

CHARTER SCHOOL RENEWAL CONTRACT

This Charter School Renewal Contract ("Renewal Contract"), dated this 29th day of May, 2003, is made and entered into by and between Jefferson County School District No. R-1 ("School District") and Excel Academy ("Excel"), and shall become effective July 1, 2003.

RECITALS

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

WHEREAS, on the School District's Board of Education ("Board") approved Excel's original Application February 16, 1995 (attached and incorporated herein as Exhibit A) to form and operate a charter school in the School District; and

WHEREAS, Excel has operated as a charter school within the School District since June 1, 1995 pursuant to various contracts and contract addenda entered into with the Board; and

WHEREAS, the Board and Excel are currently operating under a contract for the term February 5, 1998 through June 30, 2003; and

WHEREAS, Excel seeks a renewal of its charter and contract and desires certain waivers from School District policies/regulations and state law, as specified in the Renewal Application (consisting of the Excel Self-Study and the External Site Visit Report prepared by the Colorado League of Charter Schools Accountability Program) attached and incorporated herein as Exhibit B; and

WHEREAS, the Board has the authority to waive School District policies and regulations only to the extent permitted by law; and

WHEREAS, the authority of the Board, as approved by the State Board of Education, to provide waivers from the requirements of state law only extends to provisions contained in Title 22 of the Colorado Revised Statutes; and

WHEREAS, the School District desires to renew the Excel charter and contract in accordance with the terms and conditions stated herein.

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

AGREEMENT

1. Mission Statement. The mission statement contained in the Application and Renewal Application is approved by the School District to the extent it is consistent with the principles of the General Assembly's declared purposes for enacting the Charter Schools Act as set forth in C.R.S. §§ 22-30.5-102(2) & (3):

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

2.1 Student Attendance, Conduct and Discipline. Excel agrees that it shall comply with all School District policies/regulations concerning student attendance, standards of conduct and discipline unless and until Excel adopts its own written policies that are approved by the School District. Excel's procedures shall provide for an appeal in student discipline cases, except expulsions, to the Excel Board of Directors. Where the principal of Excel recommends a student for expulsion, the proceedings shall be referred to the School District's Charter Schools Administrator for handling through the School District's expulsion processes. The School District's Board shall have final authority regarding appeals in student expulsion cases.

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

2.1.2 Excel may adopt its own set of written policies concerning student conduct and student discipline and may be granted a waiver from corresponding School District policies/regulations as long as the developed policies and procedures are in compliance with applicable federal and state laws, including but not limited to the grounds and procedures established by state statute for suspending, expelling or denying admission to a student.

2.1.3 Any material modifications to approved Excel student attendance, conduct or discipline policies shall be submitted to the School District for approval prior to implementation.

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

2.3 Academically Low-Achieving Students. Excel shall identify academically low-achieving, at-risk students and "exceptional children" as defined in regulations adopted by the Colorado State Board of Education, and shall provide its educational program to these

students in a manner that best serves their needs, as set forth in the Application, the Renewal Application, and this Renewal Contract.

2.4 Accountability and Accreditation. Excel shall comply with the educational accountability provisions of Colorado law, as amended from time to time, including but not limited to the Educational Accountability Act, C.R.S. §§ 22-7-101 *et seq.*; the Education Reform Act, C.R.S. §§ 22-7-401 *et seq.*; and the School Accountability Reporting Act, C.R.S. §§ 22-7-601 *et seq.* Excel also shall comply with the Educational Accreditation Act of 1998, C.R.S. §§ 22-11-101 *et seq.*, shall comply with the Accreditation Rules of the Colorado State Board of Education, including but not limited to tailoring educational programming to meet the individual needs of "exceptional children" as defined in such Rules unless the State Board of Education grants a request by Excel to waive any of said rules, and shall comply with the School District's Accreditation Contract, as amended from time to time.

2.5 Use of Constitutional One Percent Funding. Attached as Exhibit H is Excel's written plan, required by C.R.S. § 22-30.5-105(2)(b)(I), specifying for the 2003-2004 fiscal year how it will use the one percent increase in the statewide base per pupil funding provided by Colo. Const. art. IX, § 17 to raise student achievement. By May 1 of each year this Renewal Contract is in effect, Excel shall review and revise such plan for the following fiscal year.

3. Community Support. The Board finds that there exists sufficient support for the continuation of Excel as a charter school.

4. Statement of Need. The Board has determined that the Renewal Application and the level of community support for Excel sufficiently establish a continued need for educational choice within the School District and that renewal of the Excel program will serve that need in a manner that is in the best interests of the community.

5. Educational Program, Pupil Performance Standards and Curriculum. The Excel educational program, pupil performance standards and curriculum, as reviewed by the Board and contained in the Application and Renewal Application, are approved subject to the conditions set forth below. Excel's educational program reviewed by the Board and contained in the Application and Renewal Application does not include an on-line program pursuant to C.R.S. § 22-33-104.6, and Excel is accordingly prohibited from offering such an on-line program in the absence of a written amendment to this Renewal Contract expressly providing therefor.

5.1 Curriculum. Excel shall have the authority and responsibility for refining the design and implementation of its educational program, subject to the conditions of this Renewal Contract, in a manner that is consistent with state law, including but not limited to requirements regarding content standards.

5.1.1 The educational program, pupil performance standards and curriculum designed and implemented by Excel shall meet or exceed any content standards

adopted by the School District and shall be designed to enable each pupil to achieve such standards.

5.1.2 Excel agrees to comply with all state statutory requirements concerning subjects of instruction, unless specifically waived by the State Board of Education, including but not limited to 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 & -109; and the effect of use of alcohol and controlled substances, C.R.S. § 22-1-110.

5.1.3 Any proposed significant changes to the educational program or program delivery system described in the Application and/or Renewal Application, as amended herein, must be submitted to the School District for approval prior to implementation. Excel shall provide evidence reasonably acceptable to the School District of the complete scope and sequence of such program of instruction.

5.1.4 Excel shall submit to the School District for approval its process for resolving public complaints, including complaints regarding curriculum, which must provide an opportunity to be heard and an appeal process similar to that provided in current School District policies/regulations and procedures, except that the final administrative appeal shall be heard by the Excel Board of Directors, rather than the School District's Board. Any material changes to the process shall be submitted to the School District for approval prior to implementation.

5.2 Records.

5.2.1 Excel agrees to comply with all recordkeeping requirements of the Board and/or federal or state law, and shall provide any reports necessary for the School District to meet its reporting obligations to the State Board of Education, Colorado Department of Education and U.S. Department of Education. Student records include but are not limited to 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.

5.2.2 Excel shall comply with all School District policies/regulations, and applicable federal and state laws, concerning the maintenance, retention and disclosure of student records, including but not limited to the Colorado Open Records Act, C.R.S. §§ 24-72-201 *et seq.*, and the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g.

5.3 Nonreligious, Nonsectarian Status. The educational program of Excel shall be nonreligious, nonsectarian, and, consistent with applicable law and School District policy, shall not discriminate against any student on the basis of race, color, creed, national origin, sex, marital status, sexual orientation, religion, ancestry, disability or need for special education services.

5.4 Enrollment. Enrollment shall be open to any child who resides within the School District and to any child who resides outside of the School District, subject to compliance with Colorado public schools of choice statutes, School District policy/regulations and this Renewal Contract.

5.5 Admissions. Students shall be considered for admission into Excel in accordance with School District policy/regulations, including but not limited to policies/regulations and procedures for open enrollment, unless specifically waived. In all cases, admissions shall be without regard to race, color, creed, national origin, sex, marital status, sexual orientation, religion, ancestry, disability or need for special education services. Students who reside outside of the School District shall not be admitted to Excel until all applicants who reside in the School District and who qualify for admission have been enrolled. Denial of admission shall be handled in a manner consistent with state law and School District policy/regulations. By April 15 of each year this Renewal Contract is in effect, Excel shall submit to the School District the names, ages, grade levels and addresses of all those students known to be enrolled in the school for the upcoming academic year.

5.6 Education of Students with Disabilities. Excel agrees to comply with all School District policies/regulations and the requirements of federal and state law concerning the education of children with disabilities, and shall provide special education programs and services at a level consistent with other schools in the School District serving the same grade levels. Upon enrollment of a student, Excel shall determine whether the student has been identified as a child with disabilities. If so, Excel shall obtain a copy of the student's individualized education program ("IEP"). A properly constituted IEP team shall be convened to determine whether Excel is an appropriate placement for the student, and if so, the manner in which the IEP will be implemented at Excel.

5.7 Tuition and Fees. Tuition shall not be charged to students at Excel, other than for before and after school programs or extended kindergarten programs, or as otherwise permitted by law. Nonresident students may be admitted pursuant to applicable law and School District policy/regulations. In the case of enrollment of a nonresident student with disabilities in Excel, Excel shall enter into a contract with the student's school district of residence for tuition to cover excess costs incurred in educating the student. Prior to execution of the contract by Excel, the contract shall be submitted to the School District for approval. The tuition charge shall be determined pursuant to guidelines developed by the Colorado Department of Education in accordance with C.R.S. § 22-20-109(5). Student fees may be charged by Excel so long as in accordance with applicable Colorado law, including but not limited to the provisions of C.R.S. §§ 22-32-110(1)(o) & (p) and 22-32-117. Excel shall provide the School District with a schedule of all proposed fees for the ensuing fiscal year by May 1 of each year this Renewal Contract is in effect.

5.8 Extracurricular Activities. Subject to the provisions of C.R.S. § 22-32-116.5 and this Renewal Contract, Excel students may participate in nonacademic activities at other schools in the School District provided that the prerequisites for participation are met and there is space available in the desired activity or program. Where such participation requires

payment of a fee, Excel or the student shall be responsible for payment of the fee. Excel students shall not be eligible for enrollment in academic courses at other schools on a part-time basis.

6. Evaluation of Pupil Performance and Procedures for Corrective Action. The Board accepts Excel's methods for evaluating pupil performance and procedures for corrective action contained in the Application and Renewal Application, as amended herein and subject to the conditions below. Excel agrees to conduct standardized testing using forms and schedules prescribed by the School District in order that the School District may fulfill statistical reporting requirements. Excel agrees to cooperate with School District administrators to coordinate testing and reporting of test data with the School District's statistical reporting needs. Excel also agrees to implement any testing requirements necessary to meet the School District's obligations under the provisions of Colorado law, including but not limited to the Accountability Act and the Accreditation Act.

6.1 Excel agrees to follow the timelines set forth in the Application and Renewal Application for achieving its goals, unless such timelines have been amended with the prior written agreement of the School District.

6.2 Suspension or expulsion of students from the academic program shall be in accordance with School District policy/regulations, and applicable federal and state law.

6.3 Transfer of students from Excel to another school in the School District shall be accomplished in accordance with School District policy/regulations, including but not limited to policies and regulations concerning open enrollment and transfer.

6.4 Excel shall meet the standards for accreditation within the School District as specified in the District's Accreditation Site Review Form, including but not limited to completion of all actions required for such accreditation within prescribed timelines.

6.5 With respect to each subject area not tested under the Colorado Student Assessment Program ("CSAP") for which the School District has developed embedded assessments designed to measure achievement of standards, Excel shall notify the Charter School Administrator in writing prior to July 1 of the fiscal year following the fiscal year in which such embedded assessments were developed as to whether it will use the School District's embedded assessments or whether it will use its own embedded assessments. If Excel intends to use its own embedded assessments, it shall submit its proposed assessment program for review with its written notice to the Charter School Administrator, and may only implement and use its assessment program if approved by the School District. Excel shall adhere to all School District timelines for developing (if applicable) and administering assessments.

7. Economic Plan, Budget and Annual Audit. The proposed Budget section of the Renewal Application is amended as follows (which amendments, and all other provisions of this Renewal Contract, shall supersede and control over any conflicting language contained in the Application and Renewal Application):

7.1 Funding.

7.1.1 During the 2003-2004 school year, the parties agree that the School District shall provide funding to Excel in the amount of ninety-five percent (95%) of the School District per pupil revenues ("PPR"), as defined by C.R.S. § 22-30.5-112(2)(a.5)(II), for each funded FTE pupil enrolled at Excel, which, unless amended, shall reflect the one percent (1%) increase in state base per pupil funding as provided by Colo. Const. art. IX, § 17 and required by C.R.S. § 22-30.5-112(2)(a)(III)(B). For purposes of calculating enrollment, kindergarten students shall count as one-half of one funded FTE pupil. Notwithstanding the foregoing, funding for the 2003-2004 school year shall be subject to an enrollment cap of two hundred forty-eight (248) FTE pupils. Funding under this paragraph 7.1.1 shall not be provided for students enrolled in and/or attending Excel in excess of this enrollment cap, unless the School District agrees in writing to such additional funding. The term "funded FTE pupil," as used in this paragraph, shall be deemed to mean a full-time equivalent student enrolled as of the counting dates or periods set forth in the Public School Finance Act of 1994, C.R.S. §§ 22-54-101 *et seq.*, or corresponding provisions in any successor acts, and State Board of Education regulations. The five percent of PPR that the parties have agreed will be retained by the School District shall be reconciled to actual costs within 90 days after the end of the fiscal year as required by C.R.S. § 22-30.5-112(2)(a.4), and if the actual costs of central administration overhead and services provided without separate charge under this Renewal Contract are less than the five percent of PPR, the difference between the amount initially charged to Excel and the actual cost shall be paid to Excel.

7.1.2 In addition, Excel shall receive funding from the School District's November 1999 budget election on the same basis as other schools in the School District. For the 2003-2004 school year, Excel shall receive _____ Dollars (\$_____) for each funded FTE pupil, upon the School District's acceptance of Excel's plan for use of the funding to improve student achievement.

7.1.3 As long as Excel is not in material breach of this Renewal Contract, funding under this section 7.1 will be made available to Excel in quarterly installments on July 1, 2003, October 1, 2003, January 1, 2004, and April 1, 2004 for the first year of the term of this Renewal Contract, and on July 1, October 1, January 1, and April 1 in each subsequent year this Renewal Contract is in effect, subject to adjustments, deductions and annually contracted services as set forth in Exhibit D and as provided in this Renewal Contract. The School District will deposit such quarterly payments in a separate account established for Excel by the School District. All checks drawn by or on behalf of Excel shall be debited against that account, and Excel will not be permitted to spend funds in excess of the funds available in the account without the prior express written consent of the School District.

7.1.4 During each year this Renewal Contract is in effect, the School District will adjust the funding to reflect the actual funded FTE pupil count as of October 1, subject to the enrollment cap. The parties acknowledge that under the current version of the School Finance Act, neither Excel nor the School District will receive funding for students in the year of enrollment if the student first enrolls in Excel or the School District after the October 1

count date. In addition, to the extent the School District experiences any reduction or increase in state equalization support by a legislative rescission or other action, proportionate reductions or increases will be made to Excel by adjustment or setoff in subsequent months.

7.1.5 Excel shall receive a proportionate share of funding provided under the Exceptional Children's Education Act, C.R.S. §§ 22-20-101 *et seq.* ("ECEA"), for special education, calculated in accordance with the following formula:

$$\frac{\text{Total District ECEA Revenue}}{\text{Total \# of Identified Students in the District}} \times \text{\# of Identified Students at Excel}$$

For the 2003-2004 school year, such funding shall be provided on or before February 1, 2004, and on or before February 1 of each subsequent year this Renewal Contract is in effect. Excel shall provide and bear the cost of special education services at the school at a level comparable to regular schools in the School District serving the same grade levels, including related services and required paraprofessional support. Where a student with disabilities enrolled in Excel requires more extensive services than are customarily provided by regular School District schools serving the same grade levels, the School District will be responsible for providing such services. In addition, the School District will provide oversight and support from central administrators, access to District-wide special education programs and defense of due process hearings through the administrative appeal level, on the same basis as such oversight, support, access and defense are provided to other School District schools. As consideration for the School District's assumption of these responsibilities, for the 2003-2004 school year the School District shall retain Two Hundred Seventy-Five Dollars and Sixty-Two Cents (\$275.62) per funded pupil from the revenues provided under paragraph 7.1.1 above. The School District shall also retain, as consideration for its assumption of responsibilities under this paragraph 7.1.5, the funding it receives under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 *et seq.* ("IDEA"), attributable to identified students with disabilities enrolled in Excel. For the remaining years this Renewal Contract is in effect, the amount withheld for District-wide special education oversight, support and access to District-wide programs shall be determined annually in accordance with paragraph 7.1.7 below. Excel will provide the School District with evidence that special education service providers meet educational and certification or licensing requirements of state law, documentation of the nature and duration of services provided for each student with disabilities by such service providers, and other information required to complete applications for federal and state funds for students with disabilities.

7.1.6 For the 2003-2004 school year, the School District will withhold from funding provided to Excel under paragraph 7.1.1 above Twenty-Seven Dollars and Fifty-Six Cents (\$27.56) per funded pupil in Excel for District-wide English as a Second Language ("ESL") services. For the remaining school years this Renewal Contract is in effect, the amount withheld for District-wide ESL services will be determined annually in accordance with paragraph 7.1.7 below. It is the intent of the School District that Excel receive a proportionate share of funding provided by the federal and state governments for gifted and talented students and other federal and state grant sources, to the extent that Excel complies with the conditions and requirements of such grants, applicable law and reporting requirements under such grants. A

proportionate share of moneys generated under other federal or state categorical aid programs shall be directed to Excel for each Excel student eligible for such aid. Prior to receipt of such funds, Excel shall provide the School District with acceptable assurances that it will comply with various federal statutes, which assurances are required of recipients of federal funds for categorical aid. Excel shall provide the School District with data necessary to complete claims for such funds.

7.1.7 On or before May 1 of each year this Renewal Contract is in effect, the School District will review and approve Excel's budget for the upcoming fiscal year in order that the amounts may be determined in conjunction with the School District's and Excel's budget development and adoption process. Any significant changes in enrollment or requests for changes in the enrollment cap set forth in paragraph 7.1.1 above and adjustments in the amounts withheld by the School District for special education oversight, support and access to District-wide programs and for District-wide ESL services necessitated by changes in revenue and/or expenses shall be considered at that time. Any changes in the enrollment cap or amounts withheld by the School District shall be memorialized in writing. The parties also acknowledge that the intent of the Charter Schools Act is that funding and service agreements under this Renewal Contract shall be neither a financial incentive nor disincentive to establishment of a charter school.

7.1.8 Excel shall re-evaluate its long-term facility needs on or before April 1 of each year in connection with the development of its proposed annual budget. Requests for additional School District support in meeting such needs shall be subject to negotiation in connection with the budget setting process under paragraphs 7.1.7 and 7.2.8 of this Renewal Contract. Requests by Excel to fund necessary capital construction projects through ballot questions for approval of bonded indebtedness and/or a special mill levy shall be submitted in writing (with a capital construction plan as specified in C.R.S. § 22-30.5-404(3) and other supporting documentation) to the School District's designated Charter School Administrator as far in advance of the November election date as possible, and such requests shall be considered and action thereon shall be taken in accordance with governing law. As provided in the Charter Schools Act, funding to Excel under this Renewal Contract shall be reduced by the amount of any direct payments of principal and interest due on any bonds which may be issued on behalf of Excel by a governmental entity other than the School District for the purpose of financing capital construction that were made by the State Treasurer or the School District on behalf of Excel.

7.2 Budget. The 2003-2004 Budget submitted to the School District, attached as Exhibit C, is amended as follows:

7.2.1 The per pupil funding to be provided by the School District shall be in accordance with section 7.1 above.

7.2.2 Excel shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services. For the 2003-2004 fiscal year, the following services shall be provided without additional charge to Excel by the School

District: payroll, accounting, accounts payable (but not accounts receivable), cash management and tax anticipation note interest expense, compensation and records, benefits enrollment and processing (where employee benefits are purchased from the School District) and related costs for integration with the State, student data services, connection of phones and School District workstations and District-wide mandated assessments and all District-wide programs and services other than those specified in paragraphs 7.1.5 and 7.1.6 above and those set forth in Exhibit D. Excel shall have access to legal consultation (other than consultation on employment issues) through the School District's legal counsel where such assistance is requested through the School District's designated Charter School Administrator and where the School District determines that such assistance is appropriate. Nothing in this paragraph shall be construed to require Excel to accept the services offered without charge as set forth above. Excel staff may participate in School District staff development activities and programs on the same basis as staff employed by the School District. Where a fee is required for School District staff, such fee shall be paid by Excel. Excel may purchase from the School District the services and materials specified in Exhibit D at the costs specified therein. Costs shall be redetermined each subsequent year this Renewal Contract is in effect and attached as addenda to Exhibit D. Annually, when adopting its budgets, Excel will commit to purchasing the services it selects from the School District for the entire budget year. The following services are not available for purchase: networking services, facilities management, telecommunications, energy management, custodial services, small engine repair, transportation/fleet management, post-secondary options, preschool and early retirement. Costs shall be adjusted annually by the School District based upon its then-current budget and reconciled to actual costs within 90 days after the end of each fiscal year as required by C.R.S. § 22-30.5-112(2)(a.4), and any difference between the amount initially charged to Excel and the actual cost shall be paid to the owed party. If Excel does not purchase optional services, it shall be responsible for performing those activities or services itself, in the manner required by law for other schools in the School District, unless otherwise waived in writing by the School District. The parties acknowledge and agree that the provision of services, whether there are charges for such services, and the amount of charges for such services, may be negotiated at the end of each fiscal year for the immediately following fiscal year.

7.2.3 Excel shall be responsible for purchasing workers' compensation and unemployment insurance. If Excel elects not to purchase from the School District comprehensive general liability; property, boiler and machinery; and crime insurance in accordance with this Renewal Contract and Exhibit D, Excel shall purchase the insurance set forth in Exhibit E, and the School District will not provide or pay for legal fees, costs or judgments incurred in defense of litigation against Excel. In the event Excel is not insured through the School District and a special education due process hearing involving Excel is appealed to federal or state court, the School District will provide a defense through its legal counsel, and Excel shall pay one-half of the legal fees and costs incurred in the defense of such appeal, as well as its share of any judgment resulting from such appeals (including costs of court-ordered services, in accordance with the allocation of special education responsibilities set forth in this Renewal Contract, and one-half of any award of attorney fees and/or costs). If Excel retains an attorney for defense of such appeals, Excel shall be solely responsible for all fees and costs incurred in connection with such representation, as well as any judgment rendered against Excel. Excel shall have on file at all times a copy of the purchased insurance policies that, at a

minimum, meet the requirements of Exhibit E, as well as evidence that payment of premiums for such policies have been timely made. The insurance policies may provide for retentions (self-insurance) or deductibles in amounts other than those set forth in Exhibit E. In any event, Excel shall, at all times, maintain sufficient restricted cash reserves to cover all retention and/or deductible amounts and shall provide documentation that such reserves have been maintained.

7.2.4 Excel shall be responsible for assuring that services purchased from individuals or entities outside of the School District are provided in accordance with applicable law and School District policies/regulations, unless waived. If Excel elects to purchase accounting, accounts payable or payroll services outside the School District, Excel shall provide the School District: (a) a records retention program approved annually by Excel with assurances that required records are maintained; (b) quarterly financial reports within thirty (30) days of the end of each quarter with comparisons of actual revenues and expenditures to budgeted revenues and expenditures; and (c) copies of federal, state, Public Employees Retirement Association and other required compliance reports, with proof of any required payments, within five (5) business days of any due date.

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

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

7.2.7 If Excel purchases from the School District the insurance services and coverages set forth in Exhibit D, the School District will provide legal services, through the School District's legal counsel, for defense of suits, actions and claims against Excel sounding in tort, for which the School District provides insurance coverage, including appeals to federal or state courts of special education due process hearings. Such legal services shall not be provided for defense of matters involving workers' compensation, unemployment compensation or disputes with the School District. The provision of a defense is conditioned upon prompt notification by Excel 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 Excel not compromising, settling, negotiating or otherwise similarly dealing with the claim without the express consent of the Board. Excel acknowledges that in the event of a dispute between Excel and the School District, the School District's legal counsel will represent the School District and not Excel. Any potential conflict of interest arising from the representation of Excel by the School District's legal counsel shall be resolved in accordance with the Colorado Rules of Professional Conduct.

7.2.8 On or before April 1 of each year this Renewal Contract is in effect, Excel shall submit to the Board for its approval Excel's proposed balanced budget for the upcoming fiscal year. The budget format shall be in accordance with applicable state law. The projected Excel budget, when accepted by the School District for each fiscal year, will be attached and incorporated into this Renewal Contract as an addendum to Exhibit C.

7.2.9 The services provided by the School District in accordance with this Renewal Contract are subject to renegotiation on an annual basis. The School District may in subsequent years exercise its right to charge Excel the cost of some of the services previously provided without charge, so long as such charges are consistent with the Charter Schools Act.

7.2.10 By June 30, 2004, and each June 30 thereafter during the term of this Renewal Contract, Excel's ending fund balance must comply with the emergency reserve requirements of Colo. Const. art. X, § 20. For the 2003-2004 budget year and each budget year thereafter during the term of this Renewal Contract, Excel shall allocate the minimum per pupil dollar amount specified in C.R.S. § 22-54-105(2)(b) multiplied by the number of students enrolled in the charter school, to a fund created by the charter school for capital reserve purposes, as set forth in C.R.S. §§ 22-45-103(1)(c) & (e) or solely for the management of risk-related activities, as identified in C.R.S. § 24-10-115, and Article 13 of Title 29, C.R.S., or among such allowable funds. These monies shall be used solely for the purposes set forth in C.R.S. §§ 22-45-103(1)(c) & (e) and may not be expended by Excel for any other purpose.

7.2.11 The School District reserves the right to review contracts between Excel and any subcontractor.

7.3 Financial Records and Annual Audit. Excel agrees to establish, maintain and retain appropriate financial records in accordance with all applicable federal, state and local laws, rules and regulations, and to make such records available to the School District, as requested, from time to time. Excel will participate in an annual audit of its financial operations by a certified public accountant selected by the School District, the cost of which shall be included in the amounts withheld from per pupil revenues for central administrative costs pursuant to paragraph 7.1.1 above. Excel shall provide information required for the annual audits in accordance with the School District's closing schedule and reporting deadlines, and adequate documentation to support financial information required for the audits, in a format prescribed by the auditor. If Excel wishes to conduct an additional independent audit by an auditor of its choice or to obtain additional services or reports from the auditor selected by the School District, the cost of such additional audit, services or report shall be borne by Excel.

8. Governance and Operation: The Excel Board of Directors shall be accountable for the governance and operation of Excel and its compliance with the terms of this Renewal Contract. The governance and operation process set forth in the Application and Renewal Application concerning the nature and extent of parental, professional educator and community involvement in the governance and operation of Excel is accepted by the School District to the extent permissible under federal and state law and subject to all conditions of this Renewal Contract and to the policies and regulations of the School District, as amended and adopted from

time to time, except to the extent waived by the Board. In addition, the Application and Renewal Application are amended as follows, which amendments, and all other provisions of this Renewal Contract, shall supersede and control over any conflicting language contained in the Application and/or Renewal Application.

8.1 Corporate Status. Excel has incorporated, at its own expense, as a Colorado nonprofit corporation. Unless the parties agree otherwise in writing, Excel will continue to operate as a Colorado nonprofit corporation and will assure that the operation of Excel is in accordance with its articles of incorporation and bylaws. The articles of incorporation shall, at all times, include a provision specifying that upon dissolution, voluntary or otherwise, assets of Excel not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and obligations of Excel shall be returned to the School District. Unless a donor or grantor specifically provides otherwise, all gifts, donations and grants are assumed to be to Excel, and shall be included among the assets returned to the School District upon dissolution.

8.2 Volunteer Requirements. Any requirement that parents commit a number of volunteer hours shall be subject to a waiver process that considers individual family circumstances. Excel shall not condition the enrollment of any student on the commitment of the student's parents to provide any number of volunteer hours or on otherwise donating volunteer hours to Excel.

8.3 Conflict of Interest. Members of the Excel Board of Directors or any governing committee established for Excel shall comply with School District policies and regulations regarding ethics and conflict of interest, except that School District Policy GP-9 is waived only to the extent that it prohibits employees of a charter school from serving on its governing board.

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

8.5 Commitment to Nondiscrimination. Excel shall comply with all applicable federal, state and local laws, rules and regulations prohibiting discrimination on the basis of race, color, creed, national origin, sex, marital status, sexual orientation, religion, ancestry, disability or need for special education services.

8.6 Accountability. Excel shall operate under the auspices of and be accountable to the School District and subject to Colorado law, regulations of the State Board of Education and the Colorado Department of Education, and all School District policies and regulations, unless specifically waived. Excel agrees to participate in the School District accountability process in accordance with Board policy and state law. On or before September 15 of each year this Renewal Contract is in effect, Excel shall submit to the School District a school improvement plan. The plan shall include a concise written report concerning its operations, including but not limited to progress made toward achieving its educational goals and objectives, content standards, policy development issues, student performance standards, student attendance and discipline information, personnel matters, governance and other provisions of its Application and Renewal Application, and a statement comparing actual revenues and

expenditures to budget estimates. All records established and maintained in accordance with the provisions of this Renewal Contract, School District policy, and federal and state law shall be open to inspection by the School District.

8.7 Open Meetings Law. Excel acknowledges and agrees that it is subject to the provisions of the Colorado Open Meetings Law, C.R.S. §§ 24-6-401 *et seq.*, and that it will comply with the provisions of such law in connection with all of its activities. Public notice of all regular and special meetings of the Excel Board of Directors shall be given and posted in accordance with law and School District policy/regulations.

8.8 Indigent Students. Excel shall waive all fees for indigent students in accordance with School District policy/regulations and applicable federal and state law. Excel shall survey its student population for eligibility for free and reduced lunches under federal guidelines in accordance with State Board of Education regulations. On all fee lists and schedules, Excel shall include notification of the policy of waiver of fees for indigent students.

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

8.9.1 The Excel Board of Directors, on behalf of Excel, shall have authority to exercise independently, consistent with federal and state law, the following powers (including such other powers as provided for elsewhere in this Renewal Contract, and provided for in the Application and Renewal Application to the extent consistent with this Renewal Contract): contract for goods and services; prepare a budget; select personnel and determine their compensation; procure insurance; lease facilities for school purposes; 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 Renewal Contract. Unless otherwise agreed herein or in writing by the School District, Excel shall not have the authority to enter into a contract or subcontract for the management or administration of its core instructional program or services.

8.9.2 The Excel Board of Directors, on behalf of Excel, as an alternative to leasing school facilities, may purchase a facility to house the school, provided that the facility is appropriate for use as a school facility and meets the requirements of applicable law, or can be made to meet the requirements of applicable law within the budget approved by the School District, and provided that the Excel Board of Directors makes clear to any sellers, mortgagees and other parties to the purchase and/or financing agreements that the obligations of Excel under the purchase and/or financing agreements are solely the responsibility of Excel and are not the responsibility of the School District, and that such agreements and arrangements do not in any way obligate the School District in the event of default on the part of Excel. Prior to contracting for any facility or for any expansion of or significant modification to any facility, Excel shall comply with the provisions of C.R.S. § 22-32-124(1.5).

8.9.3 Excel shall comply with applicable provisions of Colo. Const. art. X, § 20. Excel 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 Excel or the School District

8.9.4 In exercising its powers, Excel shall comply with all applicable School District policies/regulations, except as amended by this Renewal Contract, unless a specific waiver is obtained. Excel shall furnish to the School District copies of all written policies, regulations and procedures it may develop concerning any matter related to its operations and educational program upon the adoption of such policies, regulations and/or procedures. For any policies, regulations or procedures submitted to the School District and approved in connection with a request for a waiver from state law or School District policy/regulations, Excel shall submit any material modifications of such policies, regulations and procedure to the School District for approval prior to implementation.

8.9.5 Excel shall clearly indicate to vendors and other entities and individuals outside the School District that the obligations of Excel under agreement or contract are solely the responsibility of Excel and are not the responsibility of the School District.

8.9.6 Excel shall report all gifts, donations and grants to the School District by recording same in the financial records required under paragraph 7.3 above. Excel shall obtain approval from the Board prior to the acceptance of any gift, donation or grant in excess of ten thousand dollars (\$10,000). Grants and gifts accepted by Excel, and Excel's fundraising activities, shall be consistent with applicable law, School District policies/regulations, and the provisions of this Renewal Contract. All non-consumable grants, gifts and donations shall be considered property of the School District, unless otherwise provided in writing by the donor.

8.9.7 In the event that Excel fails or refuses to conduct its operations or otherwise perform in accordance with the requirements of federal and state law, the Application and Renewal Application, or this Renewal Contract after advance written notice from the Charter School Administrator and a reasonable opportunity to correct the problem, the School District may use its resources to correct the problem and charge the reasonable cost thereof, including attorney and consultant fees and costs, against its quarterly funding of Excel as otherwise provided for herein.

8.10 Waivers. Excel will be granted certain waivers from School District policies and regulations upon approval by the School District of acceptable replacement policies, regulations or procedures, as set forth in Exhibit F. Waivers from state law, to be requested jointly by the parties, are set forth in Exhibit G which is hereby incorporated into this Renewal Contract.

8.11 Bidding Requirements. Unless purchased from or through the School District, contractual services and supplies, materials and equipment shall be procured through a system of competitive bidding, as required by School District policy/regulations and state law, unless a waiver has been obtained.

8.12 Financial Reports. Excel shall be responsible for confirming with the School District, within thirty (30) days following the end of each quarter of each fiscal year this Renewal Contract is in effect, 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.

8.13 Term. It is the intent of the School District's Board that this Renewal Contract is to be effective as of the date first written above for a period of five (5) fiscal years (2003-2004, 2004-2005, 2005-2006, 2006-2007 & 2007-2008) and is to terminate on June 30, 2008. Although this Renewal Contract is for operation of Excel as a charter school in the School District for a period of five (5) fiscal years, any financial commitment on the part of the School District contained in this Renewal Contract is subject to annual appropriation by the Board, and the parties agree that the School District has no obligation to fund the financial obligations under this Renewal Contract other than for the then-current fiscal year of the Renewal Contract term, and that the School District has not irrevocably pledged and held for payment sufficient cash reserves for funding Excel in future fiscal years or for providing services described herein in future fiscal years. Excel may apply for renewal of this Renewal Contract in accordance with procedures set forth in state law and School District policy/regulations.

8.14 Termination. This Renewal Contract may be terminated and Excel's Charter revoked by the Board for any of the grounds provided by state law, C.R.S. §§ 22-30.5-110(3) & (4), and/or for any material breach of this Renewal Contract, upon thirty (30) days' advance written notice being given to Excel. In the event of a material breach of the Renewal Contract, the School District shall provide Excel written notice of such breach prior to issuing written notice of termination. If Excel fails to cure the breach within seven (7) days of receipt of such notice, the School District may, at any time thereafter, provide written notice of termination. Should Excel choose to terminate this Renewal Contract and revoke its Charter before the end of the Renewal Contract term, it may do so with the Board's approval, at any time, upon sixty (60) days' advance written notice. 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 Excel 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 Excel and shall be included among the assets returned to the School District upon termination of this Renewal Contract.

8.15 Dissolution. In the event Excel should cease operations for whatever reason, including the nonrenewal or revocation of its Charter, or dissolution of the nonprofit corporation established pursuant to paragraph 8.1 above, it is agreed that the Board shall supervise and have authority to conduct the closure of the business and affairs of Excel; provided, however, that in doing so the School District does not assume any liability incurred by Excel beyond the funds allocated to it by the School District under this Renewal Contract. The School District's authority hereunder shall include, but not be limited to, the return and/or disposition of any assets acquired by Excel through purchase or donation during the time of its existence, including but not limited to real property. All assets not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and obligations of Excel shall be returned to the School District.

9. Employment Matters. The parties agree that teachers and other staff employed at Excel are employees of Excel, and are not employees of the School District. Excel is solely responsible for selecting, supervising, disciplining, determining compensation for and terminating its employees. No person employed by Excel shall be considered an employee of the School District by virtue of such employment, and the School District shall have no liability or responsibility for such persons. The employment policies set forth in the Application and Renewal Application, as amended by this Renewal Contract, concerning employment matters such as employee relationships, job description and terms and conditions of employment are accepted by the School District, and shall supersede the requirements of any School District policies/regulations, to the extent permitted by law, and subject to the following conditions and other provisions of this Renewal Contract:

9.1 Hiring of Personnel. Personnel may be selected by Excel subject to compliance with all federal and state rules and regulations, including, without limitation, requirements concerning the recruitment of applicants and the use of background and criminal checks, unless a specific waiver is obtained from the State Board of Education or other proper authority. Excel shall not place an employee under the direct supervision of, nor shall an employee be evaluated by, a member of the employee's immediate family. Excel may terminate the employment of any personnel without cause and for any reason not prohibited by law.

9.2 Employee Compensation, Evaluation and Discipline. The School District agrees to cooperate with Excel in considering the waiver of School District policies/regulations concerning the compensation, evaluation, promotion, discipline and termination of employees at Excel, subject to compliance with all state rules and regulations unless specific waivers are obtained from the State Board of Education. School District policies/regulations will remain in effect and shall be followed by Excel until the adoption by Excel of written substitute policies regarding such matters that are in compliance with applicable law and approved by the School District.

9.2.1 Excel shall be independently responsible for the supervision and evaluation of the teaching staff within Excel, as prescribed by the Application and Renewal Application.

9.2.2 Excel 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. Final administrative appeals in matters regarding employment and employee discipline shall be determined by the Excel Board of Directors and not by the School District's Board. Nothing in this paragraph 9.2.2 shall be construed to alter the at-will status of any employee of Excel.

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

9.2.4 Any additional material modifications to existing Excel policies regarding employee compensation, evaluation, promotion, discipline and termination that have been approved by the School District shall be submitted to the School District for approval prior to implementation.

9.3 Payroll. Unless Excel elects to contract for payroll and accounting services outside of the School District pursuant to paragraph 7.2.4 above, employees shall be paid through the payroll department of the School District using its procedures for recording employee work hours, overtime, absences, leaves, vacation and other adjustments, as contained in applicable School District policies/regulations. If Excel contracts for payroll services outside of the School District, Excel shall assure that records are maintained, reports are made and employment taxes are withheld and paid in accordance with the requirements of federal and state law and of the Public Employees Retirement Association.

9.4 Benefits. Excel may purchase on behalf of its employees health, dental and vision insurance coverage available to School District employees, at cost, in accordance with Exhibit D, provided that Excel uses the School District's payroll and accounting services.

9.5 PERA Membership. All Excel employees shall be members of the Public Employees Retirement Association ("PERA") and subject to its requirements. Excel shall be responsible for the cost of the employer's respective share of any required contributions.

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

9.7 Employee Welfare and Safety. Excel shall comply with all School District policies/regulations, and all applicable federal and state laws, concerning employee welfare, safety and health issues, including but not limited to the requirements of federal law for a drug-free workplace and statutorily required training concerning the Child Protection Act of 1987, C.R.S. §§ 19-3-301 *et seq.*

9.8 Employee Records. Excel shall be responsible for establishing and maintaining personnel records for its employees in compliance with all applicable School District policies/regulations, and applicable federal and state laws, concerning the maintenance, retention and disclosure of employee records, including but not limited to the requirements of the Colorado Open Records Act, §§ 24-72-201 *et seq.* Excel shall provide to the School District the employee identification data necessary for the payroll process and state reporting.

9.9 Employee Conflicts of Interest. All Excel employees shall comply with the School District's policies/regulations, and applicable state law, concerning staff conduct and staff conflicts of interest.

9.10 School District Teachers. Current teachers of the School District who are selected for employment by Excel are eligible for a one-year leave of absence from their

employment with the School District, consistent with state law, and may be eligible for two additional one-year leaves of absence upon mutual agreement of the teacher and the School District. Such leaves shall commence on the day following the last day of service to the School District required under the teacher's current contract and shall end on the first day of the teacher's provision of services upon the teacher's return to the School District. Leave for teachers will not be approved to commence prior to the completion of services by the teacher under the teacher's current contract with the School District. A request for return to the School District during the term of the leave may be granted by the School District at its sole discretion. The status of any teacher in the School District employed by Excel and on an approved leave from the School District shall not be affected by such employment; however, the teacher will not be eligible to move vertically on the School District's salary schedule. A probationary teacher shall not acquire nonprobationary status in the School District or accrue credit toward nonprobationary status with the School District based on employment with Excel while on approved leave. The period of time during which a teacher is on approved leave for employment with Excel shall not be credited as continuous service. Upon returning to the employment of the School District from an approved leave, Excel teachers in good standing will be provided a position with the School District, although not necessarily the same position as they previously held. A probationary teacher whose contract with the School District is nonrenewed prior to the commencement of services to Excel will not be provided a position in the School District upon completion of employment with Excel.

10. Insurance and Legal Liabilities. The Application and Renewal Application is amended as follows, which amendments shall supersede and control over any conflicting language contained in the Application and/or Renewal Application.

10.1 Insurance. Excel may purchase general liability, property and crime insurance through the School District for the cost set forth in Exhibit D. If Excel purchases such insurance from the School District, Excel agrees that it will coordinate all risk management activities through the School District's risk management office. This will include the prompt reporting of any and all pending or threatened claims, 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. Excel shall not compromise, settle, negotiate, or otherwise affect any disposition of potential claims asserted against it without the School District's prior written approval.

10.2 Legal Liabilities. Excel shall operate in compliance with all School District policies/regulations and all applicable federal, state and local laws, rules and regulations, unless specifically waived as indicated in attached Exhibits F and G, 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 Renewal Contract.

10.2.1 Waiver. Waivers from specific School District policies or regulations and/or state law may be requested by Excel by submitting such a request, in writing, to the School District's Charter Schools Administrator. The request shall include the reasons why Excel is in need of or desires the waiver and Excel's alternative policy or procedure for addressing the subject matter of the School District policy/regulation or of state law. The

Charter Schools Administrator shall have ten (10) school days to review the request and, thereafter, will present the matter to the Board at its next regular meeting. The Board shall have twenty (20) school days to consider the matter prior to rendering a decision at a regular meeting. Waivers of School District policies/regulations may be granted only to the extent permitted by state law. In the event the School District policy or regulation from which Excel seeks a waiver is required by state law, or where Excel otherwise requests release from a state statute or 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.

10.2.2 Faith and Credit. Excel agrees that it will not attempt to, purport to or actually extend the faith and credit of the School District to any third person or entity. Excel acknowledges and agrees that it has no authority to enter into a contract that would bind the School District and that Excel's authority to contract is limited by the same provisions in law or School District policy/regulations that apply to the School District itself. Excel also is limited in its authority to contract by the amount of funds obtained from the School District, as provided hereunder, or from other independent sources. The following language shall be included in each contract entered into by Excel, including contracts of employment:

[Party with whom Excel is contracting] understands and agrees that it is entering into this contract solely and exclusively with Excel Academy, that Excel Academy has no authority to extend the faith and/or credit of Jefferson County School District No. R-1 to any third party or entity, that Excel Academy has no authority to enter into any contract that would bind Jefferson County School District No. R-1, and that Jefferson County School District No. R-1 has no obligation or liability whatsoever under or in any way connected with this contract. **[Party with whom Excel is contracting]** further understands and agrees that its rights and remedies under this contract may only be enforced with respect to Excel Academy and that it has no rights or remedies directly or indirectly under this contract with respect to Jefferson County School District No. R-1.

10.2.3 Indemnification. Excel shall indemnify and hold harmless the School District and the School District's Board, employees, representatives and agents from and against any and all liability not covered by insurance or the Colorado Governmental Immunity Act arising from any suit, action, grievance, charge or proceeding brought in connection with or related to Excel's operations and/or the conduct of any of Excel's employees, agents or representatives. The indemnification and hold harmless obligation hereunder shall include all attorney fees, costs and expenses incurred by the School District and/or the School District's Board, employees, representatives and/or agents in defense of said suits, actions, grievances, charges and/or proceedings. 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.

10.2.4 Indemnification by Independent Entities/Governmental Immunity. In the event Excel authorizes, with the School District's approval, another person or entity to

operate a before and/or after school, preschool, day care, intersession, extended day kindergarten or other program within Excel's facility, such person or entity shall provide separate insurance coverage for general liability and errors and omissions with limits consistent with the School District policies and naming Excel, the School District and the property owner as additional insureds. Such person or entity will also agree to indemnify and hold Excel, the School District and the property owner harmless from all liability, claims and demands on account of injury, loss or damage, including but not limited to claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, tort and civil rights claims or any other losses of any kind whatsoever that arise out of or are in any manner connected with such person's or entity's operations. Nothing contained in this Renewal Contract shall be deemed a relinquishment or waiver by the School District or Excel of any kind of applicable limitations of liability provided by the Colorado Governmental Immunity Act. Excel shall submit to the School District any contract for such programs for review and approval prior to execution.

11. Transportation. The School District and Excel acknowledge and agree that transportation will not be provided to students attending Excel, except that Excel may purchase from the School District transportation to extracurricular activities on the same basis as other schools in the School District. If Excel subsequently determines to provide transportation during the term of this Renewal Contract, such services shall be provided in accordance with applicable federal and state law.

12. Miscellaneous Provisions.

12.1 Entire Agreement. This Renewal Contract, with attachments and exhibits, contains all terms, conditions and provisions hereof and the entire understandings and all representations of understandings and discussions of the parties relating thereto, and all prior representations, understandings and discussions are merged herein and superseded and canceled by this Renewal Contract.

12.2 Notice. Any notice required or permitted under this Renewal Contract shall be in writing and shall be effective upon personal delivery (subject to verification of service or acknowledgment of receipt) or three (3) days after mailing when sent by certified mail, postage prepaid, to the Office of the Board of Directors, Excel Academy, 9215 Ralston Road, Arvada, CO 80002 in the case of notice being sent to Excel, or to the Office of the Superintendent, 1829 Denver West Drive, Bldg. 27, P.O. Box 4001, Golden, CO 80401 in the case of notice being sent to the School District.

12.3 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.

12.4 Interpretation. In the event of any disagreement or conflict concerning the interpretation or enforcement of this Renewal Contract, the Application and Renewal Application, and School District policies, regulations, procedures or other requirements, other than those for which waivers have been granted, it is agreed that the provisions of this Renewal Contract and School District policies/regulations shall control over the Application and Renewal

Application, and that compliance by Excel 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.

12.5 Dispute Resolution. In the event any dispute arises between the School District and Excel concerning this Renewal Contract, including but not limited to the implementation of or waiver from any School District policies, regulations or procedures, such dispute shall first be submitted to the Superintendent of the School District or her designee for review. Thereafter, representatives of the School District and Excel 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 fifteen (15) calendar days following either party's written 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 Arbitrator Group, Denver, Colorado, and submit them to the other party, who shall strike one, return the list to the moving party, and so forth, until one name remains. The remaining person shall be selected as the mediator. This striking process shall be completed within ten (10) days after delivery of the list to the non-moving party. The mediation shall be scheduled and concluded within one hundred twenty (120) days of the moving party's written request for mediation, with final written findings entered by the mediator and served on both parties within said 120-day timeframe. The mediator shall also apportion all costs reasonably related to the mediation equally between both parties. The mediation process shall be closed to the public and all information submitted during mediation shall be confidential to the extent permitted by law. If the dispute is still not resolved at the conclusion of the mediation, the mediator shall make an advisory recommendation to the School District's Board, which shall in turn make a decision on the matter and release the mediator's written findings within thirty (30) days of its receipt of the advisory recommendation. The decision of the Board shall be final; provided, however, that Excel may appeal to the State Board of Education concerning those matters within the State Board's jurisdiction in accordance with governing law.

12.6 Assignment. Excel shall not assign its Charter or any of its rights or obligations under this Renewal Contract to any person or entity without the prior written approval of the School District's Board.

12.7 Applicable Law. This Renewal Contract shall be governed by and construed in accordance with the laws of the State of Colorado and applicable federal laws of the United States. The parties intend that where this Renewal Contract references federal or state laws, that they be bound by any amendments to such laws upon the effective date of such amendments.

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

12.9 No Third Party Beneficiary. The enforcement of the terms and conditions of this Renewal Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the School District and Excel. Nothing contained in this Renewal Contract shall give

or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the parties to this Renewal Contract that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only.

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

EXCEL ACADEMY

By: _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

JEFFERSON COUNTY SCHOOL DISTRICT NO.
R-1

By: Debra Oberbeck
Debra Oberbeck
President, Board of Education

ATTEST:

Karen I. Litz
Karen I. Litz
Secretary, Board of Education

Approved as to form:

Alta [Signature]
School District Attorney