

1 **CHARTER SCHOOL CONTRACT**
2 **Liberty Common School**
3
4

5 THIS CHARTER SCHOOL CONTRACT, dated this 13th day of August, 2001
6 is made and entered by and between the Poudre School District (“School District”) and Liberty
7 Common School, a charter school (“Liberty Common”).
8

9 **RECITALS**
10

11 WHEREAS, the Colorado General Assembly has enacted the Charter Schools Act
12 (“Act”), C.R.S. §22-30.5-101 et seq., for certain purposes as enumerated in §22-30.5-102(2) and
13 (3); and
14

15 WHEREAS, on February 24, 1997, the School District’s Board of Education (“Board”)
16 approved the final Application for a charter school submitted by Liberty Common School,
17 attached hereto as Exhibit D1, (the “Final Application”); and
18

19 WHEREAS, on June 26, 2000, the Final Application was amended, and these
20 amendments, attached hereto as Exhibit D2, were incorporated into the Application (the
21 "Application"), and
22

23 WHEREAS, Liberty Common School has successfully operated as a School District
24 charter school from July 1997 to the present date; and
25

26 WHEREAS, the School District has the authority to waive only those Board of
27 Education–approved policies and/or regulations to the extent permitted by law; and
28

29 WHEREAS, the authority of the State Board of Education to provide waivers from
30 requirements of State law only extends to provisions contained in Title 22 of the Colorado
31 Revised Statutes and Rule and to rules promulgated by the State Board of Education;
32

33 NOW THEREFORE, in consideration of the foregoing recitals and mutual
34 understandings, releases, covenants, and payments herein described, the parties agree as follows:
35

36 **AGREEMENT**
37

38 1 Mission Statement. The mission/vision statement set forth in the Application
39 attached hereto is hereby accepted by the School District to the extent it is consistent with the
40 principles of the General Assembly’s declared purposes for enacting the Charter Schools Act as
41 set forth in C.R.S. § 22-30.5-102(2) and (3). The mission statement may be modified from time
42 to time by Liberty Common with prior approval of the School District.
43

44 2 Goals, Objectives, and Pupil Performance Standards. The goals, objectives
45 and pupil performance standards set forth in the Application are hereby accepted by the School
46 District and subject to the conditions set forth below:
47

48 a. Student Attendance, Conduct and Discipline: Unless and until
49 Liberty Common adopts its own set of written policies, as provided below, Liberty Common
50 agrees that it shall comply with all Board of Education-approved policies and regulations
51 concerning student attendance, standards of conduct, and discipline.
52

53 (1) Liberty Common has adopted its own written attendance policy and
54 has been granted a waiver from the School District’s policy, so long as Liberty Common's policy
55 is in compliance with Colorado’s compulsory attendance laws.
56

57 (2) Liberty Common has adopted its own set of written policies
58 concerning student conduct, dress code, and student discipline and has been granted a waiver
59 from corresponding School District policies, as long as the developed policies are in compliance
60 with applicable federal and state laws, including without limitation, the grounds and procedures
61 established by state statute for suspending, expelling, or denying admission to a student.
62

63 (3) Liberty Common may establish its own school calendar so long as
64 the instructional program is in compliance with state law regarding minimum pupil- teacher
65 contact hours.
66

67 b. Student Welfare and Safety. Liberty Common shall comply with all
68 Board-approved policies and regulations (unless waived) and shall comply with all applicable
69 federal and state laws concerning student welfare, safety, and health, including but not limited to
70 Board policies and laws addressing the reporting of child abuse, accident prevention and disaster
71 response, and any state health and safety regulations governing the operation of school facilities.
72

73 c. Identification of Academically Low-Achieving and At-Risk Students.
74 Liberty Common shall identify academically low-achieving and at-risk students and “exceptional
75 children”, as defined in regulations adopted by the State Board, and as further defined by Liberty
76 Common in its Application, and shall provide its educational program to these students in a
77 manner that best serves their needs as set forth in the Application.
78

79 3. Community Support. The Board of Education finds that sufficient support
80 for Liberty Common exists, as evidenced by the enrollment data submitted to the Board of
81 Education prior to the approval of the Application and current enrollment and waiting lists.
82

83 4. Educational Program, Pupil Performance Standards, and Curriculum. The
84 educational program, pupil performance standards, and curriculum set forth in the Application are
85 hereby accepted and subject to the conditions set forth below.
86

87 a. Curriculum. The School District agrees to waive its curricular
88 requirements, to the extent permitted by state law, but subject to the implementation by Liberty

89 Common of its instructional programs as outlined in the Application, as amended herein. To the
90 extent necessary to give effect to the foregoing, the School District agrees to waive any
91 requirement that curriculum and instructional materials be approved by the School District prior
92 to implementation by Liberty Common, provided that such curriculum and materials meet or
93 exceed content standards adopted by the State and the School District, are consistent with
94 applicable District policy and applicable law, and are consistent with or contemplated by the
95 Application.

96
97 b. Statutory Requirements. Liberty Common agrees to comply with all
98 state statutory requirements concerning subjects of instruction, unless specifically waived by the
99 State Board, including, without limitation, instruction in areas of state and federal history and civil
100 government, C.R.S. 22-1-104, honor and use of the United States Flag, C.R.S. §22-1-106, the
101 federal constitution, C.R.S. §22-1-108, and the effect of use of alcohol and controlled substances,
102 C.R.S. §22-1-110.

103
104 c. Curriculum/Program Modification. Liberty Common shall have the
105 authority and responsibility for refining the design and implementation of its educational program,
106 subject to the conditions of this Agreement, in a manner consistent with state law, including
107 without limitation, requirements regarding content standards. On or before May 1, and each year
108 thereafter, Liberty Common will provide in its yearly update to the District written information
109 about new or materially modified curriculum or program delivery systems anticipated to be
110 offered during the ensuing school year. Liberty Common shall provide evidence reasonably
111 acceptable to the School District of the scope and sequence of such program of instruction. The
112 intent of this requirement is to ensure that students of Liberty Common continue to have sound
113 educational foundations that meet or exceed state-approved content standards for applicable
114 courses of study. Liberty Common courses shall also meet or exceed the content standards of the
115 School District as approved from time to time by the Board of Education.

116
117 5. Records. Liberty Common agrees to comply with all record keeping
118 requirements of the Board of Education and/or federal or state law and shall provide any reports,
119 as necessary, to meet the School District's reporting obligations to the State Board of Education
120 and Colorado Department of Education. Student records include, without limitation,
121 immunization records, class schedules, records of academic performance, disciplinary actions,
122 attendance, and standardized test results and documentation required under federal and state law
123 regarding education of students with disabilities.

124
125 Liberty Common shall comply with all Board of Education – approved policies and
126 regulations, and applicable federal and state laws, unless waived, concerning the maintenance and
127 disclosure of student records, including, without limitation, the Colorado Open Records law,
128 C.R.S. § 24-72-204 et seq., and the Family Educational Rights and Privacy Act of 1974, 20
129 U.S.C. §1232G. The School District shall have reasonable access to all records of the School in
130 the same manner as they would have access to the records of any other public school in the
131 School District.

133 6. Nonreligious, Nonsectarian Status. The educational program of Liberty
134 Common shall be nonreligious, nonsectarian, and shall not discriminate against any student on the
135 basis of race, creed, color, sex, national origin, religion, ancestry, disability, or any need for
136 special education services.

137
138 7. Open Enrollment. Enrollment shall be open to any child who resides within the
139 School District and to any child who resides outside the School District, subject to compliance
140 with the Colorado Public Schools of Choice statutes, Board policy, and this Agreement. By
141 March 1 of each year, Liberty Common will notify the School District of any significant (more
142 than ten percent change) changes in their enrollment and shall submit the names, ages, grade
143 levels, addresses, and last school attended for all students who will be enrolled in Liberty
144 Common during the ensuing school year. Liberty Common shall use its best efforts to ensure that
145 student enrollment numbers submitted to the School District are as close to the actual October 1
146 official count as possible. Liberty Common will provide the School District by October 15 the
147 same information for students who have been admitted and are in attendance. If Liberty Common
148 wishes to add additional grades they shall submit an addendum to the Application outlining the
149 request, and the parties shall negotiate in good faith.

150
151 8. Admissions. Students shall be considered for admission into the program as
152 specified in the Application and without regard to race, creed, color, sex, national origin, religion,
153 ancestry, disability, or need for special education services. Denial of admission shall be handled in
154 a manner consistent with state law and School District policy and regulation.

155
156 9. Education of Students with Disabilities. Liberty Common agrees to comply
157 with all Board policies and regulations and the requirements of federal and state laws concerning
158 the education of children with disabilities by providing special education and related services.
159 Liberty Common shall comply with this obligation by employing appropriately licensed personnel,
160 including individuals who have obtained a temporary teacher eligibility license or by contracting
161 with the School District to provide special education and related services as provided herein.
162 Liberty Common will be invited by the School District to participate in the hiring and evaluation
163 of staff to be assigned to Liberty Common consistent with the Board's hiring procedure if
164 contracting with the School District. Following enrollment of a School District resident student,
165 Liberty Common and the School District shall determine whether the student has been identified
166 as a child with disabilities. If so, the School District will provide Liberty Common with a copy of
167 the student's Individualized Education Program ("IEP") if the School District has an "IEP" for the
168 student. If the student was not previously a student in the School District, Liberty Common shall
169 obtain a copy of the student's "IEP". A properly constituted IEP team shall be convened to
170 determine whether Liberty Common is an appropriate placement for the student, and if so, what
171 services are to be provided by the Liberty Common classroom teacher and what services will be
172 provided by the School District. If a student's special education need/needs can be met
173 appropriately by Liberty Common licensed staff, services will be provided at Liberty Common
174 School to the extent possible. To the extent that special education and related services required
175 pursuant to the student's IEP cannot be provided by Liberty Common staff, the School District
176 will provide services for students who are residents of the School District. In the event that there
177 are state and/or federal law changes that would impact the nature of this relationship, the parties

178 anticipate discussion about and potential amendment of this section. The conditions of this
179 agreement are spelled out in Exhibit C.

180
181 10. Tuition and Fees. Tuition may not be charged to students who reside in the
182 School District, other than for before-school programs, after-school programs, intercession
183 programs or extended kindergarten programs administered by Liberty Common. Tuition and fees
184 may only be charged to a student in accordance with School District policy and state law, or as
185 otherwise approved by the School District. If Liberty Common enrolls a non-resident student
186 with disabilities, the School District shall collect from the school district of residence tuition for
187 excess costs incurred in educating the child, pursuant to Colorado Department of Education
188 Guidelines developed in accordance with C.R.S. §22-20-109(5). Commitment to pay tuition by
189 the school district of residence shall be a condition for enrollment for a child with disabilities.

190
191 11. Participation in Non-Academic Activities. Liberty Common's students may
192 participate on an equal basis in non-academic extracurricular or interscholastic activities at other
193 schools in the School District, subject to the requirements of C.R.S. §22-32-116.5, provided that
194 the prerequisites for participation are met, and there is space available in the desired activity or
195 program. When such participation requires payment of a fee, Liberty Common's students shall be
196 responsible for the payment of the fee. Liberty Common's students shall not be eligible for
197 enrollment in academic courses at other School District schools on a part-time basis, unless
198 approved by the School District. If Liberty Common's students participate in the School
199 District's extracurricular or interscholastic programs, Liberty Common students shall be charged
200 for these programs on a per student basis.

201
202 If Liberty Common chooses to have its own high school athletic program, they will need to be in
203 compliance with CHSAA (Colorado High School Activities Association) regulations to be
204 sanctioned in Colorado. Also, they will need to become a member of a league in their
205 classification (i.e. 1A, or 2A)

206
207 12. Evaluation of Pupil Performance and Procedures for Corrective Action. The
208 Board of Education approves Liberty Common's methods for evaluating pupil performance and
209 procedures for corrective action as contained in the Application. The Board of Education
210 approves Liberty Common's proposal for the use of multiple tools for an assessment of student
211 performance, which shall include but not be limited to standardized achievement tests as described
212 in the Application, or as may be amended by the Liberty Common Board of Directors from time
213 to time. Liberty Common agrees to implement any testing and reporting requirements deemed
214 necessary by the School District to meet the School District's obligations under C.R.S. § 22-7-
215 401 et seq., upon being reasonably notified of said requirements. Should the School District
216 require testing beyond that required by the state, the School District will pay for these costs.

217
218
219 13. Economic Plan, Budget, and Annual Audit. The proposed budget for the 2001 –
220 2002 school year is attached hereto as Exhibit B and incorporated herein by reference.

221
222 14. Funding.

223
224 (1) Subject to the provisions of paragraph 9, and 15, the School
225 District shall provide funding to Liberty Common in the amount of 100% of the School District's
226 per pupil revenues (PPR) for each student enrolled in the Charter School; less, for the first month,
227 a reasonable estimate of the Charter School's share of central administrative overhead costs. Each
228 month after the first month of this contract, the District shall reconcile the actual amount of the
229 Charter School's share of central administrative overhead costs as defined by statute against the
230 amount retained the month before and provide to the School the difference, if any (provided that
231 in no event shall the School pay more than 5% of PPR for central administrative overhead costs
232 during any one fiscal year — however, the parties acknowledge that in any one month the
233 administrative overhead costs may be more or less than 5%). The District shall also provide to
234 Liberty Common the per pupil amount as calculated on the funded pupil count of Poudre School
235 District each year of the 1988 mill levy per year; plus the fixed amount of \$44,590.00 of the 2000
236 mill levy per year. As long as Liberty Common is not in material breach of this Agreement, and it
237 has not received written notice of any purported material breach from the School District as set
238 forth in Section 17.m., this funding shall be provided to Liberty Common in monthly installments
239 and shall commence on July 1, 2001, for the first year and on July 1 in each year of Liberty
240 Common's existence thereafter, subject to adjustments, deductions, or annually contracted
241 purchased services as provided in this Agreement. The term “enrolled” as used in this Agreement
242 shall be deemed to mean as of the counting dates or periods and in accordance with the
243 requirements of the Finance Act and State Department of Education regulations. Liberty
244 Common shall comply with all the financial requirements of Article X, § 20 of the Colorado
245 Constitution.

246
247 (2) Projected student enrollment data for each year that Liberty
248 Common is in existence, including names, ages, grades, addresses, and last school attended will be
249 provided to the School District on or before March 1 of each year so that neighborhood school
250 staffing may be adjusted accordingly.

251
252 (3) July and August funding will be based on the number of students
253 officially registered for enrollment by July 1. At the end of the first week of school for the new
254 school year, Liberty Common will submit to the School District written certification of the actual
255 number of students in attendance at Liberty Common and the subsequent monthly fund transfer
256 will be adjusted to reflect that number. Funding will be adjusted again in October to reflect the
257 official October count required by the state. If a student who has been included in the funded
258 pupil count of the School District transfers to Liberty Common during the school year, the
259 unallocated pro rata portion of per pupil funding shall be allocated to Liberty Common. If a
260 student included in the funded pupil count withdraws from Liberty Common, the unallocated pro
261 rata share of funds shall be returned to or retained by the School District.

262
263 (4) The School District shall provide Liberty Common with its
264 proportionate share of funding provided by the federal and state governments for special
265 education including revenue from the Exceptional Children's Educational Act and Individuals with
266 Disability Education Act, English Language Proficiency Act students, and other federal and state
267 grant sources, to the extent that Liberty Common has students eligible and complies with the

268 conditions and requirements, including reporting requirements for such grants and applicable law.
269 In consideration of any contracted services provided by the School District under paragraph 9
270 the School District shall be reimbursed through a deduction from the funding provided in this
271 paragraph 14 the School District's net average, non-reimbursed per pupil special education cost
272 for elementary or junior high school level students as appropriate (including credit for
273 state/federal funding), multiplied by Liberty Common's total student funded enrollment, less the
274 amount expended directly by the charter school for approved special education services. Liberty
275 Common may apply for state and federal funding, if any, that is provided for gifted and talented
276 students and for other state and federal categorical programs on the same basis as other School
277 District schools, to the extent that Liberty Common is serving students who are eligible for such
278 aid, complies with the conditions and requirements of such programs and applicable law, and
279 fulfills the reporting requirements under such programs. Additionally, Liberty Common will pay
280 an amount not to exceed 20% of the District's average non-reimbursed per pupil special education
281 cost, multiplied by Liberty Common's total student funded enrollment, for centralized special
282 education administration and the proportionate share of the cost for district-wide high needs
283 special education programs.

284
285 (5) The level of funding provided by the School District for Liberty
286 Common in paragraph 14 above and the term of such funding is based upon the assumption that
287 Liberty Common will not be occupying School District facilities. Should the School District
288 determine that District facilities are available, Liberty Common and the School District agree to
289 negotiate in good faith the use of such facilities based on Liberty Common's needs. The parties
290 do not anticipate that Liberty Common will be occupying District facilities.

291
292 (6) All private endowments, donations, and other such gifts to the
293 School District will not be shared with Liberty Common unless specifically given for that purpose.

294
295 15. Budget. Liberty Common shall submit a proposed budget in a form
296 acceptable to the School District by March 1 of each year

297
298 a. For the 2001-2002 budget year and budget years thereafter, Liberty
299 Common shall comply with C.R.S. § 22-54-105(2)(b), C.R.S. § 22-45-103(1)(c) and (1)(e),
300 C.R.S. § 24-10-115, and Article XIV of Title 29 C.R.S.

301
302 b. Liberty Common shall be responsible for all costs associated with its school
303 operations, including the cost of contracting for goods and services. Liberty Common may
304 purchase certain services from the School District. Exact costs will be determined on a yearly
305 basis as part of the budgeting process and attached as Exhibit A annually. When adopting its
306 budget, Liberty Common will commit to purchasing certain services from the School District for
307 the entire budget year. Services including special education to be provided to Liberty Common
308 by the School District are detailed in Exhibit A.

309
310 c. The School District may provide legal services through the School
311 District's legal counsel for defense of special education due process hearings and appeals, and will
312 provide legal services for the defense of actions for which the School District may be liable. Such

313 legal services shall not be provided for defense of matters involving disputes with the School
314 District. Liberty Common agrees to promptly notify the School District of all claims including
315 threatened or reasonably anticipated claims or actions, fully cooperate with the School District
316 and legal counsel in defending the claims, and refrain from compromising, settling, negotiating, or
317 otherwise similarly dealing with asserted legal claims without the expressed consent of the Board
318 of Education. Liberty Common acknowledges that in the event of a dispute between Liberty
319 Common and the School District, the School District's legal counsel will represent the School
320 District and not Liberty Common with respect to such dispute. Any potential conflict arising from
321 the representation of Liberty Common by the School District's legal counsel shall be resolved in
322 accordance with the Colorado Rules of Professional Conduct. Liberty Common shall have access
323 to legal consultation and advice where such assistance is requested through the School District's
324 Superintendent or designee. Costs incurred without prior approval of the School District will be
325 the responsibility of Liberty Common.

326
327 d. On or before March 1 of each year, Liberty Common shall identify the total
328 student FTE's enrolled, and provide to the Board of Education its proposed balanced budget in a
329 form acceptable to the School District for the upcoming fiscal year. The projected Liberty
330 Common balanced budget when accepted by the Board as a part of the annual School District
331 budget for each fiscal year will be attached and incorporated into this Contract as an Exhibit, and
332 will be subject to adjustment based upon current state-funding data as it becomes available during
333 the budgeted option process. The budget format used by Liberty Common shall be consistent
334 with the requirements of applicable Colorado law.

335
336 e. Nothing contained in this Agreement or in the Application or the budget
337 attached hereto as Exhibit B, shall be construed as requiring Liberty Common School to meet its
338 budget projections for any specific line item. Rather, the parties acknowledge that Liberty
339 Common School is only required to meet its overall budget and that there is no requirement that
340 individual line items of the budget be met, except to the extent that meeting any such individual
341 line item may be required by statute or applicable regulation which has not otherwise been waived
342 by the appropriate authority.

343
344 16. Annual Audit and Financial Records. Liberty Common agrees to maintain
345 appropriate financial records in accordance with all applicable federal, state, and local laws, rules,
346 and regulations, and make such records available to the School District, as requested, from time
347 to time. These financial records shall be provided to the School District in written form within the
348 time limits required by the School District so that Liberty Common may be included in the School
349 District's annual audit. Liberty Common shall pay its per pupil pro rata share of the cost of the
350 School District's audit as part of its statutory central overhead expense.

351
352 17. Governance and Operation. Governance procedures shall provide for democratic
353 election of governing Board members. The governance and operation sections of the Application
354 concerning the nature and extent of parental, professional educator, and community involvement
355 in the governance and operation of Liberty Common, attached hereto as Exhibits D1 and D2 are
356 acceptable to the School District to the extent permissible under federal and state law and subject
357 to all conditions of this Agreement and to the policies and regulations of the School District

358 (except to the extent waived by the Board as provided in this Agreement). In addition, the
359 Application, if it does not so provide, is amended as follows, which amendments and other
360 provisions of this Agreement shall supercede and control over any conflicting language contained
361 in the Application.

362
363 a. Nonreligious, Nonsectarian Status. Liberty Common agrees that it shall
364 operate, in all respects, as a nonsectarian, nonreligious, non-home-based public school. Liberty
365 Common shall not be affiliated with any nonpublic sectarian school or religious organization.

366
367 b. Commitment to Nondiscrimination. Liberty Common shall comply with
368 all applicable federal, state, and local laws, rules and regulations, including, without limitation, the
369 constitutional provisions prohibiting discrimination on the basis of disability, age, race, creed,
370 color, sex, national origin, religion, or ancestry.

371
372 c. Accountability. Liberty Common shall operate under the auspices of,
373 and be accountable to the School District and be subject to all Board of Education-approved
374 policies and regulations unless specifically waived. Liberty Common agrees to participate in the
375 School District's accountability process as defined by the application and this Agreement. All
376 records established and maintained in accordance with the provisions of this Agreement, Board of
377 Education policy, and federal and state law shall be open to inspection by the School District.

378
379 d. Open Meetings Law. Liberty Common acknowledges and agrees that
380 meetings of its Governing Board are subject to the Colorado Open Meetings Law, C.R.S. § 24-6-
381 401 et seq. To the extent other meetings of the School are subject to the provisions of the
382 Colorado Open Meetings Law, it will comply with the provisions of such law in connection with
383 all of its activities.

384
385 e. Indigent Students. Liberty Common shall waive all fees for indigent
386 students in accordance with Board of Education policy and applicable state and federal law.
387 Liberty Common shall survey its student population for eligibility for free and reduced lunches
388 under federal guidelines in accordance with State Board of Education regulations. A list of these
389 students will be provided to the School District as necessary to comply with state and federal
390 mandates. On all fee lists and schedules, Liberty Common shall include notification of the policy
391 of waiver of fees for indigent students. Liberty Common shall provide free and reduced priced
392 meals to needy students in accordance with Board of Education policy and applicable federal and
393 state law if it operates a federally subsidized lunch program.

394
395 f. Operational Powers. Subject to the above conditions, Liberty Common
396 shall be fiscally responsible for its own operations within the limitations of any funding provided
397 by the School District and other revenues derived by Liberty Common consistent with law, and
398 shall have authority to independently exercise, also consistent with federal and state law, the
399 following powers (including such other powers as provided for elsewhere in this Agreement and
400 in the Application to the extent consistent with this Agreement): contract for goods and services;
401 prepare a budget ; select personnel and determine their compensation; procure insurance; lease
402 facilities for school purposes; purchase, lease or rent furniture, equipment, and supplies; accept

403 and expend gifts, donations, or grants of any kind in accordance with such conditions prescribed
404 by the donor as are consistent with law and not contrary to any of the terms of this Agreement;
405 and all activities necessary and appropriate to effect the foregoing. In exercising these powers,
406 Liberty Common shall comply with all applicable Board of Education-approved policies unless a
407 specific waiver is obtained.

408
409 g. Site. Liberty Common shall occupy a suitable non-School District site
410 for the school. Such site shall meet the requirements of the Colorado Division of Labor and
411 applicable code requirements for school buildings for the education of students in grades 6-8.
412 Any lease shall be consistent with Article X, Section 20 of the Colorado Constitution. Liberty
413 Common must maintain a fund balance reserve for multiple fiscal year obligations as required by
414 Article X, Section 20 of the Colorado State Constitution. Liberty Common School may rent
415 School District facilities under separate agreement according to the same policies and procedures
416 as are applied to non-District entities and according to the same price structure as the least
417 expensive community rate.

418
419 h. Waivers. Liberty Common has been granted certain waivers from
420 Board of Education-approved policies and/or regulations and, where appropriate, has obtained
421 waivers from certain state laws from the State Board of Education. Those waivers, and the
422 conditions therefore, are set forth in attached Exhibit E which is hereby incorporated into this
423 Agreement.

424
425 i. Bidding Requirements. Unless purchased from or through the
426 School District, contractual services (other than employment) and purchases of supplies,
427 materials, and equipment in excess of \$5,000.00 for any individual item shall be procured through
428 a system of competitive bidding, in accordance with Board of Education policy and state law.

429
430 j. Annual Review. Liberty Common shall be subject to a review of its
431 operations and finances by the Board of Education or a designee, at the sole cost to the School
432 District, upon reasonable advance notice. It is anticipated that this review will occur annually in
433 such a manner as to permit the results of the review to be submitted to the Board of Education on
434 or before June 30 of each year. Liberty Common shall provide to the School District such
435 information as may be needed to fulfill the District's obligations pursuant to state law and the
436 requirements of the State Board of Education, which may include information concerning its
437 operations, including, without limitation, progress made towards achieving its educational goals
438 and objectives, contents standards, policy development issues, student performance standards,
439 student attendance and discipline information, personnel matters, and other provisions of its
440 Application and this Agreement. This report shall be submitted to the Board on or before
441 October 15 of each year or the date required of all other School District schools

442
443 k. Financial Reporting. Liberty Common shall be responsible for providing
444 to the School District monthly or upon written request, within 30 days of the request, written
445 revenue and expenditure reports with comparisons to budget, reconciled bank statements, and, on
446 a monthly basis, a financial statement that reports the costs of administration, instruction, and
447 other spending categories consistent with the chart of accounts format requirement by state law.

448 Liberty Common shall provide the School District with a monthly journal entry in an electronic
449 format consistent with the state-required chart of accounts format to allow the School District
450 Finance Department staff to post Liberty Common's monthly financial transactions to the School
451 District's financial records. This report and journal entry will be provided by Liberty Common to
452 the School District Finance Department no later than the 15th workday of the following month.
453

454 l. Term. The Charter and this Agreement are effective as of the date first
455 written above for a period of 18 school years, and will terminate on June 30, 2019. The Charter
456 may be renewed in accordance with the Charter Schools Act by mutual written Agreement of the
457 parties. Although this Agreement is for operation of Liberty Common as a Charter School in the
458 School District for a period of 18 years, any financial commitment on the part of the School
459 District contained in this Agreement is subject to annual appropriation by the Board of Education
460 and the parties agree that the School District has no obligation to fund the financial obligations
461 under this Agreement other than for the current year of the Contract term; that the School District
462 has not irrevocably pledged and held for payment sufficient cash reserves for funding Liberty
463 Common at the per pupil allocation described herein for the entire term of the Agreement.
464

465 If there is a significant change in Colorado Statutes relating to Charter School law,
466 funding, regulation, administration, or governance, or an alteration of Public School law that
467 causes a change that effects these enumerated issues, the parties agree to meet and negotiate in
468 good faith over any needed contract modifications.
469

470 m. Termination. This Agreement may be terminated and the Charter revoked
471 by the Board of Education only for any of the grounds provided by state law, C.R.S. § 22-30.5-
472 110(3) and (4), and/or for any material breach of this Agreement, upon 30 days advance written
473 notice of the purported material breach and the requirements for correction of same, being given
474 to Liberty Common School. Liberty Common shall be given a reasonable opportunity to cure the
475 breach after receiving written notice from the School District. Reasonable opportunity to cure
476 shall mean: (a) cure within 30 days of the effective date of such notice; or (b) in the case of
477 breaches which cannot practically be cured within 30 days, commencement of the cure within 30
478 days and diligent pursuit of the cure to the reasonable satisfaction of the School District until the
479 cure is complete. To the extent reasonably practical, the School District shall exhaust the dispute
480 resolution provision set forth in Section 21.e of this Agreement. Should Liberty Common choose
481 to terminate this Agreement and revoke its Charter before the end of the Contract term, it may do
482 so with the Board of Education's approval, at any time, upon 30 days advanced written notice. In
483 the event of termination, all assets owned by, controlled by, or in the possession of Liberty
484 Common, not requiring return or transfer to donors or grantors or required for discharge of
485 existing liabilities and operations of Liberty Common shall be returned to the School District.
486 Unless a donor or grantor specifically provides otherwise in writing, all gifts, donations, and
487 grants shall be assumed to be made to the Core Knowledge Charter School Foundation for the
488 benefit of Liberty Common and shall not be included among the assets returned to the School
489 District upon the termination of this Agreement.
490

491 During the period after the School District gives Liberty Common written notice of a
492 termination or a material breach, in addition to any other rights, the School District shall also have

493 the following additional right and power to: (a) require Liberty Common to promptly take such
494 actions as may be necessary to freeze bank accounts and other assets of Liberty Common and/or
495 to require School District approval of any expenditure or disposition of assets and (b) receive full
496 and complete access to all Liberty Common records, data and information.
497

498 Notwithstanding any other provision in this Agreement, in the case of any breach which
499 the Board of Education reasonably determines poses a serious threat to Liberty Common or
500 School District students, the community, or the property rights of the School District, the School
501 District may, but shall not be required to take immediate control of Liberty Common and may
502 exercise any portion or all power and authority of Liberty Common for such period of time as
503 may be necessary to deal with such threat. These additional rights of the School District shall
504 continue during the pendency of any dispute resolution process with respect to the breach.
505

506 n. Dissolution. In the event Liberty Common should cease operations for whatever
507 reason, or the School District determines not to renew or revokes the Charter, it is agreed that the
508 Board of Education shall supervise and have authority to conduct the closure of the business and
509 affairs of Liberty Common; provided, however, that in doing so, the School District does not
510 assume any liability incurred by Liberty Common beyond the funds allocated to it by the School
511 District under this Agreement. The School District's authority hereunder shall include, but not be
512 limited to, the return and/or disposition of any assets acquired by purchase or donation by Liberty
513 Common during the time of its existence, consistent with any donor conditions.
514

515 18. Employment Matters. The policies and procedures set forth in the
516 Application, as amended herein, incorporated and attached hereto, concerning employment
517 matters such as employee relationships, job descriptions, and terms and conditions of employment
518 are accepted by the School District, and shall supersede the requirements of any Board of
519 Education-approved policies or regulations, to the extent permitted by law, and subject to the
520 following conditions in addition to all other provisions of this Agreement.
521

522 a. Hiring of Personnel. All persons who perform services for Liberty
523 Common shall be considered "at-will" employees or volunteers of Liberty Common.
524

525 (1) The School District agrees that Liberty Common may select its
526 personnel directly without prior authorization from the Board, subject to compliance with all
527 federal and state rules and regulations, including, without limitation, requirements concerning the
528 recruitment of applicants and the use of background and criminal checks, unless a specific waiver
529 is obtained from the State Board of Education or other proper authority.
530

531 (2) Liberty Common shall inform the School District's Superintendent
532 or designee of all personnel selected.
533

534 (3) The Liberty Common Governing Board may terminate the
535 employment of any personnel so long as such employees are not terminated for constitutionally
536 impermissible reasons.
537

538 (4) The Board may, without any claim of interference, cause an
539 expression of no confidence in a Liberty Common employee and a request for termination of such
540 employee to be communicated to the Liberty Common Governing Board, which agrees to act
541 upon any such expression and request promptly and with due regard for the Board's concern.
542

543 (5) Liberty Common will promptly inform the School District of any
544 action it takes to terminate an employee and will notify the School District in writing no later than
545 May 16 of each year of those employees who will not be renewed.
546

547 (6) It is acknowledged that the reservation of rights in the School
548 District does not in any manner change the status of such employees as "at-will" employees of
549 Liberty Common.
550

551 b. Employee Compensation, Evaluation, and Discipline. The School
552 District agrees to waive all Board of Education-approved policies and regulations concerning the
553 compensation, evaluation, promotion, discipline, and termination of the employment of Liberty
554 Common's employees subject to compliance with all state rules and regulations, unless specific
555 waivers are obtained from the State Board of Education.
556

557 (1) Liberty Common's Governing Board shall be independently
558 responsible for the supervision and evaluation of the teaching staff employed by Liberty Common
559 and all volunteers and visitors consistent with Poudre School District Policy KFA, Poudre District
560 Policy KI, and §18-9-117. C.R.S.
561

562 (2) Liberty Common's Governing Board shall be responsible for
563 evaluating the performance of Liberty Common's teaching staff on an annual basis.
564

565 (3) Liberty Common shall not have the authority, by virtue of its
566 policies or procedures or other action of the Governing Board, to change the "at-will" nature of
567 the employment relationship. Liberty Common shall notify appropriate authorities as may be
568 required by state law and the School District of discipline of employees arising from misconduct
569 that brings direct harm to students or others or from violation of law or policy.
570

571 c. Payroll. It is agreed that Liberty Common shall provide its own
572 payroll services either with Liberty Common staff or contracting services with an outside payroll
573 service. Liberty Common shall be responsible for compliance with all federal, state, and local
574 requirements and statute for the employees paid by Liberty Common.
575

576 d. Benefits. Liberty Common shall be responsible for providing workers'
577 compensation, unemployment, and health insurance coverage to its employees but these services
578 will not be provided through the School District. Liberty Common will provide services to its
579 employees through an outside provider.
580

581 e. PERA Membership. All eligible School employees shall be members of
582 the Public Employee's Retirement Association and subject to its requirements. Liberty Common

583 shall be responsible for the cost of the School District's/employer's respective share of any
584 required contributions. Liberty Common shall be responsible for providing the required monthly
585 reports and funds transfer to PERA electronically.
586

587 f. Additional Employee Compensations and Benefits. Liberty Common shall
588 be responsible for the cost of any additional compensation or benefit plan for Liberty Common's
589 employees. This includes, but is not limited to, employer paid tax shelter annuity plans, retirement
590 payment plans, and severance plans.
591

592 g. Employee Welfare and Safety. Liberty Common shall comply with
593 all Board of Education-approved policies and applicable federal and state laws, concerning
594 employee welfare, safety, and health issues, including, without limitation, the requirements of
595 federal law for a drug-free workplace.
596

597 h. Employee Records. Liberty Common shall comply with all School
598 District and Board of Education-approved policies and regulations, and applicable federal and
599 state laws, concerning the maintenance and disclosure of employee records, including, without
600 limitation, the requirements of the Colorado Open Records Law, C.R.S. §24-72-204 et seq.
601

602 i. Employee Conflict of Interest. All Liberty Common employees shall
603 comply with the Board of Education's policy and regulation, and applicable state law, concerning
604 employee actual and potential conflicts of interest.
605

606 j. School District Teachers. Current teachers of the School District who
607 are selected for employment by Liberty Common shall be granted a one-year's unpaid leave of
608 absence in accordance with the School District's leave policies and state law.
609

610 (1) During the first year that a teacher employed by Poudre School
611 District is employed by a charter school, such teacher shall be considered to be on a one-year
612 unpaid leave of absence from the School District. This leave will include first and second
613 semester of the school year employed by the charter school. Such leave of absence shall
614 commence on the first day of services for the charter school. The leave of absence will not be
615 extended beyond one school year.
616

617 (2) Upon returning to the employment of the School District, Liberty
618 Common employees will be placed on the salary schedule in the position the teacher occupied at
619 the inception of the teacher's commencement of employment with Liberty Common.
620

621 k. Equal Opportunity Employer. Liberty Common affirms that it shall
622 not discriminate against any employee on the basis of race, creed, color, sex, national origin,
623 religion, ancestry, age, or disability in its recruitment, selection, training, utilization, termination,
624 or other employment-related activities.
625

626 19. Insurance and Legal Liabilities. Liberty Common's original Application is
627 amended as follows, which amendment shall supercede and control over any conflicting language
628 contained in the Application.

629
630 a. Insurance. It is agreed that Liberty Common shall provide its own
631 insurance coverage which is consistent with the coverage maintained by the School District such
632 coverage shall include, but not be limited to, coverage for property, persons, and business
633 operations that is deemed appropriate by the School District's Risk Management Department.
634 (For the 2001-2002 fiscal year, the required coverage shall be as outlined in Exhibit F.)

635
636 b. Notices. Liberty Common agrees that it will provide notice to the
637 School District's Risk Management Department of all coverage and provide a prompt reporting
638 of any and all pending or threatened claims, filing timely notices of such claim with Liberty
639 Common's insurance carriers, cooperating fully with the School District in the defense of any
640 such claim as it may effect the District, in complying with the defense in reimbursement provisions
641 of the Colorado Governmental Immunity Act, Liberty Common's insurance policies, and the
642 policies maintained by the School District.

643
644 c. Settlement. Liberty Common shall neither compromise, settle, negotiate,
645 nor otherwise effect any disposition of potential claims asserted against it without the School
646 District's prior written approval.

647
648 d. Legal Liabilities. Liberty Common shall operate in compliance with all
649 Board of Education-approved policies and regulations and all applicable federal, state and local
650 laws, rules and regulations, unless specifically waived as indicated in the attached Exhibit E, or
651 unless such waiver is obtained from the proper authority pursuant to the procedures described in
652 this Agreement. Further, Liberty Common will provide to the School District a full waiver of
653 liability for all matters of business, property, and personal injury liability that may be incurred
654 through the operation of Liberty Common.

655
656 e. Waiver. Waivers from specific Board of Education-approved
657 policies or regulations and/or state law may be requested by Liberty Common by submitting such
658 a request, in writing, to the School District. The request shall include the reasons why Liberty
659 Common is in need of or desires the waiver and the policies and procedures that Liberty Common
660 will implement to address the subject matter of the policy or state law. The School District shall
661 have ten school days to review the request and, thereafter, will present the matter before the
662 Board of Education at its next regular meeting. The Board of Education shall have ten school
663 days to consider the matter prior to rendering a decision at a subsequent regular meeting.
664 Waivers of Board of Education-approved policies and regulations may be granted only to the
665 extent permitted by state law. In the event the School District policy or regulation from which
666 Liberty Common seeks a waiver is required by state law, or where Liberty Common otherwise
667 requests release from a state regulation, the School District agrees to jointly request such a waiver
668 from the State Board of Education, if the School District's Board of Education first approves the
669 request. No provision of this Agreement or of the Application shall be construed so as to
670 preclude Liberty Common from seeking a waiver of any such policy or provision as contemplated

671 by this Agreement or as contemplated by law. In the event that any such waiver is obtained, any
672 such waiver shall to the extent granted be controlling over any contrary provision of this
673 Agreement or of the Application.

674
675 (2) Faith and Credit. Liberty Common agrees that it will not
676 extend the faith and credit of the School District to any third person or entity. Liberty Common
677 acknowledges and agrees that it has no authority to enter into a contract that would bind the
678 School District and that except as provided in this Agreement Liberty Common's authority to
679 contract is limited by the same provisions in law or Board of Education policy that apply to the
680 School District itself. Liberty Common also is limited in its authority to contract by the amount of
681 funds obtained from the School District, as provided hereunder, plus any funds received by
682 Liberty Common from other lawful sources. Liberty Common's Governing Board is hereby
683 delegated the authority to approve contracts to which Liberty Common is a party, subject to the
684 requirements and limitations of the Colorado Constitution, state law, Board of Education-
685 approved policies, and the provisions of this Agreement.

686
687 (3) Indemnification by Independent Entities/Governmental Immunity.
688 In the event Liberty Common authorizes, with the School District's approval, another
689 person or entity to operate a before and/or after school, pre-school, day care, intersession,
690 extended day kindergarten or other program within the School's facility, such person or entity
691 shall provide separate insurance coverage for general liability and errors and omissions with limits
692 consistent with the School District policies and naming Liberty Common, the School District, and
693 the property owner harmless from all liability, claims, and demands on account of injury, loss, or
694 damage, including with limitation, claims arising from bodily injury, personal injury, sickness,
695 disease, death, property loss, or damage, tort and civil rights claims, or any other losses of any
696 kind whatsoever which arise out of or are in any manner connected with such person's or entity's
697 operations. Nothing contained in this Charter School Agreement shall be deemed a relinquishment
698 or waiver by the School District or Liberty Common of any kind of applicable limitations of
699 liability provided by the Colorado Governmental Immunity Act.

700
701 (4) Legal Services. Where the School District provides legal
702 services to Liberty Common pursuant to this Agreement, selection of legal counsel shall be at the
703 sole discretion of the School District. This provision shall not be construed as precluding Liberty
704 Common from retaining independent legal counsel of its selection, provided that Liberty Common
705 shall bear the cost of any such independent legal counsel.

706
707 20. Transportation. The School District and Liberty Common acknowledge and
708 agree that School District transportation will not be provided to the students attending Liberty
709 Common. If Liberty Common subsequently determines to provide transportation during the term
710 of this Agreement, Liberty Common may contract with a qualified independent third-party or with
711 the School District for transportation services at cost, by separate written agreement.

712
713 21. Miscellaneous Provisions.

714

715 a. Entire Agreement. This Agreement, with attachments, contains all
716 terms, conditions, and provisions hereof and the entire understandings and all representations of
717 understandings and discussions of the parties relating thereto, and all prior representations,
718 understandings, and discussions are merged herein and superseded and canceled by this
719 Agreement.

720
721 b. Amendment. This Agreement may only be modified or amended by
722 further written agreement executed by the parties hereto.

723
724 c. Notice. Any notice required, or permitted, under this Agreement,
725 shall be in writing and shall be effective upon personal delivery (subject to verification of service
726 or acknowledgment of receipt) or three days after mailing when sent by certified mail, postage
727 prepaid, to the Headmaster's office in case of notice being sent to Liberty Common, or to the
728 office of the Superintendent, 2407 La Porte Avenue, Fort Collins, Colorado 80521, for notice to
729 the School District.

730
731 d. No Waiver. The parties agree that no assent, express or implied, to any
732 breach by either of them of any one or more of the covenants and agreements expressed herein
733 shall be deemed or be taken to constitute a waiver of any succeeding or other breach.

734
735 e. Dispute Resolution. In the event any dispute arises between the School
736 District and Liberty Common concerning this Contract, including, without limitation, the
737 implementation of or waiver from any policies, regulations, or procedures, such dispute shall first
738 be submitted by Liberty Common to the Superintendent or his or her designee, or by the School
739 District to the Headmaster of Liberty Common or his or her designee, for review. Thereafter,
740 representatives of the School District and Liberty Common shall meet and attempt in good faith
741 to negotiate a resolution to the dispute. In the event these representatives are unable to resolve
742 the dispute informally pursuant to this procedure, they shall submit the matter to an independent
743 mediator, who shall be agreed upon by the parties within fifteen calendar days following either
744 party's request for mediation (the "moving party"). If the parties are unable to agree upon a
745 mediator within that time, the moving party shall obtain a list of five names from the Judicial
746 Arbiter Group, Denver, Colorado, and submit them to the other party, who shall strike one, return
747 the list to the moving party, and so forth, until one name remains. The remaining person shall be
748 selected as the mediator. This striking process shall be completed within ten days after delivery of
749 the initial list to the non-moving party. The mediation shall be scheduled and concluded within
750 sixty days of the mediator's selection. The mediation process shall be closed to the public and all
751 information submitted during mediation shall be confidential to the extent provided by law. At the
752 conclusion of the mediation, if the dispute is still not resolved, the mediator shall make an
753 advisory recommendation to the Board of Education of the School District and the governing
754 board of Liberty Common School, each of which shall take action on the recommendation within
755 thirty days of receipt.

756
757 f. School Operations. It is agreed that all decisions concerning Liberty
758 Common's school administration, business operations, personnel, students, and parents shall be

759 made at the site level of Liberty Common without involvement of Poudre School District unless
760 the District is required by law to be involved in such decision.

761
762 g. Invalidity. If any provision of this Agreement is determined to be
763 unenforceable or invalid for any reason, the remainder of the Agreement shall remain in effect,
764 unless otherwise terminated by one or both of the parties in accordance with the terms contained
765 herein.

766
767 h. Rules of Construction. This Agreement shall be interpreted,
768 whenever possible, as complementing, rather than overriding, the terms and provisions of the
769 Application. However, to the extent of any inconsistencies, this Agreement shall be controlling.
770 The Agreement shall also, to the extent possible, be interpreted as consistent with applicable law.

771
772 i. Business Days. When any action required by this Agreement falls on
773 a Saturday, Sunday or legal holiday in the State of Colorado, such action shall occur on the first
774 succeeding day which is not a Saturday, Sunday or legal holiday in the State of Colorado.

775
776 j. Third-Party Beneficiary. No third-party, whether a constituent of the
777 School District, or otherwise, may enforce, or rely upon any obligation of, or exercise any right
778 of, the School District or of Liberty Common under this Agreement. This Agreement does not
779 intend to create rights in favor of any third-party beneficiary.

780
781

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

783
784 LIBERTY COMMON SCHOOL
785

786
787
788 By: _____
789 Chairman, Board of Directors
790

791 Attest:

792
793
794
795 _____
796 Secretary
797

798
799
800 POUFRE SCHOOL DISTRICT R-1
801

802
803
804 By: _____
805 President, Board of Education
806

807 Attest:

808
809
810
811 _____
812 Secretary
813