I will perform work as a Volunteer without pay from the City and with no expectation of pay or any other benefits from the City.

_____ I know and realize that the Activities may involve exposure to certain risks and/or potential exposures. I may also be around or in fact make use of certain equipment. If any of the Activities presents risk(s) that I do not want to take, it is my responsibility to state that concern and make a decision not to engage in the Activities. I will inform the Coordinator I am assigned to work with of my concern and decision. I hereby personally accept and assume all risk and responsibility for any harm, injury, or damage that may befall me while I am on City-owned property (and/or property used for a City project) and while participating in any Activities. I further agree to save and hold harmless the City of Waco from any claim by me, or my family, estate heirs, or assigns, arising out of my presence on City-owned property (and/or at a City project) and my participation in any Activities.

_____ I agree to **RELEASE AND FOREVER DISCHARGE** the City of Waco and its elected officers, employees, officials, and agents, from any and all claims, suits, liability, demands or causes of action on account of personal injury, death, or property damage, that may arise from or in connection with my participation in any of the Activities. In executing this document, I am expressly binding myself, my heirs, executors, administrators, and assigns by the terms of this release for **any claim or cause of action of any kind that may arise as result of my participation in any of the Activities, whether caused by a negligent, grossly negligent, or reckless act of the City of Waco or its employees, elected officers, officials, or agents, or caused by the use of any tangible personal property or equipment.**

_____ In consideration of being permitted to ride in a vehicle owned by the City of Waco or operated on official City of Waco business and operated by an employee of the City, I agree to assume any risk of damage or loss, whether to person or property, from any or every cause including negligence, violation of law, or willful misconduct on the part of the City of Waco, its officers, employees, volunteers, or agents, during the time *during any of the Activities in which I am participating* that I am riding in the vehicle or traveling with the City employee, or in connection therewith. Furthermore, I hereby release the City of Waco, its officers, employees, volunteers, and agents, from any and all liability which may arise as a result of my riding in the City vehicle or traveling with a City employee while I am participating in any of the Activities.

_____ I understand that photographs or video may be taken of me while participating in any of the Activities and I grant permission for any such photographs or video to be used by the City.

_____ While participating in any of the Activities, I shall not take photos and/or post photos showing my activities or sites I am at on any social media or use without getting the consent of the City in advance.

_____ I understand this release of liability shall remain in full force and effect until such time that I, in writing, revoke it. I understand that upon revoking this release of liability, I will not be allowed to participate in any of the Activities described above. If any portion of this release of liability is held invalid, I agree the remaining release shall continue in full force and effect. I have signed this document of my own free will.

_____ I understand that all information obtained from or concerning contacts/clients is privileged communication. I also understand that any information that is known to me as a participant in any of the Activities is to be used only for the City's purpose. I agree not to disclose any information of a confidential nature to any person without written authorization (from the City) to do so.

Activities will include, but are not limited to:

- office work including research, communicating via telephone and e-mail
- observing City staff job tasks in the office and at locations in Waco
- observing and walking through City project sites

The Coordinator(s) will be:

Signed this _____ day of _____, 20_____.

Signature

Printed Name

Home Telephone

Address

Work Telephone

City State Zip

Cell Phone

Email Address

In case of emergency, notify:

Name: _____

Address: _____

Home Tel. # _____

Work Tel. # _____

Cell Tel # _____

Relationship to me: _____

=====

City of Waco Approval by: _____ Date Signed: _____

=====

A.2. Minor/Under-18 Participant Waiver



**WAIVER BY WACO ISD PARTICIPANT,
INCLUDING RELEASE OF LIABILITY**

I am the parent or guardian of _____, a Minor child (“Minor”). I agree that the Minor may participate in a Learning Excursion or Internship (“Activities”) at the City of Waco (“City”) or at a City project. I agree that the City has the sole discretion to choose the Activities in which the Minor participates. I understand that I can revoke this consent at any time.

WAIVER AND RELEASE OF LIABILITY. IN CONSIDERATION OF the risk of injury that exists while the Minor participates in a Learning Excursion or Internship; and IN CONSIDERATION OF the Minor being given the opportunity to participate in Activities and my desire for the Minor to participate in Activities, I hereby, for myself and on behalf of the Minor, waive any and all claims or causes of action of any kind arising out of the Minor’s participation in the Activities; and I release and forever discharge City of Waco, its affiliates, managers, members, agents, attorneys, staff, and volunteers from liability for any physical or psychological injury that the Minor may incur as a result of participation in Activities.

I ASSUME ALL RISKS, BOTH KNOWN AND UNKNOWN, TO MY CHILD RELATED TO MY CHILD’S PARTICIPATION IN ACTIVITIES AT THE CITY OF WACO.

In the event of an emergency, please contact the following person(s) in the order presented:

Name	Relationship	Phone
		()
		()
		()

Minor’s Name

Signature of Parent/Guardian

Printed Name of Parent/Guardian

Relationship to Minor

Date

City of Waco
