

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' 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

