

**Academy of Advanced Learning
Charter Contract**

THIS CHARTER SCHOOL CONTRACT, dated effective as of the 1st day of July, 2016, is made and entered by and between the JOINT SCHOOL DISTRICT NO. 28J OF THE COUNTIES OF ADAMS AND ARAPAHOE COLORADO, AKA AURORA PUBLIC SCHOOLS (the "School District" or "District") and THIRD FUTURE SCHOOLS, a Colorado not-for-profit corporation and public charter school network that includes Academy of Advanced Learning ("AAL"), the approved public charter school and Third Future Schools only approved charter school at this time (collectively referred to as "Academy of Advanced Learning" or "AAL" or the "School").

RECITALS

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

WHEREAS, on March 10, 2016, an application was submitted by citizens of the District for formation of the Academy of Advanced Learning as a charter school to operate within the District; and

WHEREAS, on June 21, 2016, the Board of Education of the School District ("Board" or "Board of Education") approved a charter school application from the Academy of Advanced Learning for the establishment of Academy of Advanced Learning as a School District charter school; and

WHEREAS, after approving Academy of Advanced Learning Charter School application, the parties entered into a contract for the operation of the charter school pursuant to the Act; and

WHEREAS, the School District has the authority to grant certain waivers from School District policies/regulations under state law; and

NOW, THEREFORE, in consideration of the foregoing Recitals and their mutual covenants contained herein, the parties agree as follows:

AGREEMENT

1.0 Mission Statement. The "Mission Statement" found in the Application is approved by the School District to the extent that it is consistent with the principles of the General Assembly's declared purposes for enacting the Charter Schools 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 Governing Board of Academy of Advanced Learning ("Governing Board") with prior approval of the School District.

2.0 Pupil Performance Standards. The pupil performance standards submitted previously by Academy of Advanced Learning are acceptable to the School District. All limited English proficient students and non-English proficient students (collectively, “ELL students”) will take the State language proficiency assessment and will demonstrate the growth necessary to meet the annual measurable achievement objective targets set forth by the State of Colorado. All students new to the school, or who did not take the State language proficiency test in the spring shall take the ACCESS Place Test.

2.1 Student Attendance, Conduct, and Discipline. Academy of Advanced Learning students shall comply with the school's Code of Conduct set forth at Page 10 of the application and in Appendix 8 of the Application and with all School District policies and regulations concerning student attendance, standards of conduct, and discipline, unless waived. Said code and policies shall be implemented in compliance with all federal and state laws, including C.R.S. § 22-33-105. Academy of Advanced Learning's principal shall have the authority to suspend in accordance with C.R.S. § 22-33-105(2)(a) and its Chief Executive Officer shall have the authority to extend suspensions and recommend expulsion in accordance with subsection 105(2)(b). The Governing Board of the school is delegated the authority to expel in accordance with C.R.S. § 22-33-105(2)(c) and may in turn delegate such power to its Chief Executive Officer or to a designee who shall serve as a hearing officer and submit written findings of fact and recommendations to the Governing Board, all in accordance with that subsection. The Board of Education shall have the option of accepting an appeal by a student from the decision of the Academy of Advanced Learning Governing Board and in the event it accepts such an appeal, it shall have final authority regarding the appeal. Any such appeal must be filed by the student with the Board within five days of receipt of notice of expulsion from the Governing Board. If not timely filed or not accepted for review by the Board of Education at its next following regular meeting, the decision of the Governing Board shall be deemed final and subject to judicial review in accordance with law. Any general education services required by law to be provided to suspended or expelled students shall be the sole responsibility of Academy of Advanced Learning. 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 Academy of Advanced Learning will purchase said services from the School District as set forth below in Paragraph 5.6.

2.1.1 Attendance of students at Academy of Advanced Learning shall be in compliance with Colorado's compulsory attendance laws, including but not limited to hour requirements and the distinction made between excused and unexcused absences, unless waived

2.2 Student Welfare and Safety. Academy of Advanced Learning shall comply with all Board-approved policies and regulations (unless waived), and shall comply with all applicable federal and state laws concerning student welfare, safety, and health, including, without limitation, Board policies and laws addressing the reporting of child abuse, accident prevention and disaster response, the adoption 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. Academy of Advanced Learning 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 of Education"), and shall provide its educational program to these students in a manner that best serves their needs as set forth in the application and this Contract.

2.4 Accountability and Accreditation. Academy of Advanced Learning shall operate under the auspices of, and be accountable to, the School District and the Board, and shall be subject to all Board-approved policies and regulations, unless specifically waived, as such may exist from time to time. Academy of Advanced Learning 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 et seq.; the Educational Reform Act, C.R.S. §§ 22-7-401 et seq.; the School Accountability Reporting Act, C.R.S. §§ 22-7-601 et seq.; the Educational Accreditation Act of 1988, C.R.S. §§ 22-11-101 et seq.; the State Board of Education's Accreditation Rules, 1 CCR 301-1; and the terms of any Accreditation Contract between the School District and the State Board of Education, as amended from time to time, and shall take action compatible with School District procedures, goals, and objectives, including but not limited to the improvement plan developed by the School District in accordance with state law. Academy of Advanced Learning shall provide an annual accountability report in the form used by other district schools (commonly referred to as "Unified Improvement Plans") to the School District on or before October 1 of each year which shall include, but not be limited to, a School Improvement Plan, and student testing results on the CMAS examination and any other assessments required by state law or School District policy, unless waived. Academy of Advanced Learning may request, that the School District approve changes in its template for school improvement or performance plans and the Accreditation Contract as it applies to Academy of Advanced Learning, to be submitted to the Colorado Department of Education for its approval. The process for considering any changes shall be the same as provided for other waivers under Section 10.3.1.

2.4.1 If Academy of Advanced Learning fails to attain a higher accreditation category after the first year on a school turnaround status, pursuant to C.R.S. § 22-11-204(4), the Board may deem that such failure constitutes a material breach of this Contract, grounds for termination of the Contract, and/or grounds for denying a renewal application. A breach of this provision shall not be subject to cure.

2.4.2 Elementary and Secondary Education Act. Academy of Advanced Learning 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 et seq., as amended, and its implementing regulations.

2.4.3 Academy of Advanced Learning shall submit its annual Unified Improvement Plan by November 1 of each year.

3.0 Community Support. The Board finds that sufficient support exists for the approval of Academy of Advanced Learning as a charter school in the School District.

4.0 [Intentionally Left Blank]

5.0 Educational Program, Pupil Performance Standards and Curriculum. The educational program, pupil performance standards, and curriculum set forth in the Educational Program and Pupil Achievement section of the Application and reflected in Academy of Advanced Learning practices during the previous and current charter contract terms sufficiently inform the Board as to the nature of the educational program offered by Academy of Advanced Learning. The educational program is approved subject to the conditions set forth below. Academy of Advanced Learning's educational program as reviewed by the Board and contained in the Application does not include an online program pursuant to C.R.S. § 22-33-104.6, and Academy of Advanced Learning is accordingly prohibited from offering such an online program.

5.0.1 Curriculum. Academy of Advanced Learning shall have the authority and responsibility for refining the design and implementation of its educational program, subject to the conditions of this Contract, in a manner consistent with state law, including, without limitation, requirements regarding content standards. However, as a condition of its charter application, Academy of Advanced Learning agrees to provide the District with a fully developed curriculum that is aligned with State and District standards and provides sufficient detail for the objectives, content and skills for each subject for all grades the school intends to serve prior to serving students by February 1, 2017.

5.0.2 The core educational program, pupil performance standards, and curriculum designed and implemented by Academy of Advanced Learning shall align with state standards and meet or exceed any content standards adopted by the School District and shall be designed to enable each pupil to achieve state standards.

5.0.3 On or before June 1, 2017, and June 1 each year thereafter, Academy of Advanced Learning 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. Academy of Advanced Learning 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 Academy of Advanced Learning have sound educational foundations that meet or exceed content standards for applicable courses.

5.0.4 Academy of Advanced Learning agrees to comply with all state statutory requirements concerning subjects of instruction, unless specifically waived by the State Board of Education, 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.

5.0.5 Academy of Advanced Learning shall be solely responsible for resolving public complaints about its operations, including those relating to its personnel, educational program and instructional resources. Accordingly, the Board specifically waives Board Policies KEB (Public Concerns/Complaints about Personnel) and KEC (Public Concerns/Complaints about Instructional Resources). The District shall promptly notify the School of any complaints it receives about the School.

5.0.6 On or before February 1, 2017, Academy of Advanced Learning shall provide a fully developed plan acceptable to the District to identify and meet the needs of any English Language Learners, Special Education students and/or Gifted and Talented students. Academy of Advanced Learning shall maintain on staff throughout the term of the charter a person who is endorsed by the Colorado Department of Education in linguistically diverse education, and who will work at least half-time at the school.

5.2 Records.

5.2.1 Academy of Advanced Learning agrees to comply with all recordkeeping requirements of the Board 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 of Education, Colorado Department of Education ("CDE"), and U.S. Department of Education.

5.2.2 Academy of Advanced Learning and the District shall comply with all Board-approved 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. §§ 24-72-204 et seq.; and the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g. The Board, its Superintendent, and their designees (whom the School District has determined to have legitimate educational interests) shall have access to all records of Academy of Advanced Learning in the same manner as they would have access to the records of any other public school in the School District, provided that the School District shall not have access to the following: (a) confidential personnel records of Academy of Advanced Learning, except to the extent otherwise provided under Sections 9.1, 9.2.2 and 9.2.3 of this Contract or upon the written request of the Superintendent or designee for purposes of auditing compliance with this Contract and applicable law; and (b) records of executive sessions of the Academy of Advanced Learning Board, except as otherwise and to the extent provided under section 8.4 of this Contract. 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.

5.3 Nonreligious, Nonsectarian Status. The educational program of Academy of Advanced Learning shall be nonreligious, nonsectarian, and, consistent with applicable law and School District policy, shall not discriminate against any student on the basis of race, creed, color, national origin, sex, marital status, religion, ancestry or disability.

5.4 Enrollment.

5.4.1 Enrollment at Academy of Advanced Learning 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 applicable Colorado public schools of choice statutes, Board policy and this Contract. If Academy of Advanced Learning shall have more applicants than it has space, (1) preference shall be given to those students who reside within the School District and then to students who are new to the School District. Once accepted for enrollment, a non-district resident student may reenroll for subsequent school years until completing his or her schooling at Academy of Advanced Learning. Any other enrollment preferences will be included in the School's enrollment policy and will conform to applicable laws.

5.4.2 Academy of Advanced Learning shall provide the School District with continual updates on student enrollment for the ensuing school year. Beginning no later than April 15 of each year, Academy of Advanced Learning shall notify the School District of the names, ages, grade levels, addresses, and neighborhood schools of record of all students whom it anticipates will be enrolled in Academy of Advanced Learning during the ensuing school year. The District Liaison shall be responsible for maintaining the appropriate confidentiality of these records. Academy of Advanced Learning 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. Academy of Advanced Learning shall provide to the School District by October 15 the same information for students who have been admitted and are in attendance. All information required to be provided by this paragraph shall be provided through entry in the Infinite Campus or other School District approved software or format.

5.4.3 Academy of Advanced Learning and the School District agree that during the term of this charter, unless otherwise agreed by the parties in writing, Academy of Advanced Learning's total funded enrollment within Aurora Public Schools shall be limited to seven hundred twenty (720) full-time equivalent students ("Student FTEs"), not including any preschool students. This limitation on the number of enrolled students is acknowledged by Academy of Advanced Learning and the School District as necessary to facilitate the academic success of the students enrolled in Academy of Advanced Learning, to facilitate Academy of Advanced Learning's ability to achieve the

mission and goals, and to ensure that Academy of Advanced Learning's enrollment does not exceed the capacity of Academy of Advanced Learning's facility and site.

5.4.4 Consistent with its original application, Academy of Advanced Learning shall serve students in grades K through 8.

5.4.5 Academy of Advanced Learning and students enrolling in Academy of Advanced Learning 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 and subject to the further provisions of this contract. Academy of Advanced Learning shall enroll students through a lottery consistent with the process set forth in Academy of Advanced Learning's application.

5.4.6 Subject to the immediately preceding paragraph, notwithstanding the School District's open enrollment procedures, and with the approval of the School District, Academy of Advanced Learning may enroll students from its wait list, if any, and students new to the School District since the close of open enrollment up to the date the enrollment count "window" begins each year, for purposes of determining eligibility for funding under [Paragraph 7.1 below], and may enroll students who will not be eligible for funding at any time thereafter, up to the seven hundred twenty (720) FTEs enrollment limit. The enrollment count window is determined by CDE and is consistent with the provisions of the Public School Finance Act of 1994 or its successor ("Finance Act"). In the event Academy of Advanced Learning enrollment drops below 90% of its funded enrollment, Academy of Advanced Learning shall fill available positions with students on its wait list in order to stay as close as possible to the enrollment limit

5.4.7 On or before April 1, 2017, Academy of Advanced Learning shall submit to the Superintendent evidence acceptable to the Superintendent that no fewer than 210 of its anticipated first year student enrollment of 420 students have enrolled in and will attend Academy of Advanced Learning beginning in the fall of 2017 for the 2017-18 school year, including the names, addresses, ages and grade levels of all such students. Academy of Advanced Learning shall submit the same data for the remaining 210 enrollees by June 1, 2017. Academy of Advanced Learning shall open and serve students in grades K-6 in the school year 2017-2018; grades K-8 in the school years 2018-2019, 2019-2020, 2020-2021 and 2021-2022.

5.5 Admissions Procedures. Students shall be considered for admission into the program in a manner consistent with this Contract, Academy of Advanced Learning's enrollment policy and, in all cases consistent with law, including laws prohibiting discrimination on the basis of gender, race, disability and other protected classifications. Denial of admission shall be handled in a manner consistent with state law and Academy of Advanced Learning's enrollment policy and regulation.

5.6 Education of Students with Disabilities --- General. Academy of

Advanced Learning agrees to comply with all Board policies and regulations and the requirements of federal and state law concerning the education of children with disabilities by providing special education and related services. Academy of Advanced Learning shall comply with this obligation by contracting with the District to provide special education and related services or, subject to the provisions of Paragraphs 6 and 9, hiring one or more of its own special education teachers for whom it will receive a credit against the amount deducted from or retained by the District from per pupil revenue for special education services. These services shall be provided on the same basis as such services are provided to students enrolled in other District schools. Regardless of whether a special education teacher is an employee of the District or of Academy of Advanced Learning, the District's Director of Exceptional Student Services (Director), or designee, shall maintain the same administrative responsibilities and authority over all special education services recommended or provided as part of a student's IEP at Academy of Advanced Learning, and the same authority in relation to any question relating to any aspect of the education of a student with disabilities (including, without limitation, the student's enrollment at Academy of Advanced Learning, the nature of the student's program or discipline of the student), as with other District special education programs and services. Following enrollment of a student, all reasonable efforts shall be made by the District and by Academy of Advanced Learning to determine whether the student has been identified as a child with disabilities. (Where the child is a District resident, the District agrees to search its records to assist in this determination.) If a child has been identified as one with disabilities, the parties shall obtain a copy of the student's individualized educational program (IEP) or § 504 Plan. A properly constituted IEP team (or for §504 students, a Building Intervention Team) shall be convened to determine whether Academy of Advanced Learning is an appropriate placement for the student, and if so, what services must be provided by the District and what services provided by Academy of Advanced Learning in order to provide the student with a free, appropriate public education. In the event of a disagreement between Academy of Advanced Learning and the School District as to any aspect of the education of a student with disabilities, the Director, after good faith consultation with Academy of Advanced Learning's chief executive officer or designee about any disputed matter, shall make the final decision, which shall not be subject to dispute resolution under this contract. Academy of Advanced Learning may make all enrollments conditional pending completion of the process described in this paragraph for students with disabilities.

5.6.1 Assignment of District Personnel. As to special education employees of the District who will be assigned to Academy of Advanced Learning at 0.5 FTE or greater, the District agrees to assign such employees to Academy of Advanced Learning after such employees have been given the opportunity to express their interest in the position and Academy of Advanced Learning has been given an opportunity to interview interested employees and to exercise its right of refusal concerning the employee to be assigned.

5.6.2 Academy of Advanced Learning shall remain solely responsible for the costs of providing those services required under an IEP and which

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. Academy of Advanced Learning shall be responsible for ensuring that its employees properly carry out the applicable requirements of each IEP.

5.6.3 Academy of Advanced Learning shall be responsible at its own cost for carrying out early intervention or Multi-Tiered Systems of Support activities with students not yet identified as disabled. Academy of Advanced Learning shall be responsible for ensuring that its employees properly carry out the applicable requirements of each IEP and all appropriate MTSS activities.

5.6.4 Nature of the School Program. Academy of Advanced Learning and the District will educate students with identified disabilities in the least restrictive environment as defined by each student's IEP. The District, while at all times maintaining its right to make final decisions regarding placement of, and services to, special education students at Academy of Advanced Learning, agrees to support Academy of Advanced Learning's instructional model as appropriate and consistent with the IDEA. Academy of Advanced Learning's instructional model shall not result in a different FTE allocation to the charter than would be applied to a traditional district school.

5.6.5 Determination of School SpEd Capacity. By May 15 of each year, or such other date as is mutually agreed, Academy of Advanced Learning and the Director will determine the number of students with active IEPs currently enrolled in Academy of Advanced Learning for the ensuing year. Based upon the anticipated needs of such students and any reasonably projected new enrollments, and after consultation with Academy of Advanced Learning, the Director, using the formula and analysis applied to special education staffing assignments in traditional schools, shall decide upon the qualifications and number of special education licensed and endorsed (as required by law) special education teacher FTEs to serve those Academy of Advanced Learning students. Commencing in 2017-2018, subject to the approval of the Director, Academy of Advanced Learning may directly hire properly qualified, licensed, and endorsed special education teachers to provide the services that would otherwise be required by one or more District special education teachers in increments of .5 FTE to meet the documented needs of such students. The number of proposed 1.0 or .5 FTEs to be hired by Academy of Advanced Learning shall be based upon the number that would be approved for the same caseload in another district school as determined and approved by the Director. Academy of Advanced Learning may elect and agree to hire a special education teacher at an FTE assignment greater than what is determined by the Director under the above standards, provided that the cost above the approved level of assignment shall be borne by Academy of Advanced Learning, as provided in Paragraph 9, below. In the event the IEPs of students with special education needs (excluding students whose IEP identifies only speech/language as the disability) enrolling in the Fall present a materially greater or lower caseload, adjustments shall be made by the Director in the same manner, and at other times during the school year, as

they are made in similar circumstances in traditional district schools. Any change in the authorized special education teacher FTE allocation to Academy of Advanced Learning shall result in an appropriate *pro rata* increase or decrease in the credit under Paragraph 9, below. Academy of Advanced Learning shall be fully responsible for securing licensed substitutes for any special education teachers employed by Academy of Advanced Learning who are absent or temporarily disabled for any reason, and for replacing any special education teachers employed by Academy of Advanced Learning who resign, retire or are terminated for any reason. When Academy of Advanced Learning elects to hire the necessary special education teachers under this contract, it shall ensure that any finalist for a special education position is "highly qualified" as required by law and, if required by law, holds the appropriate license and endorsement for the position. Academy of Advanced Learning shall not hire any person who does not meet these qualifications or does not meet any other legal requirements for the position. Academy of Advanced Learning acknowledges that qualifications include obtaining a Linguistically Diverse Education ("LDE") endorsement within three years of hiring, unless a written exemption is obtained from the District's Director of Student Achievement for English Language Acquisition under circumstances where the teacher does not and will not work with any ELL special education students. Any special education teachers hired by Academy of Advanced Learning who require such endorsement may participate in LDE training that is offered by the District without cost. Academy of Advanced Learning shall forward the name of any person who will be recommended for hiring by the School's Governance Board to the Director and to the District's Chief Personnel Officer at least ten (10) work days prior to the date action will be taken on the recommendation. "Special education teacher," as used herein excludes speech/language teachers.

5.7 Out-of-District Students with Disabilities. Out-of-district students with disabilities who enroll by parent choice, after an IEP team has determined that the School is an appropriate placement, but who have not been placed in the School by IEP team decision, shall not be entitled to transportation at the cost of either the School or the District. 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 Academy of Advanced Learning and to credit Academy of Advanced Learning accordingly.

5.8 Provision of Services for an IEP. Academy of Advanced Learning 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. In addition, Academy of Advanced Learning shall be responsible at its own cost for carrying out early intervening services or Multi-Tiered Systems of Support (MTSS) activities with all students that align with and meet the Colorado Department of Education ("CDE") state rules and the District's MTSS model. Compliance with the District's MTSS model shall not require Academy of Advanced Learning to use specific curriculum or the same progress monitoring tools as are used by the District. Prior to

making substantive revisions to the District's MTSS Manual, the District will notify Academy of Advanced Learning and solicit its comments. Academy of Advanced Learning shall also be responsible for maintaining all records required by the CDE and the District's MTSS model and will report to the District all MTSS data elements required by CDE. Academy of Advanced Learning will either use the District's MTSS data system (currently, "ENRICH") or will use a reasonably comparable system acceptable to the District, which shall include but not be limited to the Alpine Achievement system. Academy of Advanced Learning shall be responsible for ensuring that its employees properly carry out the applicable requirements of each IEP and all appropriate MTSS activities. To the extent additional time is available after the delivery of required special education services to students, Academy of Advanced Learning may make appropriate use of Special Education teachers, aides and District-assigned special education staff to support District MTSS activities.

5.9 Section 504 and English Language Learners. As a recipient of federal funds, Academy of Advanced Learning 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. Academy of Advanced Learning also agrees to follow School District policy unless waived in identifying students who are English Language Learners and to be solely responsible for providing them appropriate educational services. Specifically, Academy of Advanced Learning (as a District school) shall be required to comply with the agreement entered into between the Office for Civil Rights and the school district in March 2008 to the extent such agreement or the District efforts arising from it are applicable to Academy of Advanced Learning programs. The compliance agreement is attached and incorporated into this contract as Exhibit A.

5.10 Tuition and Fees. Academy of Advanced Learning may not charge tuition to students who reside in the School District, except for before/after school programs, intersession programs, preschool programs, summer programs, or extended-kindergarten programs administered by Academy of Advanced Learning. If Academy of Advanced Learning 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). To the extent such excess services are provided by Academy of Advanced Learning such tuition shall be credited to the School. Student fees may be charged by Academy of Advanced Learning so long as in accordance with applicable Colorado law and regulations, including but not limited to the provisions of C.R.S. §§ 22-32-1 10(1)(o) and (p) and 22-32-117. Academy of Advanced Learning shall provide the School District with a schedule of all proposed fees for the ensuing school year by May 1 of each year.

5.11 Extracurricular Activities. Subject to the provisions of C.R.S. § 22-32-116.5 and this Contract, Academy of Advanced Learning students who meet the prerequisites for participation may try out for nonacademic activities not offered at Academy of Advanced Learning at the school in the School District that would otherwise be the student's regular school of attendance based upon their residence. Academy of

Advanced Learning and the Academy of Advanced Learning student 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 the payment of a fee, the student shall be responsible for payment of any such fees which shall be up to 100% percent of the fee amount the school of participation would charge an enrolled student to participate in the activity.

5.12 Evaluation of Pupil Performance and Procedures for Corrective Action. Academy of Advanced Learning agrees to cooperate with School District administrators to coordinate testing and reporting of test data with the School District's statistical reporting needs. Academy of Advanced Learning 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 No Child Left Behind Act, 20 U.S.C. § 6311 (b)(3).

6.0 Time Line. On or before May 31, 2017, Academy of Advanced Learning will provide the District with updated baseline objectives that align with the School Performance Framework and include the following:

- a. Targets for initial years of operation
- b. Differentiation of targets by content area
- c. Interim assessment benchmarks with appropriate metrics
- d. Mission-specific measures

Academy of Advanced Learning agrees that it will forward to the school district annually by September 30, a time line acceptable to the School District for achieving its goals as stated in its School Improvement Plan.

7.0 Economic Plan, Budget and Annual Audit. The Proposed Budget for the 2017-2018 school year is attached hereto as Exhibit B and incorporated herein by reference.

7.1 Funding.

7.1.1 (a) Subject to the provisions of this Section 7.1 and Section 5.4, the School District shall provide funding for Academy of Advanced Learning during the first year of this Contract (commencing with the 2017-2018 fiscal year) in the amount of 100 percent of the School District per pupil revenues ("PPR"), as defined by C.R.S. § 22-30.5-1 12(2)(a.5)(II) less two and one-half percent (2.5%) of PPR retained by the School District to cover Academy of Advanced Learning'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 Academy of Advanced Learning for that fiscal year. The term "funded FTE pupil," as used in this paragraph shall be deemed to mean a full-time equivalent student enrolled as of the counting dates or periods and set forth in the Public

School Finance Act of 1994, C.R.S. §§ 22-54-101 et seq., or corresponding provisions in any successor acts and State Board of Education regulations. The two and one-half percent (2.5%) of PPR that the parties have agreed will be initially retained by the School District to cover central administrative overhead costs shall be reconciled to actual central administrative overhead costs within 90 days after the end of the fiscal year as required by C.R.S. § 22-30.5-112(2)(a.4)(I), and any difference between the amount initially charged to Academy of Advanced Learning and the actual cost shall be paid to the owed party. It is expressly agreed that the School District's intention to initially retain an amount less than that to which is it entitled by law to retain on account of central administrative overhead costs is understood to be employed for ease of accounting and shall not limit its ability to retain up to the full amount to which it is legally entitled. By June 30th of each fiscal year, Academy of Advanced Learning's ending fund balance must comply with the emergency reserve requirements of Article X, Section 20 of the Colorado Constitution. The parties agree that funding levels provided for in this Contract, including the purchased services and allocated costs below, comply with the financing guidelines of the Act.

(b) Academy of Advanced Learning will receive per pupil funds that are equivalent to the amount of 2012 Mill Levy funding per pupil that all other District charter schools receive.

7.1.2 As long as Academy of Advanced Learning is not in material breach of this Contract, any funding provided by the School District will be made available to Academy of Advanced Learning throughout the year, at times generally consistent with the School District's procedures for its other schools. Funding under this Contract shall commence on July 1, 2017, for the first year and on July 1 in each year of the Charter thereafter, subject to adjustments, deductions, or annually contracted purchased services as provided in this Contract or hereafter agreed to.

7.1.3 On or before February 15 of each year of the Charter, Academy of Advanced Learning and the School District will begin negotiations in conjunction with the School District's and Academy of Advanced Learning's budget development and adoption process concerning funding for the ensuing fiscal year.

7.1.4 Projected student enrollment data for the following year, including names, ages/grades, addresses and schools of record shall be supplied to the School District on or before April 15 so that neighborhood school staffing may be adjusted accordingly. All such information shall be provided through Infinite Campus or other School District-approved student information software.

7.1.5 July through December funding shall be based on estimated FTE projected in the proposed budget given to the school district Budget Office on April 15. Funding will be adjusted in January to reflect the official October count required by the State, any reductions or increases in state equalization support by a legislative rescission or other action, and any reductions or increases to other per pupil operating revenue determined by the at-risk per pupil calculation designated in C.R.S. 22-30.5-

112.1. Mid-year funding components will include, but not be limited to, student count figures certified to CDE on or about November 10, adjustments made to the PPR by CDE, and the At-Risk calculation for charter schools as administered by CDE. The parties acknowledge that under the current version of the School Finance Act, neither Academy of Advanced Learning nor the School District will receive funding for students in the year of enrollment if the student first enrolls in Academy of Advanced Learning 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 state equalization support by a legislative rescission or other action, proportionate reductions or increases will be made to Academy of Advanced Learning's funding by adjustment or setoff in subsequent months.

7.1.6 Funding for Special Education. The District intends that Academy of Advanced Learning be credited for a proportionate share of funding provided under the Exceptional Children's Educational Act, C.R.S. §§ 22-20-101 *et seq.* (excluding funding, if any, the District obtains through the "high cost pool"), and the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1401 *et seq.* (IDEA) for special education including its proportionate share of excess costs, if any, collected to support special education of students enrolled at the School and under the English Language Proficiency Act, C.R.S. §§ 22-24-101 *et seq.*, for students who are second language learners, and other federal and state grant sources, to the extent that Academy of Advanced Learning complies with the conditions and requirements, including reporting requirements of such grants and applicable law. In consideration of any contracted services provided by the District relating to students with disabilities, the District shall be reimbursed through a deduction from the per pupil funding provided Academy of Advanced Learning in the amount of the District's total net special education costs (not including transportation costs but including credit for state and federal funding for students with disabilities), divided by the total District funded FTE pupil count (including Academy of Advanced Learning) and then multiplied by the School's total funded FTE pupils, and less the credit, if any, for authorized Academy of Advanced Learning special education teachers hired as provided in Sections 5.6.5 and 7.1.6.1 herein. (See the formula set forth in Section 7.1.6.3 herein.) In exchange for said reimbursement, the District and Academy of Advanced Learning will provide special education services described in this agreement to eligible students with disabilities under the IDEA. Academy of Advanced Learning 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 District schools, to the extent that Academy of Advanced Learning 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 District.

7.1.6.1 Credit for Special Education Teachers and Related Services Providers. Commencing in 2017-2018, if School has hired a special education teacher or related services provider, as provided in Section 5.6.3 herein, the School District shall allocate (or credit) funds back to School, during the then-current school

year, that may be applied by School toward the salaries and benefits of such FTE special education teachers or related services providers hired by School, if any, whose credentials have been approved by the Director under Section 5.6.3. The credit to School for licensed and endorsed special education teacher and related services provider salary and benefits under this Contract shall be based upon the actual cost of salary and benefits for the Charter School's special education providers, with a maximum credit applied being no more than the average cost of salary and benefits for all District special education teachers and related services providers (i.e. total salaries and total benefits of District special education teachers and related services providers divided by total District special education teacher and related services provider FTEs). The credit to School under this paragraph is conditioned upon meeting the following requirements for all of School's special education teachers or related services providers for whom reimbursement is requested, (i) School shall provide their need projections for actual salary and benefit costs no later than June 15; (ii) if the school wishes to adjust the projections during the school year the updated actual salary and benefit costs will be provided no later than December 10; (iii) a final actual salary and benefit cost shall be provided by the school to the district by June 30; (iv) participating in all District-required trainings, the cost of which shall be paid by the District; (v) adhering to District special education and related service delivery requirements and procedures; and (vi) being "highly qualified," appropriately licensed and/or endorsed and meeting all other legal requirements for the position they occupy. If a school does not submit their information by the requested due dates a reasonable estimate will be used in the preliminary fee calculations. If the Principal believes a district-required training is not appropriate or of reasonable value to School, the Director will consult in good faith on this issue. The Director's decision shall be final and not subject to dispute resolution under this Contract. The credit may be adjusted under Section 5.6.3 above relating to materially greater or lesser caseloads, as determined by the Director applying the same formula and standards as are applied to traditional district schools. Further, each special education teacher and related services provider hired by School shall be instructed by School that complying with reasonable directives from the Director or designee is a condition of continued employment. In the event of a disagreement between School and the School District as to any aspect of the education of a student with disabilities including, without limitation, the student's enrollment at School, the nature of the student's program or discipline of the student, or the reasonableness of the directives), the final decision shall be made by the Director, after good faith consultation with School's chief executive officer or designee about any disputed matter and not subject to dispute resolution under this Contract.

7.1.6.2 High Cost Pool. Should a student potentially eligible for funding through the high cost pool enroll in Academy of Advanced Learning, the District agrees to process and submit to CDE an application for reimbursement for such services on the same terms that it would make such a request for any other District student.

7.1.6.3 Formula. For clarity and reference, the gross charge for District provision of special education services (that is, the charge before taking into

account credits, if any, under Section 7.1.6.1 above) and District responsibility for Special Education, with such credits as Academy of Advanced Learning will or may receive, can be described by the following formula and as depicted on the sample reconciliation attached as Exhibit C:

$$C = \{[T - (E + I)]/S^D\} * S^A, \text{ where}$$

C means Total Charge to the School for special education;
T means Total District Special Education Costs, including expenditures of IDEA grant funds but excluding expenditures of high cost pool funds and also excluding expenditures for ACE/Work Study (Program Code 1701), Moderate Needs (Program Code 1760), Cross Categorical - Multiple Disabilities (Program Code 1780), Early Childhood (Program Code 1791), Speech/Language (Program Code 2152), Professional Learning-Instructional (Program Code 2213), Administration Program Code (2400), and Transportation Monitoring Services (Program Code 2730);
E means Total District ECEA funding (less high cost pool funding, if any);
I means Total District IDEA grant funding;
S^D means District FTE pupil count (including charter schools); and
S^A means School FTE pupil count.

7.1.6.4 Reconciliation. Subject to Section 7.5 below, reconciliation of costs for special education services, commencing in 2017-2018, shall be completed as required by law. Reconciliation adjustments made within sixty (60) days of the close of the fiscal year shall be attributed to that fiscal year. Adjustments, if any, made more than sixty (60) days after the close of a fiscal year shall be recorded in accordance with generally accepted accounting principles in the succeeding fiscal year.

7.1.6.5 Segregated Account for Due Process Matters; School Responsibility. Commencing at the beginning of the first fiscal year in which Academy of Advanced Learning elects to hire any special education staff as otherwise authorized under paragraph 5.6 above, in order to have funds set aside to respond to special education due process and Section 504 hearing requests, a segregated account in the amount of \$100,000 will be established that will be funded with \$50,000 by Academy of Advanced Learning and \$50,000 by the District. Academy of Advanced Learning and the District will each contribute \$25,000 in 2017-2018 (or the first year in which a school contribution is required, if later), and \$25,000 in 2018-2019 (or the second year in which a school contribution is required, if later), with Academy of Advanced Learning to fund the account by a reduction from its monthly distribution from the District and the District to fund the account with one payment at the beginning of each fiscal year. If the account falls below \$100,000, it will be replenished on the same schedule at the rate of \$25,000 annual contributions until the account reaches

\$100,000.

a. Funds from this account may be spent on attorney fees, expert witness fees, and other expenses directly related to the due process or Section 504 hearing request.

b. The District's legal representatives shall represent the parties' interests in any due process or Section 504 hearing, unless the parties otherwise mutually agree in writing.

c. If a due process hearing request is made prior to the time the account is fully funded, or after it is depleted, the parties agree that they intend that Academy of Advanced Learning be responsible for up to \$50,000 in expenses necessary to defend due process and Section 504 hearings during any two-year period, and that the District is responsible for up to that amount (and more if necessary to defend the case).

d. Any interest earned on monies in this account shall remain in the account and also be used to respond to due process or Section 504 hearing requests.

e. The District shall retain custody of the funds it and Academy of Advanced Learning contribute to this account and shall report to Academy of Advanced Learning all deposits, withdrawals and interest annually by the date at which reconciliation of District expenses is otherwise due.

7.1.7 Requests by Academy of Advanced Learning to fund necessary capital construction projects through ballot questions for approval of bonded indebtedness and/or a special mill levy shall be submitted as specified in Senate Bill 09-176, or any successor statute and action thereon shall be taken in accordance with governing law. As provided in the Act, funding to Academy of Advanced Learning under this 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 Academy of Advanced Learning 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 Academy of Advanced Learning, plus administrative costs associated with the making of such direct payments.

7.2 Budget. On or before January 1, 2017, Academy of Advanced Learning will provide an updated 5-year balanced budget that is based on realistic revenue, including grants, and expenditures assumptions, incorporates the identified facility costs, and enables the school's mission to be realized while remaining financially solvent. Each year thereafter, Academy of Advanced Learning shall submit a proposed budget in the School District's format to the School District by April 15 and a revised budget by May 15 prior to the budget year. A second revised and final budget may be submitted by May 15 of the current budget year. Any amendment to the final revised budget will be made in conformance with the rules for adopting a supplemental budget.

The 2017-2018 Academy of Advanced Learning Proposed Budget is attached hereto as Exhibit B. The proposed five (5) year balanced budget is attached as Exhibit E.

7.2.1 The per-pupil funding shall be determined in accordance with Section 7.1 above.

7.2.2 Any funds previously set aside by Academy of Advanced Learning in its "capital and insurance reserve," shall be used by Academy of Advanced Learning exclusively 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 Academy of Advanced Learning for any other purpose.

7.2.3 Academy of Advanced Learning shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services. The parties agree that Academy of Advanced Learning shall be entitled to purchase professional development services on the same basis as other District schools, for the legally permitted price, so long as the professional development activity is one which is already scheduled and not uniquely designed for Academy of Advanced Learning. To the extent that Academy of Advanced Learning does not purchase a service 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. To the extent that Academy of Advanced Learning does not purchase a service from the School District, Academy of Advanced Learning shall be responsible for performing and for any cost of those activities or services itself, when applicable in the manner required by law. The School District shall not be required to pay for or provide services where, by reason of the Academy of Advanced Learning's unique calendar, doing so would entail additional expense to the School District.

7.2.4 Annually when adopting its budget or as soon thereafter as the costs thereof have been provided to Academy of Advanced Learning by the School District, Academy of Advanced Learning 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 of 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. § 22-30.5-1 12(2)(a.4), and any difference between the amount initially charged to Academy of Advanced Learning 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 Contract, subject to section 11.0 below.

7.2.5 Direct Costs. During the term of this Contract, Academy of Advanced Learning agrees to pay its share of annual direct costs incurred by the School District in providing direct oversight to charter schools through a charter school liaison.

The School's share of these direct costs shall be distributed on a pro-rata basis among charter schools currently authorized by the District, using each school's enrollment in proportion to the enrollment of all district charter schools' enrollment to calculate each school's share. The School District shall provide an itemized accounting to the school of the direct costs incurred by the School District.

7.2.6 The School District shall provide legal services through the School District's outside legal counsel for defense of suits, actions, and claims against Academy of Advanced Learning for which the School District provides insurance coverage. Such legal services shall not be provided for defense of matters involving disputes between Academy of Advanced Learning and the School District. As a condition to the School District's obligation to defend, Academy of Advanced Learning agrees to comply with guidelines and directives from the School District's risk management personnel and promptly notify the School District of all claims, including threatened or reasonably anticipated claims or actions; cooperate fully with the School District and legal counsel in defending the claim; and refrain from compromising, settling, negotiating or otherwise similarly dealing with the claim without the express consent of the Board. Academy of Advanced Learning acknowledges that in the event of a dispute between Academy of Advanced Learning and the School District, the School District's legal counsel shall represent the School District and not Academy of Advanced Learning with respect to such dispute. Any potential conflict arising from the representation of Academy of Advanced Learning by the School District's legal counsel shall be resolved in accordance with the Colorado Rules of Professional Conduct. Academy of Advanced Learning shall have access to routine legal consultation and advice where such assistance is requested through the School District's Superintendent or in-house legal counsel but shall be required to hire its own counsel for any dispute (other than one related to a special education matter) requiring significant time (over two hours per event). 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 Academy of Advanced Learning, and Academy of Advanced Learning and its employees shall cooperate fully in any such defense.

7.2.7 On or before April 15 of each year, Academy of Advanced Learning shall identify the total Student funded FTE pupils enrolled (subject to the enrollment cap described in paragraph 5.4 herein), and provide to the School District its proposed balanced budget for the upcoming fiscal year. The projected Academy of Advanced Learning balanced budget when accepted by the Board for each fiscal year shall be deemed to be attached and incorporated into this Contract as Exhibit B, 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 Academy of Advanced Learning shall be consistent with the requirements of applicable Colorado law (currently CDE Data Pipeline) and the School District. The budget may be modified prior to May 15 of each year so long as it continues to present a balanced financial plan, consistent with this Contract and state law, to provide the instructional services represented by Academy of Advanced Learning. Any modified budget must be approved by the Governing Board and shall be submitted to the School District.

7.2.8 If Academy of Advanced Learning elects not to contract with the School District for the performance of fingerprinting and background checks required by law, Academy of Advanced Learning 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.

7.2.9 If Academy of Advanced Learning elects not to contract with the School District for student health services, Academy of Advanced Learning shall provide hearing and vision screening in accordance with the requirements of state law, and support and accommodations for chronic health conditions required under federal and state law. Academy of Advanced Learning 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 et seq.

7.3 Financial Records and Annual Audit. Financial statements are to be submitted to the School District monthly by the 25th of the following month. Statements will include both budget and actual comparisons in all required funds (current and year-to-date) and other customary information necessary to report Academy of Advanced Learning's current financial condition and projected revenues and expenditures, taking into consideration the audited October count figures. Academy of Advanced Learning shall 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 Contract, the School District shall maintain and make available such records. Academy of Advanced Learning shall cooperate in an independent, outside governmental audit as specified by C.R.S. 22-30.5-104 (4)(a), by a certified public accountant of financial and administrative operations on an annual basis. The Academy of Advanced Learning audit shall be performed by independent auditors experienced in auditing Colorado school districts and/or charter schools. If different from the auditors retained by the District, the auditor retained by Academy of Advanced Learning shall be required to work cooperatively with the District's auditor. Academy of Advanced Learning agrees to provide all relevant information to the auditors by the dates mutually agreed to each year by the School District Finance Office and Academy of Advanced Learning and to cooperate in finalizing the audit, consistently with the requirements listed in Exhibit D, on or before September 25. The results of the Academy of Advanced Learning 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 and provided to the Governing Board. Academy of Advanced Learning will address and resolve audit results in a timely manner. If the Academy of Advanced Learning audit is completed by the auditors retained by the District, those auditors will charge an additional fee at reasonable market rates, not to exceed \$10,000 annually, to be paid by Academy of Advanced Learning. Additional billing from the auditors, over and above the agreed upon fee, due to required extra audit services caused directly by the charter school, will be the responsibility of the charter school. In the event Academy of Advanced Learning fails to provide the financial information to the School District in the

form and on the dates provided for in this Contract or as otherwise provided by the state or federal government, the School District may withhold fifteen percent (15%) of any payment due to Academy of Advanced Learning until such time as Academy of Advanced Learning complies with the financial reporting requirements. In addition to any other remedies, failure to comply with these audit deadlines and requirements may affect Academy of Advanced Learning's financial accreditation and result in the School District withdrawing its consent to allow Academy of Advanced Learning to retain its own auditor.

7.4 School Facility. As a condition of the application approval, Academy of Advanced Learning shall locate and secure a facility that is appropriate and sufficient to fully implement the school program, is located in a geographically appropriate location to allow the school to serve the target population and is in compliance with applicable codes, health and safety laws and all applicable laws and regulations. A letter of intent will be provided to the District by January 1, 2017 and a fully executed contract will be provided by March 15, 2017 including reasonable construction timelines for any modifications or improvements. Failure to meet these deadlines may constitute a material breach of this Agreement. Subject to the provisions of this Contract, Academy of Advanced Learning may contract with third persons to acquire or lease land, buildings, and other facilities to be used as public school facilities by Academy of Advanced Learning.

7.4.1 Academy of Advanced Learning shall open school for classes each year, in a facility with proper certificates of occupancy as required by 7.4.2, not earlier than August 1 and not later than September 25. A breach of this provision causing a failure to conduct an "October count" shall not be subject to cure.

7.4.2 On or before July 15, 2017, Academy of Advanced Learning will submit a facility Certificate of Occupancy. By September 1 of each school year during the term of this Contract, Academy of Advanced Learning shall maintain certificates of occupancy from all applicable governmental authorities for school facilities adequate to serve, in other than School District facilities, its projected student enrollment for that school year. Academy of Advanced Learning's school facilities shall comply at all times with all applicable federal, state, and local laws.

7.4.3 So long as Academy of Advanced Learning's charter is in effect and it is not in material breach of this Contract, it shall have the right to control the operation and use of any facilities acquired or leased by Academy of Advanced Learning, subject to the provisions of this Contract.

7.4.4 Academy of Advanced Learning shall obtain the School District's prior consent to the terms of any lease of premises to be used for educational purposes, which consent shall not be unreasonably withheld, that is entered into after the effective date of this Agreement. Should Academy of Advanced Learning move from its present site, it must gain prior approval from the Superintendent, which approval shall not be unreasonably withheld, to its proposed site. The School District acknowledges that in the process of changing locations, if this occurs, Academy of

Advanced Learning may be required to operate at two sites until it is able to consolidate at one site. If Academy of Advanced Learning operates at two sites, Academy of Advanced Learning agrees to the following conditions: the two locations must be adjacent; for CDE reporting purposes, one building code must be used and one principal must be reported; and, one mailing address must be used for the adjacent sites.

7.5 Fee Reconciliation and Mill Levy.

7.5.1 Commencing in 2017-2018 and continuing in subsequent years during the term of this contract, the “full insurance” fee, or base, for calculating special education per pupil costs otherwise due under this contract shall be determined based upon an amount reflecting the District’s reasonable budget estimate of the expected net costs per student multiplied by Academy of Advanced Learning’s total funded pupil count. Any credit provided for under Section 7.1.6.1, attributable to special education teachers by the Director for hiring by the School for the 2017-2018 school year, and subsequent years during the term of this contract shall apply to this base amount.

7.6 Other District Services. On or before February 15 of each year of this contract, the District shall provide Academy of Advanced Learning with a list of District services available for Academy of Advanced Learning to purchase, and the price thereof. The District may require that Academy of Advanced Learning elect services from such list by April 15. The parties may, by agreement made at any time, add to, subtract from, or modify the services not otherwise required by law being provided by the District to Academy of Advanced Learning.

8.0 Governance and Operation. The Governance and Operation section of the application concerning the governance and operation of AAL is acceptable to the School District to the extent permissible under federal and state law and subject to all conditions of this 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 as provided in this Contract).

8.1 Conflict of Interest. Members of the Governing Board and other committees of Academy of Advanced Learning shall comply with state law and Board policies and regulations regarding ethics and conflicts of interest, unless waived in writing by the School District.

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

8.3 Commitment to Nondiscrimination. Academy of Advanced Learning shall comply with all applicable federal, state and local laws, rules and regulations, and

School District policies prohibiting discrimination.

8.4 Open Meetings Law. Academy of Advanced Learning acknowledges and agrees that it is subject to the provisions of the Colorado Open Meetings Law, C.R.S. §§ 24-6-40 1 et seq., 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. The Board, the Superintendent of the School District, and their respective designees, shall have access to the minutes and recordings of any meeting held by Academy of Advanced Learning's Governing Board or any other committees of Academy of Advanced Learning to which the Colorado Open Meetings Law is applicable and may request to attend or to review the electronic recording of executive sessions held by Academy of Advanced Learning's Governing Board or any other committees of Academy of Advanced Learning. Academy of Advanced Learning may grant or decline such a request as to the executive session; provided, however, if the School District believes Academy of Advanced Learning's Governing Board or any other committee has conducted an executive session improperly under applicable law, or improperly refused the School District access to recordings of such a session, it may require Academy of Advanced Learning's Governing Board and its legal counsel to certify that the executive session was convened and conducted in accordance with the requirements of the Open Meetings Law. Nothing contained in this Contract shall prohibit the School District from exercising the remedies otherwise available under the Contract, C.R.S. 24-6-402(1)(d.5) and C.R.S. 24-72-204(5.5), or otherwise provided by law. To the extent required by law, the School District will maintain the confidentiality of any information obtained through attendance at a charter school executive session or through review of electronic recording of such a session pursuant to this section.

8.5 Indigent Students. Academy of Advanced Learning shall waive all fees for indigent students in accordance with Board policy and applicable federal and state law. If requested by the School District, Academy of Advanced Learning shall survey its student population for eligibility for free and reduced lunches under federal guidelines in accordance with State Board of Education regulations. On all fee lists and schedules, Academy of Advanced Learning shall include notification of its policy of waiving fees for indigent students. As part of the food service program operated at the school by the School District or other qualified entity, Academy of Advanced Learning shall comply with all state and federal requirements regarding the provision of services to students eligible for free and reduced lunches. This paragraph shall not apply to charging of fees for any daycare or other childcare program offered by Academy of Advanced Learning.

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

8.6.1 Academy of Advanced Learning shall have authority to exercise independently, consistent with federal and state law, the powers authorized to

a Colorado public charter school operating as a nonprofit corporation, including, without limitation, the following powers (and such other powers as provided for elsewhere in this Contract) to the extent consistent with this Contract and within its 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 Contract.

8.6.2 Unless otherwise agreed in writing by the School District, Academy of Advanced Learning 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 Contract. This shall not prevent Academy of Advanced Learning from engaging independent contractors to teach selected, specific courses, including special education courses. This restriction shall not prevent Academy of Advanced Learning, should it have additional approved charter schools or campuses in this or other Districts, from making appropriate arrangements to provide its own centralized services to one or more schools provided that assets, funds, liabilities and financial records for the school authorized under this contract shall be kept separate from assets, funds, liabilities, and financial records of any other campus or school and that the arrangement is otherwise authorized by the Act. Nothing contained herein shall imply or create the presumption, expectation or entitlement that Academy of Advanced Learning will be granted a charter for a second campus within the School District.

8.6.3 Academy of Advanced Learning shall comply with applicable provisions of Article X, Section 20 of the Colorado Constitution. Academy of Advanced Learning 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 Academy of Advanced Learning or the School District without the prior express written consent of the School District.

8.6.4 In exercising its powers, Academy of Advanced Learning shall comply with all applicable Board-approved policies, except as amended by this Contract and except as otherwise required by law, unless a specific waiver is obtained. Upon adoption by the Board, all policy changes will be forwarded or made available to Academy of Advanced Learning in the same manner as to other schools within the School District. Academy of Advanced Learning shall furnish to the Board copies of all written policies or procedures it may develop relating to its operations and educational program. Academy of Advanced Learning agrees to comply with future policies unless waived. In that case, the parties agree to negotiate the potential for a waiver of such policy.

8.6.5 Academy of Advanced Learning shall clearly indicate to

vendors and other entities and individuals outside the School District that the obligations of Academy of Advanced Learning under any agreement are solely the responsibility of Academy of Advanced Learning and are not the responsibility of the School District.

8.6.6 Academy of Advanced Learning shall report all gifts or donations of cash or property having a reasonable value in excess of \$500 to the School District by recording the same in the financial records required under Section 7, above. Academy of Advanced Learning shall report to the Board within 14 days the acceptance of any gift or donation in excess of \$10,000, and shall obtain prior Board 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 Academy of Advanced Learning's fundraising activities shall be consistent with School District policies, unless waived, and will not affect funding by the School District pursuant to this Contract. Academy of Advanced Learning shall use the District communication tools and guidelines to provide written notice of all grants the Academy of Advanced Learning intends to apply for in the planning year which are in excess of \$5,000 and/or require the district to be the fiscal agent. All such non-consumable grants, gifts, and donations shall be considered the property of the Academy of Advanced Learning, unless otherwise provided in writing by the donor. Academy of Advanced Learning shall have the right to use such items in accordance with the conditions prescribed by the donor during the term of this Contract; provided, however, that no gift, donation, or grant shall be accepted by Academy of Advanced Learning if it is subject to any condition contrary to law or to this Contract.

8.6.7 On or before November 20, 2016 Academy of Advanced Learning will provide the District with an award letter for the CCSP grant if awarded.

8.6.8 On or before December 31, 2016 Academy of Advanced Learning will provide the District with evidence that 75% of Year 0 foundation revenue has been secured.

8.7 Waivers. Academy of Advanced Learning has been, or will be granted certain waivers from Board-approved policies and regulations upon approval by the Board of acceptable replacement policies. On or before September 1, 2016 Academy of Advanced Learning will provide the District with a complete list of requested waivers from district policy and state statute including acceptable rationale and replacement plans. On or before March 1, 2017, Academy of Advanced Learning will provide the District with all board approved policies and a board approved student handbook. The requests for waivers from Board policies, and the conditions therefore, shall, when approved, become a part of this Contract as Exhibit F.

8.8 Bidding Requirements. As required by Board 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. Academy of Advanced Learning shall be

subject to a review of its operations and finances by the Board or a designee upon reasonable advance written notice. Academy of Advanced Learning shall, by November 1, 2017, and of each year thereafter provide to the School District a written report concerning any aspect of its operations, including without limitation progress made toward 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 application and this Contract, not already addressed in the Plan submitted pursuant to C.R.S. §§ 22-11-403 – 406.

8.10 Financial Reports. Academy of Advanced Learning shall be responsible for providing to the School District monthly or upon written request, within thirty days of the request, written revenue and expenditure reports with comparisons to budget and a financial statement that reports the costs of administration, instruction and other spending categories, consistent with the format required by state law.

8.11 Term. This Contract shall be effective as of the date first written above for a period of five fiscal years running concurrent with four operational school years (2017-2018, 2018-2019, 2019-2020, and 2020-2021) and is to terminate on June 30, 2021, but the term of operation for funding purposes will commence July 1, 2017. Although this Contract provides for a four-year charter, any financial commitment on the part of the School District contained in this Contract is subject to annual appropriation by the Board. The parties agree that the School District has no obligation to fund the financial obligations under this Contract, other than for the then-current year of the Contract term and that the School District has not irrevocably pledged and held for payment sufficient cash reserves for funding Academy of Advanced Learning or for providing services described herein for the entire term of this Contract. Academy of Advanced Learning may apply for renewal of this Contract in accordance with procedures set forth in state law and School District policy/regulation.

8.12 Termination.

8.12.1 This Contract may be terminated and the charter revoked by the Board 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 Contract. Academy of Advanced Learning shall be given a reasonable opportunity to cure the breach after receiving written notice from the School District, except as otherwise noted herein. Reasonable opportunity to cure shall mean: (a) cure within 14 days of the effective date of such notice; or (b) in the case of breaches which cannot practically be cured within 14 days, commencement of the cure within 14 days and diligent pursuit of the cure to the satisfaction of the School District until the cure is complete. If Academy of Advanced Learning timely invokes the jurisdiction of the State Board of Education after the School District's determination that Academy of Advanced Learning's charter should be revoked, then termination shall not become final for purposes of this section until the exhaustion of appeals, if any, to the State Board of Education. Academy of Advanced Learning shall remain open during the period of the cure and exhaustion of appeal to the State Board of Education, provided, however, nothing contained in this Contract shall prevent the School District

from seeking other remedies including, without limitation, those under the charter School Emergency Powers Act, C.R.S. §§ 22-30.5-601 – 604. Should Academy of Advanced Learning choose to terminate this Contract and revoke its charter before the end of the Contract term, it may do so with the Board's approval, at any time, upon sixty 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 Academy of Advanced Learning shall be delivered and turned over to the School District. Academy of Advanced Learning 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, in the event of termination only, be assumed to have been made to the School District for the benefit of Academy of Advanced Learning, and shall be included among the assets returned to the School District upon termination of this Contract. No cure period set forth in this section shall be required for any of the conditions set forth in the District's resolution approving Academy of Advanced Learning or any provision in this Agreement memorializing or implementing those conditions.

8.12.2 During the period after the School District gives Academy of Advanced Learning 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 Academy of Advanced Learning to promptly take such actions as may be necessary to freeze bank accounts and other assets of Academy of Advanced Learning and/or to require School District approval of any expenditure or disposition of assets, and (b) receive full, immediate and complete access to all Academy of Advanced Learning records, data and information.

8.12.3 Notwithstanding any other provision of this Contract, in the case of any breach which the Board reasonably determines poses a serious threat to Academy of Advanced Learning or School District students, the community, or the property rights of the School District or Academy of Advanced Learning, the School District may, but shall not be required to, take immediate control of Academy of Advanced Learning and may exercise any portion or all power and authority over Academy of Advanced Learning 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 appeals process with respect to any alleged breach.

8.13 Dissolution. In the event Academy of Advanced Learning should cease operations for whatever reason, including the non-renewal or revocation of the charter, it is agreed that the Board shall supervise and have authority to conduct the closure of the business and affairs of Academy of Advanced Learning, provided however that in doing so, the School District does not assume any liability incurred by Academy of Advanced Learning beyond the funds allocated to it by the School District under this Contract. 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 Academy of Advanced Learning during the time of its existence, consistent with any

donor conditions.

8.14 Staff Meetings. Academy of Advanced Learning's principal will be expected ordinarily to attend a quarterly charter principal meeting. Academy of Advanced Learning will send a representative from the special education teachers employed by Academy of Advanced Learning to the monthly meetings held by the District for the persons who serve as the chair of staffing meetings.

8.15 Charter Representation in District Planning Functions. If the District is considering submitting any question of contracting bonded indebtedness to the eligible electors, it will include at least one charter school representative in the Long Range Facilities Advisory Committee. The charter school representative shall be selected by the principals of the charter schools, by consensus or majority vote.

9.0 Employment Matters. The parties agree that teachers and other staff employed at Academy of Advanced Learning are employees of Academy of Advanced Learning and are not employees of the School District. Academy of Advanced Learning is solely responsible for selecting, supervising, disciplining, determining compensation for, and terminating its employees. No person employed by Academy of Advanced Learning 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 Academy of Advanced Learning shall be considered "at-will" employees or volunteers of Academy of Advanced Learning. All School District policies relating to evaluation, discipline, termination, and appeal rights of employees are hereby waived. Academy of Advanced Learning may select its personnel directly without prior authorization from the Board, 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. The charter school agrees not to hire any individual who has been non-renewed or dismissed by the School District without the written consent of the School District's chief personnel officer. The Governing Board may terminate the employment of any personnel so long as such employees are not terminated for legally impermissible reasons. The Superintendent or designee may, without any claim of interference, cause an expression of no confidence in a Academy of Advanced Learning employee to be communicated to the Governing Board, which agrees to promptly consider any such expression and, if it deems action appropriate, to act promptly upon the Superintendent's or designee's concern. Academy of Advanced Learning shall promptly inform the Superintendent or designee of the action that it takes to terminate an employee and will notify the Superintendent or designee in writing no later than May 16 of each year of those employees who will not be renewed by Academy of Advanced Learning. It is acknowledged, however, that any reservation of rights in the School District, its Board, or Superintendent hereunder does not in any manner change the status of such employee as "at-will" employees of Academy of

Advanced Learning.

9.2 Employee Compensation, Evaluation, and Discipline. To the extent not already waived in this Contract, the School District agrees to cooperate with Academy of Advanced Learning in considering waiver of Board-approved policies and regulations concerning the compensation, evaluation, promotion, discipline, and termination of employees at Academy of Advanced Learning, subject to compliance with all applicable state rules and regulations (unless specific waivers are obtained from the State Board of Education). Except as provided otherwise in this Contract, School District policies and regulations referred to above and not waived will remain in effect and be followed by the Governing Board until the adoption by the Governing Board of policies regarding these matters that are in compliance with applicable law and approved by the School District.

9.2.1 Academy of Advanced Learning has adopted, and may from time to time amend, 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 any complaint and grievance procedures.

9.2.2 Academy of Advanced Learning shall notify the School District (and other appropriate authorities in accordance with state law), of discipline of employees at Academy of Advanced Learning arising from misconduct or behavior that may have resulted in harm to students or others, or that constituted violations of law or policy. In addition, if an employee is terminated or resigns as a result of an allegation of unlawful behavior involving a child, including unlawful sexual behavior, which is supported by a preponderance of the evidence, Academy of Advanced Learning shall notify the Colorado Department of Education and the School District and provide any information requested by either concerning the circumstances of the dismissal or resignation.

9.2.3 The Governing Board shall be responsible for annually evaluating, on or before July 1 of each year, the performance of the school's director/principal in accordance with its adopted policy. The written results of such evaluation and the evaluation report shall be submitted to the Superintendent or designee upon written request. The Superintendent or designee shall maintain the appropriate confidentiality of such evaluations to the extent required by Colorado law.

9.3 Payroll. Employees shall be paid through the School District payroll department (if Business Services are purchased) using procedures for recording employee work hours, overtime, absences, leaves, vacation and other adjustments, as contained in applicable Board-approved policies and regulations. Otherwise, employees shall be paid through a system to be adopted by the Academy of Advanced Learning, which shall include procedures for recording employee work hours, overtime, absences, leaves, vacation, and other adjustments.

9.4 Benefits. Unless purchased from the School District, Academy of Advanced Learning shall have the right to determine the benefits that it will provide to its employees. All benefits shall be compliant with state and federal law including but not limited to the Patient Protection and Affordable Care Act.

9.5 PERA Membership. All employees at Academy of Advanced Learning shall be members of the Colorado Public Employees' Retirement Association ("PERA") and subject to its requirements. Academy of Advanced Learning shall be responsible for the cost of the School District's/employer's respective share of any required contributions, (including required employer contributions to 401k, 403b or similar tax deferred compensation plans) and, unless purchased from the School District, all necessary administration of the PERA program, by dealing directly with PERA.

9.6 Equal Opportunity Employer. Academy of Advanced Learning 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, military status, religion, age, ancestry, or disability in its recruitment, selection, training, utilization, termination, or other employment-related activities.

9.7 Employee Welfare, Safety, and Training. Academy of Advanced Learning shall comply with all Board-approved policies, unless waived, 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 et seq.

9.8 Employee Records. Academy of Advanced Learning shall comply with all Board-approved policies and regulations, as modified and not waived herein, and applicable federal and state laws, concerning the maintenance, retention and disclosure of employee records, including without limitation the requirements of the Colorado Public Records Law, C.R.S. §§ 24-72-204 et seq.

9.9 Employee Conflicts of Interest. All employees at Academy of Advanced Learning shall comply with the Board's policy and regulation and applicable state law concerning actual and potential employee conflicts of interest, unless waived in writing by the School District.

9.10 District Teachers. Current School District teachers may apply for openings at Academy of Advanced Learning in competition with other applicants

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 Academy of Advanced Learning, such teacher shall be considered to be on a one-year leave of absence from the School District. This leave of absence must be applied for and

approved by March 15 preceding the school year in which the teacher is first employed at the charter in order to be effective for the following school year. Such leave of absence shall commence on the first day of services for the charter school. The leave of absence will expire at the end of one year and, unless the following "Notice and Renewal" procedure is followed, the School District will automatically schedule the teacher for return to the District to a position for which the teacher possesses the appropriate qualifications and certification. It is understood and agreed that the experience of an employee at the charter school does not count toward the achievement of non-probationary status under Colorado law. It is also understood that while employed by the charter, the teacher shall be paid an amount agreed to by the charter and the teacher, and not necessarily the amount the teacher would have been paid had the teacher remained in the teacher's previous position.

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 Academy of Advanced Learning, written notice and request for renewal must be given to the School District prior to March 15 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 District will no longer be considered employees of the School District.

10.0 Insurance and Legal Liabilities.

10.1 Independent Insurance. During the term of its charter, Academy of Advanced Learning shall maintain insurance coverage either purchased in its own right or through the School District. Such insurance shall include a comprehensive general liability policy including personal injury with limits of not less than \$1 million (\$1,000,000) each occurrence for bodily injury and property damage; \$1 million (\$1,000,000) each occurrence personal injury and advertising injury; and \$3 million (\$3,000,000) general aggregate. Automobile liability including hired and non-owned autos with limits of not less than \$1 million (\$1,000,000) combined single limit each accident for bodily injury and property damage. Workers' compensation and employer's liability insurance shall also be in effect with limits of not less than \$1 million (\$1,000,000) each accident for bodily injury by accident; \$1 million (\$1,000,000) policy limit for bodily injury by disease and \$1 million (\$1,000,000) each employee for bodily injury by disease. For any insurance not purchased through the School District, Academy of Advanced Learning must provide the School District risk management office with certificates of insurance for each type of coverage within a week of the time such coverages are bound. All coverages shall include all employees and authorized volunteers of Academy of Advanced Learning; in addition, the school's Errors and Omissions coverage must

include all members of the Governing Board. Any insurance company that insures Academy of Advanced Learning must be rated at least an A-VIII by A.M. Best Company. If any coverage is canceled or changed in any way, Academy of Advanced Learning shall immediately notify both the Superintendent's office and risk management office of the change. If the compulsory insurance laws of the State of Colorado require higher limits for any such coverage, Academy of Advanced Learning shall be required to comply.

10.2 District Insurance. Subject to the provisions of this Contract, it is agreed that during the term the School District may provide insurance coverages consistent with the coverages available to the School District itself. Academy of Advanced Learning agrees that as to coverages purchased through the District, it will coordinate all risk management activities through the School District's risk management office. As to such coverages, 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. As to coverages purchased through the District, Academy of Advanced Learning shall neither compromise, settle, negotiate, nor otherwise affect any disposition of potential insured claims asserted against it that might adversely affect the School District without the School District's prior written approval. In addition, Academy of Advanced Learning shall cooperate fully with the School District's claims investigations activities and shall provide all information reasonably requested by the School District that relates to the claim. To the extent of the School District's providing the described insurance coverages, Academy of Advanced Learning agrees to pay to the School District the amounts specified by the School District, multiplied by the number of funded FTE pupils enrolled in Academy of Advanced Learning. Any annual deductibles applicable to any claim under the insurance coverages provided to Academy of Advanced Learning hereunder shall be paid by Academy of Advanced Learning 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.

10.3 Legal Liabilities. Academy of Advanced Learning shall operate in compliance with all Board-approved policies and regulations and all applicable federal, state, and local laws, rules, and regulations, unless specifically waived in writing by the School District. In no event shall the School District, its directors, officers, employees, or agents be responsible or liable for the acts or omissions of Academy of Advanced Learning, its directors, officers, employees, or agents.

10.3.1 Waivers. Following the effective date of this Contract, waivers from specific Board-approved policies or regulations and/or state law may be requested by Academy of Advanced Learning by submitting such a request, in writing, to the School District's Office of Legal Counsel. The request shall include the reasons Academy of Advanced Learning is in need of or desires the waiver and any alternative

or substitute policies proposed. The School District shall have 30 calendar days to review the request and, thereafter, will present the matter before the Board at its next regular meeting. The Board shall, unless otherwise agreed by the parties, have 30 calendar days to consider the matter prior to rendering a decision at a regular meeting. Waivers of Board-approved policies and regulations may be granted only to the extent permitted by state law. In the event the School District policy or regulation from which Academy of Advanced Learning seeks a waiver is required by state law, or where Academy of Advanced Learning otherwise requests release from a state regulation, the School District agrees to jointly request such a waiver from the State Board of Education, if the School District's Board first approves the request. Waivers are neither necessary nor appropriate when a state or rule, by its own 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 contract, to the school. Academy of Advanced Learning is expected to only seek waivers if a statute or rule applies to the School and substantially interferes with its ability to conduct its educational program or its ordinary operations. Notwithstanding the foregoing, in the event of any question by Academy of Advanced Learning about whether the policy or regulation does apply, Academy of Advanced Learning should seek clarification from the Superintendent or designee. Thereafter, if the question is not resolved the presumption shall be that the policy or regulation does apply, pending application for waiver or conclusion of the dispute resolution process.

10.3.2 Faith and Credit. Academy of Advanced Learning shall not attempt to, purport to, or actually extend the faith or credit of the School District to any third person or entity. Academy of Advanced Learning 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. §§ 24-10-10 1 et seq., and it agrees to include a statement to this effect in each contract it enters into with third parties. Academy of Advanced Learning 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. Academy of Advanced Learning 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. In addition, Academy of Advanced Learning shall enter into no contract which extends beyond the term of its Charter unless the extension of the Charter is made an explicit condition upon any of the school's obligations under the Contract. As to any contract Academy of Advanced Learning enters into with a third party, the value of which exceeds \$1,000 (one thousand dollars), the following language shall appear: "Notice: You are contracting with Academy of Advanced Learning, a charter school, and not with the Aurora Public School District. We are required to notify you that the School District assumes no legal obligation whatsoever to fulfill the terms of this Contract (except indirectly for funding the school at the agreed upon per pupil rate), and you can look solely and exclusively to the charter to satisfy the obligations hereunder."

10.3.3 Indemnification. To the extent of claims not covered by

insurance or otherwise barred by the Colorado Governmental Immunity Act, Academy of Advanced Learning and the School District each agree to indemnify, defend and hold the other, its Board, agents, and employees harmless from all liability, claims, and demands on account of personal injury, sickness, disease, death, property loss or damage, or any other losses of any kind whatsoever that are proximately caused by employees or agents of the indemnitor. 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. This mutual indemnification, defense and hold harmless obligations hereunder shall include all attorney fees, costs and expenses incurred by the indemnitee in defense of said suits, actions, grievances, charges and/or proceedings. It is expressly agreed that even where a claim is ultimately found to be barred by the Colorado Governmental Immunity Act, the indemnitor still has an obligation to defend and hold the indemnitee (and the others named above) harmless from such a suit or claim. The foregoing indemnification provision shall not include any personal indemnification by employees or volunteers of Academy of Advanced Learning or the District. The obligation to indemnify may be satisfied in whole or in part through insurance carried by the indemnitor.

10.3.4 Indemnification by Independent Entities/Governmental Immunity. In the event Academy of Advanced Learning authorizes, with the School District's approval, another person or entity to operate a before and/or after-school, preschool, daycare, intersession, extended-day kindergarten or other program within an Academy of Advanced Learning 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 Academy of Advanced Learning, the School District, and the property owner as additional insureds. Such person or entity will also agree to indemnify and hold Academy of Advanced Learning, 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 Contract shall be deemed a relinquishment or waiver by the School District or Academy of Advanced Learning of any kind of applicable limitations of liability provided by the Colorado Governmental Immunity Act.

11.0 Transportation. The School District and Academy of Advanced Learning acknowledge and agree that daily transportation will not be provided to students attending Academy of Advanced Learning. Academy of Advanced Learning may purchase transportation for field trips from the School District on the same basis as other School District schools.

12.0 Miscellaneous Provisions.

12.1 Entire Agreement. This 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 Contract. All provisions of this Contract shall supersede and control over any conflicting or inconsistent language contained in the application. For purposes of all references in this Contract and the application or state law or any understanding any party hereto may have, the charter of Academy of Advanced Learning shall be this Contract and the application, to the extent the application is not superseded or modified by this Contract.

12.2 Amendment. This 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 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 Academy of Advanced Learning at the address on file with the School District in the case of notice being sent to Academy of Advanced Learning, or to the office of the Superintendent 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 Contract is determined to be unenforceable or invalid for any reason, the remainder of the 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 Contract, the original application, and Board policies unless waived, procedures, regulations, or other requirements, other than those for which waivers have been granted, it is agreed that the provisions of this Contract and Board policies shall control over the application, and that compliance by Academy of Advanced Learning 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 Governing Board shall have standing and capacity to enter into and enforce any of the terms of this Contract on behalf of Academy of Advanced Learning. Any action by the Academy of Advanced Learning representative body on behalf of Academy of Advanced Learning shall be limited to enforcing the terms of this Contract and recovering the amounts provided for herein and shall not include any action or proceeding for other amounts or damages.

12.8 Assignment. Academy of Advanced Learning shall not assign its Charter nor any of its rights or obligations under this Contract to any person or entity,

including without limitation a body corporate formed by Academy of Advanced Learning, without the prior written approval of the Board, which approval may be withheld for any reason or no reason as determined by the Board in its sole discretion. This provision shall not be deemed to prevent Academy of Advanced Learning from making appropriate arrangements to share services between two or more school campuses, provided that assets, revenues, funds, liabilities and financial records of the Academy of Advanced Learning campus or campuses in Aurora Public Schools shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization, and that the arrangement is otherwise authorized by the Act. Nothing contained herein shall imply or create the presumption, expectation or entitlement that Academy of Advanced Learning will be granted a charter for a second campus within the School District.

12.9 Dispute Resolution. In the event any dispute arises between the School District and Academy of Advanced Learning concerning this Contract, including without limitation the implementation of or waiver from any policies, regulations or procedures, such dispute shall first be submitted to the Superintendent or designee for review. Thereafter, representatives of the School District and Academy of Advanced Learning 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 30 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 (10) days after delivery of the list to the non-moving party. The mediation shall be scheduled and concluded within 120 days of the moving party's written request for mediation, with final written findings entered by the mediator and served on both parties within said 120 day time frame. The mediation process shall be closed to the public and all information submitted during mediation shall be confidential to the extent provided by law. Participation in the dispute resolution process shall constitute neither an admission nor denial of State Board of Education jurisdiction over the dispute. If the parties are unable to resolve the dispute, the mediator will issue a confidential recommendation to the parties. The District Board shall act to accept, modify or reject such recommendation and shall release the mediator's recommendation, within the meaning of 22-30.5-207.5(3)(b), on the date of such Board Action. Participation in the dispute resolution process shall constitute neither an admission nor a denial of State Board of Education 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 Academy of Advanced Learning 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 shall make reasonable efforts to distribute to Academy of Advanced Learning, in the same manner as it does to other schools, information concerning new or amended laws, regulations and policies that may apply to Academy of Advanced Learning. However, this provision shall not relieve the Academy of Advanced Learning of its obligation to comply with applicable federal and state laws and regulations and School District policies, unless waived.

12.11 No Third Party Beneficiary. The enforcement of the terms and conditions of this Contract and all rights of action relating to such enforcement shall be strictly reserved to the School District and Academy of Advanced Learning, subject to the provisions of Section 12.7. Nothing contained in this 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 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 Contract, the application, Board policies or other documents or requirements or of any conflict among the organic documents defining this relationship, it is agreed that the Contract and applicable Board policies and regulations not waived shall control, followed by the Application.

12.13 Extension of Deadlines: Any of the deadlines contained in this agreement may be extended by mutual written agreement of the parties.

12.14 Special Education Re-opener. Should an opportunity arise during the Term for Academy of Advanced Learning to join a special education collaborative or other consortium that would permit it to supplant some or all of the services provided through the District under this contract, the District agrees that upon written notice from Academy of Advanced Learning, it will engage in prompt, good-faith negotiation for the amendment or rescission, in whole or in part, of the sections of this contract concerning special education, including but not limited to: 2.1; 5.6 (including all subsections thereof); 5.7 through 5.9; 7.1.6 (including all subsections thereof); 7.5.1; 8.6.2; and 8.14. Academy of Advanced Learning recognizes that unless such an arrangement includes the ability of Academy of Advanced Learning to become part of a separate administrative unit, certain District costs, risks and responsibilities will remain in place and require appropriate consideration in any amended or new contract provisions.

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

Academy of Advanced Learning

By: 

President, Academy of Advanced Learning Board

Attest: 

Joint School District 28J of the Counties of Adams and Arapahoe (Aurora Public Schools)

By: 
President, Board of Education

Attest: 
Superintendent of Schools