



American Academy Board of Directors Meeting Minutes

March 27, 2008
American Academy

Directors present were Jackie Santos, Erin Kane, Chad King, Denese Gardner and Dave Romero.

There were no guests present.

1) **Call to Order**

Erin Kane called the meeting to order at 8:55pm.

2) **Pledge of Allegiance**

Erin Kane led the recitation of the pledge of allegiance.

3) **Approval of Prior Meeting Minutes**

Upon motion of Jackie Santos, seconded by Denese Gardner, the board unanimously voted to approve the meeting minutes of the February 22, 2008 meeting of the Board of Directors.

4) **Audience Participation**

There were no public comments.

5) **Chief Administrative Officer's Report**

The Chief Administrative Officer delivered the report attached hereto as Exhibit A.

6) **Academic Director's Report**

The Academic Director delivered the report attached hereto as Exhibit B.

7) **STEM Director's Report**

The STEM Director delivered the report attached hereto as Exhibit C.

8) **Discussion Items**

- **Permanent Facility Update**

Erin Kane updated the board on the status of the permanent facility project.

- **Previous Meeting Public Comments**

None.

9) Action Items

- Upon motion of Chad King, seconded by Jackie Santos, the board unanimously voted to approve a lease amendment with P.M. Dr., Inc., in the form attached hereto as Exhibit D.
- Upon motion of Jackie Santos, seconded by Chad King, the board unanimously voted to approve a Charter School Renewal Contract, in substantially the form attached hereto as Exhibit E.

10) Review of Agenda for Next Meeting

Erin Kane led the Board In a review of the agenda for the Board's next meeting.

11) Dismissal

Erin Kane dismissed the meeting at 10:17.

Respectfully submitted,

Chad King
Secretary
March 27, 2008

Exhibit A
Report of the Chief Administrative Officer (attached)



CAO Report

March 27, 2008

I. Public Relations/Communication

- **Charter Presentation to the DCSD Board** – The Douglas County charters will present a proposal to the DCSD board on April 1, to request inclusion in the upcoming bond/mil levy election.
- **NSA Accreditation Review** – I spent 2 days at North Star Academy participating in their accreditation review process, along with district and charter leaders.
- **AA Students perform at Castle Pines North swearing in ceremony** – Thanks to Lane Roberts for arranging for American Academy students to participate in this important event for the new city, where our permanent facility will be located. Thanks also to Mark Middlebrooks for preparing our second graders for this opportunity.
- **Apple Awards** – Thanks to our permanent facility construction company, Haselden, for sponsoring our table (\$1500) at this black tie event on April 12 to recognize outstanding teachers. First grade teacher, Jacki Christy, is our Apple Award recipient this year, will be recognized at this event.
- **Spring Gala** – I hope all board members will participate in this annual event on April 5 to raise money for the school. Thanks to PTO for all of their hard work in organizing this event.

II. Financial Stability

- Lisa King and Joanna Jasmin will present the monthly financial reports (attached)
- Deadline for preliminary budget presented to DCSD has been moved to April 26.
- The lease agreement for our current facility will be discussed, along with necessary alterations in our current facility for next year.
- District purchased services contract must be submitted to the district by May 15.

III. Educational Success

- **CSAP Testing** – Thanks to Academic Director, Mary Catton, for overseeing this process and ensuring that all paperwork is completed and submitted in a timely manner.
- **DRA2 Testing** – All students will be given the DRA2 test to ensure a year's growth at the end of the year. Any student not at grade level, will be put on an ILP (Individual Learning Plan) to ensure a solid program is in place for their success.
- **Poetry Contest winner** – Congratulations to Kaley Romero (3rd) entered a winning poem to the 2007 Young Poets contest last fall. Her poem will be published in a book with other winning poems, and she will receive a \$50 savings bond and a copy of the book.
- **AmeriTowne** – American Academy 5th and 6th grade students attended this hands-on learning experience this past Tuesday, March 25. Students run their own town for a day. Once again, our students did a great job. We signed up for this program again next year, along with their International Village program. Our seventh and eighth graders will participate in that program next year.

IV. Staff Management

- **Staff Bandings** – Proposal attached
- **New teacher positions** – Advertisements have been running for our new positions for next year, which include: 3rd grade, 4th grade, middle school English/social studies position. All positions are a result of enrollment needs in each grade level. Interviews for these positions will take place during the week of April 7.
- **Teacher retention for 2008-09** – All teachers have submitted "intent to return" letters for next year.
- **Staff retention** – All staff, minus one IA, will be returning next year. We are planning to hire 2 additional IA's.

V. Operational Success

- **Surveys** -- The SAC committee is finalizing the surveys for this year.
- **New Student** – We have accepted a new student to our eighth grade class for the remainder of the school year.
- **Facility for next year** – We are in the beginning stages of organizing the movement in offices/classrooms for next year to accommodate all classrooms.

Upcoming Dates

- **April 5** – “Field of Dreams” gala
- **April 6-10** – 6th graders to Crow Canyon
- **April 12** – Apple Awards
- **April 26** – DRA 2 testing for all students
- **April 28-May 2** – Fifth grade students to Washington D.C.

Exhibit B
Report of the Academic Director (attached)



Academic Director Report

Marcy 27, 2008

I. Core Knowledge Curriculum—Science, History, English:

- **Kindergarten:** Graphing, congruent shapes, American Symbols (Statue of Liberty, Mount Rushmore) and people, fairy tales and nursery rhymes, Weather
- **First Grade:** Early Exploration (Columbus, Jamestown, English Settlers), Space (Solar System), CK stories and poetry
- **Second Grade:** American Civil War (CK history), Insects (CK science)
- **Third Grade:** 13 Colonies and Europe during the 18th Century, Properties of Matter, CK Sayings and phrases
- **Fourth Grade:** The Revolutionary War, Properties of Matter, Science Fair prep, Pollyanna (CK literature), CK phrases and sayings
- **Fifth Grade:** Secret Garden (CK literature), Figurative Language, Plant and Animal Classification,
- **Sixth Grade:** Finishing Prince and Pauper, Astronomy and astronomers, Industrialization and urbanization in America (CK history)
- **Seventh Grade:** Research report writing, Plants (CK science), World War II (CK history)
- **Eighth Grade:** Western Hemisphere (CK geography), Women's History Month presentations, Electricity (CK science)

Other Curriculum:

- Fifth and Sixth graders participated in Ameritowne on Tuesday. This quality program teaches students about civics and economics and allows them to practice their knowledge and skills in a simulated small town setting at a facility in Cherry Creek.
- About 22 fifth grade students will be going to Washington D.C. and Gettysburg during the week of April 28th. Sixth grade students will go to Crow Canyon during the week of April 6th.
- Fourth quarter electives began this week. Electives include such titles as Trebuchets, Sprint Car Competition, Chess Club, Book Club, Current Events, Creative Writing, Flag Football, CoreIX, Excel Spreadsheets, One Act Plays, Geometric Animation, Webmasters, Astronomy, Creating DVDs (for the 8th grade graduation ceremony), Cross Country, Rocketry, Healthy Lifestyles, and daily study halls.

II. Curriculum/Assessments

- Third quarter report cards will go home in Friday folders tomorrow afternoon.
- We finished the administration of CSAP tests to 3rd-8th graders this week. We prepared 641 individual test booklets and will return them tomorrow to the district for processing.
 - We will receive the results of the 3rd grade Reading tests, taken in February, later this spring and the results of the other tests next August.
 - We had one 7th grade student's parents refuse to allow her to take the tests. All other students completed all parts of all of the tests.
- Response to Intervention (Rtl)—Roberta and I will continue to monitor the weekly grades of those students who received D's or F's on their 3rd quarter report cards and to assist the teachers in implementing interventions.
 - We are sending home letters to parents of middle school at-risk kids, making them aware of the possibility of their student not being promoted to the next grade. We will follow-up with another letter near the end of April after reviewing the students' grades
 - We will continue the policy of having middle school students at risk attend study hall electives instead of their regular electives (except for STEM electives) if they had any assignments missing during the previous week. Any student who received an F on their current report card is required to take at least one study hall elective in addition to their homeroom study hall on Monday.

III. Induction Program – The induction program is designed for our teachers with Initial (Provisional) Colorado Teaching Licenses to be eligible to apply for their Professional Colorado Teaching Licenses.

- All of the 13 teachers in the Induction program are on track to complete the program and be able to apply for their professional license at the end of the school year. At that time all of our classroom teachers will hold a Colorado Professional Teaching License.

IV. Discipline –

- Commendations/Infractions: During the week before Spring Break we held a celebration breakfast for over 100 students who received commendations during 3rd quarter.
- So far no students have received infractions during 4th quarter (2 days and counting), while 1 student has received a commendation.
- The Core Virtues Committee, headed by Holly Anthony, continue to deliver ideas and suggestions to the classroom teachers for implementing the March Core Virtue (Faithfulness).
- A representative from the Tennison Center has begun a bully-proofing class for some third graders and fifth grade classes that will continue into 4th quarter. We had a delayed start for these classes because of illness of the Tennison teacher and some confusion about the required permission slips.

V. Professional Development—

- At Wednesday's staff meeting, the teachers watched a portion of a video called "Two Million Minutes" that shows how top students from the US, China, and India spend the 2,000,000 minutes between the time that they enter high school until the day they graduate. Diane Veazie showed the video to her 8th graders this week.
- Roberta, Amanda and I discussed how professional development would be handled next year. We are making plans for a more structured approach for the teachers, with some Inservice sessions at the beginning of the academic year and other professional development opportunities during the course of the year.

Exhibit C
Report of the STEM Director (attached)

STEM@AA

News and Notes for the American Academy
Science, Technology, Engineering and Math Director

STEM Director's Report

I. Successful STEM Discovery Weeks (30%)

Upcoming STEM weeks include:

- April 14 – 18 The 7th and 8th grade will be learning SolidWorks Computer Assisted Drawing software to design and evaluate the efficiency of a CO₂ car
- May 12 – 16 The 5th grade will be learning the principles of MagLev
- This quarter the 3rd grade will plant the finish their NASA growth chamber experiments by comparing the seeds that grew in space to the ones that did not.
- May 5 – 9 The 1st grade will participate in a STEM week entitles *What if Lewis and Clark has a GPS*
- May 12 – 16 The kindergarten will participate in their animal science week
- April 22 and 23 are the 4th and 5th grade science fairs
- May 2 The K – 3rd grade science carnival

II. Technology Integration in Math and Science (30%)

Vernier LabQuest Probeware

- Shocklee, Chapleski and Astler attended the Vernier training in Colorado Springs. Initial implementation of this new software began earlier in the year in both the life science and physical science classes. Life science has used the software and technology in research and testing of biomes. Physical science has used in during temperature related labs. Physical science will use the data-collection extensively during the last quarter in correlation the study of electricity, sound and light waves. Astler's goal in physical science is to use the LabQuest once for a graded lab activity per subject (electricity, light waves, and sound waves). This plan allows students to use the new technology at least three times assisting them in data collection and analysis.

JSS and HFC

- Both the Hydrogen Fuel Cell and Junior Solar Sprint Car competitions will be held at Dakota Ridge High School May 10th. We will have two teams competing in both.

Geometer Sketchpad Software

- We have begun using Geometer Sketchpad software in Geometry class as well as in the middle school elective program. Geometer's Sketchpad is installed on our server now, it is primarily for those teaching Math, but any teacher can use it. *"The Geometer's Sketchpad is a **dynamic construction, demonstration, and exploration tool** that adds a powerful dimension to the study of mathematics"* according to the software company's website.

Excel

- We have an Excel elective this quarter. Mrs. Veazie is using her background in accounting to instruct the students on how to effectively use Excel.

III. Educational Success in Math, Science, and Technology (30%)

Robotics Educators Conference

- Cline and Chapleski are attending the Carnegie Mellon University Robotics Academy is conducting sessions in Pittsburgh this summer. The focus of the conference is implementation of both Mindstorm and Vex platforms and new developments in robotics education.

New Math Assessments

- We are in the process of creating new Saxon assessments for early elementary school. The tests will be ready for use this summer for testing new students and those wishing to accelerate.

Saxon Placement

- Projections for next year's math classes are complete. (Does not include kindergarten)
 - Level # students # classes
 - 1 44 2
 - 2 41 2
 - 3 102 4
 - 4 20 1
 - 5/4 156 7
 - 6/5 25 1
 - 7/6 53 2
 - 8/7 28 1
 - 7/6-8/7 5 1
 - 1/2 13 1
 - A1 15 1
 - G 6 1
 - A2 4 High School
 -

IV. Individual Contributions (10%)

Public Relations

- Press releases have been submitted to the Douglas County School District's for publication in their Newline weekly. They have published an article on our MathCounts performance as well the beta test we are doing with the Space Foundation and NASA's Goddard Space Flight Center.

Exhibit D
Lease Amendment (attached)

Fourth Amendment to Lease Agreement

This Fourth Amendment to Lease Agreement (“**Amendment**”) is entered into this _____ day of March, 2008, by and between **P.M Dr., Inc.**, a Colorado Corporation (“**Landlord**”) and **American Academy**, a Colorado non-profit corporation, (“**Tenant**”).

Recitals:

- A. Landlord and Tenant are parties to a certain lease agreement (the “**Lease**”) dated April 15, 2005, concerning the rental of approximately 21,800 square feet of commercial space, generally identified as 8600 Park Meadows Drive, Suite 100, Lone Tree, Colorado 80124 (the “**Demised Premises**”). The Lease was amended by that certain First Amendment to Lease Agreement executed by Tenant on June 6, 2005 (the “**First Amendment**”) and by that certain Second Amendment to Lease Agreement dated August 31, 2005 (the “**Second Amendment**”) and by that certain Third Amendment to Lease dated September 12, 2006 (the “**Third Amendment**”).
- B. The parties desire to amend the lease in certain aspects, all as described below:

Agreement:

For valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Extension of Lease Term. Tenant and Landlord hereby agree to extend the Lease Term for an additional sixteen (16) months commencing July 1, 2008 and expiring October 31, 2009. Tenant shall have no options to extend the term beyond such date.
2. Minimum Monthly Guaranteed Rent During Renewal Period.
 - a. Prior to July 1, 2008, Tenant shall continue to pay the Minimum Rent (as defined in Paragraph 3 of the Lease and Paragraph 4 of the Third Amendment), in the amount of \$21,750.00 monthly and the “Playground Area Rent” in the amount of \$439.58 for each month as defined in paragraph 1(C) of the Second Amendment.
 - b. Beginning July 1, 2008, and continuing on the first day of each and every month through and including June 1, 2009, the Minimum Monthly Rent shall be increased to \$26,350.00 plus \$439.58 for the Playground Area Rent.
 - c. In addition to the amounts set forth in Sections 2(a) and (b), Tenant shall also be obligated to pay all “additional rent” and other charges and amounts owing under the Lease.

3. Tenant's Obligation to Vacate. Beginning July 1, 2009, and continuing through and including October 31, 2009, Tenant shall not permit classes to be conducted in any portion of the Premises nor shall the exterior areas that are currently used by Tenant for playground and other incidental uses be used. On or before July 1, 2009, Tenant shall remove all improvements that Tenant has installed in the exterior areas, including, without limitation, all fencing, signage, painted surfaces, picnic tables, etc., and the exterior areas must be promptly restored to their condition that existed immediately prior to the Lease commencement date. With no less than thirty (30) days' advance written notice to Tenant, Landlord may direct Tenant to vacate portions of the Premises beginning on July 1, 2009, and continuing through October 31, 2009, in order to require Tenant to vacate the Premises in a progressive manner. Such written notices shall describe the area to be vacated and the date by which such vacation must be completed. In any event, Tenant must complete its vacation of the Premises on or before the Lease termination date of October 31, 2009, irrespective of whether Landlord provides Tenant with any written notices to vacate. The Minimum Rent and additional rent shall be proportionately decreased by the amount of Premises that are vacated as a result of Landlord's direction for Tenant to prematurely vacate pursuant to this paragraph.
4. Security Deposit. Tenant has previously paid to Landlord a security deposit equal to \$22,833.33 in accordance with paragraph 6.1 of the Lease. Tenant agrees that such security deposit is hereby forfeited as further consideration for Landlord entering into this Fourth Amendment. Therefore, such security deposit shall not be refunded to Tenant at the end of the Lease term, and neither shall it be used as a credit toward the payment of Minimum Rent, additional rent or other charges owing under the Lease. In addition, Tenant agrees to deposit with Landlord an additional new security deposit equal to \$12,000.00 to be held by Landlord pursuant to paragraph 6.1 of the Lease. Such amount must be paid to the Landlord within thirty (30) days of full execution of this Amendment. Thereafter, the new security deposit shall be held by Landlord and distributed to Tenant after the expiration of the Lease term in accordance with the Lease, as amended.
5. Signs, Storefront, Roof. Tenant agrees to comply with paragraph 7.3 of the Lease by immediately removing all decorations, displays, objects, fabrics, and materials which are visible from outside the Premises. Tenant further agrees and acknowledges that similar items cannot and will not be placed so that they can be viewed from the exterior of the building. Anything placed on the windows or doors of the building must be approved in writing by Landlord prior to Tenant's placement of such items.
6. Supplemental Rules and Regulations. Tenant agrees and reaffirms that the "**First Revision to Supplemental Rules and Regulations**" exists in accordance with paragraphs 10 and 32.12 of the Lease and remains in full force and effect. Tenant acknowledges that this document describes "Carpool Procedure and Rules" and

depicts and explains in detail procedures for the drop off and pick up of students and the use of the Complex parking lot and driveways. Tenant further understands that these Rules and Regulations must be explained to all persons connected with American Academy and that these regulations have been written and ratified for the safety and convenience of American Academy staff, parents and students and for the other occupants of Gesco Place. Tenant understands and agrees that strict adherence to these procedures will be enforced. Signs have been placed in the West driveways of the parking lot and crosswalks have been striped on the pavement of the parking lot. Staff, visitor and bad weather day parking must be located on the Word of Life Church parking lot. Parking on the Gesco Place parking lot in the area south of crosswalk and main entrance of Suite 100 is intended for short term duration parking needs. Tenant agrees to provide Landlord within twenty (20) days of mutual execution of this Agreement with a more defined “**Carpool Procedure and Rules**” document to address Bad Weather Day procedures in detail for the Drop Off and Pick Up of students. Such document must be acceptable to Landlord in its sole discretion. This document should also define a safe speed in which to enter and exit the Gesco Place parking lot and the adherence to the Right Turn only policy of the West driveway during morning and afternoon carpool hours. It should include detailed parking procedures for short term and long term daytime parking. Upon Landlord’s approval and Tenant’s prompt distribution to parents and staff, strict adherence to the policies will be expected. Each violation of (a) the Carpool Procedure and Rules; (b) the other Rules and Regulations adopted by Landlord pursuant to the Lease; and (c) the First Revision to Supplemental Rules and Regulations (collectively, the “**New Rules and Regulations**”) shall obligate Tenant to immediately and fully address each such violation with the offending person and notify Landlord of such violation inform Landlord of the efforts taken by Tenant to address the violation. In the event that a particular person (other than the Tenant) violates any one or more of the New Rules and Regulations on three occasions then this Lease shall be in default, in which case the Landlord shall be entitled to immediately pursue any and all remedies available at law or in equity. A violation of the New Rules and Regulations by Tenant shall not be subject to the foregoing “three” occasion rule; instead, the very first such violation shall constitute a default under the Lease, entitling the Landlord to immediately pursue any and all remedies available at law or in equity. In addition to the foregoing, each violation of the New Rules and Regulations by any person will result in Tenant owing Landlord a fee equal to: \$500.00 for the first offence after the date hereof; \$1,000.00 for the second offence after the date hereof; and \$1,500.00 for each offence thereafter. The payment of such fees shall be designed to compensate Landlord for the time and effort needed to address violations of the rules and regulations and shall not be considered a “penalty.” Such fees shall be paid by Tenant within ten (10) days of being billed therefore. The payment of such fees shall not result in a release of Tenant for any damages that may result from the particular violation, nor shall it constitute a cure of the default under this Lease.

7. Indemnity. As a reminder, Paragraph 17 of the Lease is in full force and will be enforced by the Landlord if necessary.
8. Insurance Paragraph 18 of the Lease requires proof of Insurance for Tenant naming P.M. Dr., Inc. as additional insured. Landlord requires a current certificate of insurance now and as it expires in the future throughout the term of this Lease.
9. Notices. This Amendment hereby changes Tenant's notice address to 8600 Park Meadows Drive, Suite 100, Lone Tree, Colorado 80124.
10. Alterations to Premises. Tenant agrees and acknowledges that Landlord shall have no obligation to improve the Demised Premises under this Lease Amendment. ANY improvements, changes, or alterations made to the Demised Premises by Tenant must first be approved by Landlord in writing.
11. Broker's Commissions. Tenant represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with this transaction, and agrees to indemnify Landlord against and hold harmless from all costs, fees and expenses arising from such claims including, without limitation, attorney's fees connected therewith that may arise by, through or under Tenant.
12. Ratification. Except for the modifications set forth in this Amendment, the parties hereby ratify and confirm the Lease and all existing amendments thereto as being valid and binding obligations on the parties. To the extent any provision set forth in this Amendment conflicts with any provision set forth in the Lease or existing amendments thereto, the provision set forth herein shall control.
13. Release of Landlord by Tenant. Tenant hereby releases and fully discharges Landlord, its employees, officers, agents, attorneys, predecessors, successors and assigns from any and all claims, causes of actions, counterclaims, defenses and rights to offset which exist as of the date of this Amendment, whether the same are known or unknown. This is intended to be a general and comprehensive release.
14. Entire Agreement. Except for the recreation of the Carpool Rules and Regulations Document, this Amendment constitutes the entire agreement between the parties relating to the amendment of the Lease.
15. Counterparts. This Amendment may be executed in counterparts.

SIGNATURES ON FOLLOWING PAGE

LANDLORD:

P.M. DR., INC., a Colorado Corporation

By: _____

Title: _____

Date: _____

TENANT;

AMERICAN ACADEMY, a Colorado
Nonprofit Corporation

By: _____

Title: _____

Date: _____

Exhibit E
Charter School Renewal Contract (attached)

**CHARTER SCHOOL RENEWAL CONTRACT
AMERICAN ACADEMY**

THIS CHARTER SCHOOL RENEWAL CONTRACT (“Renewal Contract”), dated this ____ day of _____, 2008, to be effective as of July 1, 2008, is made and entered by and between the DOUGLAS COUNTY SCHOOL DISTRICT RE. 1 (“School District”) and the AMERICAN ACADEMY, a Colorado non-profit corporation (“Charter School”).

RECITALS

WHEREAS, the Colorado General Assembly has enacted the Charter Schools Act (“Act”), C.R.S. §§ 22-30.5-101 - 115, for certain purposes as enumerated in §§ 22-30.5-102(2) and (3); and

WHEREAS, on November 16, 2004, the Board of Education of the School District (“Board of Education”) conditionally approved the original application for a charter school (“Original Application”) submitted by the Charter School and the parties subsequently entered into a Charter School Contract (“Original Contract”); and

WHEREAS, the Charter School has operated as a charter school within the School District since the 2005-06 school year pursuant to the Original Contract dated January 18, 2005; and

WHEREAS, the Charter School has submitted an application to renew its contract for a term commencing July 1, 2008, and continuing through June 30, 2013, and desires certain waivers from School District policy and/or state law; and

WHEREAS, as part of such renewal, the parties acknowledge that the Charter School has been operating for nearly 3 years and that most of the provisions contained in the Original Application continue in effect with such modifications as have been approved by the Board of Education and contained within the terms of the Original Contract as amended by subsequent renewal contracts.

NOW, THEREFORE, in consideration of the foregoing Recitals, incorporated by this reference, and the mutual understandings, releases, covenants, and payments herein described, the parties agree as follows:

AGREEMENT

1.0 Mission Statement. The mission statement contained in the Original Application, and attached hereto as **Exhibit A**, is approved by the School District to the extent it is consistent with the principles of the General Assembly's declared purposes for enacting the Act as set forth in C.R.S. §§ 22-30.5-102(2) and (3). The mission statement may be modified from time to time by the Charter School with prior approval of the School District.

2.0 Goals, Objectives, and Pupil Performance Standards. The goals and objectives set forth in the Goals section of the Original Application and the pupil performance standards set forth in the Educational Program and Standards section of the Original Application are accepted by the School District, as amended by this Renewal Contract, and subject to the conditions set forth below:

2.1 Student Attendance, Conduct, and Discipline. The Charter School has adopted its own set of written policies that are approved by the School District, and incorporated herein by reference. The Charter School students shall comply with the school's Code of Conduct and with all School District policies and regulations concerning student attendance, standards of conduct, and discipline unless otherwise waived by the Board of Education. Said code and policies shall be implemented in compliance with all federal and state laws. The Charter School's Chief Administrative Officer and Governing Board are the Board of Education's designees for matters of suspension, to include extended suspensions consistent with C.R.S. § 22-33-105(2)(a). In such matters, appeal may be made to the Charter School's Governing Board. In cases where expulsion is either mandated by law or otherwise indicated, the cases shall be referred to the School District's designee. Any general education services required by law to be provided to suspended or expelled students shall be the sole responsibility of the Charter School. Any special education and related services required by law to be provided to suspended or expelled students shall be the responsibility of the School District as the Charter School will purchase said services from the School District as set forth in Section 5.6. The Board of Education shall have final authority regarding appeals in student expulsion cases.

2.1.1 The Charter School has adopted its own written attendance policy and has been granted a waiver from the School District's policy. The waiver is hereby continued so long as the policy is in compliance with Colorado's compulsory attendance laws including, but not limited to, hour requirements for attendance and the distinction made between excused and unexcused absences.

2.1.2 The Charter School has adopted its own set of written policies concerning student conduct and student discipline and has been granted a waiver from corresponding School District policies. Said waiver is hereby continued. It is acknowledged that the developed policies are in compliance with applicable federal and state laws, including, but not limited to, the grounds for discipline and procedures established by state statute for suspending, expelling, or denying admission to a student. Any further material modifications to the approved student Code of Conduct shall be submitted to the School District's designee for approval prior to implementation.

2.2 Student Welfare and Safety. The Charter School shall comply with all School District policies and regulations (unless waived), and shall comply with all applicable federal and state laws, concerning student welfare, safety, and health, including, but not limited to, School District policies and laws addressing the reporting of child abuse, accident prevention and disaster response, and implementation of a Safe School Plan, as required by C.R.S. § 22-32-109.1(2), and any state regulations governing the operation of school facilities.

2.3 Identification of Academically Low-Achieving and At-Risk Students. The Charter School shall identify academically low-achieving, at-risk students and "exceptional children," as defined in regulations adopted by the Colorado State Board of Education ("State Board"), and shall provide its educational program to these students in a manner that best serves their needs as set forth in the Original Application and Original Contract with addendums.

2.4 Accountability and Accreditation. The Charter School shall operate under the auspices of, and be accountable to, the School District and the Board of Education, and shall be subject to all School District policies and regulations, unless specifically waived, as such may exist from time to time. The Charter School shall comply with the educational accountability provisions of Colorado law as amended from time to time, including, without limitation, the Educational Accountability Act of 1971, C.R.S. §§ 22-7-101 - 107, the Educational Reform Act, C.R.S. §§ 22-7-401 - 413; the School Accountability Reporting Act, C.R.S. §§ 22-7-601 - 613; the Educational Accreditation Act of 1998, C.R.S. §§ 22-11-101 -305, the State Board Accreditation Rules, 1 CCR 301-1 2202-R-0.00 - 4.02, and terms of any Accreditation Contract between the School District and the State Board, as amended from time to time. The Charter School shall take action compatible with School District procedures, goals, and objectives, including, but not limited to, the School District's improvement plan developed on or before October 1 of each year. Action shall include, but not be limited to, a School Improvement Plan, parent surveys evaluating the Charter School in its delivery of educational services, and student testing results on the

CSAP examination and any other assessments required by state law or School District policy, unless waived.

2.4.1 The Charter School shall endeavor to maintain a rating of average or above, as demonstrated on any school accountability report issued by the State. If the Charter School receives a rating of low or below on any school accountability report issued by the State following the implementation of this Renewal Contract, the School District shall be entitled to request a corrective action plan as otherwise provided in Section 8.12. Should the Charter School receive a rating of low or below on any school accountability report issued by the State for two consecutive years, the School District may compose an administrative team to work with the Charter School to amend, refine, or better implement a corrective action plan agreed upon by both parties, except that should the Charter School receive two consecutive ratings of unsatisfactory at any time, the Board of Education may deem that such ratings constitute a material breach of this Renewal Contract, grounds for termination of the Renewal Contract, and/or grounds for denying any further renewal.

2.4.2 The Charter School agrees and understands that it has a duty to comply with the applicable provisions of the Elementary and Secondary Education Act, 20 U.S.C. §§ 6301 – 7941, its implementing regulations, and as amended by the No Child Left Behind Act (together referred to herein as “ESEA.”).

3.0 Community Support. The Board of Education finds that sufficient support exists for the renewal of the Charter School as a charter school.

4.0 Statement of Need [repealed]. This section is intentionally left blank.

5.0 Educational Program, Pupil Performance Standards, and Curriculum. The educational program, pupil performance standards, and curriculum set forth in the Original Application as well as reports of progress submitted to the Board of Education, sufficiently inform the Board of Education as to the nature of the educational program to be offered by the Charter School. The Charter School’s educational program as reviewed by the Board of Education and contained in the Original Application does not include an on-line program pursuant to C.R.S. § 22-33-104.6, and the Charter School shall not offer an on-line program during the term of this Renewal Contract.

5.1 Curriculum. The Charter School curriculum, as set out in the Original Application, has been reviewed by the Board of Education and is

approved, as implemented by the Charter School in its instructional programs, as those may be amended herein and as may be required by applicable School District policies.

5.1.1 The Charter School shall have the authority and responsibility for refining the design and implementation of its educational program, subject to the conditions of this Renewal Contract, in a manner consistent with state law, including, without limitation, requirements regarding content standards.

5.1.2 The educational program, pupil performance standards, and curriculum designed and implemented by the Charter School shall align and meet or exceed any content standards adopted by the School District and shall be designed to enable each pupil to achieve such standards.

5.1.3 On or before May 1 of each year, the Charter School will provide to the School District written information about new or materially modified curriculum or program delivery systems anticipated to be offered during the ensuing school year. The Charter School shall provide evidence reasonably acceptable to the School District of the complete scope and sequence of such program of instruction. The intent of this requirement is to ensure that students of the Charter School continue to have sound educational foundations that meet or exceed state-approved content standards for applicable courses.

5.1.4 The Charter School agrees to comply with all state statutory requirements concerning subjects of instruction, unless specifically waived by the State Board, including, without limitation, instruction in the areas of state and federal history and civil government, C.R.S. § 22-1-104; honor and use of the United States Flag, C.R.S. § 22-1-106; the federal Constitution, C.R.S. § 22-1-108; and the effect of using alcohol and controlled substances, C.R.S. § 22-1-110.

5.1.5 The Board of Education approves the Charter School's policy for resolving public complaints, including complaints regarding curriculum. The Governing Board of the Charter School shall hear the final administrative appeal on such matters.

5.2 Records.

5.2.1 The Charter School shall comply with all record-keeping requirements of the School District and/or federal or state law and shall provide any reports as necessary to meet the School District's reporting

obligations to the State Board, Colorado Department of Education (“CDE”), and U.S. Department of Education.

5.2.2 The Charter School shall comply with all School District policies and regulations, and applicable federal and state laws, concerning the maintenance, retention, and disclosure of student records, including, without limitation, the Colorado Public Records Law, C.R.S. §§ 24-72-201 – 206, and the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g. The Board of Education, its Superintendent, and their designees (whom the School District has determined have legitimate educational interests) shall have access to all records of the Charter School in the same manner as they would have access to the records of any other public school in the School District. Student records include, without limitation, immunization records, class schedules, records of academic performance, disciplinary actions, attendance and standardized test results, and documentation required under federal and state law regarding the education of students with disabilities.

5.4 Enrollment.

5.4.1 Enrollment shall be open to any child who resides within the School District and to any child who resides outside the School District, subject to compliance with Colorado public schools of choice statutes, School District policy, and this Renewal Contract. If the Charter School has more applicants than it has space, preference shall be given to students who reside within the School District. Students shall be selected from the Charter School’s wait list by lottery, giving priority for enrollment as follows: (i) children of Founders of the Charter School listed on Exhibit , attached; (ii) children of the Charter School’s full- or part-time (four or more hours per day) paid staff members; (iii) and then siblings of students currently enrolled in the Charter School. All other students who have submitted a current intent to enroll form during open enrollment will be selected by lottery as provided in Exhibit , attached. Once accepted for enrollment, a non-district resident student may reenroll for subsequent school years until completing his or her schooling at the Charter School.

5.4.2 By February 6 of each year, the Charter School shall notify the School District of the names, ages, grade levels, addresses, and neighborhood schools of record (“Schools of Record”) of all students who it reasonably believes will be enrolled in the Charter School during the ensuing school year. The Charter School shall use its best efforts to ensure that student enrollment numbers submitted to the School District are as close to the actual October 1 count as possible. The Charter School shall provide the School District

by October 15 the same information for students who have been admitted and are in attendance. All such information shall be provided through Infinite Campus or other student accounting software in use by the School District.

5.4.3 The Charter School and the School District agree that for the term of its Renewal Contract, the Charter School's total funded enrollment shall be limited to 550 full-time equivalent students ("Student FTEs"), unless otherwise modified in writing by the Charter School and the School District. The parties acknowledge that the Charter School plans to open a new, larger facility commencing with the 2009-2010 school year with a capacity of 720 Student FTEs (i.e. 830 actual students, considering kindergarten students as one-half a Student FTE). Upon issuance of a certificate of occupancy for the new facility and the School District's receipt of written confirmation of the capacity, the maximum funded enrollment number shall be revised up 720. The limitation on the number of enrolled students is acknowledged by the Charter School and the School District as necessary to ensure that the Charter School's enrollment does not exceed the capacity of the Charter School's facility and site.

5.4.4 The Charter School and students enrolling in the Charter School are subject to and shall comply with the School District's open enrollment policy and regulations, applicable to other School District schools, as amended from time to time. After January 15, in the absence of approval of an administrative transfer by the School District, students currently enrolled in the School District may not enroll in the Charter School. After July 1, or if there is no wait list, then the Charter School may admit only students who are new to the School District and, if lacking that, non-resident students, subject in all cases to the enrollment limit.

5.4.5 Subject to Section 5.4.4 above, the School District's open enrollment procedures and with the approval of the School District, the Charter School may enroll students, who are new to the School District up to the date the enrollment count "window" begins each year, for purposes of determining eligibility for funding under Section 7.1 below, and may enroll students who will not be eligible for funding at any time thereafter. The enrollment count window is determined by CDE and is consistent with the provisions of the Public School Finance Act of 1994, C.R.S. §§ 22-54-101 – 127, or its successor ("School Finance Act").

5.5 Admissions Procedures. Students shall be considered for admission into the program in all cases without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, or disability. Denial of

admission shall be handled in a manner consistent with state law and School District policy and regulation.

5.6 Education of Students with Disabilities. The Charter School agrees to comply with all School District policies and regulations and the requirements of federal and state law concerning the education of children with disabilities. The Charter School shall comply with this obligation by contracting with the School District to provide special education and related services as provided herein. Following initial acceptance of a District resident student, the Charter School and the School District shall determine whether the student has been identified as a child with disabilities, under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1401-1491*o*, and its corresponding regulations (together referred to herein as “IDEA”), Exceptional Children’s Educational Act, C.R.S. §§ 22-20-101 – 117, and its corresponding State Board rules (together referred to herein as “ECEA”). If so, the Charter School shall obtain a copy of the student’s individualized education program (“IEP”). A properly constituted IEP team shall be convened to determine whether the Charter School is an appropriate placement for the student, and if so, what services are to be provided by the Charter School classroom teacher and what services will be provided by the School District. Where a student’s special education need(s) can be met appropriately on the Charter School campus, the School District will do so. To the extent that special education and related services required pursuant to a student’s IEP cannot be provided by the Charter School’s regular education staff, the School District will provide the services at a cost determined pursuant to the provisions for funding in Section 7.1 below. The parties agree that the implementation of a special education and related services program will be a cooperative effort between the School District and the Charter School.

5.6.1 If a student with disabilities who is not a resident of the School District applies for admission to the Charter School, enrollment acceptance is contingent upon an appropriate IEP team meeting being convened to determine if a free appropriate public education is available for the student at the Charter School. The student will not be accepted as a student at the Charter School if the IEP team finds that a free appropriate public education is not available for the student at the Charter School. If the IEP team determines that the student requires transportation as a related service, the Charter School shall be solely responsible for arranging for the financing and provision of said services. If the non-resident student with disabilities is one for whom tuition may be charged or excess costs collected, the School District is entitled to collect said monies on behalf of the Charter School.

5.6.2 The Charter School shall remain solely responsible for the costs of providing those services required under an IEP that are typically provided by regular classroom teachers through the normal classroom program, including, without limitation, the cost of the classroom teacher, typical classroom supplies and services and supplies generally made available to all students. The Charter School shall be responsible for ensuring that its employees properly carry out the applicable requirements of each IEP as they apply to the regular classroom teacher.

5.7 Section 504 and English Language Learners. As a recipient of federal funds, the Charter School is responsible for complying with the provisions of Section 504 of the Rehabilitation Act of 1973 as to students with disabilities who qualify for protections thereunder. The Charter School also agrees to follow School District policy in identifying students who are English Language Learners and to provide them appropriate educational services either through the School District in accordance with Section 7.1.6 or as otherwise may be agreed.

5.8 Tuition and Fees. The Charter School may not charge tuition to students who reside in the School District, except for before/after school programs, intersession programs, pre-school programs, summer programs, or extended kindergarten programs administered by the Charter School. If the Charter School enrolls a nonresident student with disabilities, the School District shall collect from the school district of residence tuition for excess costs incurred in educating the child, pursuant to CDE guidelines developed in accordance with C.R.S. § 22-20-109(5) and corresponding State Board rules. Student fees may be charged by the Charter School so long as such fees are established, described, disclosed, and used in accordance with applicable Colorado law and regulations, including, but not limited to, the provisions of C.R.S. §§ 22-32-110(1)(o) and (p) and 22-32-117. The Charter School shall provide the School District with a schedule of all proposed fees for the ensuing school year by May 1 of each year.

5.9 Extracurricular Activities. Subject to the provisions of C.R.S. § 22-32-116.5 and this Renewal Contract, the Charter School students who meet the prerequisites for participation may try out for nonacademic activities, not offered at the Charter School, at the school in the School District that would otherwise be the student's regular school of attendance based upon their residence. The Charter School student or the Charter School shall comply with all applicable rules of the School District and the school of participation, all eligibility requirements, and all responsibilities and standards of conduct, including related classroom and practice requirements. Where such participation requires a fee, the Charter School student or the Charter School shall be responsible for payment of

the fee which shall be equal to 150 percent of the fee amount the school of participation would charge an enrolled student to participate in the activity.

6.0 Evaluation of Pupil Performance and Procedures for Corrective Action. The Board of Education accepts the Charter School's methods for evaluating pupil performance as contained in the Original Application. The Board of Education approves the Charter School's proposal for the use of multiple tools for assessment of student performance including its use of CSAP as the standardized achievement test used for assessment. The Charter School agrees to cooperate with School District administrators to coordinate testing and reporting of test data with the School District's statistical reporting needs. The Charter School also agrees to conduct all State-required standardized testing using forms and schedules prescribed by the School District. The Charter School also agrees to implement any testing requirements or assessments necessary to meet the School District's obligations under Colorado law including, without limitation, the Educational Accountability Act and the Educational Accreditation Act and the provisions of the ESEA, 20 U.S.C. § 6311(b)(3). The Charter School shall pay to the School District the pro rata costs associated with all such tests such as, but not limited to, the cost of test booklets and scoring and tabulating results.

6.1 Timeline. The Charter School agrees to follow its timeline for achieving its goals as updated in its annual reports to the Board of Education.

7.0 Economic Plan, Budget, and Annual Audit. The proposed budget for the 2008-2009 school year is attached hereto as **Exhibit C** and incorporated herein by reference.

7.1 Funding.

7.1.1 Subject to the provisions of this Section 7.1, Section 5.4, and any other applicable provisions herein, the School District shall provide funding for the Charter School during the first year of this Renewal Contract (commencing with the 2008-2009 fiscal year) in the amount of: (i) one hundred percent (100%) of the School District per pupil revenues ("PPR"), as defined by C.R.S. § 22-54-103(9.3); (ii) a per-pupil fair share of the 2003 override (\$251) per FTE pupil for the 2007-2008 fiscal year); and (iii) a pro-rata, per-pupil allocation of the 2006 override, up to \$60.00 per FTE pupil of which is conditioned upon the Charter School having a properly functioning School Advisory Council (according to the Board of Education, District Advisory Committee, and statutory requirements) and the balance of which is to be used for literacy and world language. Unless otherwise agreed by the School District each year and set forth in the annual cost of contracted purchased services (**Exhibit D**), the School District

may retain from the PPR the Charter School's share of central administrative overhead costs as defined by C.R.S. § 22-30.5-112(2)(a.5)(I) for each funded FTE pupil enrolled in the Charter School for that fiscal year, not to exceed 550 funded FTE pupils, subject to revision up to 720 as provided in Section 5.4.3, above. The amount retained for central administrative overhead costs during the year shall be based upon the prior fiscal year's actual costs plus inflation and growth. Unless amended, the foregoing funding amount shall include the one percent (1%) increase in state base per pupil funding as provided by the Colorado Constitution, Article IX, Section 17, and required by C.R.S. § 22-30.5-112(2)(a)(III)(B). For purposes of calculating enrollment, kindergarten students shall count as one-half of one funded FTE pupil. The term "funded FTE pupil," as used in this section shall be deemed to mean a full-time equivalent student enrolled as of the counting dates or periods and set forth in the School Finance Act, or corresponding provisions in any successor acts, and State Board regulations. The central administrative overhead costs and, at either party's written request, other purchased services, shall be reconciled to actual costs detailed by line item within 90 days after the end of the fiscal year as required by C.R.S. § 22-30.5-2112(2)(a.4)(I), and any difference between the amount initially charged to the Charter School and the actual costs shall be paid to the owed party. By June 30 of each fiscal year, the Charter School's ending fund balance must comply with the emergency reserve requirements of Article X, Section 20 of the Colorado Constitution ("TABOR"). The parties agree that the funding levels provided for in this Renewal Contract, including the purchased services and allocated costs below, comply with the financing guidelines of the Act.

7.1.2 As long as the Charter School is not in material breach of this Renewal Contract and subject to the School District's rights and remedies at law or in equity and as otherwise provided herein, as long as the Charter School is in existence as a school chartered by the School District, any funding provided by the School District will be made available to the Charter School throughout the year, at times generally consistent with the School District's procedures for its other schools. Funding under the Renewal Contract shall commence on July 1, 2008, for the first year and on July 1 in each year of charter renewal thereafter, subject to adjustments, deductions, or annually contracted purchased services (Exhibit D) as provided in this Renewal Contract.

7.1.3 On or before February 15 of each year of the Charter, the Charter School and the School District will begin negotiations in conjunction with the School District's and the Charter School's budget development and adoption process concerning funding for the ensuing fiscal year. In future fiscal years, it is agreed that the amount of funding provided to the Charter School from the School District shall not be less than 100 percent of the School District's PPR

multiplied by the number of pupils enrolled in the Charter School, subject to purchased services and allocated costs.

7.1.4 Projected student enrollment data for the following year, including names, ages/grades, addresses, and neighborhood school (school of record) shall be supplied to the School District on or before January 10 so that neighborhood school staffing may be adjusted accordingly.

7.1.5 July and August funding shall be based upon the number of students officially registered for enrollment with the Office of Student Records by July 1. At the end of the first week of school for the new school year, the Charter School will submit to the School District written certification of the actual number of students in attendance at the Charter School and the subsequent fund transfer will be adjusted to reflect that number. Total funding for the year will be recalculated when final student count numbers are finalized by CDE to reflect the official October count required by the State. Any adjustments in funding will be made in equal monthly installments over the remainder of the fiscal year. The parties acknowledge that under the current version of the School Finance Act, neither the Charter School nor the School District will receive funding for students in the year of enrollment if the student first enrolls in the Charter School or the School District after the October 1 count date. In addition, to the extent that the School District experiences any reduction or increase in the state equalization support by a legislative rescission, CDE audit, or other action, appropriate or proportionate reductions or increases will be made to the Charter School's funding by adjustment or setoff in subsequent months.

7.1.6 The School District intends that the Charter School be credited for a proportionate share of funding provided under the ECEA and IDEA for special education, and under the English Language Proficiency Act, C.R.S. §§ 22-24-101 – 106, for students who are second language learners, and other federal and state grant sources, to the extent that the Charter School complies with the conditions and requirements, including reporting requirements of such grants and applicable law. In consideration of any contracted services provided by the School District under Section 5.6, the School District shall be reimbursed through a deduction from the funding provided in this Section 7.1 the School District's net average, non-reimbursed per pupil special education cost for elementary or middle level students as appropriate (including credit for state/federal funding), multiplied by the Charter School's total number of funded FTE pupils. In exchange for said reimbursement, the School District will provide special education services to eligible students with disabilities under the IDEA.

7.1.6.1 The job posting, interviewing, hiring and appointment of related service providers to serve students at the Charter School will be conducted in the typical manner used by the School District for related service providers assigned to neighborhood schools of the School District.

7.1.6.2 The job posting, interviewing, and hiring of special education service providers (including speech pathologists) who are assigned solely to the Charter School by the School District will be conducted in a collaborative manner between the School District and the Charter School using School District-approved procedures and documents. In the event the parties are unable to agree collaboratively on a selection, the final decision will be made by the School District's Superintendent or designee.

7.1.6.3 The special education teachers and speech language pathologists who are assigned solely to the Charter School by the School District and approved by the School District through the hiring process in Section 7.1.6.2 above and assigned to the Charter School by the School District will be evaluated at least annually in accordance with the School District-approved evaluation process and performed by the School District's Instructional Support Services (ISS) administration. The Charter School will provide to the ISS administrators responsible for the evaluation, input and documentation on the day-to-day performance indicators and other information needed for the thorough evaluation of the special education teacher and speech pathologist.

The Charter School may apply for state and federal funding, if any, that is provided for gifted and talented students and for other state and federal categorical programs on the same basis as other School District schools, to the extent that the Charter School is serving students who are eligible for such aid, complies with the conditions and requirements of such programs and applicable law, fulfills the reporting requirements under such programs, and is not purchasing services under such programs from the School District.

7.1.7 Requests by the Charter School to fund necessary capital construction projects through ballot questions for approval of bonded indebtedness and/or a special mill levy shall be submitted in writing (with a capital construction plan as specified in C.R.S. § 22-30.5-404(3) and other supporting documentation) to the School District as far in advance of the November election date as possible, and in no event later than June 1 of the election year, and such requests shall be considered and action thereon shall be taken in accordance with governing law. As provided in the Act, funding to the Charter School under this Renewal Contract shall be reduced by the amount of any direct payments of principal and interest due on any bonds which may be issued on behalf of the

Charter School by a governmental entity other than the School District for the purpose of financing capital construction that were made by the State Treasurer or the School District on behalf of the Charter School, plus administrative costs associated with the making of such direct payments. The Board of Education agrees to notify the Charter School as soon as any School District bond or mill levy questions, to be submitted to the School District electorate, are to be publicly considered. The Charter School agrees to work with the other charter schools within the School District to participate in discussions regarding the possible submission of a bond or mill levy question to the electorate, including the potential for charter schools in the School District to participate on a pro-rata basis in any mill levy overrides approved in the future.

7.2 Budget. Each year, the Charter School shall submit a proposed budget in the School District's format to the School District by April 1 and an adopted budget by June 10. The 2008-2009 Charter School budget, attached hereto as **Exhibit C**, is further amended as follows:

7.2.1 The per pupil funding for subsequent years shall be determined in accordance with Section 7.1 above.

7.2.2 For the 2008-2009 budget year and each budget year thereafter, the Charter School shall annually allocate the minimum per pupil dollar amount specified in C.R.S. § 22-54-105(2)(b) multiplied by the number of students enrolled in the Charter School, to a fund created by the Charter School for capital reserve purposes, as set forth in C.R.S. § 22-45-103(1)(c) and (1)(e) or solely for the management of risk-related activities, as identified in C.R.S. § 24-10-115, and Article 13 of Title 29, C.R.S., or among such allowable funds. These monies shall be used solely for the purposes set forth in C.R.S. § 22-45-103(1)(c) and (1)(e) and may not be expended by the Charter School for any other purpose.

7.2.3 The Charter School shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services. The following services may be purchased by the Charter School from the School District at cost during the term of this Renewal Contract: health services; instructional services; staff development services; business services as a package (see **Exhibit D**); mail services; media services; food services; assessment; and accountability/volunteer program. Special education services shall be purchased from the School District. During the first year of this Renewal Contract, the Charter School agrees to purchase all insurance coverages from the District as provided in Section 10.1 below. If the Charter School does not purchase optional services from the School District, it shall be responsible for

performing those activities or services itself, in the manner required by law for other schools in the School District.

7.2.4 Annually, when adopting its budget, or as soon thereafter as the costs thereof have been provided to the Charter School by the School District, the Charter School will commit to purchasing certain services from the School District for the entire budget year. Costs of services shall be adjusted annually by the School District based upon its adopted budget for the ensuing fiscal year and shall be reconciled annually, at either party's option, to actual costs within ninety days after the end of each fiscal year to the extent contemplated by C.R.S. § 22-30.5-112(2)(a.4) and any difference between the amount initially charged to Charter School and the actual cost shall be paid to the owed party. All services are based on a per pupil allocation. Transportation services are not provided under this Renewal Contract subject to Section 11.0 below.

7.2.5 The School District shall provide legal services through the School District's legal counsel for the defense of suits, actions and claims against the Charter School for which the School District provides insurance coverage. Such legal services shall not be provided for defense of matters involving disputes between the Charter School and the School District. As a condition to the School District's obligation to defend, the Charter School agrees to comply with guidelines and directives from the School District's Risk Management and promptly notify the School District of all claims including threatened or reasonably anticipated claims or actions; to cooperate fully with the School District and legal counsel in defending the claim; and to refrain from compromising, settling, negotiating, or otherwise similarly dealing with the claim without the express consent of the Board of Education. The Charter School acknowledges that in the event of a dispute between the Charter School and the School District, the School District's legal counsel will represent the School District and not the Charter School with respect to such dispute. Any potential conflict arising from the representation of the Charter School by the School District's legal counsel shall be resolved in accordance with the Colorado Rules of Professional Conduct. The Charter School shall have access to legal consultation and advice where such assistance is requested through the School District's Superintendent or designee. In further consideration of the funding provisions, the School District shall defend any federal complaint or due process hearing request related to a student with disabilities in attendance at the Charter School, to the extent of any alleged involvement of a School District employee in a violation of state or federal law. Within five days after the receipt of any federal complaint or due process hearing request that includes allegations against both the Charter School and School District employees, the parties will meet to explore efficiencies

and to determine the course of action in providing a defense including, without limitation, the potential for a joint defense absent a conflict of interest or other legal impediment. The parties agree that the intent of this provision related to federal or due process claims is that each party shall defend at its expense any obligation incurred as a result of actionable claims or omissions by its own employees, and not for the other's.

7.2.6 On or before April 1 of each year, the Charter School shall identify the total funded FTE pupils enrolled (subject to the enrollment cap described in Section 5.4 herein) and provide to the Board of Education its proposed balanced budget for the upcoming fiscal year as well as projected budgets for the next three succeeding years. The projected Charter School balanced budget, when accepted by the Board of Education for each fiscal year, shall be attached and incorporated into this Renewal Contract as an exhibit, and will be subject to adjustment based upon current state-funding data as it becomes available during the budget adoption process. The budget format used by the Charter School shall be consistent with the requirements of applicable Colorado law and the School District. The budget may be revised prior to August 15 of each year so long as it continues to present a balanced financial plan, consistent with this Renewal Contract and state law, to provide the instructional services represented by the Charter School. Any modified budget shall be submitted to the School District Superintendent or designee.

7.2.7 If the Charter School elects not to contract with the School District for the performance of fingerprinting and background checks required by law, the Charter School shall assure that such fingerprinting and background checks are conducted in accordance with state law and shall provide to the School District, upon its request, documentation establishing such compliance.

7.2.8 If the Charter School elects not to contract with the School District for student health services, the Charter School shall provide hearing and vision screening in accordance with the requirements of state law and support any accommodations for chronic health conditions required under federal and state law. The Charter School shall further assure compliance with state law and School District policy/regulation regarding immunization of students, that medications are administered in accordance with state law, and that health services are provided in accordance with the Nurse Practice Act, C.R.S. §§ 12-38-101 - 202.

7.3 Financial Records and Annual Audit. As part of this Renewal Contract, the Charter School has submitted a financial disclosure document in a

format acceptable to the Board of Education. Financial statements are to be submitted to the School District within 15 days after the end of each quarter. The Charter School agrees to establish, maintain, and retain appropriate financial records in accordance with all applicable federal, state, and local laws, rules, and regulations, and make such records available to the School District as requested from time to time; provided that, for those services that the School District agrees to perform under this Renewal Contract, the School District will maintain and make available such records. The Charter School shall similarly make available to the School District upon request the records (except personnel files and the names of individual donors) of any of its supporting I.R.C. § 501(c)(3) affiliated or supporting organizations. The Charter School agrees to cooperate in an independent, outside audit by a certified public accountant of its financial and administrative operations on an annual basis and, if required by the School District, its affiliated and supporting organizations' financial and administrative operations on an annual basis. The Charter School audit shall be performed by the School District's independent auditors in conjunction with the audit of the School District itself. The results of the audit shall be provided to the School District in written form within the same statutory time limits required of the School District and shall be published and posted as required by law. Any cost associated with the audit of the Charter School as a public school within the District (but not of any of the Charter School's affiliated or supporting organizations) is included in the amount designated on Exhibit D for contracted Business Services. If Business Services are not purchased by the Charter School or if the Charter School requires any additional audit work due to separate or affiliated functions such as, but not limited to, before and after-school programs, or compliance with lease-purchase financing reporting requirements, the auditors may charge an additional fee at reasonable market rates to be negotiated between the Charter School and the auditor for the annual audit and any separate audit reports. This charge shall be paid by the Charter School. The Charter School shall have all records and back-up documentation prepared and assembled for the auditors by no later than July 31 of each year. If the Charter School does not contract with the School District for Business, Human Resources, Student, or Financial Services, it shall report all such data to the School District in a form so as to allow the School District to meet state reporting requirements. If the Charter School fails to provide financial data to the School District in the form and on the dates provided for in this Renewal Contract, or as otherwise required by the state or federal government, the School District may withhold up to ten percent (10%) of any payment due the School District until such time as the Charter School complies with the financial reporting requirements.

8.0 Governance and Operation. The governance and operation provisions of the Original Application, concerning the nature and extent of

parental, professional educator, and community involvement in the governance and operation of the Charter School, as amended by the bylaws of the Charter School, attached hereto as **Exhibit E**, continue to be acceptable to the School District to the extent permissible under federal and state law and subject to all conditions of this Renewal Contract and to the policies and regulations of the School District, as amended and adopted from time to time (except to the extent waived by the Board of Education as provided in this Renewal Contract). In addition, the Original Application is amended as follows, which amendments and other provisions of this Renewal Contract shall supersede and control over any conflicting language contained in the Original Application and Original Contract or renewal application. The Charter School Governing Board shall provide training and orientation for each member of the Governing Board in matters concerning responsibilities for governance and operation as provided in this Renewal Contract, the Charter School bylaws, relevant policies, and applicable law. The School District may require the Charter School to provide documentation from time to time during the term that such orientation and training has occurred.

8.1 Conflict of Interest. Members of the Charter School Governing Board and other committees of the Charter School shall comply with state law and School District policies and regulations regarding ethics and conflicts of interest.

8.2 Nonreligious, Nonsectarian Status. The Charter School agrees that it shall operate in all respects as a nonsectarian, nonreligious, non-home-based public school. The Charter School shall not be affiliated with any nonpublic sectarian school or religious organization.

8.3 Commitment to Nondiscrimination. The Charter School shall comply with all applicable federal, state, and local laws, rules, regulations, and School District policies prohibiting discrimination on the basis of race, creed, color, national origin, sex, marital status, religion, age, ancestry, disability, or on the basis of any other status protected by law.

8.4 Open Meetings Law. The Charter School acknowledges and agrees that it is subject to the provisions of the Colorado Open Meetings Law, C.R.S. §§ 24-6-401 - 402, and that it will comply with the provisions of such law in connection with all of its activities. Public notice of all regular and special meetings of the Governing Board shall be given and posted in accordance with law.

8.5 Indigent Students. The Charter School shall waive all fees for indigent students in accordance with School District policy and applicable federal and state law. If requested by the School District, the Charter School shall survey its student population for eligibility for free and reduced lunches under federal guidelines in accordance with State Board regulations. On all fee lists and schedules, the Charter School shall include notification of its policy of waiving fees for indigent students. The Charter School shall comply with all state and federal requirements regarding the provision of services to students eligible for free and reduced lunches, if and when the Charter School offers food service. This section shall not apply to charging of fees for any full-time kindergarten or pre-school tuition program offered by the Charter School.

8.6 Operational Powers. Subject to the conditions and provisions of this Renewal Contract, the Charter School shall be fiscally responsible for its own operations within the limitations of any funding provided by the School District and other revenues derived by the Charter School consistent with law.

8.6.1 The Charter School shall have authority to exercise independently, consistent with federal and state law, the following powers (including such other powers as provided for elsewhere in this Renewal Contract) to the extent consistent with this Renewal Contract and within the Charter School's adopted budget: contract for goods and services; lease facilities for school purposes; prepare a proposed budget; select, hire, evaluate and terminate personnel, and determine their compensation; contract for professional services; procure insurance; purchase, lease, or rent furniture, equipment, and supplies; retain fees collected from students in accordance with law; and accept and expend gifts, donations, or grants of any kind in accordance with the conditions prescribed by the donor, as consistent with law and not contrary to any of the terms of this Renewal Contract.

8.6.2 The School District reserves the right to review any proposed contracts between the Charter School and any independent contractor or subcontractor for services (except professional services) that are expected to cost more than \$10,000 in any given fiscal year that the School District also offers to provide as part of its list of optional purchased services, before any such agreements are finalized and signed. The Charter School agrees to provide the School District with written notice of intent to enter into any contract with such a contractor or subcontractor and a copy of the proposed contract. The School District shall have ten days from receipt of such notice and contract to provide comments or to provide a cost for any or all of the proposed contracted services. The right to review does not mean the Board of Education or the School District has the right to approve the contract. Unless otherwise agreed in writing by the

School District, the Charter School shall not have authority to enter into a contract or subcontract for the management or administration of its core instructional program or services, including special education and related services and shall not enter into any other contracts beyond the scope of the express authority delegated under this Renewal Contract. This shall not prevent the Charter School from engaging independent contractors to teach selected, specific courses. The Charter School shall insert the following language in every contract which it enters into with an independent contractor or subcontractor: “It is acknowledged that Douglas County School District Re.1 (School District) is not a party to this agreement. The Charter School has no authority to enter into any agreements that obligates the School District in any manner whatsoever. The School District has no financial obligation under this agreement nor any obligation to undertake any action in furtherance of the contractual relationship established herein.”

8.6.3 The Charter School shall comply with applicable provisions of Article X, Section 20 of the Colorado Constitution. The Charter School shall not have any authority to enter into any agreement or make any commitment that gives rise to a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever on the part of the Charter School or the School District without the prior express written consent of the School District.

8.6.4 In exercising its powers, the Charter School shall comply with all applicable School District policies, except as amended by this Renewal Contract, and except as otherwise required by law, unless a specific waiver is obtained. Upon approval, all policy changes will be forwarded or made available to the Charter School in the same manner as to other schools within the School District. The Charter School shall furnish to the Board of Education copies of all written policies or procedures it may develop relating to its operations and educational program. The Charter School agrees to comply with future policies unless the Charter School demonstrates to the School District that the policy would materially interfere with essential elements of the Charter School’s educational program as implemented pursuant to its Application as amended by this Renewal Contract. In that case, the parties agree to negotiate the potential for a waiver of such policy in good faith.

8.6.5 The Charter School shall clearly indicate to vendors and other entities and individuals outside the School District that the obligations of the Charter School under any agreement are solely the responsibility of the Charter School and are not the responsibility of the School District.

8.6.6 The Charter School shall report to the School District all gifts or donations of cash or property having a reasonable value in excess of

\$500 by recording the same in the financial records required under Section 7 above. The Charter School shall report to the Board of Education within fourteen days the acceptance of any gift or donation in excess of \$10,000 and shall obtain prior Board of Education approval for the acceptance of any grant, gift, or donation that would involve any condition or obligation on the part of the School District. Grants and gifts to the Charter School's fund-raising activities shall be consistent with School District policies and will not affect funding by the School District pursuant to this Renewal Contract. All such non-consumable grants, gifts, and donations shall be considered the property of the School District, unless otherwise provided in writing by the donor. The Charter School shall have the right to use such items, in accordance with the conditions prescribed by the donor, during the term of this Renewal Contract; provided, however, that no gift, donation, or grant shall be accepted by the Charter School if subject to any condition contrary to law or to this Renewal Contract.

8.7 Waivers. The Charter School has been granted certain waivers from School District policies and regulations, subject to approval by the Board of Education of acceptable replacement policies pursuant to Section 10.2.1. The waivers from School District policies, and the conditions therefor, are set forth in attached **Exhibit F**, which is hereby incorporated into this Renewal Contract. Statutory waivers to be requested jointly from the State Board by the Charter School and the Board of Education are attached and incorporated herein as **Exhibit G**.

8.8 Bidding Requirements. As required by School District policy and state law, contractual services (except professional services) and purchases of supplies, materials, and equipment shall be procured through a system of competitive bidding, unless purchased from or through the School District.

8.9 Periodic Review of Progress. The Charter School shall be subject to a review of its operations and finances by the Board of Education or a designee upon reasonable advance written notice. The Charter School shall, by June 1 of each year, provide to the School District a written report concerning its operations, including, without limitation, progress made towards achieving its educational goals and objectives, content standards, policy development issues, student performance standards, student attendance and discipline information, personnel matters, and other provisions of its Original Application, Original Contract, and this Renewal Contract.

8.10 Financial Reports. The Charter School shall be responsible for providing to the School District annually or upon written request, within thirty days of the request, written revenue and expenditure reports with comparisons to

budget; a financial statement that reports the costs of administration, instruction, and other spending categories, consistent with the format required by state law; and shall transmit to the School District the data contained in the account codes listed on the attached as **Exhibit H** in the form prescribed by CDE.

8.11 Term. The Board of Education intends that the Charter and this Renewal Contract are to be effective as of the date first written above, for a period of five (5) fiscal years and is to terminate on June 30, 2013. Although this Renewal Contract provides for a five-year Charter, any financial commitment on the part of the School District contained in this Renewal Contract is subject to annual appropriation by the Board of Education. The parties agree that the School District has no obligation to fund the financial obligations under this Renewal Contract, other than for the then-current year of the Renewal Contract term, and that the School District has not irrevocably pledged and held for payment sufficient cash reserves for funding the Charter School or for providing services described herein for the entire term of the Renewal Contract. The Charter School may apply for another renewal of this Renewal Contract in accordance with procedures set forth in state law and School District policy/regulation.

8.12 Termination.

8.12.1 This Renewal Contract may be terminated and the Charter revoked by the Board of Education for any of the grounds provided by state law, C.R.S. § 22-30.5-110(3) and (4), and/or for any material breach of this Renewal Contract. The Charter School shall be given a reasonable opportunity to cure the breach after receiving written notice from the School District. Reasonable opportunity to cure shall mean: (a) cure within thirty days of the effective date of such notice and compliance with the corrective action plan; or (b) in the case of breaches which cannot practically be cured within thirty days, commencement of the cure within thirty days and diligent pursuit of the cure to the satisfaction of the School District until the cure meets the criteria set forth in the corrective action plan. To the extent reasonably practical, the School District shall exhaust the dispute resolution provisions set forth in Section 12.9. Should the Charter School choose to terminate this Renewal Contract and revoke its Charter before the end of the contract term, it may do so with the Board of Education's approval, at any time, upon thirty days' advance written notice. In the event of termination, all assets, including facilities and equipment not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and operations of the Charter School, shall be returned to the School District. The Charter School shall maintain an inventory of assets in accordance with guidelines provided by the School District and its independent auditors. Unless a donor or grantor specifically provides otherwise in writing, all gifts, donations, and grants

shall be assumed to be made to the School District for the benefit of the Charter School and shall be included among the assets returned to the School District upon termination of this Renewal Contract.

8.12.2 During the period after the School District gives the Charter School written notice of a termination or a material breach, in addition to any other rights, the School District shall also have the following additional right and power to (a) require the Charter School to promptly take such actions as may be necessary to freeze bank accounts and other assets of the Charter School and/or to require School District approval of any expenditure or disposition of assets and (b) receive full and complete access to all the Charter School records, data, and information.

8.12.3 Notwithstanding any other provision of this Renewal Contract, in the case of any breach which the Board of Education reasonably determines poses a serious threat to the Charter School or School District students, the community, or the property rights of the School District or the Charter School, the School District may, but shall not be required to, take immediate control of the Charter School and may exercise any portion or all power and authority of the Charter School for such period of time as may be necessary to deal with such threat. These additional rights of the School District shall continue during the pendency of any dispute resolution process of the State Board appeal with respect to the breach.

8.13 Dissolution. In the event the Charter School should cease operations for whatever reason, including the nonrenewal or revocation of the Charter, it is agreed that the Board of Education shall supervise and have authority to conduct the closure of the business and affairs of the Charter School; provided, however, that in doing so, the School District does not assume any liability incurred by the Charter School beyond the funds allocated to it by the School District under this Renewal Contract. Dissolution, revocation or nonrenewal will not be final until such time as the initial appeal period for those matters within the jurisdiction of the State Board has expired or been exhausted at the administrative level. The School District's authority hereunder shall include, but not be limited to, the return and/or disposition of any assets acquired by purchase or donation by the Charter School during the time of its existence, consistent with any donor conditions.

9.0 Employment Matters. The Relationship with Employees section of the Original Application and Original Contract concerning employment matters such as employee relationships, job descriptions, and terms and conditions of employment and specific personnel policies are accepted to the extent specifically

described below and subject to the following conditions and other provisions of this Renewal Contract. The parties agree that teachers and other staff employed at the Charter School are employees of the Charter School and are not employees of the School District. The Charter School is solely responsible for selecting, supervising, disciplining, determining compensation for, and terminating its employees. No person employed by the Charter School shall be considered an employee of the School District by virtue of such employment, and the School District shall have no liability or responsibility for such persons.

9.1 Hiring of Personnel. All persons who perform services for the Charter School shall be “at-will” employees or volunteers of the Charter School, unless hired by and assigned to perform services for the Charter School by the School District under Section 7.1.6. The Charter School may select its personnel directly without prior authorization from the Board of Education, subject to compliance with this section 9.1 and all federal and state rules and regulations, including, without limitation, requirements concerning the recruitment of applicants and the use of background and criminal checks. Unless otherwise approved in writing by the School District’s Director of Human Resources, the Charter School agrees not to hire any individual who has been nonrenewed or dismissed by the School District. The Charter School Governing Board may terminate the employment of any personnel so long as such employees are not terminated for constitutionally impermissible reasons. The Superintendent or designee may, without any claim of interference, cause an expression of no confidence in a Charter School employee to be communicated to the Charter School Governing Board, which agrees to act upon any such expression promptly and with due regard for the Superintendent’s or designee’s concern. The Charter School shall promptly inform the Superintendent or designee of the action that it takes and will inform the Superintendent or designee in writing no later than May 16 of each year of those employees who will not be renewed by the Charter School. It is acknowledged that any reservation of rights in the School District, its Board of Education or Superintendent hereunder, does not in any manner change the status of such employees as “at-will” employees of the Charter School. The Charter School shall comply with the requirement of the ESEA (as amended by the No Child Left Behind Act) that certain employees be “highly qualified.”

9.2 Employee Compensation, Evaluation, and Discipline. The School District agrees to cooperate with the Charter School in considering waiver of School District policies and regulations concerning the compensation, evaluation, promotion, discipline, and termination of employees of the Charter School, subject to compliance with all applicable state rules and regulations, unless specific waivers are renewed from the State Board. School District policies will remain in effect and be followed by the Charter School Governing Board until

the adoption by the Charter School Governing Board of policies regarding these matters that are in compliance with applicable law and approved by the School District.

9.2.1 Unless otherwise provided herein, the supervision and evaluation of the teaching staff within the Charter School will be carried out as set forth in the Original Application and Original Contract; provided, however, that all such evaluations shall be conducted or supervised by a person who has satisfied state and School District evaluator training requirements.

9.2.2 The Charter School, with input from parents and faculty, shall be responsible for annually evaluating the performance of the school's administrator. The written results of such evaluation and the evaluation report shall be made available to the Board of Education on or before June 30 of each year for its review.

9.2.3 The Charter School has adopted its own written policies in compliance with federal and state law concerning the recruitment, promotion, discipline, and termination of personnel; methods for evaluating performance; and a plan for resolving employee-related problems, including complaint and grievance procedures. However, the Charter School shall not have the authority, by virtue of such policies or procedures or other action of the Charter School Governing Board, to change the "at-will" nature of the employment relationship.

9.2.4 The Charter School shall notify the School District and other appropriate authorities, in accordance with state law, of discipline of employees at the Charter School arising from misconduct or behavior that may have resulted in harm to students or others or that constituted violations of law or policy.

9.3 Payroll. Employees shall be paid through the School District payroll department (if Business Services are contracted) using procedures for recording employee work hours, overtime, absences, leaves, vacation, and other adjustments, as contained in applicable School District policies and regulations.

9.4 Benefits. Unless purchased from the School District, the Charter School shall have the right to determine the benefits that it will provide to its employees.

9.5 PERA Membership. All employees at the Charter School shall be members of the Public Employees' Retirement Association and subject to

its requirements. The Charter School shall be responsible for the cost of the School District's/employer's respective share of any required contributions.

9.6 Equal Opportunity Employer. The Charter School affirms that, consistent with applicable law and School District policies, it shall not discriminate against any employee on the basis of race, creed, color, national origin, sex, marital status, religion, age, ancestry, disability, or on the basis of any other status protected by law, in its recruitment, selection, training, utilization, termination, or other employment-related activities.

9.7 Employee Welfare, Safety, and Training. The Charter School shall comply with all School District policies, and applicable federal and state laws, concerning employee welfare, safety, and health issues, including, without limitation, the requirements of federal law for a drug-free workplace, and statutorily required training concerning the Child Protection Act of 1987, C.R.S. §§ 19-3-301 - 316.

9.8 Employee Records. The Charter School shall comply with all School District policies and regulations, as modified and not waived herein, and applicable federal and state laws, concerning the maintenance and disclosure of employee records, including, without limitation, the requirements of the Colorado Public Records Law, C.R.S. §§ 24-72-204 - 206.

9.9 Employee Conflicts of Interest. All employees at the Charter School shall comply with the School District's policy and regulation and applicable state law concerning actual and potential employee conflicts of interest.

9.10 District Teachers.

9.10.1 Teacher Leave of Absence from School District. During the first year that a teacher employed by the School District is employed by the Charter School, such teacher shall be considered to be on a one-year leave of absence from the School District. Such leave of absence shall commence on the first day of services for the Charter School. This leave of absence shall expire at the end of one year and, unless the following "Notice of Renewal" procedure is followed, the School District shall automatically schedule the teacher for return to the School District to a position for which the teacher possesses the appropriate qualifications and certification.

9.10.2 Notice and Renewal. If the teacher desires a renewal of the one-year leave of absence in order to continue teaching at the Charter School, written notice and request for renewal must be given to the School District

prior to March 30 of the leave year. Subsequently, the teacher will be considered to be on a second one-year leave of absence. Upon a timely notice and request by the teacher, as set forth herein, the second one-year leave of absence shall be renewed for an additional one-year period at the discretion of the School District. In no event will teachers' leaves exceed three years in length.

9.10.3 Consequences of Extended Leaves. Teachers who do not request a second or third year leave of absence or who complete three years leave of absence and do not return to the School District will no longer be considered employees of the School District.

10.0 Insurance and Legal Liabilities.

10.1 Insurance. Subject to the provisions of this Renewal Contract, it is agreed that during the term of this Renewal Contract, the School District will make available for purchase by the Charter School insurance coverages consistent with the coverages available to the School District itself. If not purchased from the School District, the Charter School shall provide comparable insurance coverage (as reasonably determined by the School District's risk manager) and the School District shall be an additional, named insured. Whether insurance is purchased from the School District or not, the Charter School agrees that it will coordinate all risk management activities through the School District's risk management office. This will include the prompt reporting of any and all pending or threatened claims, including, but not limited to, notices of claim, charges of discrimination, complaint or other notice of potential litigation, the filing of timely notices of claim, cooperating fully with the School District in the defense of any claims, and complying with the defense and reimbursement provisions of the Colorado Governmental Immunity Act and the School District's applicable insurance policies. The Charter School shall neither compromise, settle, negotiate, nor otherwise affect any disposition of potential insured claims or claims asserted against it that might adversely affect the School District without the School District's prior written approval. In consideration of the School District's providing the described insurance coverages, the Charter School agrees to pay to the School District the amounts set forth on the attached **Exhibit D** related to Contracted Purchased Services (as annually revised consistent with the School District's budget for risk management) multiplied by the number of funded FTE pupils enrolled in the Charter School. Any annual deductibles applicable to any claim under the insurance coverages provided to the Charter School hereunder will be paid by the Charter School for non-purchased School District services at the rate of \$5,000 per occurrence and \$10,000 in the aggregate and the insurance coverage shall include the same coverage as is provided for employees and authorized volunteers of the School District itself.

10.2 Legal Liabilities. The Charter School shall operate in compliance with all School District policies and regulations and all applicable federal, state, and local laws, rules, and regulations, unless specifically waived as indicated in attached **Exhibit F** or **Exhibit G**, or unless such waiver is obtained from the proper authority pursuant to the procedures of Section 10.2.1 below, subsequent to the execution of this Renewal Contract. In no event shall the School District, its directors, officers, employees, or agents be responsible or liable for the acts or omissions of the Charter School, its directors, officers, employees, or agents.

10.2.1 Waivers. Following the effective date of this Renewal Contract, waivers from specific School District policies or regulations and/or state law may be requested by the Charter School by submitting such a request, in writing, to the School District's Assistant Superintendent for Learning Services or designee. The request shall include the reasons the Charter School is in need of or desires the waiver and any alternative or substitute policies proposed. The Assistant Superintendent for Learning Services or designee shall have ten school days to review the request and, thereafter, will present the matter before the Board of Education at its next regular meeting. The Board shall have twenty school days to consider the matter prior to rendering a decision at a regular meeting. In the event the School District policy or regulation from which the Charter School seeks a waiver is required by state law, or where the Charter School otherwise requests release from a state regulation, the School District agrees to jointly request such a new or renewed waiver from the State Board, if the School District's Board of Education first approves the request. Waivers are neither necessary nor appropriate when a statute or rule by express terms does not apply to a charter school, nor when a district power or duty has been fully delegated, as more specifically stated in this Renewal Contract, to the Charter School. The Charter School is expected to only seek waivers if a statute or rule applies to the Charter School and substantially interferes with its ability to conduct its educational program. Notwithstanding the foregoing, the parties agree that the Charter School will comply with the Board of Education's End Statements and, unless waived, Executive Limitations and their respective subsections as contained within the Board's governance policies.

10.2.2 Faith and Credit. The Charter School shall not attempt, to purport to, or actually extend the faith or credit of the School District to any third person or entity. The Charter School acknowledges and agrees that it has no authority to enter into a contract or incur obligations that would bind the School District, including, without limitation, any waiver or modification of the provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 -

120, and it agrees to include a statement to this effect in each contract it enters into with third parties. The Charter School acknowledges that its authority to contract is limited by the same provisions in law or School District policy that apply to the School District itself, including, but not limited to, Article X, Section 20 of the Colorado Constitution. The Charter School also is limited in its authority to commit its funds by the amount of funds obtained from and held on its behalf by the School District, as provided hereunder, or from other independent sources.

10.2.3 Indemnification. To the extent of claims not covered by insurance or otherwise barred by the Colorado Governmental Immunity Act, and to the extent permitted by law, the Charter School and the School District agree to indemnify and hold the other harmless from all liability, claims, and demands on account of injury, personal injury, sickness, disease, death, property loss, or damage or any other losses of any kind whatsoever brought in connection with or related to their respective operations and/or the conduct of any of their employees or agents. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided by the Colorado Governmental Immunity Act. The indemnification and hold harmless obligation hereunder shall include all reasonable attorney fees, costs, and expenses incurred by the other in defense of said suits, actions, grievances, charges, and/or proceedings. The foregoing indemnification provision shall not include any personal indemnification by the Charter School employees or volunteers.

10.2.4 Indemnification by Independent Entities/Governmental Immunity. In the event the Charter School authorizes, with the School District's approval, another person or entity to operate a before- and/or after-school, preschool, day care, intersession, extended day kindergarten, or other program within a Charter School facility, such person or entity shall provide separate insurance coverage for general liability and errors and omissions with limits consistent with the School District policies and naming the Charter School, the School District, and the property owner as additional insureds. Such person or entity will also agree to indemnify and hold the Charter School, the School District, and the property owner harmless from all liability, claims, and demands on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss, or damage, tort and civil rights claims, or any other losses of any kind whatsoever that arise out of or are in any manner connected with such person's or entity's operations. Nothing contained in this Renewal Contract shall be deemed a relinquishment or waiver by the School District or the Charter School of any kind of applicable limitations of liability provided by the Colorado Governmental Immunity Act.

11.0 Transportation. The School District and the Charter School acknowledge and agree that transportation will not be provided to students attending the Charter School. If the Charter School subsequently determines to provide transportation during the term of this Renewal Contract, the Charter School may contract with the School District for transportation services at cost, by separate written agreement, as an addendum to this Renewal Contract.

12.0 Miscellaneous Provisions.

12.1 Entire Agreement. This Renewal Contract, with attachments, contains all terms, conditions, and provisions hereof and the entire understandings and all representations of understandings and discussions of the parties relating thereto and all prior representations, understandings, and discussions are merged herein and superseded and canceled by this Renewal Contract. All provisions of this Renewal Contract shall supersede and control over any conflicting or inconsistent language contained in the Original Application or the Original Contract. For purposes of all references in this Renewal Contract and the Original Application or state law or any understanding any party hereto may have, the Charter of the Charter School shall be this Renewal Contract and the Original Application, to the extent the Original Application is not superseded or modified by this Renewal Contract.

12.2 Amendment. This Renewal Contract may only be modified or amended by further written agreement executed by the parties hereto.

12.3 Notice. Any notice required, or permitted, under this Renewal Contract, shall be in writing and shall be effective upon personal delivery (subject to verification of service or acknowledgment of receipt) or three days after mailing when sent by certified mail, postage prepaid, to the Charter School's Chief Administrative Officer in the case of notice being sent to the Charter School, or to the Office of the Assistant Superintendent for Learning Services or designee, for notice to the School District.

12.4 No Waiver. The parties agree that no assent, express or implied, to any breach by either of them of any one or more of the covenants and agreements expressed herein shall be deemed or be taken to constitute a waiver of any succeeding or other breach.

12.5 Invalidity. If any provision of this Renewal Contract is determined to be unenforceable or invalid for any reason, the remainder of the Renewal Contract shall remain in effect, unless otherwise terminated by one or both of the parties in accordance with the terms contained herein.

12.6 Interpretation. In the event of any disagreement or conflict concerning the interpretation or enforcement of this Renewal Contract, the Application, and School District policies, procedures, regulations, or other requirements, other than those for which waivers have been granted, it is agreed that the provisions of this Renewal Contract and School District policies shall control over the Application and that compliance by the Charter School shall be required and measured in the same manner as may be applied and expected by the School District of a majority of its other schools.

12.7 Standing and Capacity. The Charter School Governing Board shall have standing and capacity to enter into and enforce any of the terms of this Renewal Contract on behalf of the Charter School. Any action by the Charter School representative body on behalf of the Charter School shall be limited to enforcing the terms of this Renewal Contract and recovering the amounts provided for herein and shall not include any action or proceeding for other amounts or damages.

12.8 Assignment. The Charter School shall not assign its Charter nor any of its rights or obligations under this Renewal Contract to any person or entity, including, without limitation, a body corporate formed by the Charter School, without the prior written approval of the Board of Education.

12.9 Dispute Resolution. In the event any dispute arises between the School District and the Charter School concerning this Renewal Contract, including, without limitation, the implementation of or waiver from any policies, regulations, or procedures, such dispute shall first be submitted to the Assistant Superintendent for Learning Services or designee for review. Thereafter, representatives of the School District and the Charter School shall meet and attempt in good faith to negotiate a resolution of the dispute. In the event these representatives are unable to resolve the dispute informally pursuant to this procedure, the party that initiated the action in the first instance shall inform the other party of an intent to invoke C.R.S. § 22-30.5-107.5. Within thirty days after receipt of written notice, the parties shall have agreed upon an independent mediator. If the parties are unable to agree upon a mediator within that time, the moving party shall obtain a list of five names from the Judicial Arbitrator Group, Denver, Colorado, and submit them to the other party, who shall strike one, return the list to the moving party, and so forth, until one name remains. The remaining person shall be selected as the mediator. This striking process shall be completed within ten days after delivery of the list to the non-moving party. The mediation shall be scheduled and concluded within one hundred and twenty days of the moving party's written request for mediation, with final written findings entered

by the mediator and service on both parties within said one hundred and twenty day timeframe. The mediation process shall be closed to the public and all information submitted during mediation shall be confidential to the extent provided by law. If the parties cannot resolve the dispute, the mediator shall make a confidential recommendation to the parties. The Board of Education shall in turn make a decision on the matter and release the mediator's recommendation. For purposes of this Renewal Contract, the release of such findings, pursuant to C.R.S. § 22-30.5-107.5(3)(b), shall mean the same date as the Board of Education releases its decision. The Board of Education's action on the recommendation shall be final and binding subject only to such appeal as may be authorized by law. Participation in the dispute resolution process shall constitute neither an admission nor denial of State Board jurisdiction over the dispute.

12.10 Mutual Cooperation. The parties pledge to collaborate in good faith through two-way communication and mutual respect, to attempt to informally and amicably resolve any issues that may arise between them. To promote their common goals of addressing the educational needs of all students within the School District, the parties agree to avoid competition between and dispensing negative information about the educational programs offered by either. They acknowledge that they are cooperatively involved in making a reasonable continuum of educational services available for students of the School District who are at risk. Toward this end, the parties agree that if a student should withdraw from the Charter School or another school of the School District, they will cooperate in the potential integration of the student into another program as may be appropriate to the student's needs. The School District will make reasonable efforts to distribute to the Charter School, in the same manner as it does to other schools, information concerning new or amended laws, regulations and policies which may apply to the Charter School. However, this provision shall not relieve the Charter School of its obligation to comply with applicable federal and state laws and regulations and School District policies.

12.11 No Third Party Beneficiary. The enforcement of the terms and conditions of this Renewal Contract and all rights of action relating to such enforcement shall be strictly reserved to the School District and the Charter School, subject to the provisions of section 12.7. Nothing contained in this Renewal Contract shall give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the parties to this Renewal Contract that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only.

12.12 Order of Precedence. In the event of any disagreement or conflict concerning the interpretation of this Renewal Contract, the Original

Application, School District policies or regulations, or other requirements, it is agreed that the Renewal Contract and School District policies and regulations shall control, followed by the Original Application.

IN WITNESS WHEREOF, the parties have executed this Renewal Contract as of the date first above written.

AMERICAN ACADEMY

By: _____
For the Governing Board

Attest:

By: _____

Douglas County School District Re. 1

By: _____
President, Board of Education

Attest:

By: _____
Secretary