

CHARTER SCHOOL CONTRACT

THIS CHARTER SCHOOL CONTRACT ("Contract"), dated this 14th day of June, 2016, to be effective as of July 1, 2016, is made and entered by and between the BOULDER VALLEY SCHOOL DISTRICT RE-2 ("School District") and JUSTICE HIGH SCHOOL ("Justice High"), a School District charter school and non-profit corporation, through its Board of Directors.

RECITALS

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

WHEREAS, on August 15, 2005, an application was received by the School District for the formation of Justice High as a charter school for "at-risk" students, and on October 21, 2005, a revised application was received from Justice High; and

WHEREAS, on January 10, 2006, the Board considered the revised application, determined that it complied with the purposes and requirements of the Act specifically addressing the intent that a certain number of charter schools serve the needs of at-risk students, that the Charter was in the best interest of the students, the School District and the community, and conditionally approved the Charter subject to the negotiation of an acceptable charter school contract;

WHEREAS, the Parties entered into a Charter School Contract effective July 1, 2006 through June 30, 2011 and this Contract was renewed for an additional five-year term commencing July 1, 2011, through June 30, 2016;

WHEREAS, JHS timely filed an application for renewal of the Contract. ("Application") (attached as Exhibit A) for a five-year term commencing July 1, 2016 through June 30, 2021; and

WHEREAS, the Board has considered the Application, found that renewal of the Contract is in the best interest of the students, the School District and the community, and therefore approved the renewal of the Contract.

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

AGREEMENT

1.0 Mission Statement. The statement contained in the Application continues to be accepted by the School District.

2.0 Goals, Objectives, and Pupil Performance Standards. The goals and objectives set forth in the Goals and Objectives Section and the Program Focus Section of the Application and the pupil performance standards set forth in the Educational Program, Standards, and Curriculum Section of the Application continue to be accepted by the School District. Justice High agrees that the pupil performance standards of the School District will apply to Justice High.

2.1 Student Attendance, Conduct, and Discipline.

2.1.1 Justice High has adopted its own written attendance policy and shall be granted a waiver from the School District's policy, so long as the policy is in compliance with Colorado's compulsory attendance laws, including, without limitation, required hours of planned teacher-student instruction and teacher-student contract and the distinction made between excused and unexcused absences. Justice High will develop a school-wide, research-based plan to address student attendance. The plan shall be submitted to the School District each August 15 for the upcoming academic year. Justice High shall ensure adequate documentation of student and staff schedules by day, week, quarter/block and year. Justice High shall be prepared to verify with documentation that teachers are teaching courses as identified in the Infinite Campus student information system ("IC"), and students are taking courses as identified in IC. Justice High shall comply with all CDE and School District October Count Guidelines. Justice High shall withdraw students who don't attend for three weeks and allow the School District's dropout prevention team an opportunity to intervene.

2.1.2 Justice High has adopted its own set of written policies concerning student conduct and student discipline and shall be granted a waiver from corresponding School District policies as long as the developed policies are in compliance with applicable federal and state laws, including, without limitation, the grounds and procedures established by state statute for suspending, expelling, or denying admission to a student. Unless services are purchased from the School District, any general education services required by law to be provided to suspended or expelled students shall be the sole responsibility of Justice High. 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 Justice High will purchase such services from the School District as set forth in this Contract.

2.2 Student Welfare and Safety. Justice High shall comply with all Board-approved policies and regulations, and 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, crisis management plans, 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 Accountability and Accreditation. Justice High 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. Justice High shall comply with the educational accountability provisions of Colorado law as amended from time to time, including without limitation the Preschool to Postsecondary Education Alignment Act, C.R.S. §§ 22-7-1000 *et seq.*; the Educational Accreditation Act of 1998, C.R.S. §§ 22-11-101 *et seq.*, and the Colorado State Board of Education Accreditation Rules, 1 CCR 301-1, as amended from time to time. Justice High shall meet the requirements of the alternative education campus designation measures established by the District in collaboration with Justice High and the Unified Improvement Plan. In this connection, Justice High shall provide an annual accountability report to the School District on or before October 15 of each year that will include, but not be limited to, an analysis of student testing results on assessments required by state law.

2.3.1 Justice High shall maintain a rating of Improvement or above, as demonstrated on the School Performance Framework issued by the state. If Justice High receives a rating of Priority Improvement or below on the School Performance Framework issued by the state for two consecutive years following the commencement of the term of this Contract, the Board may deem that such ratings constitute a material breach of the Contract, entitling the Board to seek appropriate relief, including termination or revocation or non-renewal of the Contract.

2.3.2 Justice High agrees that it has a duty to comply with the applicable provisions of the federal Elementary and Secondary Education Act, including the No Child Left Behind Act and the Every Student Succeeds Act, as amended, and all implementing regulations as applied to charter schools in Colorado.

3.0 Community Support. The Board finds that sufficient support for the approval of Justice High as a charter school exists.

4.0 Statement of Need. The Board has determined that the Program Focus Section of the Application sufficiently establishes a continuing need for educational choice within the School District and that the proposed charter school program meets that need in a manner that would promote the best interests of the school community to be served by Justice High.

5.0 Educational Program, Pupil Performance Standards, and Curriculum. The educational program, pupil performance standards, and curriculum set forth in the Application are hereby accepted, unless modified in this Contract. Justice High's educational program does not include an on-line program, pursuant to C.R.S. § 22-33-104.5, and such a program will not be implemented by Justice High without advance Board approval.

5.1 Curriculum. The Justice High curriculum, as reviewed by the Board and referenced in its Application, is confirmed and approved, subject to the continued implementation by Justice High of its instructional programs as outlined in its Application, as those may be amended herein and as may be required by applicable Board policies.

5.1.1 Justice High 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 that is consistent with state law, including, without limitation, requirements regarding content standards. By August 1 of each year, Justice High will have available to provide to the Superintendent upon request a summary of its yearly curriculum plan for the ensuing school year in order to determine that it is consistent with the Application. Prior to commencement of instructional programs in Justice High based on a materially modified curriculum or program delivery system, Justice High shall provide evidence reasonably acceptable to the School District of the complete scope and sequence of such program of instruction. The School District shall have forty-five days for review and to approve/disapprove, commencing from the day of receipt (so long as this section and time period are referenced in the transmittal). The intent of this requirement is to ensure that students of Justice High have sound educational foundations that meet or exceed state-approved content standards for applicable courses. Justice High's courses shall also meet or exceed the content standards of the School District, as approved from time to time by the Board, and shall be implemented so as to allow for assessment of subject area proficiency in a manner and at times that are consistent with state law, as implemented by the School District.

5.1.2 Justice High 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; bullying prevention, C.R.S. § 22-32-109.1; and the effect of use of alcohol and controlled substances, C.R.S. § 22-1-110.

5.1.3 Justice High shall keep in force a process, approved by the School District, for resolving public complaints, including complaints regarding curriculum, that provides an opportunity to be heard and an appeal process similar to current School District policies and procedures (KE and KEC, together with supporting regulations), except that the final administrative appeal shall be heard by the Justice High Board of Directors, rather than the Board of Education of the School District.

5.1.4 Justice High shall ensure that course titles in IC and on student schedules/transcripts match the course content being taught and that credits awarded match the time and requirements of the course for which the credits are earned. Justice High must code courses, utilizing the process provided by the District (e.g., course code suffixes) to match state requirements for credits. Justice High shall ensure that instruction in courses at Justice High that use BVSD codes align to BVSD Curriculum Essentials Documents. The School District will monitor instruction on a periodic basis to evaluate alignment.

5.1.5 Justice High shall ensure grades and credit awarded accurately reflects student work and accomplishment, particularly for students enrolled a short amount of time in a term. Justice High shall ensure each student has an established plan for graduation.

5.2 Records.

5.2.1 Justice High agrees to comply with all record keeping 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, Colorado Department of Education ("CDE"), and U.S. Department of Education.

5.2.2 Justice High shall comply with all Board-approved policies and regulations, and applicable federal and state laws, concerning the maintenance, retention, and disclosure of student education records, including, without limitation, the Colorado Open Records Act, C.R.S. §§ 24-72-204, 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 Justice High in the same manner as they would have access to the records of any other public school in the District. Student records include, without limitation, immunization records, class schedules, records of academic performance, disciplinary actions, attendance and standardized test results, and documentation required under federal and state law regarding the education of students with disabilities.

5.3 Nonreligious, Nonsectarian Status. The educational program of Justice High 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, sexual orientation, gender identity/expression, religion, ancestry, or disability or need for special education services. Justice High acknowledges and shall comply with the School District's Nondiscrimination Policy, File AC, and associated regulation and exhibits.

5.4 Enrollment. Enrollment shall be open on a first priority basis to any child who resides within the School District and then to any child who resides outside the School District subject to compliance with Colorado open enrollment statutes, Board policies (including, without limitation, policies and procedures for open enrollment), and this Contract. Justice High will focus primarily on "high risk" juvenile delinquents that are on probation or deferred adjudications in Boulder County, truants, expelled students, and students who are struggling academically.

5.4.1 The School District and Justice High agree that for the term of this charter Justice High's total funded enrollment shall be limited to 95 full-time equivalent students (Student FTEs). This limitation on the number of enrolled students is acknowledged by the School District and Justice High as necessary to facilitate the academic success of the students enrolled in Justice High, to facilitate Justice High's ability to achieve its mission and goals, and to ensure that Justice High's enrollment does not exceed the capacity of Justice High's facility and site. Justice High and students enrolling in Justice High 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, including enrollment deadlines as established by the Superintendent or designee. Justice High may enroll students who have never been enrolled in the School District prior to the close of open enrollment up to the eligible count date, as designated by the Colorado Department of Education and consistent with the provisions of the Public School Finance Act of 1994 or successor act ("Finance Act"), 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 applicable Student FTEs enrollment limit. In the event Justice High's enrollment drops below 95 Student FTEs during the school year, Justice High shall accept students from its wait list to fill available positions in order to stay as close as possible to the enrollment limit.

5.4.2 In addition to 95 Student FTEs, Justice High may provide educational services at any given time, to the extent space is available, for additional expelled students from the School District pursuant to the provisions of C.R.S. § 22-33-203 or other laws applicable to the enrollment of at-risk students. These students will not be counted by Justice High for funding under the Act.

5.4.3 In the event Justice High desires to relocate or increase the number of facilities in the School District within which it will provide its educational program, it shall first notify and obtain the consent of the School District in writing of the location and the total number of students and teachers who will attend that facility during any one time of the school day. The School District will not unreasonably withhold its consent if the facilities meet applicable codes and federal, state, and local government requirements; have an adequate capacity; and will be, and are, used to provide instructional programs approved by the School District consistent with the requirements of Section 8.7.6 below.

5.4.4. Educational Planning Meetings. The Parties recognize that it is sometimes in the best interests of particular students to transfer into Justice High from another School District high school or out of Justice into another School District high school. To this end, prior to recommending transfer into another School District school or out of a School District school for a resident student who is seeking a transfer or otherwise struggling (with respect to academics, behavior, health issues, attendance, delinquency, etc.), Justice High will schedule and attend an Education Planning Meeting with the School District's Superintendent's Office representative to explore available options for supporting the student, including the timing of any transfer. The Parties recognize that allowing incoming transfer of students from other School District high schools and sharing of up-to-date student information should be part of this system of collaboration. The Parties shall meet at least once per semester to review this system of collaboration.

5.5 Admissions. Subject to the School District's open enrollment procedures and eligibility criteria for admission into school programs, students shall be considered for admission into the program in the manner described in the Application, accepted by the District, and in all cases without regard to race, creed, color, national origin, sex, marital status, sexual orientation, gender identity/expression, religion, ancestry, or disability. Justice High shall not use or consider gender, race, or other protected classification in any admission or enrollment process or decisions. Subject to final approval by the Board and compliance with applicable law, the School District and Justice High agree to cooperate in the evaluation and potential implementation of enrollment preferences for certain at-risk and other under-served populations in the School District. Denial of admission shall be handled consistent with state law and School District policy and regulation. Except for the enrollment priorities stated herein and in the Application or unless otherwise approved in writing by

the Superintendent or designee, Justice High shall follow the same lottery and open enrollment process and timelines as other schools within the School District. Because Justice High enrolls students continuously throughout the school and calendar year, in part on court referral or as a drop-out recovery program, Justice High shall be able to admit students at any time through an administrative transfer approved by the principal of the "sending" School District school and Justice High, subject to an Educational Planning Meeting (Section 5.4.4). Justice High and the District's Student Enrollment Office will develop a system to facilitate prompt enrollment.

5.6 Education of Students with Disabilities or Limited English Proficiency.

Justice High agrees to comply with all Board-approved 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. Unless otherwise agreed by the Board of Education, Justice High shall comply with this obligation by contracting with the School District to provide special education and related services as provided herein. Prior to enrollment of a District resident student, Justice High and the School District shall determine whether the student has been identified as a child with disabilities. If so, the parties shall obtain a copy of the student's individualized education program ("IEP"). A properly constituted staffing team shall be convened to determine whether Justice High is an appropriate placement for the student. Where a student's special education needs or need for English as a Second Language ("ESL") services can be appropriately met by Justice High's certified staff, the student(s) needing such services will receive them, to the extent appropriate, on the Justice High campus. To the extent that special education and related services are required pursuant to a student's IEP that cannot be provided by Justice High, the School District will do so for resident students in a manner consistent with its approach for other schools of the School District, in consideration of the provisions for funding in Paragraph 7.1.4 below. For purposes of ESL, the School District will treat Justice High like any other non-program school by making available professional development in the form of instructional best practices and training in the use of the English language development profile. The School District will also do the language proficiency assessments and record-keeping as may be required by CDE and the Office for Civil Rights.

5.6.1 If a student with disabilities who is not a resident of the School District applies for admission to Justice High, enrollment acceptance is contingent upon an appropriate School District IEP team meeting being convened to determine if a free appropriate public education is available for the student at Justice High. The student will not be accepted as a student at Justice High if the IEP team finds that a free appropriate public education is not available for the student at Justice High. 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 Justice High.

5.6.2 Justice High shall remain solely responsible for the costs of providing those services required under an IEP and 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. Justice High shall be responsible for ensuring that its employees properly carry out the applicable

requirements of each IEP.

5.6.3 Section 504. As a recipient of federal funds, Justice High 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 under that law. Justice High shall comply with its obligations by identifying a Section 504 coordinator for the school who shall participate in any mandatory Section 504 trainings (at no cost) provided by the School District, and by developing a written Section 504 plan for any student eligible for such a plan. The District's Section 504 Coordinator may review Justice High's referral process, evaluations, reevaluations, programming and provision of services for students eligible for protections under Section 504 and direct such changes as s/he may deem necessary, provided that the failure of the District's coordinator to direct any change shall not make the School District legally or financially responsible for Justice High's noncompliance.

5.7 Tuition and Fees. Tuition may not be charged to resident or nonresident students other than for optional before- and after-school programs, intersession programs, or summer programs. In the case of the enrollment at Justice High of a nonresident student with disabilities, the School District shall collect the tuition charge for the excess costs incurred in educating the child from the school district of residence pursuant to guidelines developed by CDE in accordance with C.R.S. § 22-20-109(5). Student fees may be charged by Justice High so long as such fees are in accordance with applicable Colorado law and regulations including, but not limited to, the provisions of C.R.S. §§ 22-32-110(1)(o) and (p) and 22-32-117, and Board policy and regulations. Justice High shall provide to the School District a schedule of all proposed fees for the ensuing year by May 1 of each year.

5.8 Extracurricular Activities. Justice High students may try out for nonacademic activities at other schools in the School District at the school they normally would have attended based upon their residence, provided that the nonacademic activity is not offered at Justice High and prerequisites and eligibility requirements for participation are met. Where such participation requires payment of a fee, the Justice High student or Justice High shall be responsible for payment of the fee which shall be equal to 150 percent of the fee amount the school of participation would charge an enrolled student to participate in the activity. Justice High agrees to provide written notice to the School District before sponsoring any of its own athletic teams or other extracurricular activities that are not provided by any of the other District schools.

5.9 Work Study. Justice High may propose to institute an off-campus work study program that complies with all state and federal laws and regulations and School District policies. The proposal must be submitted to the School District for review and approval. The proposal must demonstrate that participating students and work places are appropriately supervised and insured and that students participating in such programs do so only with written parental permission.

5.10 Enrollment in Selected Classes. Justice High and the School District students may apply for enrollment in individual classes at each other's schools on a space-available basis and subject to the other provisions of C.R.S. § 22-36-101 and School District Policy. Justice High and the School District shall reimburse the other at the rate of one-fourteenth of Justice High's gross per pupil funding, net of services purchased from the School District, per semester hour for each class taken.

6.0 Evaluation of Pupil Performance and Procedures for Corrective Action. The Board accepts Justice High's established methods for evaluating pupil performance subject to the following modifications or as otherwise set forth in this Contract. The Board of Education accepts Justice High's use of multiple tools for assessment of student performance, including standardized achievement tests. Justice High shall cooperate with School District administrators to coordinate testing and the reporting of test data with the School District's statistical reporting needs and to implement any testing that may be required to meet the School District's obligations under the provisions of state and federal law. Justice High shall pay to the School District the pro-rata costs associated with all such tests and assessments such as, but not limited to, the cost of test booklets and scoring and tabulating results.

7.0 Economic Plan, Budget, and Annual Audit. The provisions of this Contract shall supersede and control over any conflicting language contained in the Application concerning budget and funding.

7.1 Funding.

7.1.1 Subject to other provisions of this Contract, the School District shall provide funding for each Student FTE enrolled in Justice High during each fiscal year of the term of the Charter (commencing with the 2016-2017 fiscal year) in the amount of 100 percent of the School District per pupil revenues ("PPR"), as defined by C.R.S. § 22-54-103(9.3) and 100 percent of the per pupil revenue attributable to the 2010 budget election. The funding described in this paragraph is for the maximum of 95 Student FTEs provided pursuant to paragraph 5.4. The parties agree that the funding levels provided for in this Contract, including the purchased services and allocated costs contained herein or in Exhibit B, comply with the financing guidelines of the Act. The term "enrolled" as used in this Contract shall be deemed to mean enrolled as of the counting dates or periods and in accordance with the requirements of the Finance Act and CDE regulations.

7.1.2 So long as Justice High is not in material breach of this Contract, any funding provided by the School District hereunder will be made available to Justice High throughout the year in equal monthly installments commencing on July 1, 2016, for the first year and on July 1 in each year of the Charter thereafter, subject to enrollment limits, adjustments, deductions, or purchased services as provided in this Contract. The funding on July 1 will be based on Board-approved Proposed Budget for the ensuing year. Funding will be adjusted after Board approval of the Revised Budget to reflect budgeted transfers. Funding again will be adjusted after the official October count. During the school year, Justice High will continually update current student

enrollment information on the School District's student accounting system (currently, Infinite Campus). When adjustments in funding are made, based upon these adjustment dates, any increases or decreases shall apply to the total school year but shall be spread over the remaining months of the fiscal year. Expenditures, within the applicable funding allocated to Justice High, shall be made by the School District on Justice High's behalf as part of the purchased Business Services.

7.1.3 Justice High shall be responsible for complying with the provisions of the Finance Act and its regulations including, without limitation, the rules and guidelines for determining the eligibility of students to be included in the funded pupil count as well as student counting requirements under the IDEA and ECEA. To the extent the School District experiences any reduction or receives any increase in state equalization support by state audit attributable to Justice High's enrollments, or a legislative rescission or a modification to per pupil equalization funding, proportionate reductions or increases will be made to Justice High's funding by adjustment to or set-off against funding in subsequent months. Adjustments will be accomplished by the School District upon thirty days' prior written notice. Further, if any significant alteration is made to the Finance Act, the parties shall reexamine and renegotiate in good faith the funding of Justice High to take into consideration the changes in the Finance Act. The parties acknowledge that under the current version of the Finance Act, neither Justice High nor the School District will receive funding for students in the year of enrollment if the student first enrolls in Justice High or the School District after the official pupil count date.

7.1.4 In consideration of the special education and ESL services to be provided under paragraph 5.6, Justice High agrees that the School District will deduct from the funding provided in this paragraph 7.1 the amount of the School District's average, per-pupil special education and ESL costs (items numbered 2 and 3 on Exhibit B) multiplied by Justice High's total student funded enrollment. Justice High shall receive, as a credit against such costs, a proportionate share of the categorical reimbursement funding provided to the School District by the federal and state governments for special education, ESL, and for the English Language Proficiency Act ("ELPA"). Upon the submission (preferably by May 1 of each year) of appropriate documentation by Justice High to the School District's Director of Special Education regarding the Justice High special education program, including the number of active IEPs at Justice High and the number of special education staff at the school and their responsibilities, the School District shall allocate funds back to the benefit of Justice High for that portion of the salaries and benefits of those staff members at Justice High who have been approved by the School District and Justice High to provide special education services under this Contract, consistent with the students' IEPs. Reimbursement for licensed and endorsed certified special education staff salaries and benefits under this paragraph shall be based upon the actual amounts paid by Justice High but shall not exceed the salary and benefits that such special education teacher(s) would receive if she or he were hired by the School District and placed on its adopted salary schedule in accordance with its procedures. Justice High agrees that its special education teacher will attend any required School District trainings. With respect to categorical programs other than special education, ESL, and ELPA, Justice High may apply for state and federal funding, if any, to the extent that Justice High 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 receiving services under such programs from the School District.

7.1.5 The level of funding provided by the School District for Justice High in paragraph 7.1.1 above and the term of such funding are based upon the assumption that Justice High will not be occupying School District facilities. The level of funding shall be reopened and Justice High and the District agree to negotiate in good faith a decrease in the total funding provided for in this Contract for future fiscal years to the extent the School District should determine that space may be made available in School District facilities.

7.1.6 During the term of the Contract, and by the end of June of each year thereafter during the term of the Charter, Justice High's ending fund balance shall comply with the emergency reserve requirements of Article X, Section 20 of the Colorado Constitution ("TABOR" or "TABOR Reserve"). Justice High will be responsible for any required TABOR Reserve increase attributable to its revenue and spending. Justice High shall maintain a positive ending fund balance on a GAAP Basis, including any TABOR requirements.

7.1.7 Long-Range Facility Needs. When the School District considers the submittal of ballot issues to its voters regarding future tax increases for either bonded indebtedness or capital construction, it shall invite Justice High to participate in discussions regarding such possible ballot issues to also meet the long-range capital facility needs of Justice High no later than June 1 of the applicable election year. Justice High may ask the School District to include the capital construction needs of the school in such question, and if it determines not to include the same Justice High may request the School District to separately submit a question for the voters that includes capital construction needs of Justice High in accordance with C.R.S. 22-30.5-404 and 405.

7.2 Budget. Justice High's annual budget is subject to the following:

7.2.1 The per pupil funding and contractual funding shall be determined in accordance with Paragraph 7.1 above.

7.2.2 Justice High shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services and the cost of certain purchased services and allocated costs of the School District as set forth in Exhibit B, attached and incorporated by this reference. The services identified on Exhibit B as "purchased" shall be provided to Justice High by the School District during the term of this Contract at the School District's then current annually budgeted costs as set forth in that exhibit. For those services identified as "optional" on Exhibit B, Justice High agrees to inform the School District by no later than April 1 of each year of the services it intends to purchase for the following fiscal year, with a final commitment to purchase by June 1. If Justice High does not purchase optional services, it shall be responsible for performing those activities or services itself in the same manner as is required by law of other schools in the School District, unless otherwise waived in writing by the Superintendent or designee. The School District shall provide Justice High with access to projected service rates for services by May. These

budgeted costs will be the basis for costs charged to Justice High during that fiscal year. Exhibit B includes a detailed description of each service and allocated cost charges together with cost estimates provided by the School District for the 2015-2016 school year. This exhibit will be adjusted to reflect budgeted costs for each fiscal year. Costs of purchased services and central administrative overhead charges shall be reconciled annually to actual costs within 90 days after the end of each fiscal year to the extent required by C.R.S. 22-30.5-112(2)(a.4). Any difference between the amount initially charged and the actual cost shall be paid to the owed party.

7.2.3 Subject to Paragraph 10.2.3, the School District may provide legal services through the School District's legal counsel for defense of suits, actions, and claims against Justice High for which the School District provides insurance coverage in accordance with Exhibit C. Legal services shall not be provided for defense of matters involving contract claims or disputes or negotiations with the School District or where there exists a conflict of interest between the School District and Justice High as determined by the School District. The provision of a defense is conditioned upon prompt notification by Justice High to the School District of all claims, including threatened or reasonably anticipated claims or actions; full cooperation with the School District and legal counsel in defending the claim; and Justice High not compromising, settling, negotiating, or otherwise similarly dealing with the claim without the express consent of the Board of Education. Justice High acknowledges that in the event of a dispute between Justice High and the School District, the School District's legal counsel will represent the School District and not Justice High with respect to such dispute. However, any potential conflict arising from the representation of Justice High by the School District's legal counsel shall be resolved in accordance with the Colorado Rules of Professional Conduct. Justice High shall have access to legal consultation and advice for routine questions that may also have implications for the School District; provided, however, that Justice High requests such assistance in advance through the School District's Superintendent or designee. Except as provided above, in other cases, legal services that are requested by Justice High shall be provided at Justice High's expense.

7.2.4 In further consideration of the funding provisions, the School District agrees that it will defend any state-level complaint to CDE, Office of Civil Rights ("OCR") complaint or due process hearing request to CDE ("Administrative Complaints") related to an ELL student or a student with disabilities attending or enrolled at Justice High, to the extent of any alleged illegal actions or inactions against such students by a School District employee or Justice High employee. The provision of a defense is conditioned upon prompt notification by Justice High to the School District of Administrative Complaints, including threatened or reasonably anticipated Administrative Complaints; full cooperation with the School District and legal counsel in defending Administrative Complaints; and Justice High not compromising, settling, negotiating, or otherwise similarly dealing with Administrative Complaints without the express consent of the Board or administration. Within ten days after the receipt of any Administrative Complaint that includes allegations against Justice High and/or the School District employees, the parties will meet to explore efficiencies and to determine the course of action in providing a defense including, without limitation, the potential for a joint defense. The School District has the exclusive right to select legal counsel. With respect to any Administrative Complaints relating to a student with disabilities

attending or enrolled at Justice High, Justice High is responsible for payment of (1) all defense-related costs, including attorneys' fees and costs and expert witness fees; (2) any award relating to the provision of special education or related services, including without limitation, compensatory services, reimbursements and tuition costs; and (3) compromises and settlements. The School District will consult with Justice High prior to settling any Administrative Complaint hereunder.

7.2.5 On or before April 1, Justice High shall identify the total Student FTEs who have enrolled or are projected to enroll for the ensuing fiscal year. By May 1 of each year, Justice High shall provide to the Board its proposed balanced budget for the upcoming fiscal year based upon such enrollment. The projected Justice High-balanced budget, when incorporated into the School District's budget and accepted by the Board for each fiscal year will be attached and incorporated into this Contract as an exhibit, and will be subject to adjustment based upon current state-funding data as it becomes available during the budget adoption process. The budget format used by Justice High shall be consistent with the requirements of applicable Colorado law (currently form CDE-18). The budget may be modified prior to October 1 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 Justice High. Any modified budget shall be submitted to the Superintendent or his designee.

7.3 Financial Records and Annual Audit. Justice High agrees to establish, maintain, and retain appropriate financial records in accordance with all applicable federal, state, and local laws, rules, and regulations, and make such records available to the School District, as requested, from time to time; provided that, for those services that the School District agrees to perform under this Contract, the School District will maintain and make available such records. Justice High shall similarly make the records (except personnel files and names of individual donors) of any of its supporting I.R.S. § 501(c)(3) organizations available to the School District's independent auditor if required, in the auditor's opinion, to be able to prepare any reports required by state or federal law or regulations. Justice High agrees to cooperate in an independent, outside audit by a certified public accountant of its financial and administrative operations on an annual basis. The Justice High audit shall be performed by the School District's independent auditors in conjunction with the audit of the School District itself. The results of the audit shall be provided to the School District in written form within the same statutory time limits required of the School District and shall be published and posted as required by law. The cost of Justice High's annual audit is the responsibility of Justice High. In the event Justice High fails to provide the financial information to the School District in the form and on the dates provided in this Contract or as otherwise required by the state or federal government, the School District may withhold twenty percent (20%) of any payment due Justice High until such time as Justice High complies with the financial reporting requirements.

8.0 Governance and Operation. The section of the Application concerning the nature and extent of parental, professional educator, and community involvement in the governance and operation of Justice High is accepted by 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). In addition, the Application is amended as follows, which amendments and other provisions of this Contract shall supersede and control over any conflicting language contained in the Application:

8.1 Conflict of Interest. Members of the Justice High Board of Directors and other committees of Justice High shall comply with state law and Board policies and regulations regarding ethics and conflict of interest.

8.2 Justice High shall notify the School District of the names and roles (offices) of the Justice High directors and verify their election or appointment in accordance with the Justice High bylaws.

8.2 Nonreligious, Nonsectarian Status. Justice High agrees that it shall operate, in all respects, as a nonsectarian, nonreligious, non-home-based public school. Justice High shall not be affiliated with any nonpublic sectarian school or religious organization. Negotiation by Justice High of an occupancy lease from a religious institution shall not be construed as affiliation.

8.3 Commitment to Nondiscrimination. Justice High shall comply with all applicable federal, state, and local laws, rules, and regulations and School District policies, prohibiting discrimination on the basis of race, creed, color, national origin, sex, marital status, sexual orientation, gender identity/expression, religion, age, ancestry, or disability.

8.4 Accountability Committee. The Justice High Board of Directors shall serve as the school advisory council together with such other individuals selected as necessary to have a composition of members consistent with the requirements of Colorado law that will participate in the accountability process in accordance with Board policy and state law. All records created and maintained in accordance with the provisions of this Contract, Board policy, and federal and state law shall be open to inspection by the School District.

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

8.6 Indigent Students. Justice High shall waive all fees for indigent students in accordance with Board policy and applicable federal and state law. Justice High shall cooperate with the School District to survey (using the federal Free and Reduced Price Meal Application form) its student population for eligibility for free and reduced priced meals under federal guidelines in

accordance with State Board of Education regulations. On all fee lists and schedules, Justice High shall include notification of the policy of waiver of fees for indigent students.

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

8.7.1 Justice High shall have authority to exercise independently, also consistent with federal and state law, the following powers (including such other powers as provided for elsewhere in this Contract and in the Application to the extent consistent with this Contract): prepare purchase orders for goods and services; prepare a proposed budget; select personnel and determine their compensation; 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 such conditions prescribed by the donor as are consistent with law and not contrary to any of the terms of this Contract or applicable Board policy. If Justice High applies for a grant that creates an obligation for the School District, then Justice High shall obtain advance written approval from the School District and, if necessary, comply with applicable School District purchasing and accounting policies.

8.7.2 Justice High shall comply with applicable provisions of TABOR. Justice High 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 Justice High or the School District without the prior express written consent of the School District.

8.7.3 In exercising its powers, Justice High shall comply with all presently existing applicable Board-approved policies, except as amended by this Contract, unless a specific waiver is obtained. All School District -approved policy and regulation changes will be available to Justice High when made available to other schools within the School District and in the same manner as for other schools within the School District. Justice High shall furnish to the Board copies of all written policies or procedures it may develop with respect to any matter relating to its operations and educational program upon adoption of such policies by the Justice High Board of Directors or by the body designated with such authority in Justice High's bylaws. Justice High agrees to comply with future policies unless Justice High demonstrates to the School District that any such policy would materially interfere with essential elements of Justice High's educational program as implemented pursuant to its Application, as amended herein. In that case, the parties agree to negotiate the potential for a waiver of such policy.

8.7.4 Justice High shall clearly indicate to vendors and other entities and individuals outside the School District with which or with whom Justice High desires to transact business that the obligations of Justice High under any agreement are solely the responsibility of Justice High and are not the responsibility of the School District.

8.7.5 All cash gifts or donations and all gifts or donations of property, having a reasonable value in excess of \$5,000, shall be reported by Justice High to the School District by recording the same in the financial records required under paragraph 7, above. Justice High shall report to the Board of Education within fourteen days the acceptance of any gift or donation in excess of \$10,000 and shall obtain the prior approval of the Board of Education for any grant and any gift or donation that would involve any condition or obligation on the part of the School District. Grants and gifts to Justice High and Justice High's fund raising activities shall be consistent with School District policies, unless otherwise approved by the Board of Education, but will not affect funding by the School District pursuant to this Contract. All non-consumable grants, gifts, and donations shall be considered the property of the School District, unless otherwise provided in writing by the donor.

8.7.6 Unless otherwise agreed in writing by the School District, Justice High shall not have the authority to enter into a contract or subcontract for the management or delivery of its instructional program or services by any person or entity that is not a teacher or administrator employed directly by Justice High itself or the School District. This provision shall not prevent Justice High from engaging Dreamcatchers or other independent contractors to teach selected, specific classes from time to time, as needed.

8.7.7 Justice High shall utilize appropriate financial management procedures and internal controls; and shall cooperate with School District Business Services staff to implement best practices.

8.8 Waivers. Justice High will be granted certain waivers from Board-approved policies and regulations upon approval by the School District of acceptable replacement policies. The waivers from Board policies and the waivers from state law to be requested jointly, if any, are set forth in attached Exhibit D, which is hereby incorporated into this Contract.

8.9 Bidding Requirements. Unless purchased from or through the School District, contractual services and purchases of supplies, materials, and equipment shall be procured through a system of competitive bidding, as required by Board policy and state law.

8.10 Periodic Review of Progress. Justice High shall be subject to a review of its operations and finances by the Board or a designee upon reasonable advance written notice. Justice High shall, by October 15 of each year, provide to the School District a written report concerning its operations, including, without limitation, progress made towards achieving its educational goals and objectives, content standards, policy development issues, student performance standards, student attendance and discipline information, personnel matters, and other provisions of its Application. Justice High agrees to cooperate with School District administrators to coordinate the efficient reporting of data, including student discipline, student achievement data, and data required by C.R.S. §§ 22-7-601 et seq., to fulfill the School District's statistical reporting needs.

8.11 Financial Reports. Unless provided by the School District as part of Business Services, Justice High shall be responsible for confirming with the School District, within twenty days following the end of each month, written revenue and expenditure reports with comparisons to budget and, on an annual basis, a financial statement that reports the costs of administration, instruction, and other spending categories, consistent with the format required by state law. So long as Justice High's financial records are maintained by the School District's office of Business Services in accordance with the Colorado Department of Education's Financial Policies and Procedures, are supplemented monthly by Justice High with respect to any expenditures and revenues received by Justice High from sources other than the School District, and are available to members of the Board or designee upon request, the reporting requirements described in this paragraph shall be considered fulfilled.

8.12 Term. It is the intent of the Board of Education of the School District that the Charter and this Contract are to be effective as of the date first written above but to provide for a term of operation for funding purposes commencing July 1, 2016, through June 30, 2021. Although this Contract is for operation of Justice High as a charter school in the School District for a period of five years, any financial commitment on the part of the School District contained in this Contract is subject to annual appropriation by the Board of Education. The parties agree that the School District has no obligation to fund the financial obligations under this Contract other than for the then current year of the Contract term and acknowledge that the School District has not irrevocably pledged and held for payment sufficient cash reserves for funding Justice High or for providing services described herein for the entire term of the Contract. Renewal of the Charter may be sought by Justice High in accordance with C.R.S. § 22-30.5-110(2).

8.13 Termination.

8.13.1 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 by Justice High. Justice High shall first be given a reasonable opportunity to cure the breach after receiving written notice of the breach from the School District. Justice High shall also give the School District written notice of any alleged material breach of this Contract by the School District. The School District shall be given a reasonable opportunity to cure the breach after receiving written notice of the breach from Justice High. For this purpose, reasonable opportunity to cure shall mean cure within fourteen days of the effective date of such notice, or in the case of breaches which cannot practically be cured within fourteen days, commencement of the cure within fourteen days and diligent pursuit of the cure to the satisfaction of the School District until the cure is complete; and, to the extent reasonably practical, the School District shall exhaust the dispute resolution provisions set forth in Paragraph 12.9. Should Justice High 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, upon thirty days' advance written notice; provided, however, Justice High shall not terminate the Contract with the School District and become a State Institute Charter School prior to the expiration of the originally agreed-upon term stated in Paragraph 8.12. In the event of termination, all assets not requiring return or transfer to donors or grantors or required

for discharge of existing liabilities and operations of Justice High shall be returned to the School District. Unless a donor or grantor specifically provides otherwise in writing, all gifts, donations, and grants shall be assumed to be made to the School District for the benefit of Justice High and shall be included among the assets returned to the School District upon termination of this Contract.

8.13.2 During the period after the School District gives Justice High written notice of a termination or a material breach, in addition to any other rights, the School District shall also have the following additional rights and powers to (a) require Justice High to promptly take such actions as may be necessary to freeze bank accounts and other assets of Justice High and/or to require School District approval of any expenditure or disposition of assets, and to (b) receive full and complete access to all Justice High records, data, and information. In the event the School District should exercise its rights under this paragraph, to the extent reasonably possible it will endeavor to allow the school to continue to operate during any cure period and completion of the dispute resolution process.

8.13.3 Notwithstanding any other provision of this Contract, in the event of an emergency as defined by the Charter School Emergency Powers Act, C.R.S. 22-30.5-702 et seq., the procedures set forth in the Emergency Powers Act shall be followed.

8.14 Notification Provided to the School District.

Justice High shall timely notify the School District in the following situations:

- a. The discipline of Justice High employees arising from misconduct or behavior that may have resulted in harm to students or others, or that constituted violations of law;
- b. Any complaints filed against Justice High by any governmental agency;

Justice High shall immediately notify the School District of any of the following:

- a. Conditions that may cause Justice High to vary from the terms of this Contract, applicable School District requirements, federal and/or state law;
- b. Circumstances requiring the closure of Justice High, including, but not limited to, a natural disaster, such as an earthquake, storm, flood or other weather-related event, other extraordinary emergency, or destruction of or damage to the school facility;
- c. The arrest of any members of the Justice High Board or Justice High employee for a crime punishable as a felony or any crime related to the misappropriation of funds or theft;
- d. Misappropriation of funds;
- e. A default on any obligation, which shall include debts for which payments are past due by sixty (60) days or more; or
- f. Any change in its corporate status with the Colorado Secretary of State's Office or status as a Section 501(c)(3) corporation that is not cured within sixty (60) days of notice of the same.

8.15 Safety and Security and Crisis Communication. The School District and Justice High shall collaborate on safety and security issues and on school crisis planning, including communication protocols and trainings.

8.16 Dissolution. In the event Justice High should cease operations for whatever reason, including the nonrenewal 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 Justice High; provided, however, that in doing so, the School District does not assume any liability incurred by Justice High 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 Justice High during the time of its existence, consistent with any donor conditions.

9.0 Employment Matters. The parties agree that teachers and other staff employed by Justice High are employees of Justice High, and are not employees of the School District.

9.1 Hiring of Personnel.

9.1.1 The School District agrees that Justice High may select its personnel directly without prior authorization from the Board, subject to compliance with all federal and state rules and regulations, including, without limitation, requirements concerning the recruitment of applicants; the use of background and criminal checks (as provided by C.R.S. 22-30.5-110.5 and 110.7, unless a specific waiver is obtained from the State Board of Education or other proper authority); certification and/or licensure requirements for teachers and the principal, except as may be waived by the State Board; and determination of whether the applicant is eligible to work in the United States. All persons who are hired to perform services at Justice High shall be considered "at-will" employees or authorized volunteers. The School District shall endorse applications for alternative certification or licensing by Justice High teachers; provided, however, that Justice High shall be responsible for any costs associated with such application and approval process. Justice High shall inform the School District's Superintendent or designee of all personnel selected. The Justice High Board of Directors may terminate the employment of any personnel so long as such employees are not terminated for any reason prohibited by law. The Board of Education reserves the right to terminate the employment of any personnel for cause after consultation with the Justice High Board of Directors.

9.1.2 To be qualified to teach at Justice High, in addition to such requirements as may be determined by the Board of Directors, individuals must be "highly qualified" as required by the No Child Left Behind Act for teachers in charter schools.

9.2 Employee Compensation, Evaluation, and Discipline. The School District agrees to cooperate with Justice High in considering the waiver of Board-approved policies and

regulations concerning the compensation, evaluation, promotion, discipline, and termination of employees at Justice High, subject to compliance with all applicable state rules and regulations, unless specific waivers are obtained from the State Board of Education. School District policies will remain in effect and be followed by the Justice High Board of Directors until the adoption by the Justice High Board of Directors of policies regarding these matters that are in compliance with applicable law and approved by the School District.

9.2.1 Justice High's Board of Directors shall be independently responsible for the supervision and evaluation of the teachers and other staff within Justice High, and will carry out such responsibility as set forth in the Justice High Bylaws.

9.2.2 The Justice High Board of Directors with input from parents, students, faculty, and School District administration shall be responsible for annually evaluating the performance of the school principal. The written results of such evaluation and the evaluation report shall be made available to the Board, Superintendent or designee on or before July 1 of each year upon request.

9.2.3 Justice High shall adopt its own written policies in compliance with federal and state law, concerning the recruitment, promotion, discipline, and termination of personnel; methods for evaluating performance; and a plan for resolving employee-related problems, including complaint and grievance procedures to the extent that such are not currently set forth in the Application. Justice High shall not have the authority, by virtue of such policies or procedures or other action of its Board of Directors, to change the "at-will" nature of the employment relationship except by express and specific agreement with a particular employee. School District policies shall remain in effect until the adoption by the Justice High Board of Directors of policies regarding these matters that are in compliance with applicable law and approved by the School District. To the extent Justice High has an employee complaint and grievance procedure, final administrative appeals in matters regarding employment and employee discipline shall be determined by Justice High's Board of Directors and not by the School District's Board.

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

9.3 Payroll. If Justice High purchases payroll services through the School District, employees shall be paid through the payroll department of the School District using its procedures for paydays and pay periods and for recording employee work hours, overtime, absences, leaves, vacation, and other adjustments, as contained in applicable Board-approved policies and regulations.

9.4 Benefits. So long as authorized by the provider of the respective School District benefit programs, Justice High's compliance with eligibility and participation requirements, and Justice High's purchase of payroll services from the School District, employees at Justice High

shall receive the same insurance benefits as are provided to other comparable School District employee groups. The School District shall endeavor to provide Justice High with at least six months notice prior to any discontinuation of coverage. In contracting for insurance coverages contemplated by this section, the School District will advocate for inclusion of Justice High. Unless otherwise agreed in writing, all benefit programs will be handled and administered by the School District for Justice High consistent with the procedures utilized by the School District's Business Services Division. Justice High may determine to contract independently for its employees' benefits provided that Justice High has given the School District written notice prior to October 1 of the then-current fiscal year (nine months prior to the July 1 insurance benefits renewal) and that Justice High has also waived the purchase of payroll services through the School District.

9.5 PERA Membership. All employees at Justice High shall be members of the Public Employees' Retirement Association and subject to its requirements. Justice High shall be responsible for the cost of the employer's share of any required contributions.

9.6 Equal Opportunity Employer. Justice High 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, sexual orientation, gender identity/expression, religion, age, ancestry, or disability in its recruitment, selection, training, utilization, termination, or other employment-related activities.

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

9.8 Employee Records. Justice High shall comply with all Board-approved policies and regulations, as modified and not waived herein, and applicable federal and state laws, concerning the maintenance and disclosure of employee records, including, without limitation, the requirements of the Colorado Open Records Act, §§ 24-72-204.

9.9 Employee Conflicts of Interest. All employees at Justice High shall comply with the Board's policy and regulation, and applicable state law, concerning employee actual and potential conflicts of interest.

9.10 District Teachers. If current School District teachers are hired by Justice High, they will be granted a one-year leave of absence from their employment with the School District. Such leave shall commence on the first day of services as a teacher for Justice High. Upon the request of the teacher and the mutual agreement of the teacher and Justice High, the teacher will be granted a second and a third consecutive one-year leave of absence from the School District while employed at Justice High. Teachers who are granted a leave of absence must notify the School District by April 1 of the year of the leave of their intent to return to the School District. Teachers

who desire to return to the School District after a one-, two-, or three-year leave of absence will be assigned to a position for which they possess the appropriate qualifications and certification. Current or future probationary teachers in the District who are selected for positions at Justice High shall not accrue years of service toward non-probationary status in the School District. However, salary increments or reductions will accrue to the teacher while he/she is on leave under this provision. Teachers who do not request a second or a 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 for any purpose other than the protections under the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101-120, during the time they were employees.

10.0 Insurance and Legal Liabilities.

10.1 Insurance. It is agreed that during the initial term of this Contract, the School District will provide insurance coverages as set forth in Exhibit C, attached and incorporated into this Contract, which are consistent with the coverages available to the School District itself. Justice High agrees that it will coordinate all risk management activities through the School District's risk management staff and comply with all risk management practices and procedures of the School District. This will include, without limitation, participation in any training, inspections, and safety precautions required by the School District or its insurers; the prompt reporting of any and all pending or threatened claims; 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.

Justice High shall neither compromise, settle, negotiate, nor otherwise affect any disposition of potential claims asserted against it without the School District's prior written approval. So long as Justice High is in compliance with these insurance and risk management requirements, the deductible portion of any insured claims shall be covered by the School District.

10.2 Compliance. Justice High 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 as indicated in attached Exhibits D and E or unless such waiver is obtained from the proper authority pursuant to the procedures of Paragraph 10.2.1 below subsequent to the execution of this Contract.

10.2.1 Waivers. Waivers of School District policies approved by the School District are referenced on Exhibit E. Further modifications or waivers from specific Board-approved policies or regulations and/or state law may be requested by Justice High by submitting such a request, in writing, to the School District's Superintendent in compliance with state regulations. The request shall include the reasons why Justice is in need of or desires the waiver and alternative or substitute policies proposed, if any. The Superintendent shall have ten school days to review the request and, thereafter, will present the matter before the Board at its next regular meeting. The Board shall have twenty school days to consider the matter prior to rendering a decision at a regular meeting. 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 Justice High

seeks a waiver is required by state law, or where Justice High 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. The Board's decision with respect to any requested waiver of School District policy shall be final.

10.2.2 Faith and Credit. Justice High will not extend the faith and credit of the School District to any third person or entity. Justice High 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, and it agrees to include a statement to this effect in each contract it enters into with third parties. Justice High 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 TABOR. Justice High also is limited in its authority to commit its funds by the amount of funds obtained from and held on its behalf by the School District, as provided hereunder, or from other independent sources.

10.2.3 Indemnification. To the extent not covered by insurance, not otherwise provided in this Contract, or not barred by the Colorado Governmental Immunity Act, Justice High agrees to indemnify and hold the School District, its Board, agents, and employees harmless (to the extent of any funding that would otherwise have been made available to Justice High under this Contract) 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 or any other losses of any kind whatsoever brought in connection with or related to the operations of Justice High and/or the conduct of any of Justice High's employees, agents, representatives, or volunteers that are proximately caused by those employees assigned at Justice High or agents of Justice High. This indemnity shall not extend to any negligent or intentional acts of any School District employee who is not assigned primarily to Justice High. 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 or other law. Justice High's indemnification and hold harmless obligation hereunder shall include all reasonable attorneys' fees, costs, and expenses incurred by the School District in defense of such suits, actions, grievances, charges or proceedings.

10.2.4 Indemnification by Independent Entities/Governmental Immunity. In the event Justice High authorizes, with the School District's prior written approval, another person or entity to operate a before- and/or after-school, intersession, or other program as an independent contractor that rents a portion of the Justice High facility or charges Justice High for services provided off-campus, 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 Justice High, the School District, and the property owner as additional insureds. Such person or entity will also agree to indemnify and hold Justice High, 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 Justice High of any kind of applicable limitations of liability provided by the Colorado Governmental Immunity Act.

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

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 Justice High 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 Justice High's Principal, in the case of notice being sent to Justice High, or to the Office of the Superintendent 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 Application, and Board of Education policies,

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 Justice High 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 Justice High Board of Directors shall have standing and capacity to enter into and enforce any of the terms of this Contract on behalf of Justice High. Any action by Justice High's representative body on behalf of Justice High 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. Justice High 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 Justice High, without the prior written approval of the Board of Education.

12.9 Dispute Resolution. In the event any dispute arises between the School District and Justice High 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 of the School District or her or his designee for review. Thereafter, representatives of the School District and Justice High 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, they shall submit the matter to an independent mediator, who shall be agreed upon by the parties within ten (10) calendar days following either party's request for mediation (the "moving party"). 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 Arbiter Group, Denver, Colorado, and submit them to the other party (the "non-moving 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) calendar days after delivery of the list to the non-moving party. The mediation shall be scheduled and concluded within thirty (30) days of the mediators' selection. The mediation process shall be closed to the public and all information submitted during mediation shall be confidential to the extent provided by law. At the conclusion of the mediation, if the dispute is still not resolved, the mediator shall make an advisory recommendation to the Board of Education of the School District, which shall make a determination within thirty (30) days of receipt. The decision of the Board shall be final; provided, however, Justice High may appeal to the State Board concerning those matters within its jurisdiction under the Act.

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 within the School District, the parties agree to approach the relationship between them in a healthy, positive and supportive manner and to avoid publishing or dispensing disparaging or factually inaccurate information about the educational programs offered by the other.


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, subject to the provisions of Paragraph 12.7, Justice High's Board of Directors. 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 regulations, or other requirements, it is agreed that this Contract and Board policies and regulations shall control, unless waived.

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

JUSTICE HIGH SCHOOL

By:




Vice Chairman
For the Board of Directors

ATTEST:

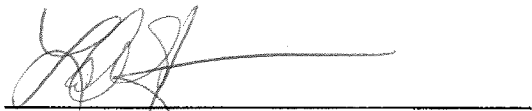
BOULDER VALLEY SCHOOL DISTRICT RE-2

By:



Sam Fuqua, President
Board of Education

ATTEST:



Laura Shafer, Secretary

Approved as to form:

School District Attorney


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BOULDER VALLEY SCHOOL DISTRICT RE-2

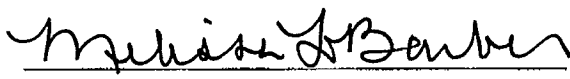
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School District Attorney

Index of Exhibits

- Exhibit A Renewal Application
- Exhibit B Funding Package
- Exhibit C Insurance
- Exhibit D State Law and Board Policy Waivers