

Agenda of Regular Meeting

The Board of Trustees Santa Gertrudis ISD

A Regular meeting of the Board of Trustees of Santa Gertrudis ISD will be held August 26, 2024, beginning at 6:30 PM in the SGISD Central Office
Hwy 141-King Ranch
Kingsville, Texas 78363.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. CALL PUBLIC HEARING TO ORDER 6:30 PM
 - A. Establish a Quorum
 - B. Pledge of Allegiance
 - C. Moment of Silence
2. Public Hearing on Proposed Tax Rate for 2024-2025
3. Proposed Budget for 2024-2025
4. Comments from Public in Open Forum
5. Announcements/Communications/Presentations
 - A. Principal Reports
 - B. Athletic Director Report
 - C. Band Reports
 - D. Superintendent Update
6. Discuss and Approve List of Courses for No Pass No Play Exemptions
7. Discuss and take possible action on Adjunct Faculty Agreements and Resolutions
 - A. Nueces County Extension Service
 - B. Jim Wells County Extension Service
 - C. Kleberg-Kenedy County Extension Service
8. Discuss and take possible EIC Local Policy Update
9. Discuss Preliminary Financial Integrity Ratings System of Texas Report (FIRST) 3
10. Take action on setting date of November 18, 2024, for Public Hearing First Ratings Final Report
11. Discuss and review student transfers for the 2024-2025 school year
12. Take Action to Order a General Election for November 2024 School Board Elections.
13. Consent Agenda Items

- A. Finance Reports
 - B. Minutes from Regular Board Meeting July 22, 2024
 - C. Minutes from July 22, 2024 Finance Meeting
 - D. Minutes from Special Board Meeting August 5, 2024
 - E. Kleberg County Appraisal District Proposed 2024 Budget
 - F. Estimated Certified Values for 2024 as submitted from Kleberg County Appraisal District.
14. Discuss and take possible action on Budget Amendments
 15. Discuss and take possible action on Blanket Year End 2023-2024 Budget Amendments
 16. Adopt the District's Final Budget 2024-2025
 17. Adopt 2024 - 2025 Tax Rate 6
 18. Discuss and take possible action on TAMUK Poteet Hall Lease 7
 19. CLOSED SESSION
 - A. Pursuant to Tex. Govt. Code 551.074, attorney consultation regarding the Superintendent's evaluations and contract.
 - B. Pursuant to Tex. Govt. Code 551.074, consider and discuss evaluation of the Superintendent.
 - C. Pursuant to Tex. Govt. Code 551.074, consider and discuss the Superintendent's contract.
 - D. Pursuant to Tex. Govt. Code 551.071, attorney consultation regarding board member resignation and reorganization of Board Officers.
 20. OPEN SESSION
 - A. Consider and take possible action regarding the Superintendent's contract.
 - B. Consider and take possible action regarding the evaluation of the Superintendent.
 - C. Consider and take possible action regarding Board member resignation.
 - D. Consider and take possible action regarding reorganization of Board Officers.
 21. Adjournment



Financial Integrity Rating System of Texas

**2023-2024 RATINGS BASED ON SCHOOL YEAR 2022-2023 DATA - DISTRICT STATUS
DETAIL**

Name: SANTA GERTRUDIS ISD(137904)	Publication Level 1: 8/8/2024 6:33:40 PM
Status: Passed	Publication Level 2: 8/8/2024 6:33:40 PM
Rating: A = Superior Achievement	Last Updated: 8/8/2024 6:33:40 PM
District Score: 100	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	4/19/2024 6:26:17 PM	Yes
2	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	4/19/2024 6:26:17 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money), and their creditors, which includes a plan for paying back the debt.)</u>	4/19/2024 6:26:17 PM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	4/19/2024 6:26:17 PM	Yes Ceiling Passed
			1 Multiplier Sum
5	<u>Was the total net position in the governmental activities column in the Statement of Net Position (net of accretion of interest for capital appreciation bonds, net pension liability, and other post-employment benefits) greater than zero? (If it is not, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement, unless the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership. If the school district has an increase of students in membership over 5 years of 7 percent or more or 1,000 or more students in membership, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/19/2024 6:26:17 PM	Ceiling Passed
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/19/2024 6:26:17 PM	Ceiling Passed
7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	4/19/2024 6:26:17 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	4/19/2024 6:26:17 PM	10
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See</u>	4/19/2024 6:26:17 PM	10

	<u>ranges below in the Determination of Points section.</u>		
10	This indicator is not being evaluated.		10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's increase of students in membership over 5 years was 7 percent or more or 1,000 or more students in membership, then the school district passes this indicator.)</u>	4/19/2024 6:26:17 PM	10
12	<u>What is the correlation between future debt requirements and the district's assessed property value?</u>	8/8/2024 3:09:23 PM	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/22/2024 10:16:04 AM	10
14	<u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.</u>	4/19/2024 6:26:17 PM	10
15	This indicator is not being evaluated.		5
16	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	4/19/2024 6:26:17 PM	Ceiling Passed
17	<u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds and free from substantial doubt about the school district's ability to continue as a going concern? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	4/19/2024 6:26:17 PM	Ceiling Passed
18	<u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u>	4/19/2024 6:26:17 PM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	4/19/2024 6:26:17 PM	5
20	<u>Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?</u>	4/19/2024 6:26:17 PM	Ceiling Passed
21	<u>Did the school district receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds because of a financial hardship?</u>	4/19/2024 6:26:17 PM	Ceiling Passed
			100 Weighted Sum
			1 Multiplier Sum
			(100 Ceiling)
			100 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is F for Substandard Achievement regardless of points earned.				
B.	Determine the rating by the applicable number of points.				
	<table border="1"> <tr> <td>A = Superior Achievement</td> <td>90-100</td> </tr> <tr> <td>B = Above Standard Achievement</td> <td>80-89</td> </tr> </table>	A = Superior Achievement	90-100	B = Above Standard Achievement	80-89
A = Superior Achievement	90-100				
B = Above Standard Achievement	80-89				

C = Meets Standard Achievement

70-79

F = Substandard Achievement

<70

No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

The school district receives an **F** if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.

CEILING INDICATORS

Did the school district meet the criteria for any of the following **ceiling indicators** 4, 6, 16, 17, 20, or 21? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.

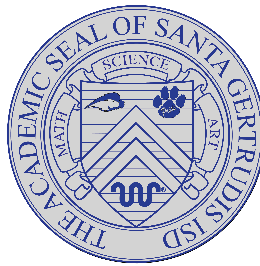
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 21 (FSP Repayment Plan) - Response to indicator is <i>Yes</i> .	70	C = Meets Standard Achievement

Home Page: [Financial Compliance | Texas Education Agency](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

THE **TEXAS EDUCATION AGENCY**
1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734

FIRST 5.15.6.0

Santa Gertrudis
School
P.O. Box 592
Kingsville, TX 78364
(361) 384-5046



Santa Gertrudis
Academy High School
MSC 183
Kingsville, TX 78363
(361) 384-5041

Santa Gertrudis ISD 🐾 P.O. Box 592 🐾 Kingsville, TX 78364
Phone: (361) 384-5087 🐾 www.sgisd.net

ORDINANCE SETTING TAX RATE

August 26, 2024

On this date, we the Board of Trustees of the Santa Gertrudis Independent School District, hereby levy or set the tax rate on \$100 valuation for the District for the tax year 2024 at a total tax rate of \$0.669200 to be assessed and collected by the dully specified assessor and collector as follows:

\$ 0.669200 for the purposes of maintenance and operations

Be I resolved and ordered that the Kleberg County Tax Assessor/Collector is hereby authorized to assess and collect the taxes of Santa Gertrudis ISD employing the above tax rate and complying with all existing state laws and policies of Santa Gertrudis ISD on the 30th day of August 2023 and was executed in duplicate.

IN CERTIFICATION THEREOF:

Signed:

Frances Regalado, Acting President

Carmen Falcon, Secretary

This year's levy to fund maintenance and operations expenditures does not exceed last year's maintenance and operations tax levy. The ordinance, resolution, or order setting this year's tax rate does not require the statements about "tax increase" as specified in 26.05(b) of Property Tax Code.

Note: The above ordinance is referred to in the minutes of the board meeting. The minutes will state that the ordinance was in writing and was acted upon by the board; will state the rate and the purpose for which the tax was levied; and will state the action and vote of the board. A signed copy of the ordinance should be attached and incorporated into the minutes.

LEASE AND LICENSE AGREEMENT
by and between
THE BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM
and
SANTA GERTRUDIS INDEPENDENT SCHOOL DISTRICT

THIS LEASE AND LICENSE AGREEMENT (this "Lease") is made and entered into by and between the **BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM**, an agency of the State of Texas ("**A&M SYSTEM**"), and **SANTA GERTRUDIS INDEPENDENT SCHOOL DISTRICT** ("**SANTA GERTRUDIS**"), for the use and benefit of Academy High School. **SANTA GERTRUDIS** acknowledges that **A&M SYSTEM** has delegated to Texas A&M University-Kingsville ("**Texas A&M-Kingsville**"), a member of The Texas A&M University System, the day-to-day maintenance and management of the facilities and property governed by this Lease, and shall have the right to delegate certain of the obligations of **A&M SYSTEM** under this Lease to Texas A&M-Kingsville without notice to or the consent of **SANTA GERTRUDIS**.

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THIS LEASE SUPERSEDES AND REPLACES IN ITS ENTIRETY A LEASE AND LICENSE AGREEMENT BETWEEN THE PARTIES DATED EFFECTIVE SEPTEMBER 5, 2019.

ARTICLE 1
PREMISES

Section 1.01 **A&M SYSTEM** leases to **SANTA GERTRUDIS**:

Poteet Hall, Building #3639-0747, a 71,648 square foot building on the campus of TAMU-K, as shown on Exhibit "A" attached hereto (the "Building").

The Building shall be referred to as the "Premises".

Section 1.02 **SANTA GERTRUDIS** and **A&M SYSTEM** agree to the extent practicable to advise their respective invitees, permittees, and licensees of the co-location of **SANTA GERTRUDIS'** Academy High School on the campus of Texas A&M-Kingsville, the rules and regulations agreed upon for the use of the Premises by **SANTA GERTRUDIS**, and the responsibility of such invitees, permittees, and licensees to adhere to such rules and regulations. A copy of the current Rules and Regulations is attached hereto as Exhibit "B".

Section 1.03 **SANTA GERTRUDIS** will be responsible for all utility charges, including electricity, gas, water, and sewer. **A&M SYSTEM** will bill **SANTA GERTRUDIS** for the cost of utilities consumed at the Premises on a quarterly basis, beginning with the first quarter ending October 31, 2024. **SANTA GERTRUDIS** will pay each bill within thirty (30) days following receipt. The cost of these utilities shall be billed at the average cost per square foot realized by

A&M SYSTEM across the Texas A&M-Kingsville campus. As of September 1, 2023, the average cost per square foot for these utilities were:

Water and Sewage (combined): \$0.32/sf

Electricity: \$1.36/sf

Gas: \$0.03/sf

The rates will be established on September 1st of each year for the previous twelve month period. **SANTA GERTRUDIS** will be billed on the rate per square foot for each utility times 71,648 square feet which is the gross square footage of the Premises.

Section 1.04 The parties agree that all other building services will be provided and paid by the respective parties hereto in accordance with Exhibit "C" attached hereto and incorporated herein.

Section 1.05 **SANTA GERTRUDIS** may, at its sole expense, examine **A&M SYSTEM**'s books relevant to the costs billed to it at the administrative offices of Texas A&M-Kingsville during Texas A&M-Kingsville's regular business hours.

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ARTICLE 2 TERM

Section 2.01 The term of this Lease is for five (5) years, beginning on August 1, 2024 (the "Commencement Date") and terminating on July 31, 2029, unless sooner terminated as provided in this Lease.

Section 2.02 Intentionally deleted.

Section 2.03 Upon the expiration or termination of this Lease, **SANTA GERTRUDIS** agrees to surrender the Premises in good order, condition and repair, except for ordinary wear and tear.

Section 2.04 If **SANTA GERTRUDIS** holds over after expiration or termination of this Lease, such holdover shall be treated as a tenancy at sufferance and all provisions of this Lease will be applicable during such holdover. The parties agree no holding over by **SANTA GERTRUDIS**, whether with or without the consent of **A&M SYSTEM**, will operate to extend this Lease except as provided for in this Article.

ARTICLE 3 CONSIDERATION

SANTA GERTRUDIS agrees to pay **A&M SYSTEM**, as basic rent, the sum of \$181,109.05 for the first year of the term of this Lease, escalating on August 1, 2025, and each anniversary date of this Lease thereafter by four percent (4%). The rent shall be payable in quarterly installments due on the first day of November, February, May, and August, beginning August 1, 2024, and continuing quarterly thereafter. The Schedule of Payments shall be as follows:

Beginning August 1, 2024, the annual base amount shall be \$181,269.44 and the quarterly payment amount shall be \$45,317.36.

Beginning August 1, 2025, the annual base amount shall be \$188,434.24 and the quarterly payment amount shall be \$47,108.56.

Beginning August 1, 2026, the annual base amount shall be \$195,599.04 and the quarterly payment amount shall be \$48,899.76.

Beginning August 1, 2027, the annual base amount shall be \$203,480.32 and the quarterly payment amount shall be \$50,870.08.

Beginning August 1, 2028, the annual base amount shall be \$212,078.08 and the quarterly payment amount shall be \$53,019.52.

All Rent payments should be made payable to Texas A&M University-Kingsville and addressed to:

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Financial Accounting and Reporting
Texas A&M University-Kingsville
MSC 216
700 University Blvd
Kingsville, Texas 78363

ARTICLE 4 **RETURN OF PREMISES**

All improvements attached to the Premises that cannot be reasonably removed and reused will become the property of **A&M SYSTEM** upon the expiration or termination of this Lease for any reason. All personal property or trade fixtures placed upon the Premises and capable of removal by **SANTA GERTRUDIS**, must be removed; provided all cost associated with such removal must be paid by **SANTA GERTRUDIS**. Upon removal, **SANTA GERTRUDIS** must repair and reconfigure the area around such removal to a condition compatible with the finish out standards of the Premises from which the item was removed. On the expiration or termination of this Lease, **SANTA GERTRUDIS** must surrender the Premises in good order, condition and repair, ordinary wear and tear excepted and must surrender to **A&M SYSTEM** any keys, electronic ID cards, and other access devices to the Premises at the place then designated under this Lease for the payment of rent and other charges to **A&M SYSTEM**. Any excessive cleaning charges incurred by **A&M SYSTEM** or expenses related to damages to the Premises and the Building caused by **SANTA GERTRUDIS**' removal of equipment, furnishings, fixtures, apparatus and personal property must be reimbursed by **SANTA GERTRUDIS** within thirty (30) days of written notice from **A&M SYSTEM** to **SANTA GERTRUDIS**.

ARTICLE 5
CONDITION OF PREMISES

SANTA GERTRUDIS has inspected the Premises, and has made its own determination as to the suitability of the Premises for **SANTA GERTRUDIS'** use. The Premises are accepted by **SANTA GERTRUDIS** "as is, where is." THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

ARTICLE 6
USE OF PREMISES

Section 6.01 **SANTA GERTRUDIS** agrees that the Premises will be used for educational purposes only, as the location for Academy High School, and only in furtherance of **SANTA GERTRUDIS'** educational mission.

Any change in the nature or scope of programs beyond the above-stated must be approved in writing by **A&M SYSTEM** prior to such activity commencing.

Section 6.02 **SANTA GERTRUDIS** will promptly and fully comply with all laws, regulations or other requirements, now or hereinafter in force, of all federal, state, and/or local government bodies and agencies that have jurisdiction over **A&M SYSTEM's** or **SANTA GERTRUDIS'** use of the Premises. **SANTA GERTRUDIS** will not use the Premises for any unlawful purpose nor will **SANTA GERTRUDIS** maintain or permit any nuisance in or about the Premises, or commit any waste on the Premises.

Section 6.03 **A&M SYSTEM** agrees that **SANTA GERTRUDIS**, so long as it is not in default under the terms of this Lease, may peaceably have, hold, occupy, use, and enjoy the Premises during the term of this Lease, and may exercise all of its rights under this Lease.

ARTICLE 7
RENOVATIONS

Section 7.01 **SANTA GERTRUDIS** is responsible for the installation, service, and recurring costs of its telecommunications and data transmission systems.

Section 7.02 The parties anticipate there may be phases of tenant improvements constructed by **A&M SYSTEM** or by **SANTA GERTRUDIS**. The plans and budget for any such construction by **A&M SYSTEM** must be approved by **SANTA GERTRUDIS** prior to construction. The plans for any tenant improvements to be constructed by **SANTA GERTRUDIS** must be approved by **A&M SYSTEM** prior to construction, and the construction performed in a manner approved by **A&M SYSTEM**.

Section 7.03 Statutory Requirements as to **SANTA GERTRUDIS'** Construction, Alteration, or Repair of an Improvement to the Premises. As required by Texas Government Code

§2252.909 (as amended or recodified), **SANTA GERTRUDIS** must perform the following in connection with the construction, alteration, or repair of any improvement to the Premises which has received prior written authorization from **A&M SYSTEM**:

A. **SANTA GERTRUDIS** must include in each contract for the construction, alteration, or repair of an improvement to the Premises as permitted pursuant to the terms of this Lease a condition that the contractor hired by **SANTA GERTRUDIS** to perform such construction, alteration, or repair must perform the following:

1. execute a payment bond that conforms to Subchapter I, Chapter 53, Texas Property Code (as amended) and in the form prescribed by **A&M SYSTEM**; and
2. execute a performance bond in the form prescribed by **A&M SYSTEM** and in an amount equal to the amount of the construction contract for the protection of **A&M SYSTEM** and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents and the terms and conditions of this Lease.

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B. The bonds must be issued by solvent, reputable sureties having a rating of at least A- (or comparable rating) and the **A&M SYSTEM** and **SANTA GERTRUDIS** must be named dual obliges under all such bonds; and

C. **SANTA GERTRUDIS** must provide **A&M SYSTEM** (with an email copy to Texas A&M-Kingsville at Jacob.Flournoy@tamuk.edu and to **A&M SYSTEM**'s Office of General Counsel at property@tamus.edu) a Notice of Commencement (as defined below) with the required terms as described below at least ninety (90) days before the date the construction, alteration, or repair of any improvement to the Premises begins.

A "Notice of Commencement" must (1) identify the public property where the work will be performed; (2) describe the work to be performed; (3) state the total cost of the work to be performed; (4) include copies of the performance and payment bonds required under subsections A(1) and A(2) of this Section above; and (5) include a written acknowledgment signed by the contractor stating that copies of the required performance and payment bonds will be provided to all subcontractors not later than the fifth (5th) day after the date a subcontract is executed on such construction, alteration, or repair.

On or before the tenth (10th) day after the date **A&M SYSTEM** receives a Notice of Commencement for the construction, alteration, or repair of an improvement to the Premises as required hereunder, **A&M SYSTEM** may notify **SANTA GERTRUDIS** that the construction, alteration, or repair may not proceed.

SANTA GERTRUDIS' failure to provide a Notice of Commencement when required pursuant hereto will constitute a default hereunder.

SANTA GERTRUDIS will indemnify and hold harmless Texas A&M-Kingsville and **A&M SYSTEM**, and their regents, officers, employees, agents, successors and assigns, from and against any and all costs, liability, damage or expense, including, without limitation, reasonable attorneys' fees and disbursements, arising with respect to **SANTA GERTRUDIS'** failure to comply with the requirements of this Section 7.03 and/or **SANTA GERTRUDIS'** failure to submit to Texas A&M-Kingsville and **A&M SYSTEM** the Notice of Commencement as required by this Section. This indemnification extends to the successors and assigns of **SANTA GERTRUDIS**, and this indemnification survives the expiration or termination of this Lease.

ARTICLE 8
MAINTENANCE AND REPAIRS

Section 8.01 Maintenance and repair of the Premises shall be performed in accordance with Exhibit "C". **A&M SYSTEM**, its officers, agents, and representatives, may enter all areas of the Premises at all reasonable hours for purposes of inspection, cleaning, repairs, or alterations that may be necessary or desirable to maintain the Building, and may enter the Premises at all reasonable hours for the purpose of inspection to ensure compliance with this Lease. To the extent such inspections, cleaning, repairs, or alterations are routine, **A&M SYSTEM** agrees to enter during normal working hours, and in a manner that will not unduly impact or restrict the normal operations of **SANTA GERTRUDIS**. In the event entry is necessary due to emergency, **A&M SYSTEM** will use its best efforts to notify **SANTA GERTRUDIS** and will strive to not adversely impact the use and enjoyment of the Premises by **SANTA GERTRUDIS**. Regular or emergency entry onto the Premises by **A&M SYSTEM** personnel will not constitute a basis for any claim by **SANTA GERTRUDIS** or any default by **A&M SYSTEM**.

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Section 8.02 **SANTA GERTRUDIS** must, at its sole expense, maintain and keep the interior of the Building in good repair and condition. **SANTA GERTRUDIS** shall repair all damages to the Premises caused by **SANTA GERTRUDIS**, its students, employees, agents, contractors, and invitees. **SANTA GERTRUDIS** is not authorized to alter, change, or in any manner build-out the Premises, without prior written authorization from **A&M SYSTEM**. **A&M SYSTEM** reserves the right to require and review architect and/or engineer drawings and plans prior to issuing a decision.

ARTICLE 9
DESTRUCTION OF PREMISES; CONDEMNATION

Section 9.01 In the event any portion of the Premises is totally or partially destroyed or damaged by fire or any other casualty, or the right of ingress or egress is impaired to such extent rendering any or all of the Premises unfit for use by **SANTA GERTRUDIS**, or should any agency, department, official, or government body with jurisdiction determine any of the Premises to be a fire hazard or for any other reason unsuitable for use by **SANTA GERTRUDIS**, **A&M SYSTEM** has the right, but not the obligation, to terminate this Lease by giving **SANTA GERTRUDIS** written notice at any time within thirty (30) days after such damage, destruction, or notification.

Section 9.02 If a condemnation proceeding results in a partial taking of the Premises, but

the Premises are still viable for **SANTA GERTRUDIS'** use, at **A&M SYSTEM's** sole determination, the Rent will be equitably adjusted.

If a condemnation proceeding results in a total taking of the Premises, to the extent that substantially all of the Premises are not available for **SANTA GERTRUDIS'** use, all prepaid Rent and fees will be refunded on a pro-rata basis and this Lease will be terminated. Alternatively, if **A&M SYSTEM** is able to provide other space suitable for **SANTA GERTRUDIS'** use, **SANTA GERTRUDIS** may elect to rent such space under the same terms, conditions, and Rent as this Lease.

ARTICLE 10 INSURANCE

Section 10.01 **SANTA GERTRUDIS** hereby acknowledges that **A&M SYSTEM** is self insured or insures the Premises under a master property damage insurance policy. It is expressly understood that **A&M SYSTEM's** insurance, if any, does not cover **SANTA GERTRUDIS**, its students, employees, agents, contractors, or invitees, and **A&M SYSTEM** has no responsibility for theft, vandalism, loss, or casualty to the property of **SANTA GERTRUDIS**, its students, employees, agents, contractors, or invitees. **SANTA GERTRUDIS** acknowledges that, because **A&M SYSTEM** is an agency of the State of Texas, liability for the tortious conduct of employees of **A&M SYSTEM** or for injuries caused by conditions or use of tangible state property is provided solely by the provisions of the Texas Tort Claims Act (Texas Civil Practice and Remedies Code Chapters 101 and 104); and that workers' compensation insurance coverage for employees of **A&M SYSTEM** is provided by **A&M SYSTEM** as mandated by the provisions of Chapter 502, Texas Labor Code.

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Section 10.02 **SANTA GERTRUDIS** must obtain and maintain, for the duration of this Lease or longer, the minimum insurance coverage set forth below. With the exception of Professional Liability (E&O), all coverage must be written on an occurrence basis. All coverage must be underwritten by companies authorized to do business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code and have a financial strength rating of A- or better and a financial strength rating of VII or better as measured by A.M. Best Company or otherwise acceptable to **A&M SYSTEM**. By requiring such minimum insurance, **A&M SYSTEM** will not be deemed or construed to have assessed the risk that may be applicable to **SANTA GERTRUDIS** under this Lease. **SANTA GERTRUDIS** will assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. **SANTA GERTRUDIS** is not relieved of any liability or other obligations assumed pursuant to this Lease by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. No policy will be canceled without unconditional written notice to **A&M SYSTEM** at least ten (10) days before the effective date of the cancellation.

Insurance:

<u>Coverage</u>	<u>Limit</u>
A. <u>Worker's Compensation</u>	
Statutory Benefits (Coverage A)	Statutory
Employers Liability (Coverage B)	\$1,000,000 Each Accident \$1,000,000 Disease/Employee \$1,000,000 Disease/Policy Limit

Workers' Compensation policy must include under Item 3.A. on the information page of the workers' compensation policy the state in which work is to be performed for A&M System. Workers' compensation insurance is required, and no "alternative" forms of insurance will be permitted.

B. Automobile Liability

Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 Single Limit of liability per accident for Bodily Injury and Property Damage.

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C. Commercial General Liability

Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Products / Completed Operations	\$2,000,000
Personal / Advertising Injury	\$1,000,000
Damage to rented Premises	\$300,000
Medical Payments	\$5,000

The required commercial general liability policy will be issued on a form that insures **SANTA GERTRUDIS** or its subcontractors' liability for bodily injury (including death), property damage, personal and advertising injury.

D. Property Insurance

SANTA GERTRUDIS shall obtain property insurance on a causes of loss form on the Building or any replacements or substitutions therefor and **SANTA GERTRUDIS's** fixtures, furniture and personal property, with deductibles in an amount that **SANTA GERTRUDIS** may reasonably determine, against Insurable Risks (hereinafter defined), and during construction of the any improvements at the Building, **SANTA GERTRUDIS** shall cause its contractor to obtain builder's risk completed value form, in amounts not less than one hundred percent (100%) of actual replacement cost, and such property and builder's risk insurance shall name lender of any loan documents as loss payee in the event a mortgage is outstanding, and otherwise name **SANTA GERTRUDIS** as loss payee in the event no mortgage lien is outstanding. "**Insurable Risks**" means those risks covered by the Texas Standard Form Fire and Extended Coverage Policy (including fire and direct

loss by windstorm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft and land vehicles, sonic shock wave and leakage from fire protective equipment).

E. SANTA GERTRUDIS will deliver to A&M SYSTEM:

Evidence of insurance on a Texas Department of Insurance approved certificate form verifying the existence and actual limits of all insurance prior to occupancy of the Premises by **SANTA GERTRUDIS** under this Lease. The address and/or legal description of the Premises must be referenced in the Texas Department of Insurance approved certificate form. Additional evidence of insurance will be provided on a Texas Department of Insurance approved certificate form verifying the continued existence of all required insurance no later than thirty (30) days after each annual insurance policy renewal.

All insurance policies, with the exception of worker's compensation, employer's liability and professional liability, will be endorsed and name The Board of Regents for and on behalf of The Texas A&M University System, The Texas A&M University System and Texas A&M University- Kingsville as Additional Insureds up to the actual liability limits of the policies maintained by **SANTA GERTRUDIS**. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage. The Commercial General Liability Additional Insured endorsement will include on-going and completed operations and will be submitted with the Certificates of Insurance.

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All insurance policies will be endorsed to provide a waiver of subrogation in favor of The Board of Regents of The Texas A&M University System, The Texas A&M University System and Texas A&M University-Kingsville. No policy will be cancelled without unconditional written notice to The Board of Regents of The Texas A&M University System, The Texas A&M University System and Texas A&M University- Kingsville at least 10 days before the effective date of the cancellation.

All insurance policies will be endorsed to require the insurance carrier providing coverage to send notice to The Board of Regents of The Texas A&M University System, The Texas A&M University System and Texas A&M University-Kingsville ten (10) days prior to the effective date of cancellation, material change, or non-renewal relating to any insurance policy required in this Section.

Any deductible or self-insured retention must be declared to and approved by **A&M SYSTEM** prior to occupancy of the Premises by **SANTA GERTRUDIS**. **SANTA GERTRUDIS** is responsible to pay any deductible or self-insured retention for any loss. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

Certificates of Insurance, Additional Insured Endorsements, renewals and any other insurance documentation required hereunder will be emailed to Texas A&M-Kingsville at Jacob.Flournoy@tamuk.edu, and to the **A&M SYSTEM** at sreo@tamus.edu.

The insurance coverage required by this Lease will be kept in force until the Lease terminates.

Section 10.03 **SANTA GERTRUDIS** agrees to indemnify, defend, and hold harmless **A&M SYSTEM** and Texas A&M University–Kingsville and their officers, employees and agents from and against any and all suits, actions, legal or administrative proceedings, demands, claims, liabilities, fees, fines, penalties, losses, damages, expenses or costs that is incurred or imposed based upon a violation of any laws, or for injury to person(s) or damage to property arising out of, or in any way connected to the Premises and the Building caused by **SANTA GERTRUDIS**, its officers, employees, agents and invitees.

ARTICLE 11 ASSIGNMENT

Section 11.01 **SANTA GERTRUDIS** will not, in whole or in part, transfer, assign, abandon or otherwise dispose of its rights under this Lease, without the express written consent of **A&M SYSTEM**, which will not be reasonably withheld. It is acknowledged by the parties that this Lease is for the purpose of creating and supporting a synergistic relationship between **A&M SYSTEM** and **SANTA GERTRUDIS**, and thus any proposed assignment must be compatible with this objective.

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Section 11.02 **SANTA GERTRUDIS** may not hypothecate, encumber, or grant any deed of trust or mortgage covering the leasehold estate or license created by this Lease or any improvements thereon, and **SANTA GERTRUDIS** may not collaterally assign any rent or other income generated as a result of the use of the Premises.

Section 11.03 **A&M SYSTEM** and **SANTA GERTRUDIS** will execute and deliver to each other, at such time or times as the other may request, a certificate stating:

- (a) Whether the Lease is in full force and effect;
- (b) Whether the Lease has been modified or amended in any respect, and submit copies of such modifications or amendments, if any;
- (c) Whether there are any existing defaults under this Lease to the knowledge of the party executing the certificate, and specifying the nature of such defaults, if any; and,
- (d) Such other information as may be reasonably requested. The certificate(s) will be delivered to the requesting party within thirty (30) calendar days of receipt of a written request. Failure to timely deliver such certificate(s) is an event of default and entitles the requesting party to exercise any remedies permitted under the terms of this Lease without the necessity of further notice.

ARTICLE 12
NO PERSONAL LIABILITY

Nothing in this Lease will be construed as creating any personal liability on the part of any officer or agent of **A&M SYSTEM, SANTA GERTRUDIS**, or Texas A&M-Kingsville.

ARTICLE 13
PARTY NOT LIABLE FOR OTHER'S NEGLIGENCE

Neither **A&M SYSTEM** nor **SANTA GERTRUDIS** is liable for the negligent acts or omissions of the other party, its officers, employees, or agents which cause the death, bodily injury, or illness of any other person or damage to or destruction of any property.

ARTICLE 14
SIGNAGE

SANTA GERTRUDIS may, subject to written approval by **A&M SYSTEM**, install, remove, and/or replace any signs at locations it deems necessary or desirable, inside or outside of the Premises, as long as such signs conform to building standards established by **A&M SYSTEM**. Signs identifying **SANTA GERTRUDIS**, or logos, flags and other institutional "identifiers" may not be used in a manner that impacts on the concept of unity or integrity of the campus of Texas A&M-Kingsville.

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ARTICLE 15
DEFAULT AND REMEDIES

Section 15.01 Each of the following acts, omissions, or occurrences by **SANTA GERTRUDIS** may constitute an event of default:

- (a) Failure or refusal of **SANTA GERTRUDIS** to timely pay for services or any other sums when due, after written notice and thirty (30) calendar days opportunity to cure;
- (b) Failure or refusal by **SANTA GERTRUDIS** to timely perform or observe any other covenant, duty, or obligation of this Lease, after written notice of such failure or refusal and thirty (30) calendar days opportunity to cure; and
- (c) Abandonment or vacation of Premises for thirty (30) or more calendar days after written notice from **A&M SYSTEM**.

Section 15.02 If an event of default by **SANTA GERTRUDIS** occurs, **A&M SYSTEM** may, at its option, in addition to all other rights and remedies herein or in law or equity, terminate this Lease by sending written notice of such termination in accordance with Article 17 below to **SANTA GERTRUDIS**. **SANTA GERTRUDIS** will immediately surrender possession of the Premises to **A&M SYSTEM**. Such termination will not prejudice the rights of **A&M SYSTEM** to any claim for payment due.

Section 15.03 If **A&M SYSTEM** defaults under the terms of this Lease, prior to taking action, **SANTA GERTRUDIS** will give **A&M SYSTEM** written notice listing such default(s) with particularity; and **A&M SYSTEM** will have a reasonable period of not less than thirty (30) calendar days, in which to commence cure(s) and to diligently pursue such cure(s). If **A&M SYSTEM** fails to cure any default(s) after notice, or having commenced such cure(s), fails to exercise reasonable diligence to complete such cure(s), **SANTA GERTRUDIS** may, at its option, in addition to all other rights and remedies herein or in law or equity as permitted by applicable law, terminate this Lease by sending written notice in accordance with Article 17 below to **A&M SYSTEM**.

ARTICLE 16
WAIVER

Acceptance of any sums due from **SANTA GERTRUDIS** by **A&M SYSTEM** or failure by **A&M SYSTEM** to complain of any action, inaction, or event of default by **SANTA GERTRUDIS** will not constitute a waiver of any other breach or a waiver of any of **A&M SYSTEM**'s rights. Waiver by **A&M SYSTEM** of any event of default of **SANTA GERTRUDIS** will not constitute a waiver of the rights regarding either a prior or subsequent default of the same obligation or for any prior or subsequent event of default. No right or remedy of **A&M SYSTEM** or covenant, duty, or obligation of **SANTA GERTRUDIS** can be waived by **A&M SYSTEM** unless such waiver is in writing and signed by **A&M SYSTEM**. Failure by **SANTA GERTRUDIS** to complain of any action, inaction, or event of default by **A&M SYSTEM** will not constitute a waiver of any breach or a waiver of any of **SANTA GERTRUDIS**' rights. Waiver by **SANTA GERTRUDIS** of any event of default of **A&M SYSTEM** will not constitute a waiver of rights regarding either a prior or subsequent default of the same obligation. No right or remedy of **SANTA GERTRUDIS** or covenant, duty, or obligation of **A&M SYSTEM** can be waived by **SANTA GERTRUDIS** unless such waiver is in writing and signed by **SANTA GERTRUDIS**.

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ARTICLE 17
NOTICES

Any notice required or permitted under this Lease must be in writing and will be deemed given: (a) three (3) business days after it is deposited and post-marked with the United States Postal Service, postage prepaid, certified mail, return receipt requested, (b) the next business day after it is sent by overnight carrier, (c) on the date sent by email transmission with electronic confirmation of receipt by the party being notified, or (d) on the date of delivery if delivered personally. The parties may change their respective notice address by sending to the other party a notice of the new address. Notices should be addressed as follows:

SANTA GERTRUDIS:

Santa Gertrudis ISD
Attn: Veronica Alfaro
Superintendent
P.O. Box 592-King Ranch
Kingsville, Texas 78363-0592
Phone: 361-384-5087

A&M SYSTEM:

Texas A&M University-Kingsville
Attn: Jacob W. Flournoy
Vice President for Finance and Chief Financial
Officer
700 University Way
Kingsville, Texas 78363
Phone: 361-593-2419
Email: Jacob.Flournoy@tamuk.edu

With copy to:

The Texas A&M University System
Office of Business Affairs
Attn: System Real Estate Office
301 Tarrow, 5th Floor
College Station, Texas 77840-7896
Phone: 979-458-3650
Email: sreo@tamus.edu

With copy to:

The Texas A&M University System
Office of General Counsel
Attn: Property & Construction
301 Tarrow St., 6th Floor
College Station, Texas 77840-7896
Phone: 979-458-6120
Email: property@tamus.edu

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ARTICLE 18
LAWS AND VENUE

The validity of this Lease and all matters pertaining to this Lease, including but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the Constitution and the laws of the State of Texas. Pursuant to Section 85.18, *Texas Education Code*, venue for any suit filed against **A&M SYSTEM** shall be in the county in which the primary office of the chief executive officer of **A&M SYSTEM** is located.

ARTICLE 19
CAPTIONS

The captions of this Lease are included for reference only and are not considered a part of, and will not be deemed to modify, restrict, or enlarge any of the provisions of this Lease.

ARTICLE 20
SEVERABILITY

In case any one or more of the provisions contained in this Lease is, for any reason, held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provisions hereof, and this Lease will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. The parties agree that any alterations, additions, or deletions to the provisions of this Lease that are required by changes in federal or state law or regulations are automatically incorporated into this Lease without written amendment hereto and will become effective on the date designated by such law or by regulation.

ARTICLE 21
ENTIRE AGREEMENT

Section 21.01 This Lease and any document incorporated herein by reference constitutes the complete agreement of **A&M SYSTEM** and **SANTA GERTRUDIS** and supersedes any prior understanding or agreement, written or oral, between them regarding the issues covered by this Lease. This Lease may not be modified orally or in any manner other than by agreement in writing signed by the parties hereto or their permitted successors or assigns.

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Section 21.02 This Lease may be executed in multiple counterparts, each of which is declared an original. To facilitate execution of this Lease, the parties hereto may execute and exchange, by electronic mail PDF, counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Lease to physically form one document. The parties hereto consent and agree that this Lease may be signed and/or transmitted by e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record will be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (a) to the extent a party signs this Lease using electronic signature technology, by clicking "SIGN", such party is signing this Lease electronically, and (b) the electronic signatures appearing on this Lease will be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

ARTICLE 22
MISCELLANEOUS

Section 22.01 Each party hereto will comply with all federal, state, and local laws, rules, and regulations applicable to the performance of its obligations under this Lease.

Section 22.02 As an agency of the State of Texas, **A&M SYSTEM** is tax exempt in the State of Texas. Tax exemption certification will be furnished upon request.

Section 22.03 As an agency of the State of Texas, **A&M SYSTEM** is subject to the Texas Public Information Act, Chapter 552 of the Texas Government Code. To the extent this Lease places any limits or restrictions on the disclosure of information that is or may be deemed by

SANTA GERTRUDIS to be confidential, **A&M SYSTEM**'s compliance with the terms of the Public Information Act will not constitute a default under this Lease.

Section 22.04 Each party acknowledges that all rights in any trademarks, service marks, slogans, logos, designs, and other similar means of distinction associated with that party (its "Marks"), including all goodwill pertaining to the Marks, are the sole property of that party. Neither party may use the Marks of the other without the advance written consent of that party, except that each party may use the name of the other party in factual statements that, in context, are not misleading.

Section 22.05 Time is of the essence in respect to the performance of each provision of this Lease.

Section 22.06 **SANTA GERTRUDIS** expressly understands and acknowledges that **A&M SYSTEM** is an agency of the State of Texas and nothing in this Lease will be construed as a waiver or relinquishment by **A&M SYSTEM** of its right to claim such exemptions, privileges, and immunities as may be provided by law.

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Section 22.07 All rights, options and remedies contained in this Lease and held by **A&M SYSTEM** and **SANTA GERTRUDIS** are cumulative and the exercising of one will not exclude exercising another. As permitted by the Constitution and laws of the State of Texas **A&M SYSTEM** and **SANTA GERTRUDIS** each have the right to pursue any remedy or relief which may be provided by law, in equity or by the stipulations of this Lease.

Section 22.08 To the extent that Chapter 2260, Texas Government Code, is applicable to this Lease, the dispute resolution process provided in Chapter 2260, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, will be used by **A&M SYSTEM** and **SANTA GERTRUDIS** to attempt to resolve any claim for breach of contract made by **SANTA GERTRUDIS** that cannot be resolved in the ordinary course of business. **TENANT** will submit written notice of a claim of breach of contract under this Chapter to **A&M SYSTEM**, who will examine **TENANT**'s claim and any counterclaim and negotiate with **TENANT** in an effort to resolve the claim. This provision and nothing in this Lease waives **A&M SYSTEM**'s sovereign immunity to suit or liability, and **A&M SYSTEM** has not waived its right to seek redress in the courts.

Section 22.09 **TENANT** represents and warrants, to the best of its knowledge and belief, that neither **TENANT** nor any of its Principals ("Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity) is presently debarred, suspended, proposed for debarment, voluntarily excluded, or involuntarily excluded from receiving a contract from any federal, state or local government or agency, nor has it been declared ineligible for the award of contracts by any federal, state, or local government or agency, nor does it appear on any federal, state or local government's Excluded Parties List System. **TENANT** must provide immediate written notice to **A&M SYSTEM** if, at any time **TENANT** learns that this representation was erroneous when submitted or has become erroneous by reason of changed circumstances. The representations and warranties above are a material representation of fact upon which reliance was placed when entering into this Lease. If it

is later determined that TENANT knowingly made a false representation, in addition to other remedies available to A&M SYSTEM, A&M SYSTEM may terminate this Lease.

Section 22.10 Neither party will be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Lease for failure or delay in fulfilling or performing any non-monetary obligation under this Lease if and to the extent such failure or delay is caused by or results from causes beyond the affected party's reasonable control (financial inability excepted), including, but not limited to, acts of God, strikes, riots, flood, fire, epidemics, pandemics, quarantine, national or regional emergency, governmental order or action, natural disaster, embargoes, war, insurrection, terrorist acts, or any other circumstances of like character; provided, however, that the affected party has not caused such force majeure event(s), will use reasonable commercial efforts to avoid or remove such causes of nonperformance, and will continue performance hereunder with reasonable dispatch whenever such causes are removed. Either party will provide the other party with prompt written notice of any delay or failure to perform that occurs by reason of force majeure, including describing the force majeure event(s) and the actions taken to minimize the impact of such event(s).

Section 22.11 This Lease and each of its covenants, obligations and conditions will inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of TENANT, and the successors and assigns of A&M SYSTEM.

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ARTICLE 23
EFFECTIVE DATE

The Effective Date of this Lease will be the date the last party signs this Lease.

ARTICLE 24
EXHIBITS

The following exhibits are attached and made part of this Lease for all purposes:

- Exhibit "A" Floor Plan Poteet Hall
- Exhibit "B" Rules and Regulations
- Exhibit "C" Building Services

EXECUTED this ____ day of _____, 2024 by **SANTA GERTRUDIS**, or by its authorized agent.

**SANTA GERTRUDIS INDEPENDENT
SCHOOL DISTRICT**

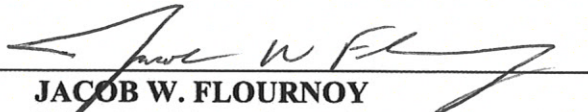
By: _____
VERONICA ALFARO
Superintendent

[SIGNATURES CONTINUE ON THE NEXT PAGE.]

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EXECUTED this 14 day of August, 2024 by A&M SYSTEM, or by its authorized agent.

BOARD OF REGENTS OF THE TEXAS A&M UNIVERSITY SYSTEM, an agency of the State of Texas, for the use and benefit of Texas A&M University-Kingsville

By: 
JACOB W. FLOURNOY
Vice President for Finance and Chief
Financial Officer
Texas A&M University-Kingsville

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APPROVED AS TO FORM:



BRADLEY T. SHARPE
Assistant General Counsel
Office of General Counsel
The Texas A&M University System

Exhibit A
(Page 2 of 3)

ACADEMY HIGH SCHOOL 2ND FLOOR
EVACUATION PLAN

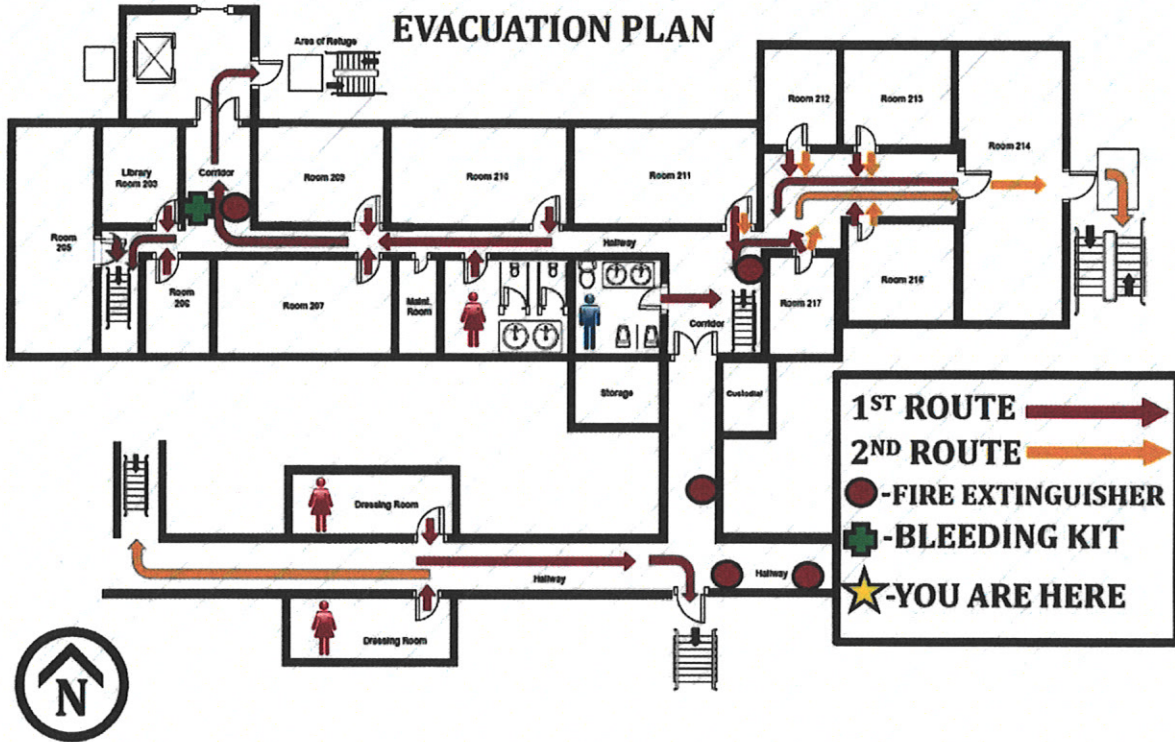
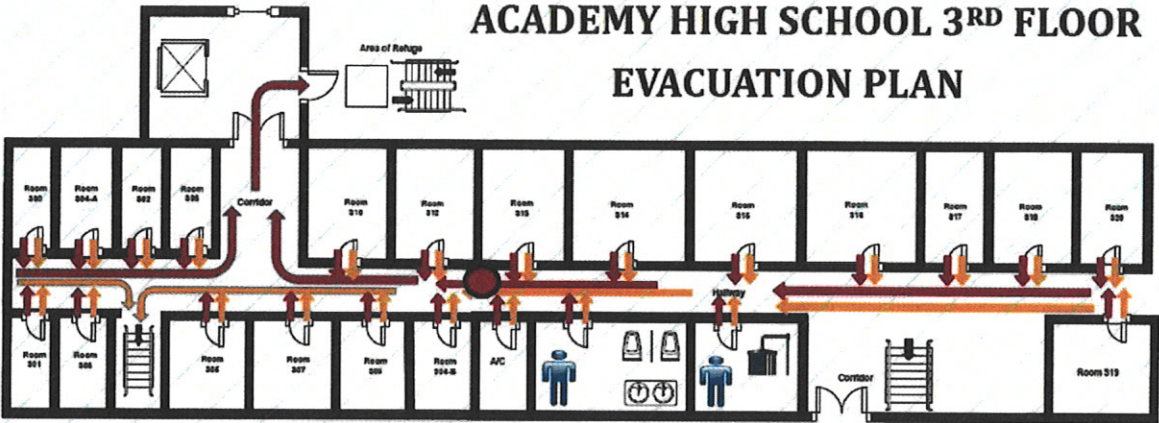


Exhibit A
(Page 3 of 3)

ACADEMY HIGH SCHOOL 3RD FLOOR EVACUATION PLAN



1ST ROUTE	
2ND ROUTE	
	-FIRE EXTINGUISHER
	-DEFIBRILLATOR
	-BLEEDING KIT
	-YOU ARE HERE



Exhibit B

RULES AND REGULATIONS

1. The sidewalks, halls, passages, exits, entrances, and stairways of the Premises will not be obstructed or used for any purpose other than for ingress to and egress. The halls, passages, exits, entrances, and stairways are not for the use of persons not associated with SANTA GERTRUDIS or A&M SYSTEM, and A&M SYSTEM in all cases, retains the right to control and prevent access of all persons whose presence, in the judgement of A&M SYSTEM, is prejudicial to the safety, character, reputation and interests of A&M SYSTEM. Persons with whom SANTA GERTRUDIS normally deals in the ordinary course of its business are not prevented access, unless such persons are engaged in illegal or inappropriate activities.

2. No sign, placard, picture, name, advertisement or notice, visible from the exterior of the Premises will be inscribed, painted, affixed or otherwise displayed without the prior written consent of A&M SYSTEM, and A&M SYSTEM has the right to remove any such sign, placard, picture, name, advertisement or notice at SANTA GERTRUDIS' expense and without notice to SANTA GERTRUDIS. If A&M SYSTEM gives such consent at any time, such consent will be deemed to relate only to the particular sign, placard, picture, name, advertisement or notice consented to by A&M SYSTEM and will not be construed as dispensing with the necessity of obtaining the specific written consent of A&M SYSTEM with respect to each and every other sign, placard, picture, name, advertisement or notice. A&M SYSTEM will adopt and furnish to SANTA GERTRUDIS uniform rules and regulations relating to signs on the office doors, and SANTA GERTRUDIS agrees to conform to such rules and regulations. All approved signs or lettering on doors must be printed, painted, affixed or inscribed at the expense of SANTA GERTRUDIS by a person approved by A&M SYSTEM, such approval not to be unreasonably withheld.

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3. A&M SYSTEM will furnish keys free of charge. A&M SYSTEM may make a reasonable charge for any additional keys. SANTA GERTRUDIS will not have any keys made. SANTA GERTRUDIS will not alter any lock or install new or additional locks or any bolt on any door of either Premises without prior written consent of A&M SYSTEM. If A&M SYSTEM gives its consent, SANTA GERTRUDIS will in each case furnish A&M SYSTEM with a key for such lock(s). SANTA GERTRUDIS, upon the termination of tenancy, must deliver to A&M SYSTEM all keys to doors in the Premises. Lost keys must be reported to TAMU-K University Police Department, and SANTA GERTRUDIS will agree to pay TAMU-K for any charges related to replacing keys, re-coring door locks, and labor to ensure safety of building occupants.

4. The Premises will not be used for the storage of merchandise or for loading. No cooking is permitted by students, and only limited food preparation and services will be allowed by SANTA GERTRUDIS' employees.

5. No animals, skateboards or bicycles are allowed in the offices, halls, or corridors of the Premises or the buildings in which any of the Premises are located. For teaching purposes, animals, birds and other organisms will be allowed in the Premises. For ADA purposes, registered service animals are allowed at all times that the Building is occupied.

6. Except with the written consent of A&M SYSTEM, no person or persons other than those approved by A&M SYSTEM are permitted to enter the Building for the purpose of cleaning. SANTA GERTRUDIS will not cause unnecessary labor by reason of its carelessness or indifference to the preservation of good order and cleanliness. A&M SYSTEM is not responsible for any loss of Property on the Premises, however occurring, or for any damage done to the furniture or other effects of SANTA GERTRUDIS' Janitor, or any other employee or any other person except to the extent of A&M SYSTEM's negligence or misconduct. Janitor service includes ordinary dusting and cleaning by the janitor assigned to such work and does not include shampooing of carpets or rugs or moving furniture or other special services.

7. SANTA GERTRUDIS shall insure the doors of each Premises is closed and securely locked and must observe that all water faucets, water apparatus and utilities are shut off before SANTA GERTRUDIS' employees leave the Premises, so as to prevent waste or damage.

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8. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings or decorations will be attached to, hung or placed in or used in connection with any window of the Premises without the prior written consent of A&M SYSTEM.

9. Toilets, urinals, wash bowls and other apparatus will not be used for any purpose other than for which they were constructed, no foreign substance of any kind whatsoever will be thrown there and the expense of any breakage, stoppage, or damage resulting from the violation of this rule will be borne by SANTA GERTRUDIS.

10. Except with the prior written consent of A&M SYSTEM, SANTA GERTRUDIS cannot sell or permit sale of newspaper, magazines, periodicals, theater tickets or any other goods or merchandise in or on the Premises, nor may SANTA GERTRUDIS carry on, or permit or allow any employees or other person to carry on any business in or from the Premises.

11. SANTA GERTRUDIS will not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Premises.

12. There will not be used in any space, or in the public halls of the Premises, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards. No other vehicles of any kind may be brought by SANTA GERTRUDIS, its employees, agents or invitees into the Premises or kept in or about Premises.

13. SANTA GERTRUDIS must store all trash and garbage within the Premises and dispose of it in garbage receptacles as designed by A&M SYSTEM. Material will be placed in the trash boxes or receptacles if such material cannot be disposed of in the trash and garbage of the

City of Kingsville, without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal will be made only through entryways and elevators provided for such purposes and at such as A&M SYSTEM will designate.

14. Canvassing, soliciting, and peddling in any building or anywhere else on the campus is prohibited, and SANTA GERTRUDIS will cooperate to prevent such activity.

15. The facility requirements of SANTA GERTRUDIS will be attended to only upon application at A&M SYSTEM' designated office. Employees and/or contractors of A&M SYSTEM will not perform any work or do anything outside of their regulatory duties unless under special instructions from A&M SYSTEM.

16. Building bulletin boards are authorized for the display of the name and location of SANTA GERTRUDIS' programs. Any additional name(s) which SANTA GERTRUDIS desires to place upon the bulletin boards must first be approved by A&M SYSTEM.

17. Movement in or out of the building of A&M SYSTEM of furniture or office equipment, or dispatch or receipt by SANTA GERTRUDIS of any merchandise or materials which requires the use of elevators or stairways, or movement through the building entrances or lobby is restricted to the hours designated by A&M SYSTEM from time to time. All such movement will be directed by A&M SYSTEM and in a manner agreed upon between SANTA GERTRUDIS and A&M SYSTEM by prearrangement before performance. Such prearrangement initiated by SANTA GERTRUDIS includes determination by A&M SYSTEM and subject to its decision and control of the time, method, and routing of movement, limitations imposed by safety or other concerns which may prohibit any article, equipment or any other item from being brought into the Premises. SANTA GERTRUDIS expressly assumes all risk of damage to any and all articles moved as well as injury to any person or persons or the public engaged or not engaged in such movement, including equipment, property, and personnel of A&M SYSTEM if damaged or injured as a result of any acts in connection with carrying out this service for SANTA GERTRUDIS and A&M SYSTEM will not be liable for the act or acts of any person or persons so engaged in, or any damage or loss to any property of persons resulting directly or indirectly from, any act in connection with such service performed by or for SANTA GERTRUDIS.

18. A&M SYSTEM will not be responsible for any lost or stolen personal property, equipment, money, or jewelry regardless of whether such loss occurs when the area is locked against entry or not unless as a result of TAMUS' negligence or misconduct. Lost and found items should be reported to the TAMU-K University Police Department.

19. A&M SYSTEM may permit entrance to SANTA GERTRUDIS' offices by use of pass keys controlled by A&M SYSTEM or employees, contractors, or service personnel supervised or employed by A&M SYSTEM.

20. All A&M SYSTEM owned facilities are "Smoke Free", therefore smoking of all tobacco products is prohibited anywhere inside the buildings of A&M SYSTEM by SANTA GERTRUDIS and its guests. Smoking is not allowed within 20 feet of any building entrance. Outside areas are designed for smoking and receptacles should be used for smoking waste.

21. No alcohol may be stored or consumed within the Premises. This rule may be temporarily waived for special functions subject to written authorization from A&M SYSTEM.

22. Consumption of food is restricted to the dining facilities. No food *or* drinks will be allowed in the classrooms, labs or computer rooms. Consumption of coffee, soft drinks or other allowable beverages is permitted in rooms designated as offices.

23. These Rules and Regulations are in addition to and will not be constructed to in any way modified, alter or amend, in whole or in part, the terms, covenants, agreements and conditions of the Lease between SANTA GERTRUDIS and A&M SYSTEM.

24. A&M SYSTEM reserves the right to make reasonable rules and regulations and to modify these Rules and Regulations as in its judgment may from time to time be reasonably needed for the safety, care and cleanliness of the Premises, and for the preservation of good order.

Exhibit C

Building Services

1.0 Building Services

A&M SYSTEM will provide twenty-four hour stand-by emergency repair services in the form of on-call service personnel, or third party contract services, to minimize the risk of catastrophic failure or loss of critical building services. A&M SYSTEM and SANTA GERTRUDIS specifically agree a single point of contact for access to such services is:

**University Police Department
(361) 593-2611**

A&M SYSTEM will provide any up-dated or additional information regarding access to on-call service, in writing to SANTA GERTRUDIS. SANTA GERTRUDIS will bear the costs of all emergency repairs at the Building other than emergency repairs to the building's foundation, roof, structure, mechanical (HVAC), electrical and plumbing systems, and elevator; provided, that as stated in Section 8.02 of the Lease, SANTA GERTRUDIS shall repair, at its cost, all damages to the Premises caused by SANTA GERTRUDIS, its students, employees, agents, contractors, and invitees.

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1.2 Services and Utilities

Subject to specific limitations and/or exceptions referred to herein, the parties shall be responsible for the following services as indicated:

A. Janitorial Services

SANTA GERTRUDIS shall provide all janitorial services at its expense. A&M SYSTEM will provide general services to parking lots.

SANTA GERTRUDIS covenants and agrees that it is solely responsible for any hazardous materials or substances used or stored at the Premises and the handling, use, storage and/or disposal of all hazardous materials and substances arising from **SANTA GERTRUDIS'** use of the Premises. **SANTA GERTRUDIS** shall indemnify **A&M SYSTEM** from all liabilities, expenses and costs incurred by **A&M SYSTEM** arising from the existence and use of hazardous materials or substances at the Premises.

A&M SYSTEM agrees that it is strictly prohibited from disturbing or removing hazardous materials or medical waste from the Premises.

B. Identification of Special Hazards

In accordance with Section 6.02 of the Lease, SANTA GERTRUDIS shall post proper signs/labels and placards as required by the law and/or good medical practices, standards, and procedures; and all janitorial and other personnel will be specifically informed or educated by SANTA GERTRUDIS about the presence, potential risks, and hazards of such items.

Identification and Responsibility of Resident Safety and Health Officer:

SANTA GERTRUDIS agrees that all regulated chemicals, substances, and/or waste products, and the storage, use and disposal of same as required by law, are under the control and monitoring of SANTA GERTRUDIS' Resident Safety and Health Officer, who will be identified by name and qualifications prior to the commencement of this Lease and updated as necessary. SANTA GERTRUDIS represents the resident safety and health officer will monitor and control the receipt, handling, storage, use, dispatch, and disposal of all such materials and items as required by law.

C. Grounds Maintenance and Pest Control

A&M SYSTEM agrees that the exterior grounds of the Premises will be kept neat in appearance. Landscaping, grass, trees, and shrubbery will be trimmed on a regular basis by A&M SYSTEM. Both interior and exterior pest control will be performed by A&M SYSTEM. SANTA GERTRUDIS will alert A&M SYSTEM of any pest control issues as soon as reasonably feasible.

Parking areas will be kept clean, properly drained, and free of standing water by A&M SYSTEM at its own expense. The costs to maintain the grounds and parking areas, and the cost to provide pest control, shall be borne by A&M SYSTEM.

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D. Heating/Ventilation/and Air Conditioning (HVAC)

A&M SYSTEM agrees to provide sufficient central vented heat and refrigerated air conditioning to the Building. Such services will be provided as reasonably required to deliver a temperature maintained as necessary for the comfort, use, and occupancy of SANTA GERTRUDIS under normal office and teaching conditions or in accord with applicable governmental regulations, standards and regulations. Only existing HVAC will be maintained by A&M SYSTEM. Should any renovation of the Building by SANTA GERTRUDIS including modification of the HVAC system or a part thereof, SANTA GERTRUDIS is responsible for such portion modified or replaced. All costs to repair and maintain the HVAC system will be borne by A&M SYSTEM.

E. Utilities

SANTA GERTRUDIS agrees to pay separately all utility costs for the Premises. A&M SYSTEM agrees to bill SANTA GERTRUDIS for its pro-rated share for the utility costs on the chilled water system to the Building. The utilities SANTA GERTRUDIS agrees to pay for include:

- a. Hot and cold tap water
- b. Electricity
- c. Gas
- d. Sanitary sewer and,
- e. Chilled water HVAC system.

A&M SYSTEM will not be responsible for the interruption of utilities.

F. Electrical

A&M SYSTEM will provide normal electrical service to the Premises. It is expressly understood that SANTA GERTRUDIS is responsible for any change or modification to the wiring, fixtures, transformers, or power requirements resulting from SANTA GERTRUDIS' renovations of the Building, which must be approved in advance by A&M SYSTEM.

G. Tempered and Refrigerated Water

A&M SYSTEM will provide tempered and refrigerated water to the Building at those points of delivery normally provided for the general use of students at the Building.

H. Fire Alarm and Extinguishers

Fire alarms and extinguishers will be maintained by SANTA GERTRUDIS at the Premises. Should additional renovation at the Premises require additional fire alarm systems, SANTA GERTRUDIS will be responsible for the system replacement or reactivation.

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I. Building Security

Routine building security will be provided by A&M SYSTEM, at its cost, similar to security services provided to other comparable facilities on the TAMUK campus. Any special security needs resulting from a particular program of SANTA GERTRUDIS will be the responsibility of SANTA GERTRUDIS.

J. General Building Repairs and Maintenance

A&M SYSTEM will, at its expense, except as otherwise provided herein, provide the maintenance and repair of the roof, structure and foundation of the Building, as well as the mechanical (HVAC), electrical and plumbing systems, and elevator. SANTA GERTRUDIS is responsible, at its cost, for (i) all other maintenance and repairs to the Building, (ii) all maintenance and repairs to its temporary buildings, if any, and (iii) to repair all damages to the Premises caused by SANTA GERTRUDIS, its students, employees, agents, contractors, and invitees. Except in cases of emergency, SANTA GERTRUDIS must give prompt written notice to A&M SYSTEM of any damage or repair requirements related to the Building. A&M SYSTEM will promptly respond with repairs. A&M SYSTEM will handle emergency repairs in a timely and efficient manner, on a case by case basis.

K. Service Failure

SANTA GERTRUDIS agrees that interruption of utilities and services to the Premises beyond the reasonable control of A&M SYSTEM does not constitute an eviction or disturbance of SANTA GERTRUDIS' use and possession, or constitute a breach by A&M SYSTEM of any of its obligations under this Lease, or render TAMUS liable for damages, or entitle SANTA GERTRUDIS to be relieved from any of its obligations, or grant SANTA GERTRUDIS any right of "set off" or "recoupment."