

CHARTER SCHOOL CONTRACT

THIS CHARTER SCHOOL CONTRACT ("Contract"), dated this 25th day of July, 2016, to be effective as of July 1, 2016, is made and entered by and between the BOULDER VALLEY SCHOOL DISTRICT RE-2 ("School District") and SUMMIT MIDDLE CHARTER SCHOOL, INC., a Colorado non-profit corporation ("Summit"), by its Board of Directors.

RECITALS

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

WHEREAS, on October 12, 1995; the School District and Summit Middle School Program Charter School entered into a Charter School Contract; and

WHEREAS, the Charter School Contract was renewed for two additional terms commencing on July 1, 2001 and then on July 1, 2006; and

WHEREAS, on December 1, 2015, Summit timely filed an application for renewal of its Charter ("Renewal Application")(Exhibit A) for a ten-year term commencing July 1, 2016, through June 30, 2026; and

WHEREAS, Summit has achieved pupil performance standards, responsibly managed its funds, and met all other goals, objectives, content standards, applicable federal requirements and other terms of the Charter School Contract; and

WHEREAS, the Board of Education of the School District ("Board") has considered the Renewal Application, found that renewal of the charter was in the best interests of the students, the School District, and the community and, therefore, approved the renewal of the charter under the terms set forth in this Charter School Contract.

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

AGREEMENT

1.0 Mission Statement. The mission statement referenced in Summit's Renewal Application is accepted by the School District.

1.1 School District Policies, Regulations, and Procedures. Whenever this Contract refers to compliance by Summit with School District policies, regulations, and/or procedures, compliance shall mean compliance with those in existence as of June 30, 2016, unless waived as provided herein. Compliance by Summit with future School District policies,

regulations, and/or procedures shall be subject to the provisions of Sections 5.4.1 and 8.7.3, below.

2.0 Goals, Objectives, and Pupil Performance Standards. The goals and objectives set forth in the Strategic Plan, referenced in the Renewal Application, are accepted by the School District, subject to the conditions and amendments contained in this Contract.

2.1 Student Attendance, Conduct, and Discipline. Summit has adopted its own set of written policies that have been approved by the School District, as referenced in Section 8.8 below. Summit shall comply with and enforce all future Board-approved policies and regulations concerning student attendance, standards of conduct, and discipline, subject to the provisions of Section 8.7.3.

2.1.1 Summit has adopted its own written attendance policy and has been granted a waiver from the School District's policy, so long as the policy is in compliance with Colorado's compulsory attendance laws, including, without limitation, required hours of planned teacher-student instruction and teacher-student contact and the distinction made between excused and unexcused absences.

2.1.2 Summit has adopted and may amend its own set of written policies concerning student conduct and student discipline and has been granted a waiver from corresponding School District policies, so long as all of its policies continue to be in compliance with applicable federal and state laws. Unless services are purchased from the School District, any general education services required by law to be provided to suspended or expelled students shall be the sole responsibility of Summit. Any special education and related services required by law to be provided to suspended or expelled students shall be the responsibility of the School District as a result of Summit's payment for those services as provided in this Contract.

2.2 Student Welfare and Safety. Summit shall comply with all Board-approved policies and regulations, and comply with all applicable federal and state laws, concerning student welfare, safety, and health, including, without limitation, Board policies and laws addressing the reporting of child abuse, accident prevention and disaster response, 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 Accountability and Accreditation. Summit shall comply with the educational accountability provisions of Colorado law as amended from time to time, including without limitation the Preschool to Postsecondary Educational Alignment Act, C.R.S. §§ 22-7-1000 *et seq.*, the Educational Accreditation Act of 1998, C.R.S. §§ 22-11-101 *et seq.* ("Accreditation Act"); and the Colorado State Board of Education Accreditation Rules, 1 CCR 301-1, as amended from time to time. Summit shall provide an annual accountability report to the School District on or before October 15 of each year (or such other date as may apply to other School District schools of the same level) in the form of the Unified Improvement Plan that will include, but not be limited to, an analysis of student testing results on assessments required by state law.

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

2.3.2 Summit agrees to comply with the applicable provisions of the federal Elementary and Secondary Education Act, including the No Child Left Behind Act and the Every Student Succeeds Act, and all implementing regulations, as applied to charter schools in Colorado.

3.0 Community Support. The Board finds that sufficient support exists for the renewal of Summit as a charter school.

4.0 [This section intentionally left blank.]

5.0 Educational Program, Pupil Performance Standards, and Curriculum. The educational program, pupil performance standards, and curriculum set forth and referenced in Summit's Renewal Application are hereby accepted, unless modified in this Contract.

5.1 Curriculum. Summit's curriculum and instructional programs, as set forth and referenced in Summit's Renewal Application are approved, subject to amendment from time to time by Summit, with Board approval for any significant and material changes, and as may be required by applicable School District Policy.

5.1.1 Summit shall have the authority and responsibility of refining the design and implementation of its educational program, subject to the conditions of this Contract, in a manner that is consistent with state law, including, without limitation, requirements regarding content standards. By August 1st of each year, Summit will have available and provide to the Superintendent upon request an annual report that will include, among other things, a summary of its yearly curriculum plan for the ensuing school year, course descriptions, and articulation of the curriculum with high school courses. The report shall include a complete listing of all middle school program course description booklets with revisions marked to show any changes from the previous year and a summary of any material changes to the middle school programs from the previous year. Summit's courses shall meet or exceed the content standards of the School District, as approved from time to time by the Board, and shall be implemented so as to allow for assessment of subject area proficiency in a manner and at times that are consistent with federal and state law and regulations. In addition to state or federally-required assessments, Summit will consider participating in District school improvement/climate surveys, will administer assessments in any world languages taught either by using the School District's designated assessment or comparable assessment approved by the School District, and will participate in any NAEP assessments. Summit will also administer assessments in any world languages taught at Summit, using either the School District's designated assessment or comparable assessment approved by the School District.

5.1.2 Summit agrees to comply with all state statutory requirements concerning subjects of instruction, unless specifically waived by the State Board of Education, including, without limitation, instruction in the areas of state and federal history and civil government, C.R.S. § 22-1-104; honor and use of the United States Flag, C.R.S. § 22-1-106; the federal Constitution, C.R.S. § 22-1-108; and the effect of use of alcohol and controlled substances, C.R.S. § 22-1-110.

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

5.1.4 Summit and the School District shall work cooperatively and jointly to explore and implement strategies designed to increase accessibility to Summit's educational programs for under-represented populations.

5.2 Records.

5.2.1 Summit agrees to comply with all record keeping requirements of the Board and/or federal or state law and shall provide any reports, as necessary, to meet the School District's reporting obligations to the State Board, Colorado Department of Education ("CDE"), and U.S. Department of Education. Student records include, without limitation, immunization records, class schedules, records of academic performance, disciplinary actions, attendance and standardized test results, and documentation required under federal and state law regarding the education of students with disabilities. Copies of a student's permanent cumulative education file will be forwarded by the School District to Summit in a timely manner for those students who are registered to attend Summit.

5.2.2 Summit shall comply with all Board-approved policies and regulations, and applicable federal and state laws, concerning the maintenance, retention, and disclosure of student records, including, without limitation, the Colorado Open Records Act, C.R.S. §§ 24-72-204 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 Summit shall be nonreligious, nonsectarian and shall not discriminate against any student on the basis of race, creed, color, national origin, sex, marital status, sexual orientation, gender identity/expression, religion, ancestry, disability, or need for special education services. Summit acknowledges and shall comply with the School District's Nondiscrimination Policy AC.

5.4 Enrollment. The School District and Summit agree that for the initial year of this Contract, Summit's total funded enrollment for purposes of the Public School Finance Act, or successor act ("Finance Act") and for any allocation of state or local funds ("Funded

Enrollment") shall be limited to 360 full-time equivalent students in grades six through eight ("Student FTEs"), unless otherwise mutually agreed. During the term of the Contract, Summit's enrollment may increase in increments of up to 35 Student FTE, but shall not exceed 450 Student FTEs as long as it is occupying its current facility and site. If Summit intends to increase its enrollment for the next school year up to 10 Student FTE, it shall notify the School District in writing it is considering an increase on or before the beginning of the School District's established Open Enrollment application period, and shall notify the School District in writing of its final decision by the end of the Open Enrollment application period. If Summit intends to increase its enrollment for the next school year between 11 and 35 Student FTE, it shall notify the School District in writing of its decision by no later than November 1 of the year preceding the increase. This limitation on the number of enrolled and funded students is acknowledged by the School District and Summit as necessary to ensure that Summit's enrollment does not exceed the capacity of Summit's facility and site. Summit may enroll students, including enrolling students from the list of applicants created during open enrollment who have not yet been admitted to Summit because of lack of slots ("wait list" or "waiting list"), in a manner and at times designated by the School District for other schools. Consistent with the preceding sentence, and in order to assist Summit in maintaining its enrollment for funding purposes on the count date, if Summit's enrollment drops below its enrollment limit before October 1, it may admit students up to its enrollment limit from the Summit waiting list prior to October 1. Summit shall coordinate the acceptance of all such students in advance with and on the dates authorized by the Superintendent or designee.

5.4.1 Summit and students enrolling in Summit are subject to and shall comply with the School District's current open enrollment policy and regulations applicable to its other schools. Except as stated below in this section, Summit shall comply with future modifications to the School District's open enrollment policies and regulations subject to Section 8.7.3. Notwithstanding the foregoing, Summit agrees not to invoke Section 8.7.3 for future modifications to the School District's timelines and revisions to District forms. The School District acknowledges the desirability of managing the open enrollment system district-wide in a manner that allows schools to reach their enrollment numbers as early in the process as practicable. Within its total enrollment, provided above in Section 5.4, Summit may determine the number of slots available for student admissions at each grade level; provided, however, that no two grades combined will be less than fifty percent (50%) of Summit's enrollment. Unless otherwise mutually agreed in writing, the preferences for admission of students to Summit during the term of this Contract are reflected in School District regulation JECC-R (for SY 2016/17) attached as Exhibit B. If Summit seeks to amend its preferences for admission during the term of this Contract, the proposed preferences shall be submitted to the Superintendent, who shall respond within thirty (30) days. Summit will make the final decision about the appropriate grade level placement (i.e. sixth, seventh, or eighth) for each student who is enrolled in Summit. Summit students are guaranteed enrollment for each succeeding year unless their parents/guardians enroll them in a different school. Once enrolled at Summit, students do not need to re-enter the open enrollment process, even if their grade level changes through promotion, acceleration or retention. If a Summit student temporarily moves away from the Boulder-Denver metropolitan area, the Summit Board may approve a request for the student to take a leave of absence for up to one year. During the approved leave, the student will be dis-

enrolled from Summit, but may automatically re-enroll on or before the conclusion of the approved leave.

5.4.2 Summit students may apply for enrollment in individual classes at School District high schools on the same basis as students from other School District middle schools including, without limitation, satisfying any prerequisites and space availability. Students from other School District schools and home schooled students may apply for enrollment in individual classes at Summit on a space-available basis. If such enrollment of students who have been included in the funded pupil count, result in a net transfer, during a given semester, from or to Summit of more than ten semester hours, then either Summit or the School District, as the case may be, shall reimburse the other, within sixty days after the end of each fiscal year, at the rate of one-fourteenth of the State's per-pupil revenue funding, net of purchased services, for each semester hour that one party's enrollment under this section exceeds the other's.

5.5 Admissions Criteria. Subject to the provisions of Sections 5.4, 5.4.1, and 8.7.3, students shall be considered for admission into Summit in a manner consistent with the School District's open enrollment process for other schools and in all cases without regard to race, creed, color, national origin, sex, marital status, sexual orientation, gender identity/expression, religion, ancestry, disability, or need for special education services. Denial of admission shall be handled consistent with state law, this Contract, and applicable Board policy.

5.6 Education Planning Meetings. Prior to recommending transfer to another School District school for a resident student who is struggling (with respect to academics, behavior, health issues, attendance, delinquency, etc.), Summit will schedule and attend an Education Planning Meeting with the School District's Superintendent's Office to explore available options for supporting the student.

5.7 Education of Students with Disabilities. Funding and payment for special education services shall be in accordance with Section 7.1 of this Contract.

5.7.1 Subject to the provisions of Section 8.7.3, Summit agrees to comply with all Board-approved policies and regulations and the requirements of federal and state law concerning the education of children with disabilities by providing special education and related services. Unless otherwise agreed in writing by the parties, Summit shall comply with this obligation by contracting with the School District to provide certain special education and related services as provided herein. Following enrollment of a District resident student, Summit and the School District shall determine whether the student has been identified as a child with disabilities, as defined by state and federal law. If so, the parties shall obtain a copy of the student's individualized education program ("IEP"). Any necessary members of the staffing team shall be convened to determine whether Summit is an appropriate placement for the student and, if so, what services are to be provided by Summit and what services will be provided by the School District. Where a student's special education needs can be appropriately met by Summit's staff, the student(s) needing such services will receive them, to the extent appropriate, on the Summit campus based upon a determination of the District staffing team. To the extent that

special education and related services are required pursuant to a student's IEP that cannot be provided by Summit, the School District will do so in a manner consistent with its approach for other schools of the School District. Funding and payment for special education services shall be in accordance with Section 7.1.4 of this Contract.

5.7.2 If a student with disabilities who is not a resident of the School District applies for admission to Summit, enrollment acceptance is contingent upon an appropriate IEP team meeting being convened to determine if a "free appropriate public education" ("FAPE"), within the meaning of federal and state law, is available for the student at Summit. The student will not be accepted as a student at Summit if the IEP team finds that a FAPE is not available for the student at Summit. If Summit and the School District determine that the non-resident student requires transportation as a related service, Summit shall be solely responsible for arranging the provision of and payment for this service. If the non-resident student with disabilities is one for whom tuition may be charged or excess costs collected, the School District is entitled to collect said monies and credit them to the overall School District cost of providing special education services.

5.7.3 Summit shall remain solely responsible for the costs of providing those services required under an IEP that are typically provided by regular classroom teachers through the normal classroom program, including without limitation, the cost of the classroom teacher (subject to Section 7.1.4), typical classroom supplies and services, and supplies generally made available to all students. Summit and the School District shall both be responsible for ensuring that their respective employees properly carry out the applicable requirements of each IEP.

5.7.4. If, after enrolling a resident student and receiving per pupil revenue for the student based on October count funding, Summit determines that it is unable to provide a FAPE, the student may return to another School District school and Summit shall be responsible for the actual costs incurred by the School District in providing the student with FAPE for the remainder of the school year, less any state and federal funding actually received by the School District for such student that would have otherwise gone to Summit for the provision of services to the student.

5.7.5 Section 504. As a recipient of federal funds, Summit is responsible for complying with the provisions of Section 504 of the Rehabilitation Act of 1973 as to students with disabilities who qualify for protections under that law. Summit shall comply with its obligations by identifying a Section 504 coordinator for the school who shall participate in any mandatory Section 504 trainings (at no cost) provided by the School District, and by developing a written Section 504 plan for any student eligible for such a plan. The District's Section 504 Coordinator may review Summit's referral process, evaluations, reevaluations, programming and provision of services for students eligible for protections under Section 504 and direct such changes as s/he may deem necessary, provided that the failure of the District's coordinator to direct any change shall not make the School District legally or financially responsible for Summit's noncompliance.

5.8 Education of English Language Learners. Summit agrees to comply with School District Policy and the requirements of federal and state law concerning the education of English Language Learners, including identification of and delivery of appropriate educational services. Unless otherwise agreed in writing, Summit shall comply with this obligation by contracting with the School District to provide certain English Language Learner services as provided herein. Funding and payment for English Language Learner services shall be in accordance with Paragraph 7.1.5 below.

5.9 Tuition and Fees. Tuition may not be charged to students who reside in the School District, other than for optional before- and after-school programs, summer programs, and travel programs administered by Summit, consistent with the provisions of C.R.S. § 22-32-118. In the case of enrollment of a nonresident student with disabilities in Summit, the School District shall collect the tuition charge for the excess costs incurred in educating the child from the school district of residence pursuant to guidelines developed by CDE in accordance with C.R.S. § 22-20-109(5) and apply such amounts toward reducing the School District's overall cost of providing special education services. Student fees may be charged by Summit so long as in accordance with applicable Colorado law and regulations, including, but not limited to, the provisions of C.R.S. §§ 22-32-110(1)(o) and (p), § 22-32-117. Summit shall provide the School District with a schedule of all proposed fees for the ensuing school year by May 1 of each year.

5.10 Extracurricular Activities and Interscholastic Activities. Summit's teams shall be included in the School District's middle school league for purposes of extracurricular and interscholastic activities. Subject to the provisions of C.R.S. § 22-32-116.5 and this section 5.10, Summit students may participate in extracurricular and interscholastic activities offered by the School District that are not offered at Summit. The School District shall choose the school at which the student may participate. Among other factors, the school of participation shall be the school that offers the greatest number of activities in which the student wishes to participate and shall be at the school that would otherwise be the student's regular school of attendance in the School District unless otherwise approved by the Superintendent or designee for good cause, such as the distance from Summit to that school. To participate at another School District school, the student shall comply with all applicable laws and the then current rules, policies, and prerequisites of the School District and the school of participation; all eligibility requirements; and all responsibilities and standards of conduct, including related classroom and practice requirements. Where such participation requires a fee, the Summit student or Summit shall be responsible for payment of the fee which shall be equal to 150 percent of the fee amount the school of participation would charge an enrolled student to participate in the activity. Under the same terms and conditions above, School District students similarly may try out for and participate in extracurricular and interscholastic activities offered by Summit that are not offered at the student's school of attendance.

6.0 Evaluation of Pupil Performance and Procedures for Corrective Action. The Board accepts Summit's established methods for evaluating pupil performance. The Board accepts Summit's use of multiple tools for assessment of student performance, including standardized achievement tests. Summit shall cooperate with School District administrators to coordinate testing and the reporting of test data with the School District's statistical reporting needs and to implement any testing or assessments that may be required to meet the School

District's obligations under the provisions of state or federal law including, without limitation, the Accountability Act, the Accreditation Act, NCLB and ESSA.

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

7.1 Funding Package.

7.1.1 Subject to the enrollment limits in Section 5.4 and the provisions of Section 7.1.7 (occupancy of School District facilities), and the purchased services and allocated Costs described on Exhibit C, the School District shall provide funding for each funded Student FTE enrolled in Summit during each fiscal year of the term of the Charter (commencing with the 2016-2017 fiscal year) as follows: (i) 100 percent of the School District per pupil revenues ("PPR"), as defined by C.R.S. § 22-54-103(9.3) and which shall include per pupil amounts allocated by the General Assembly under Article IX, Section 17 of the Colorado Constitution ("Amendment 23") and as required by C.R.S. § 22-30.5-112(2)(a)(III)(B), as amended from time to time; (ii) 100 percent of the per pupil revenue attributable to the School District's November 1991 budget election; (iii) a "fair share" per pupil to Summit of the November 1998 budget election; (iv) a "fair share" per pupil attributable to the School District's November 2002 budget election; (v) 100 percent of the per pupil revenue attributable to the 2005 election for excess transportation costs; and (vi) 100% of the per pupil revenue attributable to the net amount in excess of \$32,662,468 of the School District's November 2010 budget election. "Fair share" shall be calculated in accordance with Exhibits D and E attached, subject to adjustment based upon School District student enrollment. Services purchased by Summit from the School District as listed on Exhibit C shall be provided at substantially the same level as provided for other District schools. So long as Summit is occupying School District facilities, the minimum per pupil amount allocated by the School District to the capital reserve fund under C.R.S. § 22-54-105(2), shall be retained by the School District (or deemed to be allocated to Summit and reimbursed to the School District) as part of the cost for occupying the land, buildings, and facilities by Summit and the related costs of operation, maintenance, repair, improvement, and reserve for depreciation of such land and facilities. Summit shall also be eligible to apply for capital reserve project funds on the same basis as other schools in the School District. In the event that Summit elects to no longer occupy School District facilities, as provided in Section 7.1.7, the above-referenced per-pupil amount of the capital reserve fund attributable to Summit will no longer be retained by or reimbursed to the School District, and Summit will no longer purchase the services described on Exhibit C, item 18, "Site-Related Costs." The parties agree that the funding levels provided for in this Contract, including the purchased services and allocated costs under Exhibit C, comply with the financing guidelines of the Act. The term "enrolled" as used in this Contract shall be deemed to mean enrolled as of the counting dates or periods and in accordance with the requirements of the Finance Act, C.R.S. §§ 22-54-101 *et seq.*, and CDE regulations. Summit shall be subject to audit by CDE and by the School District of the count of students enrolled in Summit.

7.1.2 So long as Summit is not in material breach of this Contract, any funding provided by the School District hereunder will be made available to Summit throughout the year consistent with the School District's procedures for its other schools, commencing on

July 1, 2016, for the first year and on July 1 in each year of the Contract thereafter, subject to enrollment limits, adjustments, deductions, or purchased services as provided in this Contract. The funding on July 1 will be based on the number of students with enrollment forms on file with the School District at that time that are signed by a parent or guardian. Funding will be adjusted in October to reflect the official October count required by the state. When adjustments in funding are made, based upon these enrollment count dates, any increases or decreases shall apply to the total school year but shall be spread over the remaining months of the fiscal year. Expenditures, within the applicable funding allocated to Summit, shall be made by the School District on Summit's behalf as part of the purchased Business Services.

7.1.3 To the extent the School District experiences any reduction or receives any increase in state equalization support by state audit attributable to Summit's enrollment or a legislative rescission or a modification to per pupil equalization funding, proportionate reductions or increases will be made to Summit's funding by adjustment or set off in subsequent months. Adjustments may be accomplished by the School District upon thirty days' prior written notice. The parties acknowledge that under the current version of the Finance Act, neither Summit nor the School District will receive funding for students in the year of enrollment if the student first enrolls in Summit or the School District after the October count date.

7.1.4 In consideration of the special education services to be provided by the School District under Section 5.7 (Education of Students with Disabilities), Summit agrees that it will submit appropriate documentation to the School District's Director of Special Education regarding Summit's special education program, including the number of students with active IEPs at Summit and the number of special education staff at the school, including their qualifications and responsibilities.

7.1.4.1 Summit shall purchase Special Education-Central (including Administration) services (Exhibit C), but will not purchase the Special Education-Schools services (Exhibit C). Accordingly, the School District will deduct from the funding provided in this Section 7.1 the amount of the School District's average, per pupil Special Education-Central (including Administration) costs multiplied by Summit's total student Funded Enrollment. Summit will receive, as a credit against such costs, the categorical reimbursement funding provided to the School District by the federal and state governments for special education for each Summit student reported on the District's December special education count.

7.1.4.2 If Summit opts to purchase Special Education-Schools services (Exhibit C), then upon the submission (by April 1 of each year) of appropriate documentation by Summit to the School District's Director of Special Education regarding the number of Summit's special education staff at the school and their qualifications and responsibilities, the School District shall reimburse Summit for that portion of the salaries and benefits of those staff members at Summit who have been approved by the School District and Summit to provide special education services under this Contract, consistent with the students' IEPs. Such reimbursement shall be based upon the salary and benefits that such special education teacher(s) would receive if placed on the School District's adopted salary schedule based on actual teaching experience, or what Summit compensates, whichever is less.

7.1.4.3 After Summit has enrolled a student and is receiving per pupil revenue for the student, Summit is responsible for all actual costs (less any state and federal funding actually received by the School District for such student) associated with providing a free and appropriate public education (FAPE) to the student for the entire school year, even if the student is transferred mid-year into a more restrictive placement at another School District school ("IEP-based Transfers").

7.1.4.4 Summit will create a Special Education Reserve Account of \$30,000 by July 1, 2016. The account balance must be increased by \$30,000 by July 1 of each subsequent year, until the account balance reaches a total of \$150,000 by July 1, 2020. This account will be maintained as a financial reserve for the purpose of meeting Summit's obligations relating to Administrative Complaints (defined in Section 7.2.4) and IEP-based Transfers, but Summit is not relieved of its financial obligations to the District if the account is depleted. If the balance drops below the required minimum, it must be replenished by June 30 of the next fiscal year or as otherwise mutually agreed.

7.1.5 English Language Learners ("ELL"). Summit shall purchase ELL-Central (including Administration) services (Exhibit C), but will not purchase ELL-Schools services (Exhibit C). Accordingly, the School District will deduct from the funding provided in this Section 7.1 the amount of the School District's average, per pupil ELL-Central (including Administration) costs (Exhibit C) multiplied by Summit's Funded Enrollment. Summit will receive, as a credit against such costs a proportionate share of the categorical reimbursement funding provided to the School District by the federal and state governments for English Language Learners and for English Language Proficiency Act ("ELPA"). In consideration of the English Language Learner services to be provided by the School District under Section 5.8 (Education of English Language Learners), Summit agrees it will submit appropriate documentation to the School District's Assistant Superintendent of Instruction and Equity reflecting the number of current and newly enrolled students at Summit eligible to receive ELL services (notwithstanding previous waivers of such services) and the number of endorsed and/or licensed (as required by law) staff at the school to provide ELL services. "ELL services" shall apply to all students with ELL needs at Summit, notwithstanding any previous waivers of such services given by such students.

7.1.6 The method of determining and the amount of funding to be provided by the School District as referred to in Section 7.1.1 above and the time period of the funding is based upon the provisions of the Finance Act, its definitions, and the School District's PPR as of October, 2015. To the extent the Finance Act should be modified by the General Assembly in any year of the Charter such that the definition or computation of the amount of the PPR or Insurance Reserve and Capital Reserve transfer is modified, the parties agree to negotiate in good faith in light of any such successor act or statutory revisions in order to achieve substantially comparable funding as contemplated under Section 7.1.1 of this Contract. The level of funding provided by the School District for Summit and the term of such funding is based upon the assumption that Summit will be occupying School District facilities. The level of funding shall be adjusted, as provided in Section 7.1.1, for future fiscal years if Summit elects to no longer occupy School District facilities as provided in Section 7.1.7.