

**NOTICE OF REGULAR MEETING AND AGENDA**



**August 22, 2018**

**Educational Services Center  
395 South Pratt Parkway  
Longmont, Colorado 80501**

Robert J. Smith, President, Board of Education

Dr. Don Haddad, Superintendent of Schools

**DISTRICT VISION  
STATEMENT**

*To be an exemplary school district which inspires and promotes high standards of learning and student well-being in partnership with parents, guardians and the community.*

**DISTRICT MISSION  
STATEMENT**

*To educate each student in a safe learning environment so that they may develop to their highest potential and become contributing citizens.*

**ESSENTIAL BOARD  
ROLES**

*Guide the superintendent  
Engage constituents  
Ensure alignment of resources  
Monitor effectiveness  
Model excellence*

**BOARD MEMBERS**

*John Ahrens, Asst Secretary  
Dr. Richard Martyr, Member  
Paula Peairs, Treasurer  
Karen Ragland, Member  
Joie Siegrist, Vice President  
Amory Siscoe, Secretary  
Robert J. Smith, President*

**1. CALL TO ORDER:**

6:00 pm Regular Business Meeting

**2. ADDENDUMS/CHANGES TO THE AGENDA:**

**3. AUDIENCE PARTICIPATION:**

**4. VISITORS:**

**5. REPORTS:**

1. 2016 Bond Activity Update

**6. CONSENT ITEMS:**

1. Approval: Approval of Easement Agreement-Trail Ridge Middle
2. Approval: Approval of Request to Grant Exception to Board Policy GBEA – Staff Ethics/Conflict of Interest-Robert Glassner
3. Approval: Approval of Request to Grant Exception to Board Policy GBEA – Staff Ethics/Conflict of Interest-Matt Mosebar

**7. ACTION ITEMS:**

1. Recommendation: Approval of State Statute Waiver Requests for Imagine Charter School at Firestone
2. Recommendation: Approval of Change Order to CMGC Contract for Lyons Elementary Addition & Renovation Project
3. Recommendation: Approval of Update of Vendors Providing Purchased Goods/Services Over \$100,000
4. Recommendation: Approval of Resolution for Lease Agreement for APEX Home School Program
5. Recommendation: Approval of APEX Lease Agreement

**8. DISCUSSION ITEMS:**

1. Sale of Bond Proceeds

**9. ADJOURNMENT:**

**Board of Education Meetings: Held at 395 South Pratt Parkway, Board Room, unless otherwise noted:**

Wednesday, September 12

6:00 pm Regular Meeting

## MEMORANDUM

DATE: August 22, 2018  
TO: Board of Education  
FROM: Dr. Don Haddad, Superintendent of Schools  
SUBJECT: 2016 Bond Activity Update

PURPOSE

To provide the Board of Education with an update of the 2016 Bond activity.

BACKGROUND

Voters approved the 2016 \$260.3 million Bond program in November of 2016. To date, the District has opened over 173 new classrooms and spent or encumbered approximately \$168 million of the 2016 Bond dollars, putting the bond at 64% complete as we move into the fall of 2018.

The District has completed the following 2016 Bond projects:

- Erie Feeder:
  - Soaring Heights PK-8; Erie High School 20 classroom addition, new track and parking lot expansion, and Lyceum addition.
  - New track at Erie Middle School.
- Lyons Feeder:
  - Lyons Elementary classroom addition and interior renovation in Art and Kindergarten classrooms.
  - Lyons HS track.
- Frederick Feeder:
  - Security entrance upgrades to Legacy and Prairie Ridge Elementary Schools.
  - Grand View Elementary PK-5.
- Mead Feeder:
  - Mead High School 20 classroom addition, site and bleacher upgrades.

- Niwot Feeder:
  - Niwot Elementary security entrance. A new bus loop and parent drop-off reconfiguration at the school.
  
- Skyline Feeder:
  - Alpine Elementary secure entry and classroom addition.
  - Fall River Elementary secure entry and classroom addition.
  - Skyline HS locker room remodel.
  
- Silver Creek Feeder:
  - The secure entries and building additions in 2017 at Blue Mountain and Eagle Crest Elementary schools.
  - Silver Creek High School's science classroom addition and interior renovations.
  
- District-Wide/Academy Schools:
  - The Innovation Center.
  - 70% of the security camera installations at most of our elementary schools.
  - Aspen Ridge Charter with a new gym/cafeteria.
  - Carbon Valley with HVAC and interior repairs.
  - Twin Peaks Academy with interior remodel efforts to improve music.
  - Flagstaff Academy interior remodel to the main entrance area.
  - Imagine Charter camera install.

Projects underway or beginning in the fall of 2018.

- Longmont HS
- Niwot HS
- Black Rock ES
- Main Street School
- Mead MS
- CDC/Olde Columbine
- Mead ES
- Sanborn ES
- Red Hawk ES
- Longs Peak MS
- 

Attached is the overall bond summary including projects encumbered to date and detailed by cost spent in each feeder.

### ***Feeder Expenditures***

Description	Feeder Expenditures (\$)	Other Funding (\$)
Skyline Feeder	\$5,180,355	\$1,830,000
Silver Creek Feeder	\$12,029,174	\$420,000
Niwot Feeder	\$5,918,297	\$2,220,000
Mead Feeder	\$15,181,408	\$2,530,000
Lyons Feeder	\$140,912	\$1,000,000
Longmont Feeder	\$27,454	\$3,877,663
Frederick Feeder	\$26,183,651	\$5,643,000
Erie Feeder	\$57,367,113	\$5,641,262
District Wide	\$18,620,364	\$4,880,345
Alternative Administration	\$1,937,238	\$3,500,000
Academy	\$19,309,433	\$0
<b>TOTALS</b>	<b>\$168,328,071</b>	<b>\$31,639,174</b>
<b>TOTAL Expenditures:</b>		<b>\$168,328,071</b>

### ***Feeder Totals***

Total Funding:	\$291,974,571
Total Spent:	\$168,328,071
Total Remaining:	\$123,646,500

# 2016 Bond Total

## ***Total Bond Funding***

Description	2016 Bond Funding (\$)	Other Funding (\$)
<u>Original 2016 Bond Allocation:</u>	\$ 260,335,396	NA
<u>2016 Bond Construction:</u>	\$ 239,061,220	NA
<u>2016 Bond Carry-Over:</u>	\$ -	NA
<u>2016 Bond Inflation:</u>	\$ 19,309,433	NA
<u>2016 Bond Environmental Accounts</u>	\$ 1,964,743	NA
<u>2016 Bond Sale Proceeds</u>	NA	\$ 25,077,663
<u>2016 Bond Equity Enhancements:</u>	NA	\$ 270,462
<u>Cash-in-lieu:</u>	NA	\$ 3,294,145
<u>2008 Bond:</u>	NA	\$ -
<u>Grants:</u>	NA	\$ -
<u>CAP Reserve:</u>	NA	\$ 2,600,000
<u>Other:</u>	NA	\$ 396,904
<b><u>Totals</u></b>	<b>\$ 260,335,396</b>	<b>\$ 31,639,174</b>

**TOTAL Project Value: \$291,974,571**

## MEMORANDUM

DATE: August 22, 2018  
TO: Board of Education  
FROM: Dr. Don Haddad, Superintendent of Schools  
SUBJECT: Approval of Easement – Trail Ridge Middle School

RECOMMENDATION

That the Board of Education approve the requested easement agreement between the City of Longmont and St. Vrain Valley Schools for the property at Trail Ridge Middle School, and authorize Robert J. Smith, Board President, to sign the appropriate documents.

BACKGROUND

This permanent easement is for the purpose of LPC (Longmont Power & Communications) installing and maintaining cables, conduits, transformers, street lights and other various subsurface and surface appurtenances.

Final documents were reviewed by District legal counsel.

## EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between St Vrain Valley School District RE-1J ("Grantor"), and the City of Longmont, Colorado, a municipal corporation ("Grantee"), whose mailing address is 350 Kimbark Street, Longmont, Colorado 80501.

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the parties agree as follows:

1. That the Grantor has granted, sold and conveyed, and by this Agreement does grant, sell, convey and confirm to the Grantee, its successors and assigns, forever, a permanent non-exclusive easement on and under the land described in Exhibit A ("Easement"), attached hereto and incorporated herein by this reference, located in Boulder County, Colorado, for the purposes of:
  - 1.1 Surveying, locating, installing, constructing, using, operating, maintaining, inspecting, repairing, altering, removing Longmont Power & Communications conduits, cables, transformers, enclosures, street lights or other necessary apparatus, in whole or in part, and all necessary subsurface and surface appurtenances;
  - 1.2 Marking the location of the Easement, and any improvements, by suitable markers set and maintained in the ground at locations which shall not interfere with such reasonable use as Grantor shall make of the Easement under the terms of this Agreement; and
  - 1.3 Right of ingress and egress over and on the lands described in Exhibit A to enforce the rights, terms and conditions given by this Agreement.
2. That the Grantor reserves the right to use and occupy the Easement for any lawful purpose consistent with the rights and privileges granted herein which will not interfere with or endanger any of the Grantee's rights or improvements on or under the Easement or Grantee's use thereof, provided that Grantor shall not construct or allow the construction of any building, structure, or other improvement on or under the Easement, or take any action which would impair or in any way modify the improvements or lateral or subjacent support for the improvements, without obtaining the specific written permission of the Grantee, except as agreed upon by the parties in a final subdivision plat for the land described in Exhibit A.
3. That the Grantor covenants and agrees to cause the Easement area and any improvements installed thereon to be maintained and kept, at its sole cost and expense, in good condition and state of repair.
4. Grantor agrees to indemnify and hold harmless Grantee and its officers and employees from any and all suits, claims, damages, liability or court awards, including costs and attorney fees that are or may be awarded as a result of any loss, injury or damage sustained or claimed to have been sustained by anyone including but not limited to any person, firm, partnership or corporation in connection with or arising from Grantor's use, maintenance, and operation of the Easement area and any and all of its improvements installed thereon.

5. That the obligations of the Grantor contained in this Agreement shall constitute a covenant which shall run with and burden the land, shall bind all future owners of the land, and shall be enforceable against the Grantor, and the Grantor's successors and assigns by the Grantee, and its successors and assigns.
6. That the Grantor warrants for itself, and all persons claiming under the Grantor, that it has the exclusive and full right, title, ownership, and lawful authority to grant this Easement and to make and enforce the covenants and promises herein.
7. That the Grantor warrants and will forever defend title to the Easement from persons claiming the whole or any part thereof, by, through or under the Grantor.
8. No representations, warranties, or certifications express or implied shall exist as between the parties, except as specially stated in this Agreement.
9. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attributes to such party of the source of the language in question.
10. None of the terms or conditions in this Agreement shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than the Grantee or the Grantor receiving services or benefits under this Agreement shall be only an incidental beneficiary.
11. This Agreement is an integration of the entire understanding of the parties with respect to the matters stated herein. The parties shall only amend this Agreement in writing with the proper official signatures attached hereto.
12. No waiver of any breach or default under this Agreement shall be a waiver of any other or subsequent breach or default.
13. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

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

GRANTOR:

St Vrain Valley School District RE-1J

By: \_\_\_\_\_  
Brian Lamer, Assistant Superintendent



State of Colorado     )  
                                  ) ss:  
County of Boulder    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, 2018 by \_\_\_\_\_,  
for St Vrain Valley School District RE-1J.

Witness my hand and official Seal.

My Commission expires \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

CITY OF LONGMONT:

By: \_\_\_\_\_  
Tom Roiniotis, General Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jeffrey Friedland, Deputy City Attorney

File:

# EXHIBIT "A"

LOCATED IN THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 3 NORTH,  
RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN,  
CITY OF LONGMONT, COUNTY OF BOULDER, STATE OF COLORADO  
SHEET 1 OF 2

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 3 NORTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LONGMONT, COUNTY OF BOULDER, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36 TO BEAR NORTH 00°00'00" EAST, A DISTANCE OF 2643.46 FEET BETWEEN THE SOUTHEAST CORNER OF SAID SECTION 36 AND THE EAST QUARTER CORNER OF SAID SECTION 36, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 36; THENCE ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36 NORTH 00°00'00" EAST, A DISTANCE OF 483.22 FEET; THENCE DEPARTING SAID EAST LINE NORTH 90°00'00" WEST, A DISTANCE OF 60.00 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF COUNTY LINE ROAD, SAID POINT ALSO BEING ON THE NORTH LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED RECORDED IN THE RECORDS OF BOULDER COUNTY ON JANUARY 14, 2008 AT RECEPTION NO. 2904496 AND ALSO BEING THE POINT OF BEGINNING; THENCE ALONG SAID NORTH LINE SOUTH 89°23'36" WEST, A DISTANCE OF 12.00 FEET; THENCE DEPARTING SAID NORTH LINE AND ALONG A LINE PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36, NORTH 00°00'00" EAST, A DISTANCE OF 436.80 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF OUTLOT F, QUAIL CROSSING THIRD FILING RECORDED IN THE RECORDS OF BOULDER COUNTY ON NOVEMBER 8, 1999 AT RECEPTION NO. 1997495; THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 36°17'10" EAST, A DISTANCE OF 20.28 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF COUNTY LINE ROAD; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE AND ALONG A LINE PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36, SOUTH 00°00'00" EAST, A DISTANCE OF 3.50 FEET; THENCE DEPARTING SAID WEST RIGHT-OF-WAY LINE NORTH 90°00'00" WEST, A DISTANCE OF 5.00 FEET TO A POINT ON THE WEST LINE OF AN EXISTING SANITARY SEWER EASEMENT RECORDED IN THE RECORDS OF BOULDER COUNTY ON MAY 22, 1996 AT RECEPTION NO. 01610441; THENCE ALONG SAID WEST LINE AND A LINE PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36, SOUTH 00°00'00" EAST, A DISTANCE OF 377.40 FEET TO THE SOUTHWEST CORNER OF SAID EXISTING SANITARY SEWER EASEMENT; THENCE ALONG THE SOUTH LINE OF SAID SANITARY SEWER EASEMENT SOUTH 89°57'28" EAST, A DISTANCE OF 5.00 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF COUNTY LINE ROAD; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE AND ALONG A LINE PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36, SOUTH 00°00'00" EAST, A DISTANCE OF 39.42 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF THAT PARCEL OF LAND DESCRIBED IN DEED RECORDED AT RECEPTION NO. 2904496, SAID POINT ALSO BEING THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 3,256 SQ.FT. OR 0.07 ACRES, MORE OR LESS.

I, JOHN B. GUYTON, A LAND SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY STATE FOR AND ON BEHALF OF FLATIRONS, INC., THAT THIS PARCEL DESCRIPTION AND ATTACHED EXHIBIT, BEING MADE A PART THEREOF, WERE PREPARED BY ME OR UNDER MY RESPONSIBLE CHARGE AT THE REQUEST OF THE CLIENT AND IS NOT INTENDED TO REPRESENT A MONUMENTED LAND SURVEY OR SUBDIVIDE LAND IN VIOLATION OF STATE STATUTE.

## DRAFT

WORKING COPY ONLY. ONLY  
FINAL VERSION WILL HAVE  
STAMP AND SIGNATURE

JOHN B. GUYTON  
COLORADO P.L.S. #16406  
CHAIRMAN/CEO, FLATIRONS, INC.

FSI JOB NO. 18-70,678

JOB NUMBER: 18-70,678  
DRAWN BY: B. OELKE  
DATE: JUNE 15, 2018

THIS IS NOT A "LAND SURVEY PLAT" OR "IMPROVEMENT SURVEY PLAT" AND THIS EXHIBIT IS NOT INTENDED FOR PURPOSES OF TRANSFER OF TITLE OR SUBDIVISIONS OF LAND. RECORD INFORMATION SHOWN HEREON IS BASED ON INFORMATION PROVIDED BY CLIENT.

**Flatirons, Inc.**  
Surveying, Engineering & Geomatics  
 655 FOURTH AVE  
LONGMONT, CO 80501  
PH: (303) 776-1733  
FAX: (303) 776-4355  
[www.FlatironsInc.com](http://www.FlatironsInc.com)

BY:BOELKE FILE:70678\_EASEMENT\_C17.DWG DATE:6/15/2018 10:52 AM

# EXHIBIT "A"

LOCATED IN THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 3 NORTH,  
RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN,  
CITY OF LONGMONT, COUNTY OF BOULDER, STATE OF COLORADO

SHEET 2 OF 2

E. QUARTER  
CORNER, SEC.  
36, T3N, R69W

BLOCK 6,  
QUAIL CROSSING,  
THIRD FILING  
REC. NO. 1997495

30' CITY OF LONGMONT  
SANITARY SEWER EASEMENT  
REC. NO. 01610441

OUTLOT F,  
QUAIL CROSSING, THIRD FILING,  
REC. NO. 1997495

BLOCK 7,  
QUAIL CROSSING,  
THIRD FILING  
REC. NO. 1997495

50' DRAINAGE  
EASEMENT  
REC. NO. 1997495

TOTAL AREA  
3,256 SQ. FT. OR 0.07  
ACRES, MORE OR LESS

20' SANITARY  
EASEMENT  
REC. NO. 1997495

30' CITY OF LONGMONT  
SANITARY SEWER EASEMENT  
REC. NO. 01610441

SPECIAL WARRANTY DEED  
REC. NO. 2904496

SPECIAL WARRANTY DEED  
REC. NO. 3132531

COUNTY LINE ROAD  
(R.O.W. VARIES)  
BASIS OF BEARINGS  
N00°00'00"E 2643.46'

SE CORNER  
SEC. 36, T3N,  
R69W  
(POINT OF  
COMMENCEMENT)



BY:BOELKE FILE:70678\_EASEMENT\_C17.DWG DATE:6/15/2018 10:53 AM

## DRAFT

WORKING COPY ONLY. ONLY  
FINAL VERSION WILL HAVE  
STAMP AND SIGNATURE

JOB NUMBER: 18-70,678  
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LPC Flush Vaults

Existing ROW

LPC Running Line

LPC Easement Boundary

## MEMORANDUM

DATE: August 22, 2018

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Request to Grant Exception to Board Policy GBEA – Staff Ethics/Conflict of Interest-Robert Glassner

RECOMMENDATION

That the Board of Education allow an exception to the current Board Policy GBEA – Staff Ethics/Conflict of Interest. This exception would enable Robert Glassner to provide artistic services to individuals within the District.

BACKGROUND

Board Policy GBEA - Staff Ethics/Conflict of Interest states, "No school district employee or firm owned by a school district employee shall be allowed to sell to the school district or its schools or staff goods or services of any kind without express prior written consent of the Board of Education."

Former employee Robert Glassner, husband of Patricia Glassner, is a local artist. In the past, his artistic services have been requested by various District schools. Since Mr. Glassner is the husband of a District employee, he is requesting a waiver from Board Policy GBEA so that he can provide his services to the St. Vrain Valley School District.

The administration recommends approval of this exception, with services for the 2018-2019 school year not to exceed \$5,000. If so, his exception will be brought back to the Board of Education for additional approval.

## MEMORANDUM

DATE: August 22, 2018

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Request to Grant Exception to Board Policy GBEA – Staff Ethics/Conflict of Interest-Matt Mosebar

RECOMMENDATION

That the Board of Education allow an exception to the current Board Policy GBEA – Staff Ethics/Conflict of Interest. This exception would enable Matt Mosebar to provide athletic training services to individuals within the District.

BACKGROUND

Board Policy GBEA - Staff Ethics/Conflict of Interest states, "No school district employee or firm owned by a school district employee shall be allowed to sell to the school district or its schools or staff goods or services of any kind without express prior written consent of the Board of Education."

Matt Mosebar, husband of Juliane Mosebar, Volleyball Coach at Mead High School, is a local athletic trainer and provided training services for summer conditioning at Mead High School. Since Mr. Mosebar is the husband of a District employee, he is requesting a waiver from Board Policy GBEA, so that he can provide his services to the St. Vrain Valley School District.

The administration recommends approval of this exception, with services for the 2018-2019 school year not to exceed \$5,000. If so, his exception will be brought back to the Board of Education for additional approval.

## MEMORANDUM

DATE: August 22, 2018

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of State Statute Waiver Requests for Imagine Charter School at Firestone

RECOMMENDATION

That the Board of Education approve the state statute waiver requests for Imagine Charter School at Firestone.

BACKGROUND

Imagine Charter School at Firestone previously had requested waivers for C.R.S. § 22-32-109(1)(b) and 22-32-110(1)(y) as part of their contract with the District.

Around June 2017, C.R.S. § 22-32-109(1)(b) and 22-32-110(1)(y) were removed from the list of automatic waivers. The State Board was directed by the General Assembly to not include these statutes on the list of automatic waivers per HB17-1375. A copy of the bill is attached (see page 16 of 19 for the waiver changes). While anecdotal, some have speculated that the provision was a tradeoff for the mill levy sharing portion of the bill. Also, the provision seems to be aligned with the spirit of the Financial Transparency Act, of which the bill amended.

Imagine's administration has completed these policies, and they have been approved by the charter school's governing board. If the District's Board of Education approves the waivers, they will be submitted to the State Board of Education for consideration in September 2018.

This item was tabled from the August 8, 2018 Board Meeting because more information was requested. Imagine's proposed replacement policies are additional attachments to this memo.

Greg Fieth, Chief Financial Officer, will be available to answer questions.



## Charter School Waiver Request Addendum

*Use the addendum template below to list the non-automatic waiver(s) from statute and rule and the related replacement plans that the charter school is requesting.*

Contact Information
School Name: Imagine Charter School at Firestone
School Address (mailing): 5753 Twilight Avenue, Firestone, CO 80504
Charter School Waiver Contact Name: Nancy Box
Charter School Waiver Contact's Phone Number: 303.550.2440
Charter School Waiver Contact's Email: nancy.box@imagineschools.org

Non-Automatic Waivers: Statute Description and Rationale and Replacement Plan
<b>Statutory Citation and Title</b> § 22-32-109(1)(b), C.R.S. related to competitive bidding
<b>Rationale:</b> The school requests sole discretion in all competitive bidding policies in order to ensure that we are able to acquire the goods and services that best meet the needs of our students in the most efficient manner possible.
<b>Replacement Plan:</b> The Board of Directors of Imagine Charter School at Firestone develops and implements their own financial policies, rules and regulations, including those for the competitive bidding process. The Board adopted policy I-DJCA and I-DJCA-R on September 25, 2012, for Purchasing Procedures. As part of policy review, the Board will continue to ensure that this and other financial policies include all facets of this statute.
<b>Duration of Waivers:</b> We formally request the waiver be in effect for the duration of our contract with St. Vrain Valley School District.
<b>Financial Impact:</b> Imagine Charter School at Firestone anticipates that the requested waivers will have no financial impact on St. Vrain Valley School District or Imagine Charter School at Firestone.
<b>How the Impact of the Waivers Will be Evaluated:</b> Imagine Charter School at Firestone anticipates that the requested waiver will be measured by the performance of Imagine Charter School at Firestone and its staff, as per the charter school agreement.
<b>Expected Outcome:</b> As a result of this waiver, Imagine Charter School at Firestone will be able to purchase goods and service that meet the needs of our staff and students and support our operational needs.



## Non-Automatic Waivers: Statute Description and Rationale and Replacement Plan

**Statutory Citation and Title** [§ 22-32-110\(1\)\(y\), C.R.S. related to accepting gifts, donations, and grants](#)

**Rationale:** In order to ensure that Imagine Charter School at Firestone is able to operate critical aspects of its model outside of its core program, the Academy engages in fund development efforts. Funds are raised from a wide range of activities and individuals/corporations/possible foundations. In addition, Imagine Charter School at Firestone may receive gifts, which can be used to further support the program. It is the responsibility of Imagine Charter School at Firestone to engage in responsible fundraising efforts and to receive and execute gifts, donations and/or grants in alignment with the donors' wishes and along with all local, state and federal laws. In cases of unrestricted use giving, Imagine Charter School at Firestone leadership, with the support of the school Board of Directors and Economic Sustainability (Finance) Committee, and/or School Accountability Committee determines the most effective use of the funds.

**Replacement Plan:** The Board adopted a policy on September 25, 2012 for Grants Management (policy #I-DD.) They will be reviewing a policy on Public Gifts or Donations (policy I-KCD) in the fall.

**Duration of Waivers:**

We formally request the waiver be in effect for the duration of our contract with St. Vrain Valley School District.

**Financial Impact:** Imagine Charter School at Firestone anticipates that the requested waiver will have no financial impact on St. Vrain Valley School District and will have no negative financial impact on Imagine Charter School at Firestone.

**How the Impact of the Waivers Will be Evaluated:** Imagine Charter School at Firestone anticipates that the requested waiver will be measured by the performance of Imagine Charter School at Firestone and its staff, as per the charter school agreement.

**Expected Outcome:** As a result of the waiver, Imagine Charter School at Firestone will be able to carry out its educational program, administer its affairs in an efficient manner, and accomplish its mission as set forth in the charter school agreement.

# An Act

HOUSE BILL 17-1375

BY REPRESENTATIVE(S) Pettersen and Sias, Becker J., Beckman, Bridges, Coleman, Covarrubias, Humphrey, Kennedy, Leonard, Liston, Lontine, Lundeen, McLachlan, Navarro, Neville P., Rankin, Ransom, Rosenthal, Willett, Williams D., Duran;  
also SENATOR(S) Hill and Williams A., Cooke, Crowder, Gardner, Holbert, Jahn, Lambert, Lundberg, Marble, Martinez Humenik, Moreno, Neville T., Priola, Smallwood, Sonnenberg, Tate, Grantham.

CONCERNING MEASURES TO INCREASE TRANSPARENT EQUITY IN EDUCATING STUDENTS IN PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, REQUIRING SCHOOL DISTRICTS TO DISTRIBUTE MILL LEVY REVENUE TO MEET THE NEEDS OF STUDENTS, CREATING A FUND TO PROVIDE EQUALIZING MONEY TO INSTITUTE CHARTER SCHOOLS, AND REQUIRING SCHOOL DISTRICTS AND CHARTER SCHOOLS TO POST A LIST OF STATUTORY WAIVERS RECEIVED.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, add 22-32-108.5 as follows:

**22-32-108.5. Board of education - distribution of additional mill levy revenue - definitions - legislative declaration.** (1) (a) THE GENERAL

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

ASSEMBLY RECOGNIZES THAT SECTION 15 OF ARTICLE IX OF THE STATE CONSTITUTION GRANTS TO EACH SCHOOL DISTRICT BOARD OF EDUCATION CONTROL OF INSTRUCTION IN THE SCHOOLS OF THE SCHOOL DISTRICT. THE POWER OF LOCAL CONTROL OF INSTRUCTION APPLIES TO ALL OF THE SCHOOLS OF THE SCHOOL DISTRICT AND THEREFORE IMPOSES ON THE SCHOOL DISTRICT BOARD OF EDUCATION THE RESPONSIBILITY TO ENSURE THE EQUITABLE TREATMENT OF ALL OF THE STUDENTS ENROLLED IN ALL OF THE SCHOOLS OF THE SCHOOL DISTRICT.

(b) THE GENERAL ASSEMBLY FURTHER FINDS THAT SECTION 2 OF ARTICLE IX OF THE STATE CONSTITUTION REQUIRES THE GENERAL ASSEMBLY TO PROVIDE FOR THE MAINTENANCE OF A THOROUGH AND UNIFORM SYSTEM OF FREE PUBLIC SCHOOLS THROUGHOUT THE STATE. REQUIRING EACH SCHOOL DISTRICT BOARD OF EDUCATION TO EQUITABLY USE AND DISTRIBUTE ITS RESOURCES TO MEET THE NEEDS OF ALL STUDENTS ENROLLED IN ALL OF THE SCHOOLS OF THE SCHOOL DISTRICT SUPPORTS GREATER UNIFORMITY IN PROVIDING PUBLIC EDUCATION SERVICES WITHIN EACH SCHOOL DISTRICT AND THROUGHOUT THE STATE.

(c) THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT EACH SCHOOL DISTRICT BOARD OF EDUCATION HAS THE DUTY TO ENSURE THAT THE SCHOOL DISTRICT USES AND ALLOCATES ITS RESOURCES IN A MANNER THAT RESULTS IN THE EQUITABLE TREATMENT OF ALL STUDENTS ENROLLED IN THE SCHOOL DISTRICT, ACCORDING TO THEIR INDIVIDUAL NEEDS, REGARDLESS OF THE TYPE OF SCHOOL OF THE SCHOOL DISTRICT IN WHICH EACH STUDENT IS ENROLLED.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ADDITIONAL MILL LEVY REVENUE" MEANS THE AMOUNT OF PROPERTY TAX REVENUE THAT A SCHOOL DISTRICT COLLECTS FROM MILLS THAT ARE AUTHORIZED BY VOTERS BEFORE, ON, OR AFTER THE EFFECTIVE DATE OF THIS SECTION AND THAT A SCHOOL DISTRICT LEVIES IN ADDITION TO THE SCHOOL DISTRICT'S TOTAL PROGRAM MILL LEVY ESTABLISHED IN SECTION 22-54-106 (2), NOT INCLUDING MILLS THAT A SCHOOL DISTRICT MAY LEVY FOR PURPOSES OF INCURRING OR REPAYING BONDED INDEBTEDNESS OR FOR PAYING AMOUNTS DUE PURSUANT TO INSTALLMENT SALES AGREEMENTS OR LEASE PURCHASE AGREEMENTS ENTERED INTO AS OF THE EFFECTIVE DATE OF THIS SECTION FOR WHICH ADDITIONAL MILL

LEVY REVENUE WAS CONTRACTUALLY COMMITTED AS OF THE EFFECTIVE DATE OF THIS SECTION.

(b) "ALTERNATIVE EDUCATION CAMPUS" MEANS A PUBLIC SCHOOL THAT IS DESIGNATED BY THE STATE BOARD OF EDUCATION AS AN ALTERNATIVE EDUCATION CAMPUS PURSUANT TO SECTION 22-7-604.5.

(c) "CHARTER SCHOOL" MEANS A CHARTER SCHOOL AUTHORIZED BY A SCHOOL DISTRICT AS PROVIDED IN PART 1 OF ARTICLE 30.5 OF THIS TITLE 22.

(d) "INNOVATION SCHOOL" MEANS A SCHOOL IN WHICH A LOCAL SCHOOL BOARD IMPLEMENTS AN INNOVATION PLAN AS PROVIDED IN SECTION 22-32.5-104 OR A SCHOOL THAT IS INCLUDED IN AN INNOVATION SCHOOL ZONE, AS DEFINED IN SECTION 22-32.5-103.

(e) "LOCAL SCHOOL BOARD" MEANS THE SCHOOL DISTRICT BOARD OF EDUCATION OF A PARTICIPATING SCHOOL DISTRICT.

(f) "PARTICIPATING SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT THAT, ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION:

(I) COLLECTS ADDITIONAL MILL LEVY REVENUE; AND

(II) IS DESIGNATED AS A SCHOOL DISTRICT OF INNOVATION AS PROVIDED IN ARTICLE 32.5 OF THIS TITLE 22 OR AUTHORIZES AT LEAST ONE CHARTER SCHOOL AS PROVIDED IN PART 1 OF ARTICLE 30.5 OF THIS TITLE 22.

(g) "PER PUPIL MILL LEVY SHARE" MEANS AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT A PARTICIPATING SCHOOL DISTRICT COLLECTS FOR A BUDGET YEAR DIVIDED BY THE SCHOOL DISTRICT'S FUNDED PUPIL COUNT, AS DEFINED IN SECTION 22-54-103, FOR THAT BUDGET YEAR.

(h) "PER PUPIL PROGRAM SHARE" MEANS AN AMOUNT EQUAL TO THE AMOUNT OF ADDITIONAL MILL LEVY REVENUE ALLOCATED TO A PROGRAM IN A PARTICIPATING SCHOOL DISTRICT'S PLAN, DIVIDED BY THE TOTAL NUMBER OF STUDENTS ENROLLED IN THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT WHO ARE ELIGIBLE TO PARTICIPATE IN THE PROGRAM, MULTIPLIED BY THE NUMBER OF ELIGIBLE STUDENTS ENROLLED IN A

CHARTER SCHOOL OR SCHOOL OF INNOVATION THAT CHOOSES TO RECEIVE THE PER PUPIL PROGRAM SHARE IN LIEU OF PARTICIPATING IN THE PROGRAM.

(i) "PLAN" MEANS THE PLAN FOR USING AND DISTRIBUTING ADDITIONAL MILL LEVY REVENUE AS DESCRIBED IN THIS SECTION THAT IS ADOPTED BY A LOCAL SCHOOL BOARD.

(j) "TYPE" MEANS THE STATUS OF A SCHOOL OF THE SCHOOL DISTRICT AS A TRADITIONAL, CHARTER, INNOVATION, OR MAGNET SCHOOL OR AS OPERATING UNDER SOME OTHER ORGANIZATIONAL OR GOVERNANCE STRUCTURE. "TYPE" DOES NOT INCLUDE A SCHOOL'S STATUS AS AN ALTERNATIVE EDUCATION CAMPUS OR OTHER ALTERNATIVE HIGH SCHOOL OR STATUS BASED ON THE GRADE LEVELS THE SCHOOL SERVES OR THE TYPE OF PERFORMANCE PLAN THE SCHOOL OPERATES UNDER AS DESCRIBED IN PART 4 OF ARTICLE 11 OF THIS TITLE 22.

(3) FOR THE 2019-20 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER, THE LOCAL SCHOOL BOARD OF EACH PARTICIPATING SCHOOL DISTRICT SHALL EITHER IMPLEMENT A PLAN FOR USING AND DISTRIBUTING THE ADDITIONAL MILL LEVY REVENUE THAT THE PARTICIPATING SCHOOL DISTRICT COLLECTS FOR EACH BUDGET YEAR, AS DESCRIBED IN SUBSECTION (4) OF THIS SECTION, OR DISTRIBUTE TO EACH CHARTER SCHOOL AND INNOVATION SCHOOL OF THE PARTICIPATING SCHOOL DISTRICT AN AMOUNT EQUAL TO AT LEAST NINETY-FIVE PERCENT OF THE PARTICIPATING SCHOOL DISTRICT'S PER PUPIL MILL LEVY SHARE FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE CHARTER SCHOOL OR THE INNOVATION SCHOOL FOR THE APPLICABLE BUDGET YEAR, AS DESCRIBED IN SUBSECTION (5) OF THIS SECTION.

(4) (a) A LOCAL SCHOOL BOARD THAT CHOOSES TO ADOPT A PLAN MUST ADOPT THE PLAN BY JULY 1, 2018. SUBJECT TO STATUTORY LIMITS OR REQUIREMENTS THAT APPLY TO SPECIFIC MILL LEVY AUTHORIZATIONS AND ANY PURPOSES SPECIFICALLY APPROVED BY VOTERS IN APPROVING ADDITIONAL MILL LEVY REVENUE, THE PLAN MUST ENSURE THAT THE ADDITIONAL MILL LEVY REVENUE IS DISTRIBUTED TO, OR OTHERWISE USED FOR PROGRAMS THAT BENEFIT, THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT BASED ON MEETING THE NEEDS OF AND EQUITABLY SUPPORTING THE EDUCATION OF ALL OF THE STUDENTS ENROLLED IN ALL OF THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT, REGARDLESS OF THE TYPE OF SCHOOL IN WHICH EACH STUDENT IS ENROLLED. FOR EACH

PROGRAM INCLUDED IN THE PLAN, A CHARTER SCHOOL OR INNOVATION SCHOOL MAY CHOOSE TO RECEIVE THE PER PUPIL PROGRAM SHARE IN LIEU OF PARTICIPATING IN THE PROGRAM, IN WHICH CASE THE PARTICIPATING SCHOOL DISTRICT SHALL DISTRIBUTE TO THE CHARTER SCHOOL OR INNOVATION SCHOOL THE PER PUPIL PROGRAM SHARE. THE CHARTER SCHOOL OR INNOVATION SCHOOL SHALL USE THE PER PUPIL PROGRAM SHARE TO PROVIDE A PROGRAM OR SERVICES, AS SELECTED BY THE CHARTER SCHOOL OR INNOVATION SCHOOL, TO BENEFIT THE STUDENTS FOR WHOM IT RECEIVED THE PER PUPIL PROGRAM SHARE. THE LOCAL SCHOOL BOARD SHALL ENSURE THAT THE DETERMINATION OF THE AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT A SCHOOL OF THE PARTICIPATING SCHOOL DISTRICT RECEIVES AS A DISTRIBUTION OR THROUGH PARTICIPATION IN A PROGRAM IS NOT BASED ON AND DOES NOT TAKE INTO ACCOUNT THE SCHOOL'S TYPE. THE LOCAL SCHOOL BOARD SHALL ENSURE THAT EQUITABLE DISTRIBUTION OF THE ADDITIONAL MILL LEVY REVENUE IS FULLY IMPLEMENTED IN THE 2019-20 BUDGET YEAR AND IN EACH BUDGET YEAR THEREAFTER.

(b) THROUGH THE PLAN, A LOCAL BOARD OF EDUCATION MAY USE THE ADDITIONAL MILL LEVY REVENUE TO PROVIDE ADDITIONAL PER PUPIL FUNDING TO STUDENTS ENROLLED IN ALTERNATIVE EDUCATION CAMPUSES, STUDENTS WHO QUALIFY FOR FREE OR REDUCED-PRICE MEALS UNDER THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ., STUDENTS IDENTIFIED AS ENGLISH LANGUAGE LEARNERS PURSUANT TO SECTION 22-24-105, AND STUDENTS WHO HAVE INDIVIDUALIZED EDUCATION PROGRAMS UNDER PART 1 OF ARTICLE 20 OF THIS TITLE 22, SO LONG AS THE AMOUNT DISTRIBUTED FOR THE BENEFIT OF EACH STUDENT IS THE SAME REGARDLESS OF THE TYPE OF SCHOOL IN WHICH THE STUDENT IS ENROLLED.

(c) EACH PLAN MUST REQUIRE THE LOCAL SCHOOL BOARD TO EQUITABLY DISTRIBUTE ALL OF THE PARTICIPATING SCHOOL DISTRICT'S ADDITIONAL MILL LEVY REVENUE THAT IS NOT DISTRIBUTED FOR SPECIFIC PROGRAMS OR STUDENT POPULATIONS, AS PROVIDED IN SUBSECTIONS (4)(a) AND (4)(b) OF THIS SECTION, TO THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT IN DIRECT PROPORTION TO THE NUMBER OF STUDENTS ENROLLED IN EACH SCHOOL. THE DISTRIBUTION MUST INCLUDE ALL OF THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT WITHOUT REGARD TO TYPE OF SCHOOL.

(d) EACH PLAN MUST:

(I) IDENTIFY THE AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT THE PARTICIPATING SCHOOL DISTRICT SPENDS ON ADMINISTRATIVE SERVICES OR OTHER DISTRICT-LEVEL USES AS SPECIFICALLY AUTHORIZED IN THIS SUBSECTION (4);

(II) DESCRIBE EACH OF THE ADMINISTRATIVE SERVICES OR OTHER DISTRICT-LEVEL USES; AND

(III) SPECIFY HOW THE ADMINISTRATIVE SERVICES OR OTHER DISTRICT-LEVEL USES BENEFIT ALL OF THE STUDENTS ENROLLED IN THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT.

(e) EACH LOCAL SCHOOL BOARD THAT ADOPTS A PLAN SHALL PERIODICALLY REVIEW THE PLAN AND UPDATE IT AS NECESSARY TO ENSURE THAT THE ADDITIONAL MILL LEVY REVENUE THAT THE PARTICIPATING SCHOOL DISTRICT COLLECTS IS EQUITABLY DISTRIBUTED AS PROVIDED IN SUBSECTIONS (4)(a) TO (4)(c) OF THIS SECTION TO THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT TO BENEFIT ALL OF THE STUDENTS ENROLLED IN ALL OF THE SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT.

(f) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (4) TO THE CONTRARY, A LOCAL SCHOOL BOARD MAY, BUT IS NOT REQUIRED TO, DISTRIBUTE A PORTION OF THE ADDITIONAL MILL LEVY REVENUE TO A MULTI-DISTRICT ONLINE SCHOOL OF THE PARTICIPATING SCHOOL DISTRICT.

(5) (a) BEGINNING IN THE 2019-20 BUDGET YEAR AND IN EACH BUDGET YEAR THEREAFTER, THE LOCAL SCHOOL BOARD OF A PARTICIPATING SCHOOL DISTRICT THAT CHOOSES NOT TO ADOPT A PLAN SHALL DISTRIBUTE TO EACH CHARTER SCHOOL AND INNOVATION SCHOOL OF THE PARTICIPATING SCHOOL DISTRICT AN AMOUNT EQUAL TO AT LEAST NINETY-FIVE PERCENT OF THE PARTICIPATING SCHOOL DISTRICT'S PER PUPIL MILL LEVY SHARE FOR THE APPLICABLE BUDGET YEAR MULTIPLIED BY THE NUMBER OF STUDENTS ENROLLED IN THE CHARTER SCHOOL OR THE INNOVATION SCHOOL FOR THE APPLICABLE BUDGET YEAR. IN COUNTING THE NUMBER OF PUPILS ENROLLED IN A CHARTER SCHOOL OR INNOVATION SCHOOL, THE SCHOOL DISTRICT SHALL COUNT A PUPIL ENROLLED IN KINDERGARTEN OR IN A PRESCHOOL PROGRAM AS AT LEAST A HALF-DAY

PUPIL AND MAY, AT THE SCHOOL DISTRICT'S DISCRETION, COUNT A PUPIL WHO IS INCLUDED IN THE SCHOOL DISTRICT'S ONLINE PUPIL ENROLLMENT, AS DEFINED IN SECTION 22-54-103.

(b) IF A LOCAL SCHOOL BOARD HAS IN PLACE OR ADOPTS A WRITTEN POLICY THAT DIRECTS THE PARTICIPATING SCHOOL DISTRICT TO DISTRIBUTE ANY PORTION OF ITS ADDITIONAL MILL LEVY REVENUE TO SPECIFICALLY BENEFIT STUDENTS ENROLLED IN ALTERNATIVE EDUCATION CAMPUSES, STUDENTS WHO QUALIFY FOR FREE OR REDUCED-PRICE MEALS UNDER THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751 ET SEQ., STUDENTS WHO ARE IDENTIFIED AS ENGLISH LANGUAGE LEARNERS UNDER SECTION 22-24-105, OR STUDENTS WHO HAVE INDIVIDUALIZED EDUCATION PROGRAMS UNDER PART 1 OF ARTICLE 20 OF THIS TITLE 22, THE PARTICIPATING SCHOOL DISTRICT MAY CONTINUE DISTRIBUTING THE REVENUE FOR THESE PURPOSES, SO LONG AS:

(I) THE AMOUNT DISTRIBUTED FOR EACH STUDENT IS THE SAME REGARDLESS OF THE TYPE OF SCHOOL IN WHICH THE STUDENT IS ENROLLED; AND

(II) THE PARTICIPATING SCHOOL DISTRICT DISTRIBUTES ANY AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT REMAINS AFTER DISTRIBUTION FOR THESE PURPOSES IN ACCORDANCE WITH SUBSECTION (5)(a) OF THIS SECTION.

(6) IF A LOCAL SCHOOL BOARD DISTRIBUTES A PORTION OF THE TOTAL ADDITIONAL MILL LEVY REVENUE THAT IT COLLECTS FOR THE 2016-17 BUDGET YEAR TO THE CHARTER SCHOOLS OR INNOVATION SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT BY PERCENTAGE, BY DISTRIBUTION OF A PER PUPIL AMOUNT, OR BY A COMBINATION OF PERCENTAGE AND PER PUPIL AMOUNT, THE LOCAL SCHOOL BOARD SHALL ENSURE THAT THE PERCENTAGE OF THE TOTAL ADDITIONAL MILL LEVY REVENUE AND THE PER PUPIL AMOUNT THAT IS DISTRIBUTED TO THE CHARTER SCHOOLS AND INNOVATION SCHOOLS OF THE PARTICIPATING SCHOOL DISTRICT IS NOT REDUCED FOR THE 2017-18 AND 2018-19 BUDGET YEARS. AN AUTHORIZING SCHOOL DISTRICT OR THE CHARTER SCHOOL MAY RENEGOTIATE CONTRACT PROVISIONS CONCERNING SERVICES OR FEES FOR SERVICES AS A MATERIAL REVISION TO THE CHARTER CONTRACT, SUBJECT TO THE PROVISIONS OF SECTION 22-30.5-105 (4), WHICH RENEGOTIATION SHALL NOT INCLUDE NEGOTIATIONS REGARDING REAUTHORIZATION OF THE



CHARTER SCHOOL.

(7) THE AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT A CHARTER SCHOOL RECEIVES PURSUANT TO THIS SECTION IS IN ADDITION TO THE AMOUNT OF MONEY THAT THE CHARTER SCHOOL RECEIVES FROM THE SCHOOL DISTRICT PURSUANT TO PART 1 OF ARTICLE 30.5 OF THIS TITLE 22. THE AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT AN INNOVATION SCHOOL RECEIVES PURSUANT TO THIS SECTION IS IN ADDITION TO ANY AMOUNT OF MONEY THAT THE INNOVATION SCHOOL RECEIVES THROUGH THE SCHOOL'S INNOVATION PLAN AS PROVIDED IN ARTICLE 32.5 OF THIS TITLE 22.

(8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, IF A SCHOOL DISTRICT AUTHORIZES A CHARTER SCHOOL THAT IS PHYSICALLY LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF ANOTHER SCHOOL DISTRICT, THE CHARTERING SCHOOL DISTRICT IS NOT REQUIRED TO INCLUDE IN THE PLAN DESCRIBED IN SUBSECTION (4) OF THIS SECTION OR IN THE DISTRIBUTION DESCRIBED IN SUBSECTION (5) OF THIS SECTION ANY AMOUNT OF ADDITIONAL MILL LEVY REVENUE FOR STUDENTS WHO ARE ENROLLED IN THE CHARTER SCHOOL BUT DO NOT RESIDE WITHIN THE BOUNDARIES OF THE SCHOOL DISTRICT.

(9) BEGINNING JULY 1, 2018, EACH PARTICIPATING SCHOOL DISTRICT SHALL:

(a) IF THE LOCAL SCHOOL BOARD CHOOSES TO ADOPT A PLAN, POST A COPY OF THE PLAN ON THE PARTICIPATING SCHOOL DISTRICT'S WEBSITE AS PROVIDED IN SECTION 22-44-304 AND ANNUALLY UPDATE THE PLAN AS NECESSARY; OR

(b) IF THE LOCAL SCHOOL BOARD CHOOSES NOT TO ADOPT A PLAN, FOR THE 2018-19 BUDGET YEAR, POST A STATEMENT OF INTENT TO DISTRIBUTE THE ADDITIONAL MILL LEVY REVENUE AS PROVIDED IN SUBSECTION (5) OF THIS SECTION AND, FOR THE 2019-20 BUDGET YEAR AND ANNUALLY FOR EACH BUDGET YEAR THEREAFTER, POST THE TOTAL AMOUNT OF ADDITIONAL MILL LEVY REVENUE COLLECTED BY THE PARTICIPATING SCHOOL DISTRICT FOR EACH PROPERTY TAX YEAR, THE AMOUNT DISTRIBUTED TO SUPPORT SPECIFIC STUDENT POPULATIONS AS DESCRIBED IN SUBSECTION (5)(b) OF THIS SECTION, AND THE TOTAL AMOUNT DISTRIBUTED TO SUPPORT SAID STUDENT POPULATIONS AND ON A PER-PUPIL

BASIS TO EACH CHARTER SCHOOL AND INNOVATION SCHOOL, AS A PERCENTAGE AND AS A DOLLAR AMOUNT.

(10) A CHARTER SCHOOL THAT RECEIVES ANY AMOUNT OF ADDITIONAL MILL LEVY REVENUE PURSUANT TO THIS SECTION SHALL ENSURE THAT THE CHARTER SCHOOL ADMISSIONS POLICY IS IN COMPLIANCE WITH SECTION 22-30.5-104 (3).

**SECTION 2.** In Colorado Revised Statutes, 22-30.5-105, **amend** (5) as follows:

**22-30.5-105. Charter schools - contract contents - regulations.**  
(5) ~~Any~~ A term included in a charter contract that would require a charter school to waive or otherwise forgo receipt of any amount of ADDITIONAL MILL LEVY REVENUE DUE TO THE CHARTER SCHOOL AS PROVIDED IN SECTION 22-32-108.5 OR ANY AMOUNT OF operational or capital construction funds MONEY provided to the charter school pursuant to the provisions of this ~~article~~ ARTICLE 30.5 or pursuant to any other provision of law is hereby declared null and void as against public policy and is unenforceable. In no event shall this subsection (5) be construed to prohibit ~~any~~ A charter school from contracting with its chartering local board of education for the purchase of services, including but not limited to the purchase of educational services.

**SECTION 3.** In Colorado Revised Statutes, **amend** 22-44-303 as follows:

**22-44-303. Definitions.** As used in this part 3, unless the context otherwise requires:

(1) "BOARD OF COOPERATIVE SERVICES" OR "BOCES" MEANS A BOARD OF COOPERATIVE SERVICES CREATED PURSUANT TO ARTICLE 5 OF THIS TITLE 22.

(2) "CHARTER SCHOOL" MEANS A DISTRICT CHARTER SCHOOL AUTHORIZED PURSUANT TO PART 1 OF ARTICLE 30.5 OF THIS TITLE 22 OR AN INSTITUTE CHARTER SCHOOL AUTHORIZED PURSUANT TO PART 5 OF ARTICLE 30.5 OF THIS TITLE 22.

(†) (3) "Department" means the department of education created

and operating pursuant to section 24-1-115. C.R.S.

~~(2) "Local education provider" means:~~

~~(a) A school district, other than a junior college district, organized and existing pursuant to law;~~

~~(b) A board of cooperative services created pursuant to article 5 of this title;~~

~~(c) The state charter school institute established pursuant to section 22-30.5-503;~~

~~(d) A district charter school authorized pursuant to part 1 of article 30.5 of this title; or~~

~~(e) An institute charter school authorized pursuant to part 5 of article 30.5 of this title.~~

(4) "INSTITUTE" MEANS THE STATE CHARTER SCHOOL INSTITUTE ESTABLISHED PURSUANT TO SECTION 22-30.5-503.

(5) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT, OTHER THAN A LOCAL COLLEGE DISTRICT, ORGANIZED AND EXISTING AS PROVIDED BY LAW.

**SECTION 4.** In Colorado Revised Statutes, amend 22-44-304 as follows:

**22-44-304. Financial reporting - online access to information - repeal.** (1) (a) Commencing July 1, 2010, and on a continuing basis thereafter, THE INSTITUTE AND each ~~local education provider~~ SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, AND CHARTER SCHOOL shall post the following information online, in a downloadable format, for free public access:

(1) The ~~local education provider's~~ INSTITUTE'S, SCHOOL DISTRICT'S, BOCES'S, OR CHARTER SCHOOL'S annual budget, adopted pursuant to section 22-44-110 (4), commencing with the budget for the 2009-10 budget year;

(II) The ~~local education provider's~~ INSTITUTE'S, SCHOOL DISTRICT'S, BOCES'S, OR CHARTER SCHOOL'S annual audited financial statements, prepared pursuant to section 22-32-109 (1)(k), commencing with the audits prepared for the 2009-10 budget year;

(III) (A) The ~~local education provider's~~ INSTITUTE'S, SCHOOL DISTRICT'S, BOCES'S, OR CHARTER SCHOOL'S quarterly financial statements, at a minimum, prepared pursuant to section 22-45-102, commencing with the statements for the 2010-11 budget year.

(B) This ~~subparagraph~~ (HH) SUBSECTION (1)(a)(III) is repealed, effective July 1, 2017.

(IV) The ~~local education provider's~~ INSTITUTE'S, SCHOOL DISTRICT'S, BOCES'S, OR CHARTER SCHOOL'S salary schedules or policies, adopted pursuant to sections 22-32-109.4 and 22-63-401, commencing with those applicable to the 2010-11 budget year.

(b) (I) Additionally, commencing July 1, 2011, THE INSTITUTE AND each ~~local education provider~~ SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, AND CHARTER SCHOOL shall post accounts payable check registers and credit, debit, and purchase card statements online, in a downloadable format, for free public access.

(II) This ~~paragraph~~ (b) SUBSECTION (1)(b) is repealed, effective July 1, 2017.

(c) (I) Additionally, commencing July 1, 2012, THE INSTITUTE AND each ~~local education provider~~ SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, AND CHARTER SCHOOL shall post investment performance reports or statements online, in a downloadable format, for free public access.

(II) This ~~paragraph~~ (c) SUBSECTION (1)(c) is repealed, effective July 1, 2017.

(d) (I) Additionally, commencing July 1, 2015, THE INSTITUTE AND each ~~local education provider~~ SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, AND CHARTER SCHOOL shall post in a format that can be downloaded and sorted, for free public access, the ~~local education provider's~~ INSTITUTE'S, SCHOOL DISTRICT'S, BOCES'S, OR CHARTER

SCHOOL'S actual expenditures, including but not limited to actual salary expenditures and actual benefit expenditures reported by job category specified in the standard chart of accounts, at the ~~local education provider~~ INSTITUTE, SCHOOL DISTRICT, AND BOCES level and at the school-site level.

(II) Notwithstanding any provision of ~~subparagraph (f) of this paragraph (d)~~ SUBSECTION (1)(d)(I) OF THIS SECTION to the contrary, a school district that the department determines is rural, based on the geographic size of the school district and the distance of the school district from the nearest large, urbanized area, and that enrolls fewer than one thousand students in kindergarten through twelfth grade is not required to report expenditures at the school-site level except for those school-site level expenditures that the school district charges any portion of to a district charter school.

(e) ADDITIONALLY, COMMENCING JULY 1, 2018, THE INSTITUTE AND EACH SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, AND CHARTER SCHOOL SHALL POST ON ITS WEBSITE FOR FREE PUBLIC ACCESS AN EASILY ACCESSIBLE LINK TO THE FEDERAL FORM 990, 990-EZ, OR 990-PF AND ANY ASSOCIATED SCHEDULES THAT THE INSTITUTE, SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, OR CHARTER SCHOOL FILES, IF ANY.

(f) ADDITIONALLY, COMMENCING JULY 1, 2018, AND ON A CONTINUING BASIS THEREAFTER, EACH SCHOOL DISTRICT, IF REQUIRED IN SECTION 22-32-108.5, SHALL:

(I) POST A COPY OF THE SCHOOL DISTRICT'S PLAN FOR DISTRIBUTING THE ADDITIONAL MILL LEVY REVENUE COLLECTED BY THE SCHOOL DISTRICT; OR

(II) FOR THE 2018-19 BUDGET YEAR, POST A STATEMENT OF INTENT TO DISTRIBUTE THE ADDITIONAL MILL LEVY REVENUE TO THE CHARTER SCHOOLS AND INNOVATION SCHOOLS OF THE SCHOOL DISTRICT ON A PER-PUPIL BASIS AND, FOR THE 2019-20 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER, A STATEMENT OF THE TOTAL AMOUNT OF ADDITIONAL MILL LEVY REVENUE COLLECTED BY THE SCHOOL DISTRICT FOR EACH PROPERTY TAX YEAR, THE AMOUNT DISTRIBUTED TO SUPPORT SPECIFIC STUDENT POPULATIONS AS DESCRIBED IN SECTION 22-32-108.5 (5)(b), AND THE TOTAL AMOUNT DISTRIBUTED FOR SAID STUDENT

POPULATIONS AND ON A PER-PUPIL BASIS TO EACH CHARTER SCHOOL AND INNOVATION SCHOOL OF THE SCHOOL DISTRICT, AS A PERCENTAGE AND AS A DOLLAR AMOUNT.

(2) ~~Nothing in this section shall direct or require a local education provider~~ THIS SECTION DOES NOT DIRECT OR REQUIRE THE INSTITUTE OR A SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, OR CHARTER SCHOOL to post online, pursuant to subsection (1) of this section, personal information relating to payroll, including but not limited to payroll deductions or contributions, or any other information that is confidential or otherwise protected from public disclosure pursuant to state or federal law.

(3) (a) ~~THE INSTITUTE AND each local education provider~~ SCHOOL DISTRICT, BOARD OF COOPERATIVE SERVICES, AND CHARTER SCHOOL shall update the information specified in ~~paragraphs (a), (b), and (c) of subsection (1)~~ SUBSECTIONS (1)(a) TO (1)(c) AND SUBSECTION (1)(e) of this section within sixty days after the ~~local education provider's~~ INSTITUTE'S, SCHOOL DISTRICT'S, BOCES'S, OR CHARTER SCHOOL'S completion or receipt of the applicable report, statement, or document. ~~THE INSTITUTE AND each local education provider~~ SCHOOL DISTRICT, BOCES, AND CHARTER SCHOOL shall update the information specified in ~~paragraph (d) of subsection (1)~~ SUBSECTION (1)(d) of this section annually by a date specified by the financial policies and procedures advisory committee. EACH SCHOOL DISTRICT SHALL UPDATE THE INFORMATION SPECIFIED IN SUBSECTION (1)(f) OF THIS SECTION WITHIN THIRTY DAYS AFTER THE SCHOOL DISTRICT BOARD OF EDUCATION ADOPTS A NEW OR UPDATED PLAN FOR DISTRIBUTION OF ADDITIONAL MILL LEVY REVENUE OR, IF THE SCHOOL DISTRICT DISTRIBUTES THE ADDITIONAL MILL LEVY REVENUE ON A PER-PUPIL BASIS TO THE CHARTER SCHOOLS AND INNOVATION SCHOOLS OF THE SCHOOL DISTRICT, WITHIN THIRTY DAYS AFTER THE END OF EACH BUDGET YEAR.

(b) ~~A local education provider~~ THE INSTITUTE AND EACH SCHOOL DISTRICT, BOCES, AND CHARTER SCHOOL shall maintain the prior two budget years' financial information online, in a downloadable format, for free public access, until the end of the ~~local education provider's~~ INSTITUTE'S, SCHOOL DISTRICT'S, BOCES'S, OR CHARTER SCHOOL'S current budget year.

(4) No later than July 1, 2015, the financial policies and procedures advisory committee of the department shall create a template that ~~local~~

~~education providers~~ THE INSTITUTE AND SCHOOL DISTRICTS, BOCES, AND CHARTER SCHOOLS must use to post all of the information specified in subsection (1) of this section, including but not limited to the site-level reporting requirements. The template may include both the type of electronic file posted as well as the information to be included in the posting.

(5) In addition to the information required in subsection (1) of this section, ~~a local education provider~~ THE INSTITUTE AND EACH SCHOOL DISTRICT, BOCES, AND CHARTER SCHOOL shall provide a link to the department's website or the location information for the department's website where a member of the public may access information or reports that are submitted directly to the department.

**SECTION 5.** In Colorado Revised Statutes, add 22-44-305 as follows:

**22-44-305. Waivers of state statute - reporting.**

(1) (a) COMMENCING JULY 1, 2017, AND ON A CONTINUING BASIS THEREAFTER, EACH SCHOOL DISTRICT AND CHARTER SCHOOL SHALL POST, IN A LOCATION AND FORMAT THAT CAN BE EASILY ACCESSED AND DOWNLOADED, FOR FREE PUBLIC ACCESS ON ITS WEBSITE MAINTAINED PURSUANT TO THIS PART 3 A LIST OF THE STATUTES FOR WHICH THE SCHOOL DISTRICT OR CHARTER SCHOOL HAS RECEIVED A WAIVER FROM THE STATE BOARD OF EDUCATION AND, FOR EACH WAIVER THAT IS NOT AN AUTOMATIC WAIVER, A COPY OF THE PLAN THAT EXPLAINS THE MANNER IN WHICH THE SCHOOL DISTRICT OR CHARTER SCHOOL WILL MEET THE INTENT OF THE WAIVED STATUTE.

(b) COMMENCING JULY 1, 2018, EACH CHARTER SCHOOL SHALL POST, IN A LOCATION AND FORMAT THAT CAN BE EASILY ACCESSED AND DOWNLOADED, FOR FREE PUBLIC ACCESS ON ITS WEBSITE THE STANDARDIZED DESCRIPTION AND RATIONALE CREATED PURSUANT TO SUBSECTION (2) OF THIS SECTION FOR EACH OF THE AUTOMATIC WAIVERS THAT IT INVOKES. EACH CHARTER SCHOOL SHALL POST WITH THE LIST OF AUTOMATIC WAIVERS THE NAME OF AND CONTACT INFORMATION FOR A PERSON EMPLOYED BY THE CHARTER SCHOOL AND AVAILABLE DURING REGULAR SCHOOL HOURS WHO CAN PROVIDE ADDITIONAL INFORMATION CONCERNING THE CHARTER SCHOOL'S AUTOMATIC WAIVERS.

(c) IN LISTING ITS WAIVERS, A SCHOOL DISTRICT SHALL INCLUDE WAIVERS GRANTED TO THE SCHOOL DISTRICT AS A WHOLE AND WAIVERS GRANTED TO ONE OR MORE SCHOOLS OF THE SCHOOL DISTRICT, OTHER THAN A CHARTER SCHOOL. THE SCHOOL DISTRICT SHALL LIST SEPARATELY EACH WAIVER GRANTED TO AN INNOVATION SCHOOL OR TO SCHOOLS IN AN INNOVATION SCHOOL ZONE, AS DEFINED IN SECTION 22-32.5-103.

(2) BY JULY 1, 2018, THE DEPARTMENT AND THE INSTITUTE, WORKING WITH A STATEWIDE ASSOCIATION THAT REPRESENTS CHARTER SCHOOLS, SHALL DEVELOP A STANDARDIZED DESCRIPTION FOR EACH STATUTE THAT THE STATE BOARD OF EDUCATION INCLUDES IN THE LIST OF AUTOMATIC WAIVERS FOR CHARTER SCHOOLS PURSUANT TO SECTION 22-30.5-104 (6) AND THE RATIONALE FOR INCLUDING THE STATUTE ON THE LIST OF AUTOMATIC WAIVERS.

(3) EACH SCHOOL DISTRICT AND CHARTER SCHOOL SHALL UPDATE THE INFORMATION PROVIDED PURSUANT TO SUBSECTION (1) OF THIS SECTION WITHIN THIRTY DAYS AFTER A WAIVER IS REVOKED OR A NEW WAIVER IS GRANTED.

**SECTION 6.** In Colorado Revised Statutes, 22-2-117, **amend** (1)(b)(IV) and (1)(b)(V); and **add** (1)(b)(VI) as follows:

**22-2-117. Additional power - state board - waiver of requirements - rules.** (1) (b) The state board shall not waive any of the requirements specified in any of the following statutory provisions:

(IV) Any provision of this ~~title~~ TITLE 22 that relates to fingerprinting and criminal history record checks of educators and school personnel; ~~or~~

(V) The "Children's Internet Protection Act", article 87 of this ~~title~~ TITLE 22; OR

(VI) THE REQUIREMENT TO POST ON THE INTERNET THE STATUTES FOR WHICH WAIVERS ARE GRANTED AS PROVIDED IN SECTION 22-44-305.

**SECTION 7.** In Colorado Revised Statutes, 22-30.5-104, **amend** (6)(b), (6)(c)(IV), and (6)(c)(V); and **add** (6)(c)(VI) as follows:



**22-30.5-104. Charter school - requirements - authority - rules.**

(6) (b) The state board shall promulgate rules that list the automatic waivers for all charter schools. In promulgating the list of automatic waivers, the state board shall consider the overall impact and complexity of the requirements specified in the statute and the potential consequences that waiving the statute may have on the practices of a charter school. IN ACCORDANCE WITH ITS RULE-MAKING AUTHORITY, THE STATE BOARD MAY REVIEW THE LIST OF AUTOMATIC WAIVERS AT ITS DISCRETION. Notwithstanding any provision of this ~~paragraph (b)~~ SUBSECTION (6)(b) to the contrary, the state board shall not include the following statutes on the list of automatic waivers:

(I) Section 22-9-106, concerning the performance evaluation system for licensed personnel;

(I.5) SECTION 22-32-109 (1)(b), CONCERNING PROCEDURES FOR COMPETITIVE BIDDING IN THE PURCHASE OF GOODS AND SERVICES, EXCEPT PROFESSIONAL SERVICES;

(II) Section 22-32-109 (1)(n), concerning the annual school calendar and teacher-pupil contact hours; ~~and~~

(II.5) SECTION 22-32-110 (1)(y), CONCERNING THE POWER TO ACCEPT AND EXPEND GIFTS, DONATIONS, OR GRANTS; AND

(III) Part 2 of article 63 of this title TITLE 22, concerning the employment of licensed personnel.

(c) A school district, on behalf of a charter school, may apply to the state board for a waiver of a state statute or state rule that is not an automatic waiver. Notwithstanding any provision of this subsection (6) to the contrary, the state board may not waive any statute or rule relating to:

(IV) The "Public School Finance Act of 1994", article 54 of this ~~title;~~ or TITLE 22;

(V) The "Children's Internet Protection Act", article 87 of this ~~title~~ TITLE 22; OR

(VI) THE REQUIREMENT TO POST ON THE INTERNET THE STATUTES

FOR WHICH WAIVERS ARE GRANTED AS PROVIDED IN SECTION 22-44-305.

**SECTION 8.** In Colorado Revised Statutes, 22-30.5-507, amend (7)(a), (7)(b)(IV), and (7)(b)(V); and add (7)(b)(VI) as follows:

**22-30.5-507. Institute charter school - requirements - authority - rules.** (7) (a) Pursuant to the charter contract, an institute charter school may operate free from specified statutes and state board rules. The state board shall promulgate rules that list the automatic waivers for all charter schools, including institute charter schools. In promulgating the list of automatic waivers, the state board shall consider the overall impact and complexity of the requirements specified in the statute and the potential consequences that waiving the statute may have on the practices of a charter school, including an institute charter school. IN ACCORDANCE WITH ITS RULE-MAKING AUTHORITY, THE STATE BOARD MAY REVIEW THE LIST OF AUTOMATIC WAIVERS AT ITS DISCRETION. Notwithstanding any provision of this paragraph (a) SUBSECTION (7)(a) to the contrary, the state board shall not include the following statutes on the list of automatic waivers:

(I) Section 22-9-106, concerning the performance evaluation system for licensed personnel;

(I.5) SECTION 22-32-109 (1)(b), CONCERNING PROCEDURES FOR COMPETITIVE BIDDING IN THE PURCHASE OF GOODS AND SERVICES, EXCEPT PROFESSIONAL SERVICES;

(II) Section 22-32-109 (1)(n)(I) and (1)(n)(II)(B), concerning the annual school calendar; and

(II.5) SECTION 22-32-110 (1)(y), CONCERNING THE POWER TO ACCEPT AND EXPEND GIFTS, DONATIONS, OR GRANTS; AND

(III) Part 2 of article 63 of this ~~title~~ TITLE 22, concerning the employment of licensed personnel.

(b) An institute charter school may apply to the state board, through the institute, for a waiver of state statutes and state rules that are not automatic waivers. The state board may waive state statutory requirements or rules promulgated by the state board; except that the state board may not waive any statute or rule relating to:

(IV) The provisions of the "Public School Finance Act of 1994", article 54 of this title; ~~or~~ TITLE 22;

(V) The "Children's Internet Protection Act", article 87 of this title TITLE 22; OR

(VI) THE REQUIREMENT TO POST ON THE INTERNET THE STATUTES FOR WHICH WAIVERS ARE GRANTED AS PROVIDED IN SECTION 22-44-305.

**SECTION 9.** In Colorado Revised Statutes, add 22-30.5-513.1 as follows:

**22-30.5-513.1. Mill levy equalization - fund created - legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS THAT SCHOOL DISTRICTS RECEIVE SIGNIFICANT OPERATING REVENUE FROM MILL LEVIES THAT ARE IN ADDITION TO THE SCHOOL DISTRICTS' TOTAL PROGRAM MILL LEVY. THIS ADDITIONAL REVENUE HELPS SCHOOL DISTRICTS OFFSET THE EFFECTS OF THE BUDGET ADJUSTMENT IMPOSED BY SECTION 22-54-104 (5)(g). THE GENERAL ASSEMBLY FURTHER FINDS THAT INSTITUTE CHARTER SCHOOLS DO NOT HAVE ACCESS TO ADDITIONAL REVENUE FROM A LOCAL PROPERTY TAX MILL LEVY. THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS APPROPRIATE TO CONSIDER ADDITIONAL STATE EQUALIZATION FUNDING FOR INSTITUTE CHARTER SCHOOLS.

(2) (a) THE MILL LEVY EQUALIZATION FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF ANY AMOUNT THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND.

(b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE INSTITUTE SHALL ANNUALLY DISTRIBUTE THE MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO THE INSTITUTE CHARTER SCHOOLS ON AN EQUAL PER-PUPIL BASIS; EXCEPT THAT, IN ANY BUDGET YEAR, AN INSTITUTE CHARTER SCHOOL SHALL NOT RECEIVE A PER PUPIL AMOUNT THAT IS GREATER THAN THE TOTAL AMOUNT OF ADDITIONAL MILL LEVY REVENUE, AS DEFINED IN SECTION 22-32-108.5, THAT THE ACCOUNTING DISTRICT FOR THE INSTITUTE CHARTER SCHOOL IS AUTHORIZED TO COLLECT, DIVIDED BY THE FUNDED PUPIL COUNT, AS

DEFINED IN SECTION 22-54-103, OF THE ACCOUNTING DISTRICT FOR THE APPLICABLE BUDGET YEAR. THE MONEY DISTRIBUTED PURSUANT TO THIS SECTION IS IN ADDITION TO MONEY DISTRIBUTED TO INSTITUTE CHARTER SCHOOLS PURSUANT TO SECTION 22-30.5-513.

**SECTION 10. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Crisanta Duran  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES



Kevin J. Grantham  
PRESIDENT OF  
THE SENATE



Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

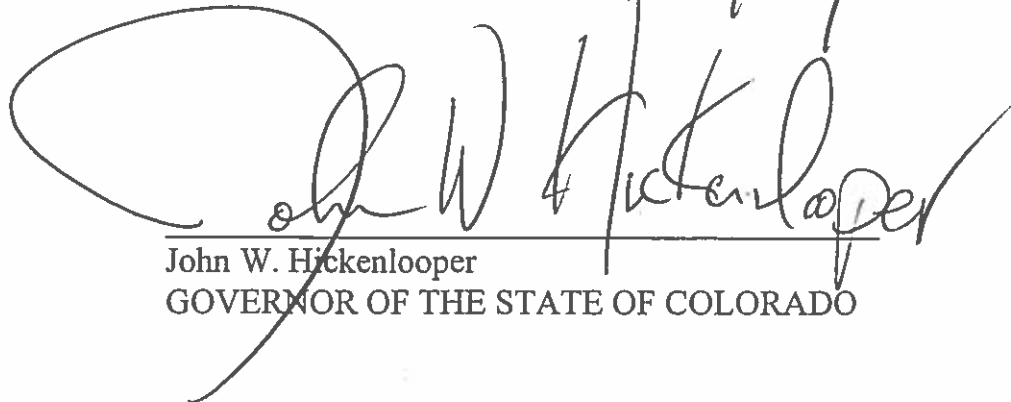


Effie Ameen  
SECRETARY OF  
THE SENATE

APPROVED

9:19 AM

6/2/17



John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO

## Grants Management

The School encourages and is receptive to financial support from appropriate federal, state, local governmental and private grant-makers to aid in delivery, maintenance, and improvement of School and school educational, support or operational programs.

The term “grant” encompasses all federal, state, and local governmental, corporate or foundation *financial awards* that have *specific performance requirements or conditions* attached and that are *applied for and accepted* by the School.

Imagine Charter School at Firestone (School) is the legal applicant and recipient for all grant funds applied for and received by all of its programs and departments. Grants applied for and received by individual School personnel for personal or professional development purposes are not subject to School policies unless they involve students, use of school property, or require the participation of other School personnel.

All proposals for supplemental funds shall be consistent with School goals, objectives and funding agency requirements. Supplemental funds typically are:

- (1) designated for, or restricted to, a specific purpose or student population,
- (2) received based upon a grant proposal for a specific project limited in scope and length, or
- (3) directed to certain uses as the result of a specific purpose donation.

To ensure the participation of the appropriate parties in the preparation and approval of proposals, the Principal has designated the following roles and responsibilities for grant administration:

**Head of Grants:** The Principal shall be the Head of Grants, and can sign all federal and state grant applications over \$10,000 and under \$100,000. Grants over \$100,000 need Principal and Board of Education approval.

**Grants Project Manager:** The Grants Project Manager shall be charged with the responsibilities for reporting requirements, budget revisions, compliance with grants fiscal policy, annual reports and program evaluations of Designated Purpose Grant Funds. The Grants Project Manager may be the principal of the school, the business manager, curriculum supervisors or other designated staff members.

**Grants Recipient:** Grants recipients are those direct beneficiaries of Designated Purpose Grant Funds and/or competitive and foundation grants. Recipients may be the school or individual staff members who have applied on behalf of the school and who utilize grant funds for the purposes of supporting school activities.

The Principal shall establish procedures for grant administration (see Policy IDD-R) and for review and approval of all grant applications. The Principal shall provide an annual report to the Board of all awarded grants.

Adopted: September 25, 2012

**Purchasing Procedures**

Effective purchasing responsibility requires planning, scheduling, research and selection both as to product quality and source of supply. Follow-up and inspection procedures shall be used to ensure proper delivery, quality and quantity of ordered goods before they are accepted.

The Purchasing Manager shall be responsible for standardizing the types of supplies and equipment used in the School whenever possible and applicable.

All supplies shall be requisitioned through the appropriate school leader. The Principal, or his designee, shall be responsible for establishing procedures for the requisition of all goods and services.

Purchasing transactions shall be handled through the use of purchase orders or purchasing cards as appropriate. No such transactions shall take place unless sufficient funds are available in an appropriate account.

Competition by vendors shall be encouraged. Competition is defined as the effort by two or more parties acting independently to secure the business of the School by offering the most favorable terms. If two or more bidding firms are equal in price and other factors and one firm is located in the locale of the School, the local firm shall receive the order. State businesses would receive preference over out-of-state businesses. In other cases, the Purchasing Manager shall make the award by drawing lots or by dividing the order, using whichever method is most advantageous to the School.

The Purchasing Manager shall be responsible for buying the proper product for the specified purpose without favor or prejudice. The Purchasing Manager shall provide products at the best price when they are needed and in the quantities that are needed. The School may request performance guarantees from vendors and establish administrative guidelines for implementing these guarantees.

The Purchasing Manager shall cooperate with trade and industrial associations and government and private agencies in the formulation and development of sound business methods toward the fostering and promotion of fair, ethical and legal trade practices.

**Local Preference**

The School recognizes the contributions made by individuals and businesses within the School community. In addition to support from a substantial property tax base, many business leaders and community members support the School with time, expertise and donations to individual schools that contribute to the overall success of the School. Therefore, the Board encourages and supports the use of local businesses while being cognizant of price, quality and compliance with applicable state laws and the prudent expenditure of public funds.

### **Soliciting Price Quotations**

Whenever feasible, price quotations must be obtained on all purchases of goods and services for the School greater than \$5,000 except for professional services, educational workbooks, textbooks, library books, expendable science supplies and other such items. If the Purchasing Manager determines that it is advantageous to the School to request quotations for purchases below the set dollar limits, it may do so at any time. When quotations or bids are obtained, tabulations shall be made available to vendors upon request.

1. Price quotations are not required for goods and services less than or equal to \$5,000.
2. Competitive written, faxed, email/electronic or telephone quotations must be received from a minimum of two or more firms for the purchase of goods and services between \$5,001 and \$25,000. The department requesting the purchase shall scan and attach the quotes to the purchasing requisition. Copies of the quotations shall be retained at the school.
3. Written sealed bids from two or more firms shall be invited on all purchases of goods and services for the School costing more than \$25,000. Professional services are exempt from this requirement. The School will comply with all applicable federal purchasing requirements in the expenditure of federal funds, including the prohibition of conducting business with suspended and debarred parties. The Purchasing Manager shall be responsible for checking all vendors against the District Excluded Parties List System (EPLS) before issuing any purchase order or contract equal to or exceeding \$25,000. Purchases greater than \$100,000 require Board approval.

### **Authorization to Issue**

1. A purchase request is required for all purchases, and must be approved by the Principal or designee.

Adopted: September 25, 2012



## **Purchasing Procedures**

### **Purchasing Card**

1. The purpose of a purchasing card is to streamline and simplify the requisitioning, purchasing and payment process of purchases.
2. The issuance of purchasing cards to potential cardholders is per agreement between the requesting Manager and the Purchasing Card Administrator. Each cardholder will be required to sign a user agreement on an annual basis prior to being issued a purchasing card.
3. Cardholders must follow the Cardholder Policy and Procedures, or they will be discontinued from the program.
4. All cardholder statements must be reconciled with supporting receipts; account numbers properly posted to each transaction, and approved each month.
5. All transaction logs, with attached receipts, must be approved online or signed and forwarded each month to the Financial Department for audit.
6. As necessary and appropriate, the Purchasing Card System replaces the Purchase Order System for the procedures below.

### **Purchase Orders**

1. All purchase orders exceeding \$5,000 will be reviewed and approved by the Principal or their designee. Should it be necessary to disapprove the purchase order, it will be returned to the person initiating the purchase order with a written explanation.
2. Purchase orders will be prepared by the budget manager of the department or school for all items to be purchased.
3. All purchase orders must be filled out as completely as possible and should include:
  - a. Complete name and address of vendor
  - b. Full description of the equipment, supplies and services to be purchased
  - c. Quantities, unit price and total price
4. A separate purchase order must be filled out for each vendor.
5. Upon approval, copies of the purchase order will be distributed appropriately.
6. When an employee sees an acceptable item of instructional merchandise while out of town attending an educational convention or in a similar circumstance and chooses to purchase the item with personal funds, the employee may apply for reimbursement. Reimbursement shall follow the Financial Services after-the-fact purchase approval process. **I-DJB-R**

### **Relations with Other Departments**

The Purchasing Manager is responsible for cooperating closely with all other departments in obtaining goods and services which will best meet their needs at the most advantageous time. This will be done by wise and timely buying, by making known new and improved goods and services, and by working toward the standardization of goods and services required. The purchasing department will keep abreast of changing market conditions and inform the administration so that the School's present and future purchasing position will be protected.

### **Purchase Commitments**

No purchase may be made without the proper purchase order and authorization. Exception to this procedure will be made only in extreme emergency. After-the-fact purchase authorization over \$50 shall require Principal approval. Vendors who supply goods or services without the consent of the purchasing department do so at their own risk. The School will not accept responsibility for bills incurred by individual employees who are not authorized to act on behalf of the Board. Employees are forbidden to make purchases or order services in the name of the School without authorization.

### **Purchases for the Private Use of Employees**

The purchasing power of the school may not be used to obtain goods or services for the private use of any employee.

### **Samples**

1. It is to the advantage of the School to obtain and test samples of various products.
2. Employees who wish to evaluate materials should make such requests through the principal or supervisor to the Purchasing Department. Materials should be returned to the supplier in the required time limit or be paid for by the using school or department.
3. After thorough testing, the using department upon request will file a written objective evaluation with the Purchasing Manager. This report also should contain recommendations to purchase or not to purchase.

### **Brand Name**

When a brand name is requested for any item and no substitutes indicated, the purchase request and a statement justifying the restriction must be submitted to the Purchasing Manager for evaluation, approval or disapproval. If the request is disapproved, the purchasing department will advise the originating department of the reasons for disapproval.

Adopted: September 25, 2012

Any individual or organization interested in making a gift to Imagine Charter School at Firestone is encouraged to do so. Gifts may include cash, real or personal property, services, or in-kind contributions. The school leadership welcomes such gifts and is appreciative of those who want to contribute gifts which will be of benefit to the school. However, the school reserves the right to accept or decline a proposed gift based on policy, applicable law and the following:

- Gifts to the school for a purpose determined by school leadership is encouraged.
- School leadership will seek advice from the donor in determining the use and allocation of gifts.
- Gifts for equipment or services that are not likely to be acquired from public funds is encouraged.
- Gifts to employ “regular” full- or part-time personnel may be allowed but are subject to a determination of appropriate use by the school leadership. They have the additional requirements as listed below:
  - The gift must be sufficient to cover the salary and all benefits for the contract period.
  - The entire gift must be presented to the school Business Manager prior to hiring the employee.
  - The employee must be aware that this is a one-time contract, with continuation of the position based solely on the continuation of the funding source.
  - The employee will be an employee of the school, subject to all supervisory and evaluatory policies and procedures.
  - The job description of the employee must be aligned with the academic goals and strategic plan of the school.
- Gifts of property or services that involve significant costs to the school for installation or maintenance, are not in conformity with federal copyright laws or other applicable laws, or require initial or continuing financial commitments from school funds are not accepted.
- Gifts to the school become the property of the school and are subject to the same control and regulations that govern the use of all school-owned property.
- Cash gifts will be managed by the Business Manager using appropriate operating procedures.
- Gifts shall not be used to substitute for regular funding requirements, but rather to enrich and supplement regular sources.
- The authority to accept and the responsibility for recognition of gifts will be as follows:
  - Gifts of \$1,000 or less, consistent with the basic principles stated above, shall be accepted by the authority of the principal. All gifts accepted under this authority must be reported to

the Regional Director. The principal will acknowledge these gifts to the donor with a signed copy of the gift acceptance letter, provided by the Business Manager.

- Gifts of between \$1,001 and \$10,000 in value shall be accepted by the authority of the Regional Director. The Regional Director will acknowledge these gifts to the donor with a signed copy of the gift acceptance letter, provided by the Business Manager. A letter of recognition may also be issued, if deemed appropriate.
- Gifts over \$10,000 in value shall be presented to and accepted by the Board of Directors president. These gifts will be recognized with a letter of recognition and thanks from the Board president and Regional Director, accompanied by the gift acceptance letter.

Gifts accepted by the school, are noted on the monthly trend report provided by the Business Manager.

LEGAL REFS.: C.R.S. 22-32-110 (1)(y) (Board's power to accept gifts – donations)

C.R.S. 22-44-101 through 119 (budget policies and procedures)

DRAFT for consideration August, 2018

## MEMORANDUM

DATE: August 22, 2018

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Change Order to Construction Manager/General Contractor (CMGC) Contract for Lyons Elementary Addition and Renovation Project

RECOMMENDATION

That the Board of Education approve Change Order 2 for \$150,000 to the Construction Manager/General Contractor (CMGC) contract with Adolfson & Peterson Construction for the Lyons Elementary Addition and Renovation for a \$1,450,000 contract value. Further, that the Board authorize Brian Lamer, Assistant Superintendent of Operations, to sign contract documents and change orders up to the above referenced amount, in accordance with Board of Education policy.

BACKGROUND

On February 14, 2018, the Board approved the CMGC Contract for \$1,300,000.

This Change Order includes the general construction items for the addition and renovated areas, including sewer line repairs, site and structural work.

Change Order 2 is funded under the 2016 Bond program. This item is being brought forth to comply with Board Policy FEH stating any change orders greater than \$99,999 must have approval of the Board.

## MEMORANDUM

DATE: August 22, 2018

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Update to Approval of Vendors Providing Purchased Goods/Services

RECOMMENDATION

That the Board of Education approve the following vendors who are anticipated to provide purchased goods/services over \$100,000 during Fiscal Year 2019.

<b>Vendor Name</b>	<b>Services Provided</b>	<b>Pricing Method</b>	<b>FY19 Est. Purchases</b>	<b>FY18 Total Purchases</b>
Illuminate Education (Formerly Alpine Achievement)	Student Data Management	Contract	\$200,000.00	\$150,000.00
Taylor Associates Communication, Inc., dba Reading Plus	Web-Based Student Instruction	Contract	\$137,200.00	

BACKGROUND

This updated information is presented in an effort to streamline the District's policy requirement that the Board approve all vendors to whom the District pays over \$100,000 in a single fiscal year, per Board Policy DJ/DJA – Purchasing/Purchasing Authorization. This is specifically to address vendors who provide goods/services that are not competitively bid, competitive bids that are extended into a new fiscal year, or FY19 newly awarded contracts.

## MEMORANDUM

DATE: August 22, 2018  
TO: Board of Education  
FROM: Dr. Don Haddad, Superintendent of Schools  
SUBJECT: Approval of Resolution for Lease Agreement for the APEX Home School Program

RECOMMENDATION

That the Board of Education approve the attached Resolution providing the funding for the APEX Home School Program lease. Further, authorize Robert J. Smith, Board President, to sign the Resolution.

BACKGROUND

Section 20 of Article X of the Colorado Constitution prohibits the creation of financial obligations without voter approval unless such obligations are either subject to annual appropriation or are met through an irrevocable pledge of existing funds which are currently undesignated within the District's reserves. The Board of Education is willing to meet this future financial obligation by irrevocably pledging a portion of its undesignated reserves in accordance with the provisions of this Section.

APEX has been located at several churches in the area over the past eight years. As discussed at the Board of Education Study Session on October 18, 2017, it is in the District's best interest to enter into this Lease Agreement to provide a facility for the APEX Home School Program. The Resolution addresses the landlord's concerns regarding the funding.

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE ST. VRAIN VALLEY  
SCHOOL DISTRICT RE-1J DESIGNATING AND RESERVING FUNDS TO MEET FUTURE  
FINANCIAL OBLIGATIONS**

**WHEREAS**, Section 20 of Article X of the Colorado Constitution prohibits the creation of financial obligations without voter approval unless such obligations are either subject to annual appropriation or are met through an irrevocable pledge of existing funds which are currently undesignated within the District's reserves; and

**WHEREAS**, the District's General Fund will require funding in approximately the amount of \$530,896 per year with respect to meeting its obligations under a lease agreement for property at 1351 South Sunset Street, Suite A/B, Longmont, Colorado, 80501, which will house the St. Vrain Valley School District's Apex Home School Enhancement Program ("Apex Leases"); and

**WHEREAS**, the District's Board of Education is willing to meet this future financial obligation by irrevocably pledging a portion of its undesignated reserves in accordance with the provisions of Section 20 of Article X of the Colorado Constitution; and

**WHEREAS**, there is no tax increase or change in tax rate associated with this pledge of reserves;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE ST. VRAIN VALLEY SCHOOL DISTRICT THAT:**

1. Pursuant to Section 20 of Article X of the Colorado Constitution, \$530,896 of the District's current undesignated General Fund Reserves is hereby designated as the source of revenue to meet the District's multi-year financial obligation to adequately fund the financial commitment arising under the Apex Lease for fiscal years 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, and 2024-2025.
2. Such designation shall remain irrevocable by the Board of Education until such obligation expires.
3. This Resolution shall be effective immediately upon passage.
4. District staff is hereby directed to take such action as may be required to effectuate the intent and purpose of this Resolution.

Dated: August 22, 2018

**ST. VRAIN VALLEY SCHOOL DISTRICT**

By \_\_\_\_\_  
Robert J. Smith, Board President

**ATTEST:**

\_\_\_\_\_  
Amory Siscoe, Board Secretary



## MEMORANDUM

DATE: August 22, 2018  
TO: Board of Education  
FROM: Dr. Don Haddad, Superintendent of Schools  
SUBJECT: Approval of Lease Agreement for the APEX Home School Program

RECOMMENDATION

That the Board of Education approve the Lease Agreement for the APEX Home School Program. Further, authorize Robert J. Smith, Board President, to sign the appropriate documents.

BACKGROUND

APEX has been located at several churches in the area over the past eight years. As discussed at the Board of Education Study Session on October 18, 2017, it is in the District's best interest to enter into a Lease Agreement to provide a facility for the APEX Home School Program. The terms of the lease are summarized in the attached final Lease Agreement.

**LEASE**  
**FOR PREMISES LOCATED AT**  
**1351 SOUTH SUNSET STREET, SUITE A/B**  
**LONGMONT, COLORADO**  
**BETWEEN**  
**ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J**  
**AS TENANT**  
**AND**  
**GCC LONGMONT HOLDINGS, LIMITED PARTNERSHIP**  
**AS LANDLORD**

**TABLE OF CONTENTS**

	Page
1. PRINCIPAL TERMS.....	1
2. PREMISES LEASED; DESCRIPTION.....	2
3. PRESENT CONDITION OF PROPERTY .....	2
4. TERM .....	2
5. RENT .....	3
6. TAXES - REAL PROPERTY - PAID BY TENANT - PROTEST.....	5
7. TAXES - TENANT'S PERSONAL PROPERTY - PAID BY TENANT .....	5
8. UTILITIES AND SECURITY SERVICES .....	5
9. HOLDING OVER.....	6
10. ALTERATION - CHANGES AND ADDITIONS.....	6
11. MECHANIC'S LIENS .....	7
12. SIGNAGE .....	7
13. MAINTENANCE AND REPAIRS.....	7
14. CONDITION UPON SURRENDER - RETURN OF KEYS .....	8
15. USE OF THE PREMISES; COMPLIANCE WITH LAWS; RULES AND REGULATIONS .....	8
16. INSURANCE.....	8
17. FIRE REGULATIONS - RESPONSIBILITY .....	10
18. REPLACEMENT OF BUILDING - CASUALTY DAMAGE .....	10
19. ENVIRONMENTAL MATTERS .....	10
20. ENTRY BY LANDLORD .....	13
21. DEFAULT - REMEDIES OF LANDLORD.....	13
22. LEGAL PROCEEDINGS AGAINST TENANT BY THIRD PARTIES; TENANT TO PAY LANDLORD'S FEES .....	14
23. INDEMNIFICATION BY TENANT AND BY LANDLORD .....	14
24. ASSIGNMENT OR SUBLETTING .....	15
25. LANDLORD'S WARRANTY OF TITLE; QUIET ENJOYMENT .....	16
26. ADDITIONAL DEVELOPMENT OF PROPERTY - RIGHTS OF LANDLORD .....	16
27. GOVERNMENTAL ACQUISITION OF THE PREMISES.....	16
28. SUBORDINATION OF THE LEASEHOLD TO MORTGAGES .....	16
29. RECORDING - CONFIDENTIALITY .....	17
30. NO WAIVER OF BREACH; ACCEPTANCE OF PARTIAL PAYMENTS OF RENT.....	17
31. CONTROLLING LAW; AND PARTIAL INVALIDITY; MODIFICATIONS OR EXTENSIONS .....	17
32. INUREMENTS .....	17
33. TIME .....	18
34. ADDRESSES; EMPLOYER IDENTIFICATION NUMBERS; METHOD OF GIVING NOTICE .....	18
35. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS .....	18
36. ADDITIONAL PROVISIONS.....	18

**LEASE**

**THIS LEASE** (the "Lease") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between **GCC LONGMONT HOLDINGS, LIMITED PARTNERSHIP, a Delaware limited partnership**, hereinafter referred to as "Landlord," and **ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J, a political subdivision of the State of Colorado**, hereinafter referred to as "Tenant".

**WITNESSETH:**

In consideration of the covenants, terms, conditions, agreements, and payments as hereinafter set forth, the parties hereto covenant and agree as follows:

1. **PRINCIPAL TERMS.** Capitalized terms, first appearing in quotations in this Section, elsewhere in this Lease or any Exhibits, are definitions of such terms as used in this Lease and Exhibits and shall have the defined meaning whenever used. Any Addenda and/or Exhibits referred to herein and attached hereto are incorporated herein by reference.

- 1.1 **"Building":** The building having an address of 1351 South Sunset Street, in the City of Longmont, County of Boulder, State of Colorado, consisting of approximately 58,064 rentable square feet of space, as generally described on Exhibit A-1 attached hereto.
- 1.2 **"Premises":** Approximately 30,974 rentable square feet located in Suite A/B, as generally depicted on Exhibit A-2 attached hereto.
- 1.3 **"Initial Term":** 84 whole calendar months following the Commencement Date plus any partial month in which the Commencement Date occurs.

"Commencement Date": July 1, 2019.

"Expiration Date": the last day of the 84th whole calendar month following the Commencement Date.

- 1.4 **"Base Rent":**

<u>Period</u>	<u>Annually/RSF</u>	<u>Monthly</u>
7/1/2019 – 6/30/2024	\$13.00	\$33,555.17
7/1/2024 – 6/30/2026	\$14.50	\$37,426.92

Tenant shall pay Landlord Base Rent for the first whole calendar month for which Tenant is obligated to pay Base Rent concurrent with Tenant's execution of this Lease.

- 1.5 **Tenant Improvements:** In accordance with the Work Letter
- 1.6 **Operating Expenses:** Initial Estimate of Operating Expenses for 2018: \$5.70 per square foot of the Building  
Initial Estimated Payment: \$14,712.65 per month  
Tenant's Share: 53.0%
- 1.7 **"Deposit":** None
- 1.8 **"Permitted Use":** All educational and related activities and uses, including without limitation general office, instructional and classroom uses.
- 1.9 **"Guarantor":** None
- 1.10 **Landlord's Notice Address:** GCC Longmont Holdings, Limited Partnership  
c/o GCC Holdings US, Inc.  
1075 West Georgia Street, Suite 2600  
Vancouver, BC V6E3C9
- 1.11 **Rent Payment Address:** Mailing Address:  
GCC Longmont Holdings, Limited Partnership  
PO BOX 913095  
Denver, CO 80291-3095

**Overnight Delivery Address:**

LOCKBOX SERVICES BOX #913095  
GCC Longmont Holdings, Limited Partnership  
MAC C7301-L25  
1740 Broadway St., LL2  
Denver, CO 80274

**Wiring Instructions:**

Wells Fargo Bank, N.A.  
San Francisco, CA 94105  
ABA # 121 000 248  
Account Name: GCC Longmont Holdings, Limited Partnership –  
FBO ARES Restricted Account A/C  
Account # 4255731531

1.12 **Landlord's Tax I.D.:** 81-5236658

1.13 **Tenant's Notice Address:**

**Precommencement Address:** 395 South Pratt Parkway, Longmont, CO 80501

**Post Commencement Address:** At the Premises

**Tenant's Fax Number:** 303-682-7345

1.14 **Tenant's Tax I.D.:** 98-02634

1.15 **Landlord's Broker:** Dean Callan & Company, Inc.

1.16 **Cooperating Broker:** Re/Max Traditions

1.17 **Parking:** 129 unreserved parking spaces.

1.18 **Attachments:** [check if applicable]  
 Addendum  
 Exhibit A-1: Building  
 Exhibit A-2: Premises  
 Exhibit B: Work Letter for Tenant Improvements  
 Exhibit C: Form of Commencement Agreement

2. **PREMISES LEASED; DESCRIPTION.** Landlord hereby leases unto Tenant the Premises which are a part of the Building on the Land ("Land"), a more detailed description of which is described on Exhibit A-1. A floorplan showing the location of the Premises within the Building is attached as Exhibit A-2. The Land is, as of the Effective Date, part of a business park known as "The Campus at Longmont" which may be referred to herein as the "business park". The leasing of the Premises is made according to the terms of this Lease, including the non-exclusive right to use, subject to the provisions of this Lease, to use all appurtenances thereto and all fixtures attached thereto, roadways, sidewalks, and other common areas serving the Building, as Landlord may from time to time designate for use by tenants of the Building. Tenant shall have access to the Premises and the parking areas at the Building 24 hours per day, 7 days per week, and 365 days per year subject to the provisions of this Lease.

3. **PRESENT CONDITION OF PROPERTY.** Tenant has examined and accepts the Building, improvements, and any fixtures on the Premises, in present condition, subject to the construction of Tenant Improvements as detailed in the Work Letter ("Work Letter") attached hereto as Exhibit B, if any, and made a part hereof by this reference. No representation, statement, or warranty, express or implied, has been made by or on behalf of Landlord as to the condition of the Premises, or as to the use that may be made of same. In no event shall Landlord be liable for any defect in the Premises or for any limitation on the use of the Premises.

4. **TERM**

4.1 **Initial Term.** The Initial Term of this Lease commences at 12:01 a.m. on the Commencement Date and terminates at 12:00 midnight on the Expiration Date (the Initial Term, together with any extensions thereof, plus any partial month prior to the Initial Term is herein referred to as the "Term"). The Commencement Date of the Initial Term as set forth in Section 1 shall be subject to those adjustments of the Commencement Date, if any, set forth in Section 4.2 which relate to the performance of construction on the Premises.

4.2 **Tenant Improvement Construction.** The Commencement Date of this Lease shall be the date (the "Delivery Date") Landlord delivers possession of the Premises with the Tenant Improvements, described in the Work Letter,

Substantially Complete (as defined in the Work Letter). If for any reason Landlord is delayed and does not Substantially Complete such construction prior to the anticipated Commencement Date, such failure will not affect the validity of this Lease, but in such case the Commencement Date shall be postponed, and Tenant shall not be obligated to pay Rent, until the Tenant Improvements are Substantially Complete (unless such delay is due to a delay caused by Tenant, in which case Tenant's Rent obligations and the Commencement Date shall occur on the date the Premises would have been Substantially Complete had there been no delay by Tenant). If the Delivery Date is other than the first day of the month, then the Commencement Date will be further delayed to the first day of the month following the Delivery Date but all provisions hereof, including Tenant's obligation to pay Rent (prorated for a partial month), will be in effect as of the Delivery Date. If the Commencement Date is delayed, the Expiration Date shall be extended so that the Initial Term will continue for its full period and end on the last day of a calendar month. The postponement of Tenant's obligation to pay Rent is in full settlement of all claims which Tenant may otherwise have by reason of Landlord's delay of delivery of the Premises. Promptly following the Commencement Date, Landlord and Tenant agree to execute a commencement agreement in the form attached as Exhibit C setting forth the Delivery Date, Commencement Date, the Expiration Date and such other matters described therein or requested by Landlord.

4.3 **Delivery of Possession.** Taking possession of the Premises by Tenant on the Delivery Date is conclusive evidence that the Premises are in the condition agreed upon between Landlord and Tenant and acknowledgment by Tenant of satisfactory completion of any work which Landlord has agreed to perform, including the Tenant Improvements (subject to any punchlist items identified pursuant to the Work Letter). This Section shall not be construed so as to permit Tenant to occupy the Premises prior to the satisfaction of all requirements for Tenant's insurance set forth below or to operate its business from the Premises. If Tenant commences its usual business in the Premises, all terms and provisions of this Lease shall apply as of the date Tenant commences its business, including the obligation for the payment of all Rent and other amounts owing hereunder, however, such early occupancy shall not advance the Expiration Date of this Lease.

5. **RENT.** All amounts, including Base Rent or any additional Rent, to be paid by Tenant pursuant to this Lease as the context requires, are sometimes referred to collectively as "Rent". Tenant shall pay Rent to Landlord as follows:

5.1 **Base Rent.** Subject to the provisions below, commencing on the Delivery Date and on the first day of each month thereafter, Tenant shall pay minimum Base Rent in the amount stated in Section 1.4, in advance without notice. Rent shall be paid without set off, abatement, or diminution, at the address set forth in Section 1.11, or at such other place as Landlord from time to time designates in writing.

5.2 **Operating Expenses.** In addition to Base Rent, Tenant shall pay to Landlord as additional Rent during the Term hereof, Tenant's Share, as hereinafter defined, of the Operating Expenses, as hereinafter defined, for each year of the Term. Tenant's Share of Operating Expenses shall be payable in accordance with the following provisions:

5.2.1 "Tenant's Share" is defined, for purposes of this Lease, to be the percentage as set forth in Section 1.6 hereof, which percentage is determined by dividing the approximate rentable square footage of the Premises by the total approximate rentable square footage of space contained in the entire Building, as such square footages are set forth in Section 1 hereof. It is understood and agreed that Tenant's Share is subject to revision in the event the actual size of the Building is increased or decreased by Landlord, as provided for herein.

5.2.2 "Operating Expenses" is defined, for purposes of this Lease, to include all reasonable costs incurred by Landlord for or in connection with the ownership, management, operation, maintenance and repair of the Building as is necessary to keep the Building in a safe and good order and condition including as is required by all applicable laws, codes, rules and regulations ("Applicable Laws"). Operating Expenses may include but are not limited to, the following:

- (1) The maintenance and repair of common areas, if any;
- (2) The maintenance and repair, including striping and sealing where applicable, of parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways and driveways;
- (3) Snow removal (Landlord is responsible for snow removal of more than 2");
- (4) The preventative maintenance and repair of all heating, air conditioning, plumbing, electrical systems, life safety equipment (including fire detection and suppression systems), locks and security systems, telecommunication and other equipment used in common by, or for the benefit of Tenant, tenants or occupants of the Building;
- (5) The maintenance, repair and replacement of all landscaped areas, including irrigation systems and fences;
- (6) Window washing and the maintenance and repair of parking lot lighting;
- (7) The preventative maintenance and repair of Building exteriors (including roofs) and any other publicly mandated services to the Building;
- (8) The cost of all utilities including water, sewer, gas, and electricity, except for those utilities separately metered and paid for by Tenant or tenants;

(9) All costs incurred in the maintenance and/or cleaning of the Building or Premises, except for janitorial costs specific to the Premises which shall be contracted for and paid directly by Tenant;

(10) All real property taxes and assessments levied against the Building or land by any governmental or quasi-governmental authority or under any covenants, declarations, easements or restrictions (collectively referred to herein as "Taxes"). Taxes are computed on an accrual basis based on the year in which they are levied;

(11) Insurance premiums for the Building, including property damage coverage, together with loss of rent endorsement; the part of any claim paid under the deductible portion of any insurance policy carried by Landlord; public liability insurance; and any other insurance carried by Landlord on any component parts of the Building;

(12) All labor costs, including wages, costs of worker's compensation insurance, payroll taxes, fringe benefits, including pension, profit-sharing and health for employees of Landlord, or Landlord's management company, providing services to the Building or the business park of which the Building is a part;

(13) Professional building management fees equal to 4% of gross rents for the Building;

(14) Reasonable legal, accounting, inspection, and other consulting fees (including fees for consultants for services intended to produce a reduction in Operating Expenses or improve the operation, maintenance or state of repair of the Building or the business park).

Operating Expenses shall specifically **not** include:

(a) The costs of replacements of equipment or improvements that are considered capital items under Generally Accepted Accounting Principles ("GAAP"), except for (i) costs of capital improvements and structural repairs and replacements to the Building to conform to new Applicable Laws or changes in any Applicable Laws subsequent to the date of this Lease ("Required Capital Improvements"), and (ii) the costs of any capital improvements and structural repairs and replacements designed primarily to reduce Operating Expenses ("Cost Savings Improvements"). Expenditures for Required Capital Improvements and Cost Savings Improvements will be amortized at a market rate of interest over the useful life of such capital improvement (as reasonably determined by Landlord's accountants); however, the amortized amount of any Cost Savings Improvement in any year will be equal to the estimated resulting reduction in Operating Expenses;

(b) The costs of alterations of tenant spaces or other capital expenditures except for such costs, as reasonably amortized by Landlord, where one of the purposes of such capital expenditure was to improve Building operating efficiency resulting in cost savings to Tenant;

(c) Principal and interest payments, points, fees and any other mortgage related charges or expenses;

(d) Leasing commissions or other related leasing expenses;

(e) Any expenses paid by any tenant directly to third parties, or as to which Landlord is otherwise reimbursed by any third party, other tenant or tenants, or by insurance proceeds;

(f) Depreciation of the Building; and

(g) Cost for, or contributions to, reserves of any kind.

Notwithstanding anything to the contrary, to the extent Landlord determines it is beneficial to share costs or expenses for employees, utilities or other services or costs attributable to the Building and other buildings owned or managed by Landlord or its affiliates, Landlord may reasonably allocate such expenses as Landlord reasonably determines. If the rentable area of the Building is not fully occupied during any particular year in which Operating Expenses are due, Landlord's accountants may adjust those Operating Expenses which are affected by occupancy for the particular year to reflect 100% occupancy. Furthermore, in making any computations contemplated hereby, Landlord reserves the right at any time to reasonably change the method of calculation or allocation of such costs and expenses and in making any computations contemplated hereby and Landlord's accountants may make such other modifications to the computations as are required to achieve the reasonable allocation of the costs and expenses.

The Operating Expenses for the first and last years of the Term shall be prorated according to that portion of such year as to which Tenant is responsible for a share of such expenses. Certain items of maintenance (such as landscape maintenance and snow removal) are performed by Landlord on numerous areas owned and/or maintained by Landlord, in addition to the Premises, and the cost thereof cannot be precisely ascribed to the Premises. As to such services which are performed on areas in addition to the Premises, the cost for all areas so serviced shall be allocated to the Premises in proportion to the square feet of building floor space in the Premises compared to the square feet of building floor space in the entire area to which such services are provided. Landlord shall keep reasonable records of such cost.

5.2.3 Operating Expenses for the calendar year in which the Term commenced have been estimated (the "Initial Estimate") and such Initial Estimate is set forth in Section 1.6 of this Lease. Until notice is given by

Landlord of a change in such estimate, Tenant shall make estimated monthly payments in the amount last advised by Landlord; the amount of such estimate that Tenant is obligated to pay as of the commencement of Tenant's obligations under this Lease as Tenant's Share of Operating Expenses is set forth as the Initial Estimated Payment in Section 1.6 of this Lease. Landlord shall deliver to Tenant within 90 days after the expiration of each calendar year a reasonably detailed statement showing Tenant's Share of the actual Operating Expenses incurred during such year. If Tenant's payments under this Section during said subject year exceed Tenant's Share of actual Operating Expenses as indicated on said statement, Tenant shall be entitled to credit the amount of such overpayment against Tenant's Share of Operating Expenses next falling due. If Tenant's payments under this Section during the subject calendar year were less than Tenant's Share of actual Operating Expenses as indicated on said statement, Tenant shall pay to Landlord the amount of the deficiency within 30 days after delivery by Landlord to Tenant of said statement. During any periods of adjustments and prior to receipt of Landlord's statement, Tenant shall continue to pay Landlord the amount of the estimated payment for the prior calendar year and a retroactive adjustment, if applicable, shall be made after Tenant's receipt of the statement which sets forth the new estimated payment. Landlord and Tenant shall forthwith adjust between them any balance determined to exist with respect to that portion of the last year for which Tenant is responsible as to Operating Expenses, notwithstanding that the Term may have terminated before the end of such year and such obligation shall survive the expiration or earlier termination of this Lease. If Tenant disputes an adjustment submitted by Landlord or a proposed increase or decrease in the estimated payment, Tenant shall give Landlord notice of such dispute within 30 days after Tenant's receipt of the adjustment. If Tenant does not give Landlord timely notice, Tenant waives its right to dispute the particular adjustment. If Tenant timely objects, Tenant may engage its own certified public accountants ("Tenant's Accountants") to verify the accuracy of the statement complained of or the reasonableness of the estimated increase or decrease. Tenant's Accountants shall enter into a confidentiality agreement satisfactory to Landlord. If Tenant's Accountants determine that an error has been made, Landlord's accountants and Tenant's Accountants shall endeavor to agree upon the matter, failing which such matter shall be submitted to an independent certified public accountant selected by Landlord, with Tenant's reasonable approval, for a determination which will be conclusive and binding upon Landlord and Tenant. Tenant shall pay for all costs incurred by Tenant for Tenant's Accountants. Notwithstanding the pendency of any dispute, Tenant shall continue to pay Landlord the amount of the estimated payment or adjustment determined by Landlord's accountants until the adjustment has been determined to be incorrect. If it is determined that any portion of the Operating Expenses were not properly chargeable to Tenant, then Landlord shall promptly credit or refund the appropriate sum to Tenant.

5.3 **Late Charges.** Tenant will pay a late charge equal to 5% of any monthly Rent payment or other payment not paid when due, which payment shall be in addition to any interest elsewhere provided for. Notwithstanding the foregoing, in the first instance of late payment during any 12-month period, such late charge will not be assessed until the 5th day after Landlord has given written notice to Tenant notifying Tenant that the payment is late.

5.4 **Intentionally Omitted.**

5.5 **Proration of Rent for Partial Months.** If the Term begins on other than the first day of a month, Base Rent and additional Rent from such date until the first day of the next succeeding calendar month shall be prorated on the basis of the actual number of days in such calendar month and shall be payable in advance. If the Term terminates on other than the last day of the calendar month, Rent from the first day of such calendar month until such termination date shall be prorated on the basis of the actual number of days in such month, and shall be payable in advance.

6. **TAXES - REAL PROPERTY - PAID BY TENANT - PROTEST.** Subject to the terms of the Addendum, Tenant shall pay as Operating Expenses, Tenant's Share of all real estate taxes and assessments, as shall, from and after the date hereof, be assessed upon the Premises and any appurtenances or improvements thereto in accordance with Section 5. The real estate taxes and assessments for the year in which the Term shall begin, as well as for the year in which this Lease shall end, shall be apportioned so that Tenant shall pay only the portions that correspond with the portions of such years as are within the Term. In the event that the Premises are assessed for tax purposes as a part of a larger parcel, the tax on the entire parcel shall be prorated in proportion to the number of square feet of Building floor space on each portion of the entire parcel.

Upon written request from Tenant, Landlord shall protest the tax assessment on the Premises, to the extent that Landlord, in good faith, believes that such protest is justifiable and likely to be successful. In the event of any such protest Tenant shall nevertheless pay to Landlord the taxes as assessed and Tenant shall be entitled to the appropriate share of any refund. Tenant shall not protest any real property tax assessment on the Premises.

7. **TAXES - TENANT'S PERSONAL PROPERTY - PAID BY TENANT.** Tenant shall be responsible for and timely pay any and all personal property taxes assessed against any furniture, fixtures, equipment and items of a similar nature installed and/or located in or about the Premises by Tenant.

#### 8. **UTILITIES AND SECURITY SERVICES**

8.1 **Utilities.** Tenant shall obtain and contract directly with the respective utility provider and pay all charges for any utilities separately metered to the Premises. Gas and electrical service to the Premises will be separately metered or submetered. Tenant agrees that Landlord shall not be liable for directly contracted utility services not being supplied to the Premises. Tenant irrevocably appoints Landlord as Tenant's attorney-in-fact solely for the purpose of terminating Tenant's account with any provider of such utilities if Tenant abandons the Premises or if this Lease expires or is otherwise terminated.



Tenant shall pay as Operating Expenses, Tenant's Share of all utilities servicing the Premises on common meters with other tenants, including but not limited to water, sewer, hot water, heat, gas, electricity, light, telephone, cable TV. Except as set forth herein, Landlord shall not be required to furnish to Tenant any utility services of any kind, such as, but not limited to, water, sewer, heat, gas, electricity, voice or data services, or other utilities used, rendered, or supplied upon or in connection with the Premises. Tenant agrees that Landlord shall not be liable for failure to supply any utility service during any period Landlord is unable to furnish such services and Landlord uses reasonable diligence to supply such services, it being understood that Landlord reserves the right to discontinue temporarily such services, or any of them, at such times as may be necessary by reason of accident, unavailability of employees, repairs, alterations or improvements, or whenever by reason of strikes, lockouts, riots, acts of God or any other happening beyond control of Landlord. Landlord's obligations to furnish services shall be conditioned upon the availability of adequate sources. Landlord shall have the right to enter upon the Premises at all reasonable times in order to make such repairs, alterations and adjustments as shall be necessary in order to comply with the provisions of any mandatory or voluntary fuel or energy saving or similar statute, regulation or program.

8.2 **Private Security Service.** Landlord may, in its sole discretion, engage a private security service, as an independent contractor, to patrol the Building or the business park in which the Building is located, but Landlord shall have no obligation to engage a private security service and shall not be liable for any damages or loss which might have been averted had a private security service been engaged. If Landlord does so employ a private security service, the cost thereof shall be considered an Operating Expense, and Tenant agrees that neither Landlord nor the Building management company, nor their respective members, officers, employees or agents shall have liability for damages, liability or any claims (collectively, "Damages"), on account of any injury to or death of any employee, agent, representatives or invitee of Tenant arising out of the use or acts of the private security service. Nothing herein shall limit any action by Tenant against any person or entity providing private security service, provided that neither Landlord nor the Building management company, or their respective members, officers, employees or agents (other than such security service) shall be party to, or liable for, any judgment entered in such an action as a defendant, cross-defendant, third-party defendant, or otherwise. If Tenant desires a higher level of security services than Landlord provides, or wishes to obtain an agreement that there will be liability for actions, inactions, non-performance or quality of performance by a security service, Tenant may engage such additional security service for the Premises as Tenant chooses, at Tenant's sole expense.

9. **HOLDING OVER.** If, after expiration of the Term, Tenant shall remain in possession of the Premises and continue to pay Rent without a written agreement as to such possession, then Tenant shall be deemed a month-to-month Tenant and the Base Rent rate during such holdover tenancy shall be equivalent to 150% of the monthly Base Rent paid for the last month of tenancy under this Lease, plus payment of 100% of all additional Rent under this Lease. Such month-to-month tenancy may be terminated by Landlord effective as of midnight on any day which is more than 29 days after date of delivery of Landlord's written notice of termination to Tenant. No holding over by Tenant shall operate to renew or extend this Lease without the written consent of Landlord.

10. **ALTERATION - CHANGES AND ADDITIONS.** Tenant shall not make any improvements, additions or alterations to the Premises (collectively "Alterations") during the Term without in each instance first obtaining the written consent of Landlord. Landlord will not unreasonably withhold consent to Tenants erecting inside partitions, adding to existing electric power service, adding telephone outlets or other communication services, adding light fixtures, installing additional heating and/or air conditioning, or making such other Alterations as Tenant may desire. Landlord, in its sole discretion, may withhold its consent to Alterations which require new openings in the roof or placement of additional equipment on the roof of the Building.

Prior to commencement of any Alterations, Tenant shall submit to Landlord a set of fully detailed working drawings and specifications for the proposed Alteration, prepared by a licensed architect or engineer; provided, however, if Tenant so requests, Landlord will have the working drawings and specifications prepared for Tenant, at Tenant's expense. Tenant will pay Landlord's customary hourly charges for review and approval of any working drawings and specifications provided by Tenant, as additional Rent, to be paid within 30 days after delivery of invoice. In particular, but not as a limitation, the working drawings must fully detail changes to mechanical, wiring and electrical, lighting, plumbing and HVAC systems of the Premises, and the Building as applicable, to Landlord's satisfaction. Landlord may refuse to consent to Alterations because of the inadequacy of the working drawings and specifications. All Alterations, along with any repair and maintenance work performed by Tenant, shall be done at Tenant's expense with Landlord's prior consent and subject to any conditions imposed by Landlord; however, if such work is not performed by or on behalf of Landlord, Tenant shall pay Landlord its supervisory fee within 30 days of receipt of an invoice from Landlord. Tenant may not commence the Alterations until Landlord's written consent has been given. Any Alterations requested by Tenant of the telecommunication or data transmission equipment, facilities, lines or outlets on the Premises shall be performed only with Landlord's approval, and only by Landlord's approved contractor. Notwithstanding anything to the contrary set forth herein, Tenant shall have the right to make non-structural Alterations costing less than \$25,000.00 (at any one time) without the consent of Landlord, so long as such Alterations do not affect the Building's mechanical, electrical, telecommunications, or life safety systems, do not increase the load on the Building systems or structure, and are completed in accordance with Applicable Laws and in accordance with the working drawings and specifications approved by a licensed architect or engineer (copies of which shall be provided to Landlord promptly following completion of such Alterations).

If within 30 days after such working drawings are submitted by Tenant to Landlord for such approval, Landlord shall have not given Tenant notice of disapproval, stating the reason for such disapproval, such working drawings shall be considered denied by Landlord. As a condition of approval for such Alterations, Landlord shall have the right to require Tenant to furnish adequate bonds or other security acceptable to Landlord for performance of and payment for the work to be performed.

Upon the expiration or earlier termination of this Lease, all Alterations (except trade fixtures installed by Tenant) shall be and remain the property of Landlord, provided, however, Landlord shall have the option to require Tenant to remove any or all such Alterations, including any fixtures, equipment, and/or additions and restore the Premises to the condition existing immediately prior to such installation or Alteration, normal wear and tear excepted, all at Tenant's cost and expense; if Tenant expressly requests Landlord's determination when requesting Landlord's consent to Alterations, Landlord shall make its determination as to whether or not Tenant shall be required to remove such Alterations and restore the Premises at the expiration or earlier termination of this Lease. All work done by or on behalf of Tenant shall conform to Applicable Laws, including appropriate city, county and state building codes and health standards and OSHA standards and Tenant shall be responsible for obtaining and paying for building permits in connection therewith.

Neither Landlord's right of entry, nor any actual inspection by Landlord, nor Landlord's actual knowledge of any Alteration accomplished or in progress shall constitute a waiver of Landlord's rights concerning Alterations by Tenant. Landlord's consent or approval of the working drawings and specifications for any Alterations shall not constitute a warranty or representation by Landlord (and shall not impose any liability on Landlord) as to their completeness, design sufficiency, or compliance with Applicable Laws. If any Alterations, or removal of Alterations or fixtures and equipment, cause damage to the structural portion, exterior finish, roof or other portions of the Building, then the costs to repair such damage, and further maintenance and repairs during the Term, shall thereafter be the sole responsibility of Tenant.

11. **MECHANIC'S LIENS.** Tenant shall pay all costs for construction done by it or caused to be done by it on the Premises as permitted by this Lease. Tenant shall keep the Building, other improvements and land of which the Premises are a part free and clear of all mechanic's liens resulting from construction by or for Tenant. Tenant shall have the right to contest the correctness or validity of any such lien if, by the earlier of the date an action is commenced to foreclose such lien, or 15 days following demand by Landlord, Tenant deposits with Landlord and/or any appropriate court or title insurance company a bond or sum of money sufficient to allow issuance of title insurance against the lien and/or to comply with the statutory requirements for discharge of the lien found in Sections 38-22-130 and 38-22-131 of the Colorado Revised Statutes, or any successor statutory provision. Landlord shall have the right to require Tenant's contractor(s), subcontractors and materialmen to furnish to both Tenant and Landlord adequate lien waivers on work or materials paid for, in connection with all periodic or final payments. Tenant's failure to act in accordance with the foregoing shall be an event of default and Landlord may, in addition to other remedies, pay such amounts, which together with reasonable attorneys' fees incurred and interest, shall be immediately due Landlord upon notice. Landlord reserves the right to post notices on the Premises that Landlord is not responsible for payment of work performed and that Landlord's interest is not subject to any lien.

12. **SIGNAGE.** Tenant shall place no signs on the Premises or the Building (except inside the Premises and that are not visible from outside the Premises) without prior written consent of Landlord. If Landlord approves signage, Tenant shall be responsible for removing such signage and restoring the area of the Building on which the signage was mounted on or before the Expiration Date or earlier termination of this Lease. Tenant may not put any signs on the Premises indicating that the same are for rent, or available for assignment or sub-lease, and may not put any signs of real estate brokers on the Premises. Notwithstanding the foregoing, Tenant shall have the right, subject to Landlord's then applicable signage criteria and the regulations, codes and covenants of the City of Longmont and the business park in which the Building is located, to place identification signage at the entry to the Premises, at Tenant's sole cost and expense.

13. **MAINTENANCE AND REPAIRS**

13.1 **The Building.** Landlord shall be responsible for maintenance and repairs (and any necessary replacements) of the roof, exterior finish (including, if exterior to the Premises and not exclusively serving the Premises, exterior windows and doors, mechanical, electrical and HVAC systems) and structural portions of the Building, along with the common areas (including landscaped areas, parking areas, loading and unloading areas, roadways, sidewalks, walkways, stairways, parkways and driveways) of the Building (however, all expenditures by Landlord in this regard shall be included in Operating Expenses except where specifically excluded). If any such maintenance or repairs are necessitated by damage caused by Tenant or its employees, agents, contractors, sub-contractors, licensees, invitees or guests, Tenant shall reimburse Landlord (subject to the waivers set forth in Sections 13.3 and 16.5 below) for the cost of same, as additional Rent, to be paid within 10 days after delivery of invoice.

13.2 **The Premises.** All maintenance, repairs and replacements of or within the Premises shall be performed by Tenant, at its own expense, including all necessary maintenance, repairs and replacements to pipes, plumbing and electrical systems and supplemental or specialty HVAC systems which exclusively serve the Premises, windows or other glass, doors, fixtures, interior decorations, and all other appliances and appurtenances. Such repairs and replacements to the Premises, ordinary as well as extraordinary, shall be made promptly, as and when necessary, so that the Premises are maintained in good condition, consistent with the condition of the Premises on the Commencement Date, normal wear and tear excepted. All such maintenance, repairs and replacements shall be in quality and class at least equal to the original work. If Tenant fails to timely

make such maintenance, repairs or replacements, Landlord may, but shall not be required to, make such repairs and replacements on Tenant's behalf, and the cost and expense thereof shall constitute and be collectable as additional Rent, together with interest thereon as hereinafter provided.

13.3 **Tenant's Property.** Notwithstanding Landlord's obligations elsewhere set forth in this Lease, Tenant agrees that Landlord is not liable for any damage to the personal property of Tenant or consequential damages to Tenant. Tenant shall indemnify and save harmless Landlord of and from liability for damages, liability or any claims against Landlord, including costs, attorney's fees and expenses of Landlord in defending against the same, on account of any injury to (or death of) any employee, agent, representative or invitee of Tenant.

14. **CONDITION UPON SURRENDER - RETURN OF KEYS.** Subject to the requirements of Tenant pursuant to Section 10, Tenant shall vacate the Premises in the same condition as when received, ordinary wear and tear and damage by casualty or condemnation, excepted, cleaned to the same standard as when received, and shall remove all of Tenant's property, so that Landlord can repossess the Premises not later than midnight on the day upon which this Lease or any extension hereof expires or is otherwise terminated. Landlord shall have the same rights to enforce this covenant by ejectment and for damages or otherwise as for the breach of any other conditions or covenant of this Lease. Upon expiration or termination of this Lease, Tenant shall deliver to Landlord keys which operate all locks on the exterior and interior of the Premises, including keys to locks on cupboards and closets. Tenant shall retrieve all keys to the Premises which Tenant has delivered to employees or others, and include same with the keys delivered to Landlord.

15. **USE OF THE PREMISES; COMPLIANCE WITH LAWS; RULES AND REGULATIONS.** Tenant shall use the Premises for the Permitted Use and for no other purpose. Tenant's use of the Premises shall comply with all present and future Applicable Laws of any governmental authority having jurisdiction over the Premises with respect to Tenant's use or operation in the Building. No outside storage at the Building by or on behalf of Tenant shall be allowed unless first approved by Landlord in writing and then only in such areas as are designated as storage areas by Landlord. Tenant shall not commit or suffer any waste on the Premises. Tenant shall not permit any nuisance to be maintained on the Premises nor permit any disorderly conduct, noise, vibrations, or odors or other activity that may be dangerous or offensive to other occupants of any other part of the property of which the Premises are a part and/or of any adjoining property. Tenant shall be liable for the cost of any damage to the Premises or Building or the common areas, sidewalks, and pavements adjoining the same which results from the movement of heavy articles or heavy vehicles or utility cuts made by or on behalf of Tenant. Tenant shall not overload the floors or any other part of the Premises.

As part of a common scheme for orderly development, use and protection, of its various properties and those properties adjacent to the Premises, Landlord may impose upon Tenant reasonable rules and regulations concerning parking and vehicle traffic; locations at which deliveries are to be made and access thereto; trash disposal; use of common areas such as recreation areas, corridors, and sidewalks; signs and directories; use of communication wires or cables which are used in common but which may be inadequate fully to serve all the demands placed upon them; provided that such rules and regulations shall be uniform in their application and shall not violate the express terms of this Lease elsewhere set forth.

#### 16. **INSURANCE**

16.1 **Landlord's Insurance.** Landlord shall keep the Building and the Building improvements (excluding, however, Tenant's leasehold improvements, alterations, additions, trade fixtures, merchandise and personal property) insured throughout the Term against losses covered by ISO Causes of Loss – Special Form Coverage, as defined in the insurance industry, which shall also cover loss of rents. Landlord shall pay any premium on such policy and such costs shall be included in Operating Expenses. Landlord may purchase a single policy covering buildings and grounds in addition to the Building and the Premises. In that event, the premium shall be allocated among the various covered buildings and the Premises in proportion to the number of square feet of building floor space in each area for the Liability Insurance and the total insured value of the building for the Property Insurance.

16.2 **General Liability Insurance.** Tenant agrees to carry commercial general liability insurance (or School Entity Liability insurance) in the minimum total amount of \$2,000,000 for each occurrence of bodily injury and \$2,000,000 for each occurrence of property damage or \$2,000,000 Combined Single Limits (CSL) bodily injury and property damage; at least \$1,000,000 of such insurance coverage shall be primary coverage and the remaining \$1,000,000 of such coverage may be pursuant to an umbrella or excess liability policy. Tenant also agrees to carry Commercial Automobile Liability insurance, including Owned, Employers Non-Owned, and Hire Auto Coverage, with a combined single limit of not less than \$2,000,000 per occurrence for bodily injury and property damage; at least \$1,000,000 of such insurance coverage shall be primary coverage and the remaining \$1,000,000 of such coverage may be pursuant to an umbrella or excess liability policy. Tenant shall supply to Landlord certificates of insurance as provided in Section 16.6. In the event Tenant fails to secure such insurance or to give evidence to Landlord of such insurance by depositing with Landlord certificates as provided below, Landlord may purchase such insurance in Tenant's name and charge Tenant the premiums therefor. Bills for the premiums therefor shall be deemed and paid as additional Rent due within 10 days after delivery of invoice. Landlord, the Building manager, Sentinel Property Management LLC, and such other parties that Landlord shall reasonably require from time to time shall be named as additional insured's (using endorsement form CG 20 10 07 04 or such other form as reasonably approved by Landlord) in all of the foregoing insurance policies with a statement to that effect set forth in the certificates of insurance furnished to Landlord.

Sentinel Property Management LLC, having an address of 2101 Ken Pratt Boulevard, Suite 101, Longmont, Colorado 80501, or such other party that Landlord shall require from time to time, shall be named "Certificate Holder" on all certificates of insurance required hereunder. In the event Tenant has multiple locations all insured under one policy, then Tenant shall provide to Landlord an aggregate limit endorsement specific to the Premises.

16.3 **Tenant Improvements.** Tenant agrees to carry insurance covering all of Tenant's leasehold improvements, alterations, additions, trade fixtures, merchandise and personal property from time to time in, on or upon the Premises, at least as broad as ISO Causes of Loss – Special Form Coverage and Equipment Breakdown Protection Coverage, including Flood and Earthquake, against risks of direct physical loss or damage (commonly known as "all risk") for the full replacement cost of Tenant's property located at the Premises, with a deductible amount not to exceed \$50,000.00. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate due to destruction of the Premises as provided below. Leasehold improvements shall include all improvements above the concrete floor and below the concrete or steel roof deck and roof structure whether completed specifically for Tenant or existing prior to the Commencement Date and those tenant improvements made by Tenant or on Tenant's behalf by Landlord.

16.4 **Other Insurance.** Tenant shall purchase and maintain workers' compensation and employer's liability insurance as follows: Worker's Compensation Coverage A – Statutory Coverage in an amount required by the State of Colorado; Worker's Compensation Coverage B – Employers Liability Coverage in the amounts of \$1,000,000 Each Accident, \$1,000,000 Disease, Policy Limit, and \$1,000,000 Disease, Each Employee. Tenant agrees to carry other insurance against such other hazards and in such amounts as the holder of any mortgage or deed of trust to which this Lease is subordinate may require from time to time.

16.5 **Mutual Waiver and Waiver of Subrogation.** Notwithstanding anything to the contrary contained in this Lease, each party to this Lease (the "Releasing Party") releases the other party, its officers, directors, shareholders, members, managers, general and limited partners, trustees, employees, agents, subtenants, invitees or licensees (collectively, the "Released Party") from any liability which the Released Party would have had to the Releasing Party for any loss which either is covered by any insurance policy in force at the time of the loss or would be covered by the policies or insurance coverages (including self-insurance) required to be carried hereunder, regardless of how it occurs, including, without limitation, as the result of negligent acts or omissions of the Released Party (unless such release would invalidate the insurance policy applicable to the loss). Each party to this Lease shall give prompt notice of this mutual release to its insurance carriers and obtain from them any endorsements, if any, required to consent to the mutual release and to waive the insurance carrier's rights of subrogation. Notwithstanding any other provision of this Lease to the contrary, no term or condition of this Lease shall be construed or interpreted as a waiver of any provision of the Colorado Governmental Immunity Act, §24-10-101 et seq., C.R.S., as now or hereafter amended. The parties hereto understand and agree that liability for claims for injuries to persons or property arising out of the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials and employees is controlled and limited by the provisions of §24-10-101, et seq., C.R.S., as now or hereafter amended and §24-30-1501, et seq., C.R.S., as now or hereafter amended. Any provision of this Lease, whether or not incorporated herein by reference, shall be controlled, limited and otherwise modified so as to limit any liability of the Tenant to the above cited laws.

16.6 **Other Provisions Regarding Tenant's Insurance.** Tenant shall have the right to provide the insurance required hereunder as part of a self-insurance program, or, at any time during the Term of this Lease, to provide such insurance through an insurance company, and with respect to general liability, Landlord recognizes that Tenant is self-insured for general liability in accordance with the provisions of the Colorado Governmental Immunity Act and the Colorado Risk Management Act, §24-30-1501, et seq., C.R.S., as amended. At least 30 days prior to the expiration date of any such policy, a certificate evidencing a new or renewal policy shall be delivered by Tenant to Landlord. Within 15 days after the premium on any policy shall become due and payable, Landlord shall be furnished with satisfactory evidence of its payment. To the extent obtainable, all policies shall contain an agreement that, notwithstanding any act or negligence of Tenant which might otherwise result in forfeiture of such insurance, such policies shall not be canceled except upon 30 days prior written notice to Landlord, and that the coverage afforded thereby shall not be affected by the performance of any work in or about the Premises. All policies of insurance required to be carried by Tenant hereunder shall be primary and non-contributory to any insurance maintained by Landlord, Landlord's Building manager and their employees, affiliates, advisors and designees. If Tenant provides any insurance required of Tenant by this Lease in the form of a blanket policy, Tenant shall furnish satisfactory proof that such blanket policy complies in all respects with the provisions of this Lease, and that the coverage thereunder is at least equal to the coverage which would be provided under a separate policy covering only the Premises.

16.7 **Changes in Standard Policies.** If the definition of insurance industry policy language relating to "all-risk" or Special Form insurance or other term changes, the insurance requirements hereunder shall be modified to conform to the existing insurance industry language; however, the dollar amount of the coverage's required under this Lease shall not be less than those existing at the time of the date of this Lease.

16.8 **No Use of Premises in Violation of Insurance Policies.** Tenant shall make no use of the Premises which would void or make voidable any insurance upon the Premises or Building or which would increase any insurance premiums for insurance on the Premises or the Building.

17. **FIRE REGULATIONS – TENANT RESPONSIBILITY.** It shall be Tenant's sole and exclusive responsibility to meet all fire regulations of any governmental unit having jurisdiction over the Premises or with respect to the Premises or required as a result of Tenant's Alterations to the extent such regulations affect Tenant's operations, at Tenant's sole expense.

18. **REPLACEMENT OF BUILDING - CASUALTY DAMAGE.** If the Premises are damaged or destroyed by fire or other cause at any time after the Date of Commencement of this Lease, Landlord shall proceed with due diligence to repair or restore the same to the same condition as existed before such damage or destruction, and as soon as possible thereafter will give possession to Tenant of the Premises without diminution or change of location. Provided, however, that in case of total destruction of the Premises by fire or other casualty, or in case the Building is so badly damaged that, in the reasonable opinion of Landlord, it is not feasible to repair or rebuild the same, or such damage cannot in Landlord's reasonable determination be repaired within 180 days following the occurrence of such damage, then, Landlord shall give notice to Tenant of such determination and Landlord or Tenant shall have the right to terminate this Lease by notice to the other party not later than 30 days after the date on which Landlord provides written notice of such determination. In the event the Premises are rendered temporarily untenantable because of fire or other casualty, and this Lease is not terminated by either Landlord or Tenant as provided above, then monthly Base Rent shall abate on the untenantable area until the Premises are restored to their former condition, abatement to be based on the square feet of Building floor space in the untenantable area compared to the total rentable square feet of Building floor space in the Premises. Provided, however, that to the extent the damage or destruction results from the negligence or other action of Tenant or its employees, agents, contractors, subcontractors, invitees, guests or licensees, Tenant shall pay for the restoration or repair, to the extent the cost of same is not covered by Landlord's insurance.

19. **ENVIRONMENTAL MATTERS**

19.1 **Definitions.**

19.1.1 **Hazardous Material.** Hazardous Material means any substance:

- (a) the presence of which requires investigation, notice or remediation under any applicable federal, state or local statute, regulation, ordinance, order, action, policy or common law; or
- (b) which is or becomes defined as a "hazardous material," "hazardous waste," "hazardous substance," "regulated substance," "pollutant" or "contaminant" under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.), Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Colorado Underground Storage Tank Act (Colo. Rev. Stat. §25-18-101 et seq.), and/or the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); or
- (c) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of Colorado or any political subdivision thereof; or
- (d) the presence of which on the Premises causes or threatens to cause a nuisance upon the Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises; or
- (e) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or
- (f) which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or
- (g) radon gas.

19.1.2 **Environmental Requirements.** Environmental Requirements means all applicable present and future statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including:

- (a) All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of Hazardous Materials, chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and
- (b) All requirements pertaining to the protection of the health and safety of employees or the public.

19.1.3 Environmental Damages. Environmental Damages means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs, and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, and of any good faith settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including reasonable attorneys' fees and disbursements and consultants' and witnesses' fees, any of which are incurred at any time as a result of the existence of Hazardous Material upon, about, beneath the Premises or migrating or threatening to migrate to or from the Premises, or the existence of a violation of Environmental Requirements pertaining to the Premises, including:

(a) Damages for personal injury, or injury to property or natural resources occurring upon or off of the Premises, foreseeable or unforeseeable, including lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties including but not limited to claims brought by or on behalf of employees of Tenant;

(b) Fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation or remediation of such Hazardous Materials or violation of Environmental Requirements including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision or court, or reasonably necessary to make full economic use of the Premises and any other property in a manner consistent with its current use or otherwise expended in connection with such conditions, and including any reasonable attorneys' fees, costs and expenses incurred in enforcing this Lease or collecting any sums due hereunder;

(c) Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced herein; and

(d) Diminution in the value of the Premises and adjoining property, and damages for the loss of business and restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Premises and adjoining property.

19.1.4 Landlord Indemnified Parties. "Landlord Indemnified Parties" means Landlord, any other person who acquires an interest in the Premises in any manner, including by purchase at a foreclosure sale or otherwise, and the directors, officers, shareholders, employees, partners, agents, contractors, subcontractors, experts, licensees, affiliates, lessees, mortgagees, trustees, heirs, devisees, successors, assigns, guests and invitees of such persons.

19.2 Indemnification Obligation. Tenant, its successors, assigns and guarantors, agree to indemnify, defend, reimburse and hold harmless Landlord Indemnified Parties from and against any and all Environmental Damages arising from activities of Tenant or its employees, agents, contractors, subcontractors, or guests, licensees, or invitees which (1) result in the presence of Hazardous Materials upon, about or beneath the Premises or migrating to or from the Premises, or (2) result in the violation of any Environmental Requirements pertaining to the Premises and the activities thereon. Tenant shall have no obligation to the Landlord Indemnified Parties for any claims, losses, damages, cost or other liabilities of any kind or nature which do not arise from the acts or omissions of Tenant or its employees, agents, contractors, subcontractors, guests, licensees or invitees, including claims, losses, damages, costs or other liabilities which are the result of any conditions on the Property existing on the date Tenant takes occupancy of any portion of the Premises or any Hazardous Materials introduced on the Premises, Building or property on which the Building is located by Landlord, any party under Landlord's control, or any parties other than Tenant or its employees, agents, contractors, subcontractors, guests, licensees or invitees. Tenant's obligation shall include the burden and expense of the Landlord Indemnified Parties in defending all claims, suits and administrative proceedings, including reasonable attorneys' fees and expert witness and consulting fees, even if such claims, suits or proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against Landlord Indemnified Parties, and all such expenses incurred in enforcing the obligation to indemnify. Tenant, at its sole expense, may employ additional counsel of its choice to associate with counsel representing the Landlord Indemnified Parties.

19.3 Tenant's Obligation to Remediate. Notwithstanding the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, upon demand of Landlord, and at its sole cost and expense, promptly take all actions to remediate the Premises which are reasonably necessary to mitigate Environmental Damages or to allow full economic use of the Premises, or are required by Environmental Requirements, which remediation is necessitated by the 1) introduction of a Hazardous Material upon, about or beneath the Premises or 2) a violation of Environmental Requirements, either of which is caused by the actions of Tenant, its employees, agents, contractors, subcontractors, guests, invitees or licensees. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Premises, the preparation of any feasibility studies, reports or remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work, whether on or off of the Premises. Tenant shall take all actions necessary to restore the Premises to the condition existing prior to the introduction of Hazardous Material upon, about or beneath the Premises, notwithstanding any lesser standard of remediation allowable under applicable law or governmental policies. All such work shall be performed by one or more contractors, selected by Tenant and approved in advance and in writing by Landlord. Tenant shall proceed continuously and diligently with such investigatory and remedial actions, provided that in all cases such actions shall be

in accordance with all applicable requirements of governmental entities. Any such actions shall be performed in a good, safe and workmanlike manner and shall minimize any impact on the business conducted at the Premises. Tenant shall pay all costs in connection with such investigatory and remedial activities, including but not limited to all power and utility costs, and any and all taxes or fees that may be applicable to such activities. Tenant shall promptly provide to Landlord copies of testing results and reports that are generated in connection with the above activities, and copies of any correspondence with any governmental entity related to such activities. Promptly upon completion of such investigation and remediation, Tenant shall permanently seal or cap all monitoring wells and test holes to industrial standards in compliance with applicable federal, state and local laws and regulations, remove all associated equipment, and restore the Premises to the maximum extent possible, which shall include, without limitation, the repair of any surface damage, including paving, caused by such investigation or remediation hereunder. Provided, however, that Tenant shall not be obligated to remediate environmental damages which result from seepage of Hazardous Materials onto the Premises from adjacent property unless the presence on the adjacent property was caused by Tenant or its employees, agents, contractors, subcontractors, guests, invitees or licensees.

19.4 **Notification.** If Tenant shall become aware of or receive notice or other communication concerning any actual, alleged, suspected or threatened violation of Environmental Requirements, or liability of Tenant for Environmental Damages in connection with the Premises or past or present activities of any person thereon, or that any representation set forth in this Lease is not or is no longer accurate, including but not limited to notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, claim, citation, directive, summons, proceeding, complaint, notice, order, writ, or injunction, relating to same, then Tenant shall deliver to Landlord, within ten days of the receipt of such notice or communication by Tenant, a written description of said violation, liability, correcting information, or actual or threatened event or condition, together with copies of any such notice or communication. Receipt of such notice shall not be deemed to create any obligation on the part of Landlord to defend or otherwise respond to any such notification or communication.

19.5 **Negative Covenants.**

19.5.1 **No Hazardous Material on Premises.** Except in strict compliance with all Environmental Requirements, Tenant shall not cause, permit or suffer any Hazardous Material to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Premises by Tenant, its agents, employees, contractors, subcontractors, guests, licensees or invitees, or any other person. Tenant shall deliver to Landlord copies of all documents which Tenant provides to any governmental body in connection with compliance with Environmental Requirements with respect to the Premises, such delivery to be contemporaneous with provision of the documents to the governmental agency.

19.5.2 **No Violations of Environmental Requirements.** Tenant shall not cause, permit or suffer the existence or the commission by Tenant, its agents, employees, contractors, subcontractors or guests, licensees or invitees, or by any other person of a violation of any Environmental Requirements upon, about or beneath the Premises or any portion thereof.

19.5.3 **No Environmental or Other Liens.** Tenant shall not create or suffer or permit to exist with respect to the Premises, any lien, security interest or other charge or encumbrance of any kind, including without limitation, any lien imposed pursuant to section 107(f) of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. section 9607(1)) or any similar state statute to the extent that such lien arises out of the actions of Tenant, its agents, employees, contractors, subcontractors or guests, licensees or invitees.

19.6 **Landlord's Right to Inspect and to Audit Tenant's Records.** Landlord shall have the right in its sole and absolute discretion, but not the duty, to enter and conduct an inspection of the Premises and to inspect and audit Tenant's records concerning Hazardous Materials at any reasonable time upon reasonable prior notice to determine whether Tenant is complying with the terms of this Lease, including but not limited to the compliance of the Premises and the activities thereon with Environmental Requirements and the existence of Environmental Damages as a result of the condition of the Premises or surrounding properties and activities thereon. If Landlord has reasonable cause to believe Tenant is in default with respect to any of the provisions of this Lease related to Hazardous Materials, Environmental Requirements or Environmental Damages, then Landlord shall have the right, but not the duty, to retain at the sole expense of Tenant an independent professional consultant to enter the Premises to conduct such an inspection and to inspect and audit any records or reports prepared by or for Tenant concerning such compliance. Tenant hereby grants to Landlord the right to enter the Premises upon reasonable prior notice and to perform such tests on the Premises as are reasonably necessary in the opinion of Landlord to assist in such audits and investigations. Landlord shall use reasonable efforts to minimize interference with the business of Tenant by such tests inspections and audits, but Landlord shall not be liable for any interference caused thereby.

19.7 **Landlord's Right to Remediate.** Should Tenant fail to perform or observe any of its obligations or agreements pertaining to Hazardous Materials or Environmental Requirements, then Landlord shall have the right, but not the duty, without limitation upon any of the rights of Landlord pursuant to this Lease, to enter the Premises personally or through its agents, consultants or contractors and perform the same. Tenant agrees to indemnify Landlord for the costs thereof and liabilities therefrom as set forth in Section 19.2.

19.8 **Survival of Environmental Obligations.** The obligations of Tenant as set forth in Section 19 and all of its subsections shall survive termination of this Lease.

20. **ENTRY BY LANDLORD.** Landlord, or its authorized representative, and/or any lender or prospective lender, shall have the right to enter the Premises during the Term at all reasonable times during usual business hours for purposes of inspection, and/or the performance of any maintenance, repairs or replacement therein. Landlord shall give Tenant such advance notice of entry as is reasonable in light of the purpose for the entry, except in the event of an emergency or regularly scheduled maintenance when no notice is required. Landlord shall have the right, upon reasonable notice and during normal business hours, to enter the Premises and show the same to a prospective tenant during the last 270 days of this Lease or any extended term, unless the Term shall have been extended by mutual written agreement or delivery of notice of exercise of any option to extend.

21. **DEFAULT - REMEDIES OF LANDLORD**

21.1 **Default Defined.** Any one or more of the following events (each of which is herein sometimes called "event of default") shall constitute a default:

21.1.1 Tenant defaults in the due and punctual payment of any Rent, taxes, tax deposits, insurance premiums, maintenance fees or other sums required to be paid by Tenant under this Lease when and as the same shall become due and payable; provided, however, that Tenant shall have a right to cure such event of default not later than 5 days after receipt of written notice of such non-payment by Landlord; provided, further, however, Tenant is not entitled to such notice and cure period more than 1 time during any calendar year of the Term;

21.1.2 Tenant abandons the Premises;

21.1.3 Tenant defaults in the performance of or compliance with any of the covenants, agreements, terms and conditions contained in this Lease other than those referred to in the foregoing Section 21.1.1, and such default shall continue for a period of 10 business days after written notice thereof from Landlord to Tenant, and shall not be cured as permitted by Section 21.9;

21.1.4 Tenant files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, or takes the benefit of any relevant legislation that may be in force for bankrupt or insolvent debtors or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation, or proceedings are taken by Tenant under any relevant Bankruptcy Act in force in any jurisdiction available to Tenant, or Tenant seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises, or makes any general assignment for the benefit of creditors;

21.1.5 A petition is filed against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation, and shall remain undismissed for an aggregate of 120 days, or if any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises is appointed without the consent or acquiescence of Tenant and such appointment remains unvacated for an aggregate of 20 days.

21.2 **Landlord's Remedies in the Event of Default.** In the event of any event of default, Landlord shall have the option, without further notice to Tenant or further demand for performance, to exercise any one or more of the following remedies (and any other remedy available at law or in equity):

21.2.1 If Tenant has been late in payment of Rent or other sums due on four or more occasions during any period of one year, Landlord, without terminating this Lease, may 1) require that all future payments be made by bank cashier's check, and/or 2) require an additional security deposit in the amount of the then-current Base Rent for two months, and/or 3) require that Rent for each month be paid on or before the 15th day of the preceding month. Such requirement shall be imposed by Landlord's written notice delivered to Tenant. The additional security deposit shall be paid within 10 days after delivery of the notice. Landlord may or may not exercise the remedies provided in this Section 21.2.1, in its sole discretion. The exercise of the remedies provided in this Section 21.2.1 shall not be required prior to the exercise of any other available remedy.

21.2.2 Without obligation to seek a new tenant, to institute suit against Tenant to collect each installment of Rent or other sum as it becomes due or to enforce any other obligation under this Lease even though the Premises be left vacant.

21.2.3 As a matter of right, to procure the appointment of a receiver for the Premises by any court of competent jurisdiction upon ex parte application and without notice, notice being hereby expressly waived. All rents, issues and profits, income and revenue from the Premises shall be applied by such receiver to the payment of the rent, together with any other obligations of Tenant under this Lease.

21.2.4 To re-enter and take possession of the Premises and all personal property therein and to remove Tenant and Tenant's agents and employees therefrom, and either:



a) terminate this Lease and sue Tenant for damages for breach of the obligations of Tenant to Landlord under this Lease; or

b) without terminating this Lease, relet, assign or sublet the Premises and personal property, as the agent and for the account of Tenant in the name of Landlord or otherwise, upon the terms and conditions Landlord deems fit with the new tenant for such period (which may be greater or less than the period which would otherwise have constituted the balance of the Term) as Landlord may deem best, and collect any Rent due upon any such reletting. In this event, the rents received on any such reletting shall be applied first to the expenses of reletting and collecting, including, without limitation, all repossession costs, reasonable attorneys' fees, and real estate brokers' commissions, alteration costs and expenses of preparing said Premises for reletting, and thereafter toward payment of the Base Rent and of any other amounts payable by Tenant to Landlord. If the sum realized shall not be sufficient to pay the Rent and other charges due from Tenant, then within five days after demand, Tenant will pay to Landlord any deficiency as it accrues. Landlord may sue therefor as each deficiency shall arise if Tenant shall fail to pay such deficiency within the time limit.

21.3 **Tenant to Surrender Peaceably.** In the event Landlord elects to re-enter or take possession of the Premises, Tenant shall quit and peaceably surrender the Premises to Landlord, and Landlord may enter upon and re-enter the Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess and remove Tenant and may have, hold and enjoy the Premises and the right to receive all rental income of and from the same.

21.4 **No Termination by Re-Entry.** No re-entry or taking of possession by Landlord shall be construed as an election on Landlord's part to terminate or accept surrender of this Lease unless Landlord's written notice of such intention is delivered to Tenant.

21.5 **Injunction.** In the event of any breach by Tenant of any of the agreements, terms, conditions or covenants contained in this Lease, Landlord, in addition to any and all other rights, shall be entitled to enjoin such breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise for such breach as though re-entry, summary proceedings, and other remedies were not provided for in this Lease.

21.6 **Remedies Listed are Cumulative and Non-Exclusive.** The enumeration of the foregoing remedies does not exclude any other remedy, but all remedies are cumulative and shall be in addition to every other remedy now or hereafter existing at law or in equity.

21.7 **Interest on Sums Past Due.** In addition to the late charge which is elsewhere established, all Rent and all other amounts due from Tenant hereunder shall bear interest at the rate of 18% percent per annum compounded annually from their respective due dates until paid, provided that this shall in no way limit, lessen or affect any claim for damages by Landlord for any breach or default by Tenant.

21.8 **Attorneys' Fees.** Reasonable attorneys' fees, expert witness fees, consulting fees and other expenses incurred by either party by reason of the breach by either party in complying with any of the agreements, terms, conditions or covenants of this Lease shall constitute additional sums to be paid to the prevailing party on demand.

21.9 **Time to Cure Certain Non-Monetary Defaults.** In the event of any default other than failure to pay a sum of money, for which notice has been given as provided herein, which because of its nature can be cured but not within the period of grace heretofore allowed, then such default shall be deemed remedied, if the correction thereof shall have been commenced within said grace period or periods and shall, when commenced, be diligently prosecuted to completion.

21.10 **Landlord Default.** If Landlord is in default under any of its obligations and the default continues for 30 days after written notice from Tenant (subject to extension pursuant to Section 22.9), Tenant may pursue all remedies at law or in equity.

Tenant may not offset any sum due or assertedly due from Landlord to Tenant against any sum due from Tenant to Landlord.

Tenant agrees that if Tenant obtains a judgment against Landlord arising out of Landlord's obligations under this Lease, such judgment may be satisfied only by execution and sale of Landlord's interest in the Premises leased hereby. Tenant may not seek execution against other property of Landlord, nor pursue any judgment, execution or other remedy against the partners or other owners of Landlord or any of their property. Immediately upon receipt of Landlord's written request, Tenant will release any property (other than the Premises leased hereby) from the lien of any judgment obtained by Tenant against Landlord arising out of Landlord's obligations under this Lease.

22. **LEGAL PROCEEDINGS AGAINST TENANT BY THIRD PARTIES; TENANT TO PAY LANDLORD'S FEES.** In the event of any proceeding at law or in equity wherein Landlord, without being in default as to its covenants under the terms hereof, shall be made a party to any litigation by reason of Tenant's interest in the Premises, Tenant shall be liable for and shall pay all costs and expenses incurred by Landlord, including reasonable attorneys' fees, expert witness fees and consultant's fees.

23. **INDEMNIFICATION BY TENANT AND BY LANDLORD.** To the fullest extent permitted by Colorado law, Tenant shall indemnify and save harmless Landlord of and from liability for third-party damages or claims against Landlord,

including costs, attorneys' fees and expenses of Landlord in defending against the same, on account of injuries to (or death of) any person or property, if the injuries (or death) are caused by the negligence or willful misconduct of Tenant, its agents, subcontractors, servants or employees, or if such injuries (or death) are the result of the violation by Tenant, its agents, subcontractors, servants, or employees, of laws, ordinances, other governmental regulations, or of the terms of this Lease, and are not caused by the negligence or willful misconduct of Landlord.

Landlord shall indemnify and save harmless Tenant of and from liability for third-party damages or claims against Tenant, including costs, attorneys' fees and expenses of Tenant in defending against the same, on account of injuries to (or death of) any person or property, if the injuries (or death) are caused by the negligence or willful misconduct of Landlord, its agents, or employees, or where such injuries (or death) are the result of the violation by Landlord, its agents, or employees, of laws, ordinances, other governmental regulations, or of the terms of this Lease, and are not caused by the negligence or willful misconduct of Tenant.

Tenant acknowledges that Landlord provides recreation facilities for the use of employees of Tenant and other occupants within the property developed by Landlord, which property presently includes Long's Peak Industrial Park, First, Second and Third Filings, and portions of St. Vrain Centre, both in the City of Longmont and County of Boulder, Colorado, and will include such additional property in the immediate vicinity thereof as may be developed by Landlord. The term "recreation facilities" includes, at present, a fitness trail with 34 exercise stations, volleyball courts, basketball courts, and a park, and will include such additional facilities as Landlord may provide. Tenant releases Landlord from liability for damages or claims against Landlord on account of any injury to (or death of) an employee, agent or invitee of Tenant arising out of the use of the recreation facilities. Tenant acknowledges that Landlord may cease to operate the recreation facility at any time for any reason without cause.

#### 24. **ASSIGNMENT OR SUBLETTING**

24.1 Tenant shall not sublet any part of the Premises nor assign or otherwise transfer this Lease or any interest herein (sometimes referred to as "Transfer," and the subtenant or assignee may be referred to as "Transferee") without the prior written consent of Landlord in each instance first being obtained, which consent will not be unreasonably withheld or delayed provided that: (1) Tenant complies with the provisions of Section 24.3; (2) Landlord declines to exercise its rights under Section 24.3; (3) the Transferee is engaged in a business and the portion of the Premises will be used for the Permitted Use in a manner which is in keeping with the then standards of the Building and does not conflict with any exclusive use rights granted to any other tenant of the Building; (4) the Transferee has reasonable financial worth in light of the responsibilities involved; (5) there is no event of default by Tenant at the time it makes its request; (6) the Transferee is not a governmental or quasi-governmental agency; (7) the Transferee is not a tenant or currently negotiating a lease with Landlord in any building owned by Landlord or an affiliate of Landlord in the business park of which the Building is a part; and (8) the Transferee is not an entity who intends to operate a charter school or other educational facility in the Premises.

24.2 A Transfer shall include a sale by Tenant of substantially all of its assets or stock if Tenant is a publicly traded corporation, a merger of Tenant with another corporation, the transfer of 25% or more of the stock in a corporate tenant whose stock is not publicly traded, or transfer of 25% or more of the beneficial ownership interests in a partnership or limited liability company tenant. Notwithstanding anything to the contrary in this Section 24, Tenant may, without obtaining Landlord's consent, complete a Transfer to a Permitted Transferee subject to the following conditions: (i) the proposed use of the Premises shall be the same as Tenant's use and Landlord shall not be required, as a result of Applicable Laws, to make any Alterations or renovations to the Building or common areas or provide special services as a result of such Transfer; and (ii) not less than 30 days following the effective date of the Transfer, Tenant provides Landlord with documentation evidencing such transaction and such other evidence as Landlord may reasonably require to establish that such transaction complies with the provisions of this Section. "Permitted Transferee" means: (i) any subsidiary or affiliate in which Tenant owns a substantial interest; (ii) any parent of Tenant; (iii) any subsidiary or affiliate in which Tenant's parent owns a substantial interest; or (iv) any corporation into which Tenant may be merged or consolidated or which purchases all or substantially all of the assets or stock of Tenant; provided there is no release of Tenant following such Transfer or in the event of a merger or consolidation that the resulting corporation has a net worth at least equal to Tenant's net worth as of the date of this Lease.

24.3 Except for a Transfer to a Permitted Transferee, Tenant must notify Landlord at least 60 days prior to the desired date of a proposed Transfer ("Transfer Request"). The Transfer Request shall describe the terms and conditions of the proposed Transfer. Within 30 days following receipt of a Transfer Request, Landlord shall notify Tenant ("Landlord's Notice") of its election of the following as applicable:

(1) If a Transfer Request involves 25% or more of the Premises, Landlord may recapture such space by terminating Tenant's obligations as to the applicable portion of the Premises; provided, however, if Landlord makes such election, Tenant may, within 15 days after Landlord's Notice, withdraw a Transfer Request. If such termination occurs, it shall be effective on the date designated in Landlord's Notice, which date shall not be more than 60 days following such notice; or

(2) Landlord may waive Landlord's rights under item (1) above, in which case Tenant shall be free to make a Transfer substantially identical to that described in the Transfer Request to any third party, subject to Landlord's

consent as provided in Section 24.1. If Tenant does not complete the Transfer within 60 days following Landlord's Notice or materially modifies terms from those in the Transfer Request, then, prior to a Transfer to a third party, Tenant must resubmit a modified Transfer Request to Landlord and repeat the process in accordance with the provisions hereof.

24.4 All documents utilized by Tenant to evidence a Transfer are subject to approval by Landlord. Tenant shall pay Landlord's expenses, including reasonable attorneys' fees, of determining whether to consent and in reviewing and approving the documents. Tenant shall provide Landlord with such information as Landlord reasonably requests regarding a proposed Transferee, including financial information.

24.5 Following any Transfer in accordance with this Section 24, Landlord may, after any default by Tenant, collect rent from the Transferee or occupant and apply the net amount collected to the Rent, but no such collection will be deemed an acceptance of the Transferee or occupant as Tenant or release Tenant from its obligations. Consent to a Transfer shall not relieve Tenant from obtaining Landlord's consent to any other Transfer. Notwithstanding a Transfer, even if consented to by Landlord, Tenant will not be released and continues to be primarily liable for its obligations. If Tenant collects any rent or other amounts from a Transferee in excess of the Rent for any monthly period, Tenant shall pay Landlord 50% of such monthly excess, as and when received, after deduction of Tenant's reasonable transaction costs incurred for such Transfer.

24.6 If a trustee or debtor in possession in bankruptcy is entitled to assume control over Tenant's rights under this Lease and assigns such rights to any third party notwithstanding the provisions hereof, the rent to be paid by such party shall be increased to the current Base Rent (if greater than that being paid for the Premises) which Landlord charges for comparable space in the Building as of the date of such third party's occupancy. If Landlord is entitled under the Bankruptcy Code to "Adequate Assurance" of future performance of this Lease, the parties agree that such term includes the following:

(1) Any assignee must demonstrate to Landlord's reasonable satisfaction a net worth (as defined in accordance with GAAP consistently applied) at least as large as the net worth of Tenant on the Commencement Date increased by 7%, compounded annually, for each year thereafter through the date of the proposed assignment. Tenant's financial condition was a material inducement to Landlord in executing this Lease.

(2) The assignee must assume and agree to be bound by the provisions of this Lease.

25. **LANDLORD'S WARRANTY OF TITLE; QUIET ENJOYMENT.** Subject to the exercise of Landlord's remedies following the occurrence of an event of default, Landlord covenants it has good right to lease the Premises in the manner described herein and that Tenant shall peaceably and quietly have, hold, occupy, and enjoy the Premises during the Term, except as provided in Section 28 concerning subordination to mortgage lenders.

26. **ADDITIONAL DEVELOPMENT OF PROPERTY - RIGHTS OF LANDLORD.** Landlord reserves, during the Term upon reasonable prior notice to Tenant, the right to go upon and deal with the Premises or part thereof for the purpose of implementing a common development plan for the business park of which the Building is a part, and to install non-exclusive sidewalks, paths, roadways and other street improvements for use by vehicles, pedestrians, and for parking; to undertake such drainage programs to handle underground and surface drainage water and to make any other changes and/or improvements as Landlord shall deem advisable in the exercise of its sole discretion; provided, however, any such action by Landlord shall not unreasonably interfere with the rights of Tenant hereunder.

27. **GOVERNMENTAL ACQUISITION OF THE PREMISES.** The parties agree that Landlord shall have sole and exclusive authority to negotiate and settle all matters pertaining to the acquisition of all or part of the Premises by a governmental agency by eminent domain or threat thereof (condemnation), and to convey all or any part of the Premises under threat of condemnation, and this Lease shall terminate as to any area so conveyed. It is agreed that any compensation for land and/or buildings to be taken whether resulting from negotiation and agreement or condemnation proceedings, shall be the exclusive property of Landlord, and that there shall be no sharing whatsoever between Landlord and Tenant of any such sum. Such taking of property shall not be considered as a breach of this Lease by Landlord, nor give rise to any claims in Tenant for damages or compensation from Landlord. Tenant may separately claim and recover from the condemning authority the value of any personal property owned by Tenant which is taken, and any relocation expenses owed to Tenant by the condemning authority, provided that any such recovery shall not reduce Landlord's recovery. If any portion of the Premises is so taken, then Landlord, at its election, may replace the square footage taken with space in the Building, or may provide building area essentially the same as the Premises in a reasonably adjacent location, within 10 days after the conveyance or taking, under the same terms and conditions as contained in this Lease, and this Lease shall be in full force and effect as to the new Premises. If Landlord does not so provide reasonable space, then Tenant shall have two options. First, Tenant may terminate this Lease by written notice delivered to Landlord within 60 days after the conveyance or taking. Second, Tenant may retain the remaining portion of the Premises, under all the terms and conditions hereof, but the Base Rent shall be reduced in proportion to the number of square feet of building floor space taken compared to the number of square feet of building floor space in the Premises prior to the taking.

28. **SUBORDINATION OF THE LEASEHOLD TO MORTGAGES.** This Lease shall be subject and subordinate in priority at all times to the lien of any existing and/or hereafter executed mortgages and trust deeds encumbering the Premises. Although no instrument or act on the part of Tenant shall be necessary to effectuate such subordination, Tenant will execute and deliver such further reasonable instruments subordinating this Lease to the lien of any such mortgages or trust

deeds as may be desired by the mortgagee or holder of such trust deeds. If Tenant fails to execute such instrument within 10 days after request, such failure shall be deemed an event of default hereunder. Tenant further agrees that promptly following the Commencement Date and Landlord's request for the same, Landlord and Tenant will execute an estoppel certificate on a form provided by Landlord setting forth the Commencement Date, the Expiration Date and such other matters described therein or requested by Landlord, and thereafter, at any time and from time to time upon not less than 10 days prior written request by Landlord, to execute, acknowledge, and deliver to Landlord an estoppel affidavit in form acceptable to Landlord and the holder of any existing or contemplated mortgage or deed of trust encumbering the Premises. Tenant's failure to deliver such statement within such time shall be an event of default by Tenant and shall be conclusive upon Tenant (1) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (2) that there are no uncured defaults in Landlord's performance, and (3) that not more than one month's Rent has been paid in advance. Tenant further agrees, promptly following the date on which this Lease is fully executed and delivered and Landlord's request for the same, to execute a subordination, attornment and non-disturbance agreement from the present mortgagee of the Building on such mortgagee's then current form. Further, upon request, Tenant shall supply to Landlord a resolution certifying that the party signing this statement on behalf of Tenant is properly authorized to do so. Tenant agrees to provide Landlord within 10 business days of Landlord's request, Tenant's most recently completed financial statements and such other financial information as reasonably requested by Landlord in order to verify Tenant's financial condition to satisfy requirements of Landlord's existing or contemplated lender or mortgagee.

Tenant agrees that if there is a foreclosure of any mortgage or deed of trust encumbering the Premises and pursuant to such foreclosure, the Public Trustee or other appropriate officer executes and delivers a deed conveying the Premises to the mortgagee or its designee, or in the event Landlord conveys the Premises to the mortgagee or its designee in lieu of foreclosure, Tenant will attorn to such grantee of the Premises (the "Purchaser"), rather than to Landlord, to perform all of Tenant's obligations under this Lease, and Tenant shall have no right to terminate this Lease by reason of the foreclosure or deed given in lieu thereof. Upon any Purchaser succeeding to the interest of Landlord under this Lease, such Purchaser shall have the same remedies, by entry, action or otherwise for the non-performance of any agreement contained in the Lease, for the recovery of Rent or for any other default or event of default hereunder that Landlord had or would have had if any such Purchaser had not succeeded to the interest of Landlord. Any such Purchaser shall not be (a) liable for any act or omission of any prior Landlord (including the undersigned Landlord) unless and only to the extent such act or omission continues from and after the date such Purchaser acquires title to and possession of the Property; or (b) subject to any offsets or defenses which Tenant might have against any prior Landlord (including the undersigned Landlord); or (c) bound by any Rent which Tenant might have paid for more than the current month to any prior Landlord (including the undersigned Landlord); or (d) bound by any amendment, modification or termination of this Lease made without the written consent of Purchaser; or (e) liable for any security deposit not actually received by the applicable such Purchaser. Notwithstanding anything to the contrary contained in this Lease, each such Purchaser is an intended third party beneficiary of this Section with the right to enforce same.

29. **RECORDING - CONFIDENTIALITY**. This Lease shall not be recorded. All communications and information obtained by either party during the negotiations of this Lease, the actual terms and conditions of this Lease, including without limitation all information obtained by Landlord while in the Premises (but specifically excluding information relating to the physical premises owned by Landlord which relates to the operation of the Building and the normal performance of Landlord and Landlord's agents of the management, maintenance, repair and renovation duties with respect to the Building) shall be deemed confidential and proprietary (collectively the "Protected Information"). Without the prior written consent of an authorized representative of either party, Landlord and Tenant or its agents, shall not divulge to any third party any Protected Information, except as required by law or valid order of a court or tribunal. Prior to disclosure of any Protected Information, whether as required by law or court order or otherwise, either party shall inform the other party, in writing, of the nature and reasons for such disclosure.

30. **NO WAIVER OF BREACH; ACCEPTANCE OF PARTIAL PAYMENTS OF RENT**. No assent, or waiver expressed or implied, or failure to enforce, as to any breach of any one or more of the covenants or agreements herein shall be deemed or taken to be a waiver of any succeeding or additional breach.

Payment by Tenant or receipt by Landlord of an amount less than the Rent or other payment provided for herein shall not be deemed to be other than a payment on account of the earliest Rent then due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or other payment without prejudice to Landlord's right to recover the balance of all Rent then due, and/or to pursue any or all other remedies provided for in this Lease, in law, and/or in equity including, but not limited to, eviction of Tenant. Specifically, but not as a limitation, acceptance of a partial payment of Rent shall not be a waiver of any default by Tenant.

31. **CONTROLLING LAW; AND PARTIAL INVALIDITY; MODIFICATIONS OR EXTENSIONS**. No modification of this Lease shall be binding unless endorsed hereon or otherwise written and signed by the respective parties. The Lease, and all terms hereunder shall be governed by the laws of the State of Colorado, exclusive of its conflicts of laws rules. Should any term or provision of this Lease be invalid or unenforceable, the remainder of this Lease shall be not be affected thereby each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. No modification of this Lease shall be binding unless endorsed hereon or otherwise written and signed by the respective parties.

32. **INUREMENTS**. The covenants and agreements herein contained shall bind and inure to the benefit of Landlord and Tenant and their respective successors.

33. **TIME.** Time is of the essence in this Lease in each and all of its provisions in which performance is a factor.

34. **ADDRESSES; EMPLOYER IDENTIFICATION NUMBERS; METHOD OF GIVING NOTICE.** All Rent and other monetary obligations due under this Lease shall be mailed to the Rent Payment Address set forth in Section 1.11 of this Lease. All notices or other communications required or desired to be given to Landlord must be in writing and shall be deemed received when delivered personally to any officer, partner, or member of Landlord (depending upon the nature of Landlord), or when deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, addressed to Landlord's Notice Address set forth in Section 1.10 of this Lease, or when deposited with a nationally-recognized overnight courier service with verification of delivery, addressed to Landlord's Notice Address set forth in Section 1 of this Lease. All notices or communications required or desired to be given to Tenant shall be in writing and deemed duly served when delivered personally to any officer, employee, partner, or member of Tenant (depending upon the nature of Tenant), individually if a sole proprietorship, or manager of Tenant whose office is in the Building, when deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, addressed to Tenant's Notice Address set forth in Section 1.13, or when deposited with a nationally-recognized overnight courier service with verification of delivery, addressed to Tenant's Notice Address set forth in Section 1.13.

Signatures to this Lease transmitted by facsimile or email shall be binding as original signatures so long as the originally signed signature page is received by a nationally-recognized overnight courier service the next day. The foregoing does not prohibit notice from being given as provided in the rules of civil procedure, as amended from time to time, for the state in which the Building is located.

Either party may change its notice address, street or mailing address, or fax number, for purposes hereof, by written notice delivered to the other.

35. **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS.** Tenant, by execution of this Lease and occupancy of the Premises, agrees to comply with the Master Declaration of Covenants, Conditions and Restrictions applicable to the Premises (the "Declarations").

36. **ADDITIONAL PROVISIONS**

36.1 **Brokers.** Tenant and Landlord each represents to the other that it has not employed any broker with respect to this Lease and has no knowledge of any broker's involvement in this transaction except those listed in Sections 1.15 and 1.16 (collectively, the "Brokers"). Tenant and Landlord each shall indemnify and hold the other harmless of and from any and all loss, costs, damages or expenses (including all reasonable attorneys' fees and disbursements) by reason of any claim of or liability to any broker or person claiming through Tenant or Landlord, as applicable, and arising out of or in connection with the negotiation, execution and delivery of this Lease, other than to the Brokers. Additionally, Tenant and Landlord each acknowledge and agree that the other party shall have no obligation for payment of any brokerage fee or similar compensation to any person with whom Tenant or Landlord, as applicable, has dealt or may in the future deal with respect to leasing of any additional or expansion space in the Building or renewals or extensions of this Lease, other than to the Brokers. If any claim shall be made against Tenant or Landlord by any broker, other than the Brokers, who shall claim to have negotiated this Lease on behalf of Tenant or Landlord or to have introduced Tenant to the Building or to Landlord, Tenant and Landlord, as applicable, shall be liable for payment of all attorneys' fees, costs and expenses incurred by Landlord in defending against the same. Tenant acknowledges that Landlord is not liable for any representations by the Brokers regarding the Premises, Building, or this Lease.

36.2 **Parking.** Landlord will make available for Tenant's use the number of parking spaces as set forth in Section 1.17. All parking spaces shall be in and out, non-assigned parking spaces in the surface parking area designated by Landlord for use by tenants of the Building at no additional charge to Tenant. Notwithstanding the above, the right granted to Tenant to use such parking spaces is non-exclusive and a license only and Landlord's inability to make such spaces available at any time for reasons beyond Landlord's reasonable control is not a material breach by Landlord of its obligations hereunder, provided, Landlord shall use commercially reasonable efforts to promptly provide Tenant with reasonably comparable substitute parking near the Building at no additional cost to Tenant. Tenant has no rights to use any parking areas except as designated by Landlord for the Building. All vehicles parked in the parking area and the personal property therein shall be at the sole risk of Tenant, Tenant's agents and the users of such spaces and Landlord shall have no liability for loss or damage thereto for whatever cause.

36.3. **Intentionally Omitted.**

36.4 **Transfer by Landlord.** The term "Landlord" insofar as obligations of Landlord are concerned, only the owner of the Building at the time in question and, if any transfer of the title occurs, then Landlord herein named (and in the case of any subsequent transfers, the then grantor) is automatically released from and after the date of such transfer of all liability as respects performance of any obligations of Landlord thereafter to be performed. Any funds in which Tenant has an interest and which are in Landlord's possession at the time of transfer will be turned over to the grantee and any amount then due Tenant under this Lease will be paid to Tenant.

36.5 **No Merger.** The termination or mutual cancellation of this Lease will not work a merger, and such termination or cancellation will at the option of Landlord either terminate all subleases or operate as an automatic assignment to Landlord of such subleases.

36.6 **Common Area Use.** Landlord may use any of the common areas of the Building for the purposes of completing or making repairs or alterations to any portion of the Building or land on which the Building is located.

36.7 **Construction.** The parties waive any rule of construction that ambiguities are to be resolved against the drafting party. Any words following the words "include," "including," "such as," "for example," or similar words or phrases shall be illustrative only and are not intended to be exclusive, whether or not language of non-limitation is used.

36.8 **Section And Paragraph Headings; Grammar.** All section or paragraph headings are made for the purposes of ease of location of terms and shall not affect or vary the terms hereof. Throughout this Lease, wherever the words, "Landlord" or "Tenant" are used they shall include and imply to the singular, plural, persons both male and female, and all sorts of entities and in reading said Lease, the necessary grammatical changes required to make the provisions hereof mean and apply as aforesaid shall be made in the same manner as though originally included in said Lease.

36.9 **Joint and Several.** If there is more than one party which is Tenant, the obligations imposed upon Tenant are joint and several.

36.10 **Acceptance of Keys, Rent or Surrender.** No act of Landlord or its representatives during the Term, including any agreement to accept a surrender of the Premises or amend this Lease, is binding on Landlord unless such act is by a partner, member or officer of Landlord, as the case may be, or other party designated in writing by Landlord as authorized to act. The delivery of keys to Landlord or its representatives will not operate as a termination of this Lease or a surrender of the Premises.

36.11 **Name and Size.** Landlord may, as it relates to the Building and the business park of which the Building is a part, change the name, increase the size by adding additional real property, construct other buildings or improvements, change the location and/or character, or make alterations or additions. If the size of the Building is increased, Landlord and Tenant shall execute an amendment which incorporates any necessary modifications to Tenant's Share. Tenant may not use the name of the Building or the business park of which the Building is a part for any purpose other than as part of its business address.

36.12 **Diminution of View.** Tenant agrees that no diminution of light, air, or view from the Building entitles Tenant to any reduction of Rent under this Lease, results in any liability of Landlord, or in any way affects Tenant's obligations.

36.13 **Lender's Requirements.** Tenant will make such reasonable modifications to this Lease as may hereafter be required to conform to any reasonable requirements of any holder of any existing mortgage or deed of trust encumbering the Premises, so long as such modifications do not unreasonably increase Tenant's obligations or materially alter Tenant's rights hereunder.

36.14 **Effectiveness.** Submission of this instrument for examination or signature by Tenant does not constitute an option to lease and this Lease is not effective unless and until this Lease is executed and delivered by both Landlord and Tenant.

36.15 **Survival.** This Lease, notwithstanding expiration or termination, continues in effect as to any provisions requiring observance or performance subsequent to termination or expiration.

36.16 **Authority for Action.** Unless otherwise provided, Landlord may act through Landlord's Building manager and/or property manager or other designated representatives from time to time.

36.17. **Counterparts.** This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any one or more counterpart signature pages may be removed from one counterpart of this Lease and annexed to another counterpart of this Lease to form a completely executed original instrument without impairing the legal effect of the signature thereon.

36.18 **Patriot Act Compliance.** Tenant represents and warrants that:

36.18.1 No action, proceeding, investigation, charge, claim, report or notice (collectively, "Action") has been commenced, threatened or to its knowledge filed against Tenant (which, for purposes of this Section, includes its affiliates) alleging any violation of any laws relating to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the "Executive Order") and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "Patriot Act").

36.18.2 To Tenant's knowledge, Tenant has not taken or omitted to take any action which could reasonably be expected to result in any Action against Tenant alleging any violation of the Executive Order or the Patriot Act.

36.18.3 Tenant is not a Prohibited Person. For the purposes hereof, "Prohibited Person" shall mean: (i) a person (which for purposes of this Section includes any entity) that is listed in the Annex to, or is otherwise subject to the provisions of the Executive Order and relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism; (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person with whom Landlord is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order and the Patriot Act; (iv) a person who commits, threatens, or conspires to commit or supports "terrorism" as defined in the Executive Order; (v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/t11sdn.pdf>, or at any replacement website or other replacement official publication of such list; and (vi) a person who is affiliated with a person listed above.

36.18.4 Tenant is not violating and will not violate, any of the prohibitions set forth in any terrorism or money laundering law, including the Executive Order and Patriot Act.

[Remainder of Page Intentionally Left Blank – Signatures Follow]

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

LANDLORD:

GCC LONGMONT HOLDINGS, LIMITED PARTNERSHIP,  
a Delaware limited partnership

By: GCC Longmont Holdings GP, Inc.,  
a Delaware corporation, its General Partner

By: \_\_\_\_\_  
Title: Authorized Officer

TENANT:

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J,  
a political subdivision of the State of Colorado

By: \_\_\_\_\_  
Title: \_\_\_\_\_



## ADDENDUM

THIS ADDENDUM ("Addendum") is to that certain lease (the "Lease") by and between GCC LONGMONT HOLDINGS, LIMITED PARTNERSHIP, a Delaware limited partnership ("Landlord"), and ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J, a political subdivision of the State of Colorado ("Tenant"), with respect to approximately 30,974 rentable square feet of space (the "Premises") in the Building. Terms not otherwise defined in this Addendum shall have the meanings set forth in the Lease. In the event of any conflict between the terms and provisions of the Lease and the terms and provisions of this Addendum, the terms and provisions of this Addendum shall control.

1. OPTION TO EXTEND. Landlord grants Tenant an option (the "Option") to extend the Term of the Lease for 1 additional term of 60 months ("Renewal Term"). The Option applies only to the Premises and is on the following conditions:

A. Notice of Tenant's interest in exercising the Option must be given to Landlord no earlier than 12 months and no later than 9 months prior to the Expiration Date ("Tenant's Notice"). Not later than 30 days after receiving Tenant's Notice, Landlord will notify Tenant of the Base Rent applicable during the Renewal Term in accordance with subsection E below ("Landlord's Renewal Notice").

B. Tenant shall have 15 days after receipt of Landlord's Renewal Notice to exercise the Option by delivering notice of exercise or dispute to Landlord, such dispute notice referred to herein as the "Tenant's Dispute Notice". If Tenant timely exercises the Option, the Term will be deemed extended on the terms of this Section and the parties will execute an amendment evidencing the extension.

C. Unless Landlord is timely notified by Tenant in accordance with subsections A and B above, it will be conclusively deemed that Tenant has not exercised the Option and the Lease will expire in accordance with its terms on the Expiration Date.

D. Tenant's rights pursuant to this Section are personal to Tenant and may not be assigned, except to a Permitted Transferee. Tenant's right to exercise the Option is conditioned on: (i) no uncured event of default existing at the time of exercise or at the time of commencement of the Renewal Term; (ii) except to a Permitted Transferee, Tenant not having subleased any part of the Premises or assigned its interest under the Lease, as of the commencement of the Renewal Term; and (iii) Tenant not having permanently vacated any part of the Premises as of the commencement of the Renewal Term.

E. The Option granted hereunder will be upon the terms of the Lease, except as modified by the Base Rent set forth in Landlord's Notice and any other terms that may be included in Landlord's Renewal Notice, unless determined in accordance with paragraph F below.

F. Following giving of Tenant's Dispute Notice, Landlord and Tenant shall promptly negotiate to determine a mutually acceptable Base Rent. If the parties mutually agree upon a new Base Rent, such agreed Base Rent shall be the Base Rent applicable during the Option Term. If the parties have not agreed within 20 days after the giving of Tenant's Dispute Notice, Tenant may elect to withdraw its exercise of the Option by notice thereof to Landlord. If Tenant elects to proceed or does not elect to withdraw its exercise of the Option on or before the expiration of such 20-day period, then within such 20-day period Landlord and Tenant shall endeavor to agree upon a qualified commercial real estate broker of good reputation, having at least 5 years' experience in the real estate market in which the Building is located, to act as arbitrator ("Arbitrator"); otherwise, they shall each select, within the foregoing 20-day period, a real estate broker who meets the above qualifications and together such brokers will then select a real estate broker who meets the above qualifications and who shall be deemed the Arbitrator. Within 10 days after designation of the Arbitrator, Landlord and Tenant each shall give notice of its determination of the Prevailing Market Rental Rate supported by the reasons therefor by delivering copies to each other and the Arbitrator, under an arrangement for simultaneous exchange of such determinations. The Arbitrator will review each party's determination and select the one which most accurately reflects such Arbitrator's determination of the Prevailing Market Rental Rate. Such selection shall be final and binding on both parties and shall be the Base Rent paid during the Option Term. The Arbitrator shall have no right to propose a middle ground or any modifications of either party's determination. The Arbitrator's costs incurred in this procedure shall be shared equally by Landlord and Tenant and shall be fixed when the Arbitrator is selected. For purposes of this paragraph, "Prevailing Market Rental Rate" means the annual amount per square foot that a willing tenant would pay and a willing landlord would accept for Base Rent following arms-length negotiations with respect to an Assumed Lease (defined below) under the circumstances then obtaining and which Prevailing Market Rental Rate shall take into consideration (and make appropriate adjustment for) all then-applicable tenant concessions, operating expense pass-throughs and parking privileges then being granted in Assumed Leases for Comparable Building and the concessions and terms set forth in Landlord's Notice. "Assumed Lease" means (i) a lease or renewal having a commencement date within 6 months of Tenant's Notice for space of approximately the same size as the Premises, located in a portion of the Building or a Comparable Building (defined below), and with a view and floor height similar to the portion of the Premises for which Prevailing Market Rental Rate is being determined, for a term equal in length to the Option Term; (ii) a real estate commission is payable with respect to such extension to the extent a third-party commission with respect to such extension is agreed or obligated to be paid by Landlord; and (iii) taking into consideration and making adjustments to reflect any allowances or other concessions, if any, as provided in Landlord's Notice. "Comparable

Building" means any then-existing building in the Longmont, Colorado central business district that is of a size, location, quality and prestige comparable to, and with a size and efficiency of floor plate, amenities, and with tenants of a stature reasonably comparable with the Building, provided that appropriate adjustments shall be made to adjust for differences in the size, location, age, efficiency of floorplate, and quality between any Comparable Building and the Building.

G. After exercise of the Renewal Term, or failure to exercise the Option for the Renewal Term, Tenant shall have no further rights to extend the Term.

2. **PROPERTY TAX EXEMPTION.** The Parties acknowledge Colorado Revised Statutes Section 39-3-124(1)(b) exempts the Premises from levy and collection of property tax including Assessed Tax, Special Assessment Tax, Maintenance District, Local Improvement Assessment, Fees and Interest (collectively "Premises Taxes") while leased by Tenant for State of Colorado purposes and that Landlord shall not receive a levy for property taxes on the Premises occupied by Tenant from the Boulder County, Colorado Assessor during the Term of the Lease and any extensions thereof. Tenant, at its sole cost and expense, shall be solely responsible for coordinating with the appropriate governmental authorities to obtain and maintain its tax exempt status, including without limitation filing a copy of the Lease and any extensions and amendment thereof, and completing and submitting any other necessary documentation and applications. If the Lease terminates prior to the Expiration Date provided for in Section 1.3, or any extension or amendments thereof (including any early Lease termination), Tenant shall timely file notice of the early termination date with the Boulder County, Colorado Assessor. Tenant's monthly Base Rent obligation set forth in Section 1.6 shall be decreased by the amount of the reduction in Premises Taxes on a monthly prorated basis. So long as Landlord receives an abatement of Premises Taxes from the Boulder County, Colorado Assessor, by reason of Tenant's operation as an agency or department of the State of Colorado:

(i) Tenant shall receive a credit against its monthly estimate of Operating Expenses beginning with the Commencement Date based upon the current year Taxes (2018). If the current year Taxes are not yet available, the prior year Taxes (2017) shall be used as an estimate until the current year Taxes are available. This credit shall be reconciled upon the availability of the current year Taxes; and

(ii) Beginning at the availability of the current year Taxes, the Premises Taxes will be excluded from the computation of Operating Expenses under Lease Sections 5.1 and 5.2.

3. **ADDITIONAL SIGNAGE.** Tenant shall have the right, at Tenant's sole cost and expense, subject to Landlord's then applicable signage criteria and the regulations, codes and covenants of the City of Longmont and the business park in which the Building is located, to place identification signage on the Building monument sign, if any, and on the Building in a location approved by Landlord.

4. **DROP OFF/PICK UP.** The parties acknowledge and agree that in connection with Tenant's Permitted Use, students will be transported to and from the Premises. The parties agree to work in good faith to develop a mutually acceptable plan (the "Drop Off/Pick Up Plan") for the drop off and pick up of students, including identifying approved locations, times, number of incoming and out-going vehicles and such other matters as will ensure compliance with the Declarations and rules and regulations developed by Landlord from time to time regarding traffic flow and parking to ensure there is no interference with other tenants and visitors of the Building or neighboring buildings. The Drop Off/Pick Up Plan, once approved, shall be attached hereto as Schedule 4 and be incorporated herein and binding upon the parties, including any Transferee or Permitted Transferee of Tenant. The Drop Off/Pick Up Plan will include without limitation the following:

(a) Tenant shall use its best efforts to ensure that no automobile traffic created by parents, other caregivers or Tenant vehicles visiting, loading, or unloading at the Premises shall be permitted to cause back up from the Premises onto the drives serving other buildings in the business park or the public streets;

(b) Tenant shall use its best efforts to ensure that no automobile traffic created by parents, other caregivers or Tenant vehicles visiting, loading, or unloading at the Premises may cause slow or stopped traffic upon the drives serving other buildings in the business park or the public streets in the vicinity of the Premises or impede the travel of non-Premises visitors to and within the business park;

(c) No double-parking, unsafe backing or other unlawful, or unsafe parking-related activities shall be permitted in the streets, driveways or parking areas in the vicinity of the Premises or in the business park;

(d) No parents, caregivers or Tenant vehicles shall park unlawfully in the parking lots provided for other businesses on other properties within the business park, or interfere with parking by patrons of those other businesses or cause injury to those businesses;

(e) No parents, caregivers, Tenant vehicles or others approaching the Premises may block the entry or exit driveways for other businesses within the business park, or interfere with ingress or egress by patrons of those other businesses or causing injury to those businesses;

(f) Tenant shall use its best efforts to ensure that no students of the school operated in the Premises, or their parents or caregivers or employees or agents of Tenant shall trespass upon or across other properties in the vicinity of the Premises when walking between the Premises and cars parked in the vicinity of the Premises;

(g) Tenant shall use its best efforts to ensure that no students of the school operated in the Premises, or their parents or caregivers or employees or agents of Tenant shall engage in jaywalking, running in front of moving cars, or other unsafe or illegal pedestrian behaviors when walking between the Premises and cars parked in the vicinity of the Premises; and

(h) Tenant shall use its best efforts to ensure that students of the school operated in the Premises, their parents and caregivers, and employees and agents of Tenant are informed of the Drop Off/Pick Up Plan developed by the parties and to clarify expectations regarding the conduct and behavior of all those involved with the Drop Off/Pick Up Plan at the school.

5. PATIO AREA. Tenant shall have the non-exclusive use of the concrete patio area ("Patio Area") as shown on Schedule 5 as permitted by applicable governmental licensing authorities. Any noise in the Patio Area shall be controlled at a level so as not to create a nuisance at the Building. The Patio Area shall not be considered part of the Premises for purposes of calculating Rent, but shall be subject to all other terms and conditions of the Lease including without limitation the insurance and indemnity provisions. Tenant's use of the Patio Area is subject to the following conditions: (i) all furniture and equipment located in the Patio Area shall be subject to approval by applicable governmental authorities and Landlord; (ii) except to the extent caused by the negligence or willful misconduct of Landlord or its agents, employees or contractors, the Patio Area does not result in any increased maintenance cost or expense to Landlord or the Building, (iii) Tenant shall use diligent, commercially reasonable efforts to maintain the Patio Area in a clean and neat condition and not allow any trash to collect or accumulate therein, and (iv) Tenant must obtain, at Tenant's sole cost and expense, all necessary permits and approvals from all relevant municipal, county, and other regulatory authorities in connection with such use of the Patio Area. Any fencing or railings for the Patio Area required or desired by Tenant shall be subject to Landlord's prior approval and installed at Tenant's sole cost and expense. Except to the extent caused by the negligence or intentional misconduct of Landlord or its agents, employees or contractors, Tenant hereby indemnifies Landlord for injury to any person or damage to any property arising out of Tenant's business operations in the Patio Area or caused by trash or debris generated from said area during the course of Tenant's use of same.

6. PLAYGROUND. Tenant, at its sole cost and expense, shall have the right to install a playground ("Playground") in the area shown on Schedule 5 as permitted by applicable governmental licensing authorities and subject to Landlord's prior approval of design, which approval shall not be unreasonably withheld. Any noise in the Playground shall be controlled at a level so as not to create a nuisance at the Building. The Playground shall not be considered part of the Premises for purposes of calculating Rent, but shall be subject to all other terms and conditions of the Lease including without limitation the insurance and indemnity provisions. Tenant's use of the Playground is subject to the following conditions: (i) all equipment located in the Playground shall be subject to approval by applicable governmental authorities and Landlord; (ii) except to the extent caused by the negligence or willful misconduct of Landlord or its agents, employees or contractors, the Playground does not result in any increased maintenance cost or expense to Landlord or the Building, (iii) Tenant shall use diligent, commercially reasonable efforts to maintain the Playground in a clean and neat condition and not allow any trash to collect or accumulate therein, and (iv) Tenant must obtain, at Tenant's sole cost and expense, all necessary permits and approvals from all relevant municipal, county, and other regulatory authorities in connection with such use of the Playground. At the end of the Term, if so requested by Landlord, Tenant shall remove the Playground and restore the area to the condition prior to installation thereof. Except to the extent caused by the negligence or intentional misconduct of Landlord or its agents, employees or contractors, Tenant hereby indemnifies Landlord for injury to any person or damage to any property arising out of Tenant's operations in the Playground or caused by trash or debris generated from said area during the course of Tenant's use of same.

[Signatures Follow]

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

LANDLORD:

GCC LONGMONT HOLDINGS, LIMITED PARTNERSHIP,  
a Delaware limited partnership

By: GCC Longmont Holdings GP, Inc.,  
a Delaware corporation, its General Partner

By: \_\_\_\_\_  
Title: Authorized Officer

TENANT:

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J, a political  
subdivision of the State of Colorado

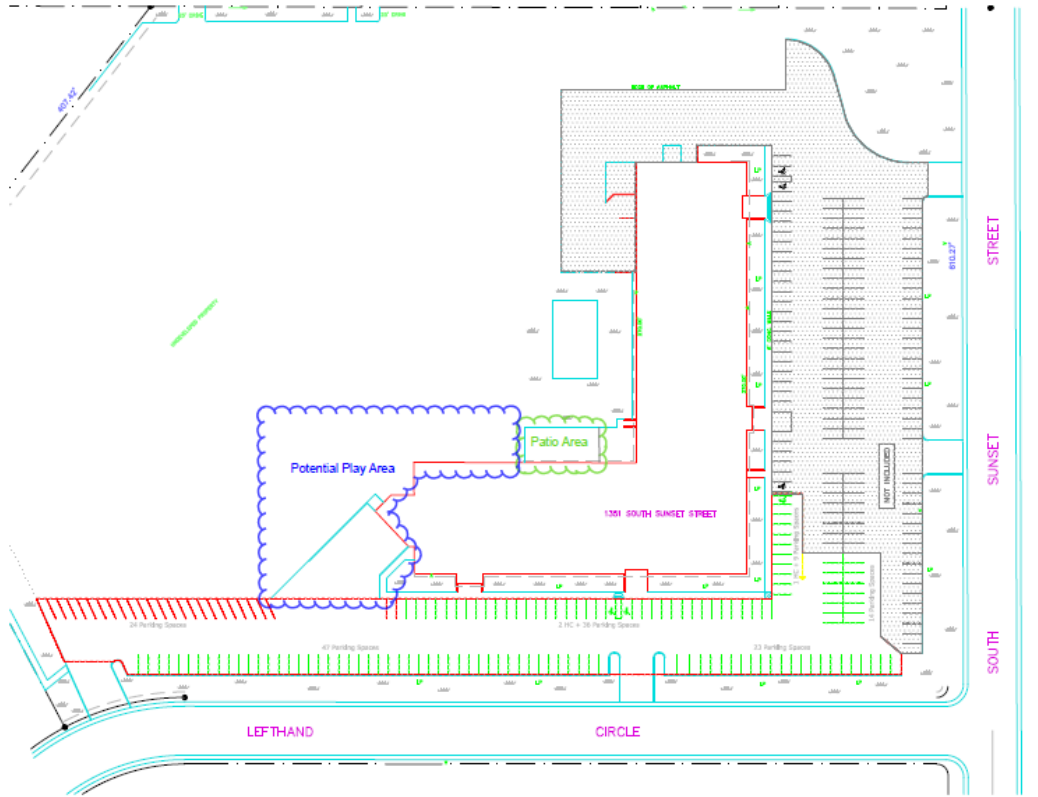
By: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE 4 TO LEASE ADDENDUM**  
**APPROVED DROP OFF/PICK UP PLAN**

[to be attached]

**SCHEDULE 5 TO LEASE ADDENDUM**

**PATIO AREA**

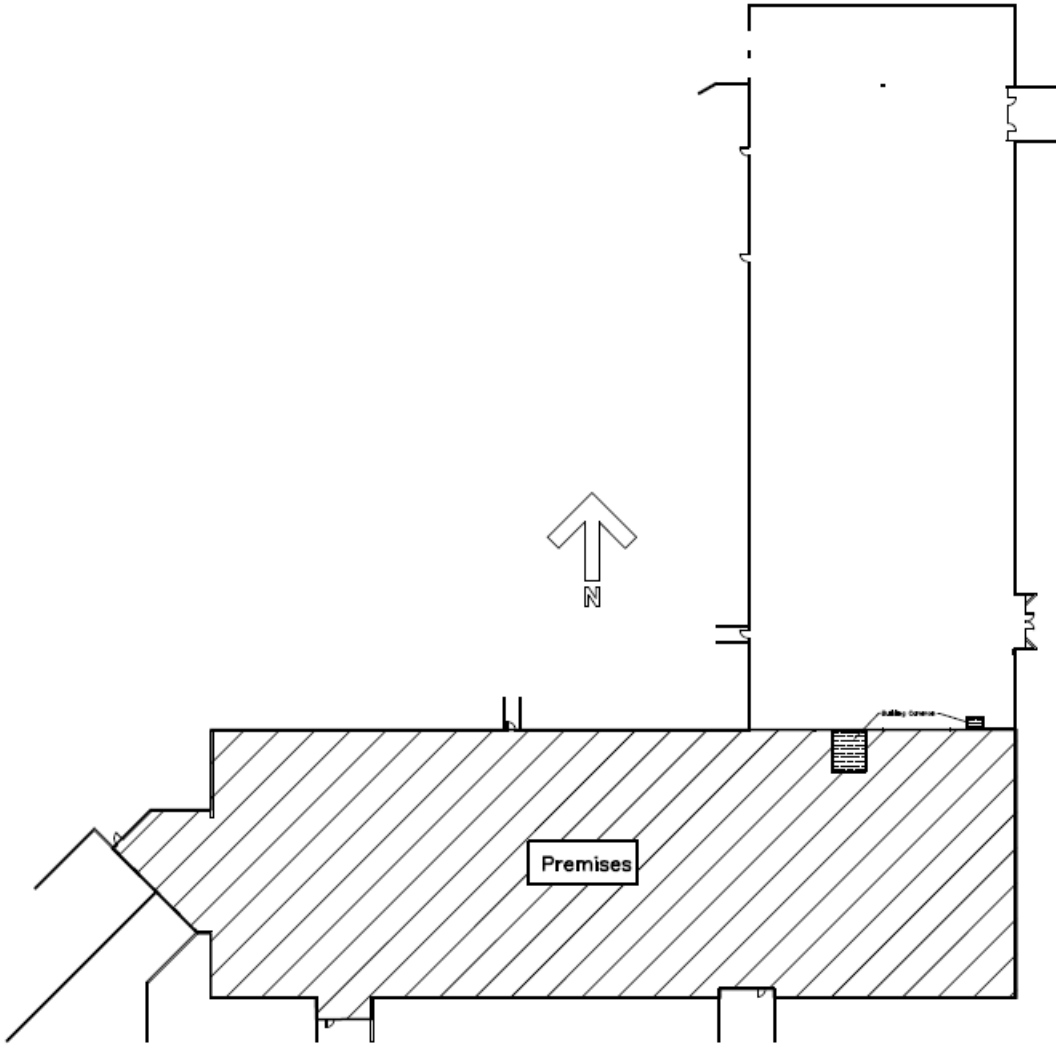


**EXHIBIT A-1**

**BUILDING**

A portion of the northwest quarter of Section 17, Township 2  
North, Range 69 West of the 6th P.M., City of Longmont,  
Boulder County, Colorado

**EXHIBIT A-2**  
**PREMISES**





**EXHIBIT B**

**WORK LETTER FOR TENANT IMPROVEMENTS**

ST. VRAIN VALLEY SCHOOL DISTRICT

RE: Lease (the "Lease") by and between GCC LONGMONT HOLDINGS, LIMITED PARTNERSHIP, a Delaware limited partnership, as Landlord, and ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J, a political subdivision of the State of Colorado, as Tenant, pertaining to approximately 30,974 rentable square feet of space in Suite A/B (the "Premises") of the Building

Concurrently herewith, Tenant and Landlord have executed the referenced Lease, which provisions of said Lease are herein incorporated by reference as if fully set forth herein. Initially capitalized terms not otherwise defined have the same meaning as in the Lease. In consideration of the execution of the Lease, Landlord has agreed to complete certain improvements (the "Tenant Improvements") in the Premises and Tenant and Landlord agree as follows:

1. Landlord and Tenant have mutually approved the space plan (the "Space Plan") and scope of work attached to and incorporated into this Work Letter as Schedule A.

2. Landlord's architect {"Landlord's Architect"} and engineers selected by Landlord will prepare draft architectural, mechanical and electrical construction drawings for the Premises to the extent necessary that are consistent with the Space Plan. Landlord's Architect and the engineers shall use reasonable efforts to complete and deliver such draft construction drawings to Landlord and Tenant not later than 3 weeks following the date of the Lease. Not later than 5:00 p.m., Mountain time, on the 5th business day following Tenant's receipt of the draft drawings, Tenant shall either (i) give notice that Tenant approves such drawings, or (ii) notify Landlord and Landlord's Architect of changes requested by Tenant. If Tenant fails to notify Landlord of requested changes by such deadline, Tenant shall be deemed to have approved the drawings. Tenant shall have the right to request changes in the drawings based on either (a) inconsistency between the Space Plan (an "Inconsistency"), or (b) changes requested by Tenant, in Tenant's discretion, subject to Landlord's approval, not to be unreasonably withheld, conditioned or delayed. If changes are requested by Tenant in accordance with the foregoing or by Landlord, Landlord's Architect shall revise the draft drawings and deliver such revised drawings again for approval, under the foregoing provisions; delay caused by changes requested by Tenant in accordance with the foregoing provisions shall be subject to the provisions of Paragraph 7 below. Upon approval or deemed approval, the drawings shall be deemed the "Construction Drawings".

3. Neither Landlord's use or approval of any plans (including the Space Plan or any other preliminary space plans) submitted by Tenant for completion of the Tenant Improvements nor the fact that such plans have been prepared by architects or engineers on behalf of Landlord creates a responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with any laws, rules and regulations of governmental agencies or authorities having jurisdiction over the Premises now or hereafter in effect.

4. Landlord shall select a general contractor to complete the Tenant Improvements ("Landlord's Contractor"). The general contractor selected shall be referred to herein as the "Landlord's Contractor" and shall act as Landlord's general contractor to construct the Tenant Improvements. Landlord's Contractor shall diligently perform all Tenant Improvements in the Premises substantially in accordance with the Construction Documents. Landlord's Contractor shall diligently perform all Tenant Improvements in the Premises substantially in accordance with the Construction Documents. Landlord's Contractor will be responsible for submitting the Construction Documents to the appropriate governmental authorities and obtaining the applicable building permits necessary to allow Landlord's Contractor to commence and fully complete the construction of the Tenant Improvements. Any costs incurred by Landlord's Contractor with seeking and obtaining any such building permits or other occupancy certificates shall be included in the costs of constructing the Tenant Improvements. Neither Tenant nor Tenant's construction representative shall be responsible for obtaining any such building permits or occupancy certificates for the Premises. Landlord shall deliver the Premises to Tenant Substantially Complete. "Substantially Complete" means either (a) Landlord has received a certificate of completion (or all approvals required for the issuance thereof) for the Premises from the applicable governmental authorities, or (b) if a certificate of completion is not required as a condition to Tenant's lawful occupancy of the Premises, the Tenant Improvements are substantially completed (subject to punch list items), as confirmed in writing by Landlord's Contractor; provided that if either (a) or (b) is delayed or prevented because of work Tenant is responsible for performing in the Premises ("Additional Tenant Work"), then "Substantially Complete" means the date that all of the Tenant Improvements which is necessary for either items (a) or (b) to occur has been performed (subject to punch list items) and Landlord has made the Premises available to Tenant for the performance of any Additional Tenant Work.

5. Landlord shall notify Tenant when the Premises are Substantially Complete. If Tenant takes possession of all or any part of the Premises prior to the Commencement Date or the date the Premises are Substantially Complete for the purpose of conducting its usual business therein, all terms and provisions of the Lease shall apply as of the date Tenant commences its business, including the obligation of payment of all Rent and other amounts owing hereunder. Following receipt of such notice, the representatives of Landlord and Tenant shall jointly inspect the Premises with Landlord's architect or contractor and develop a

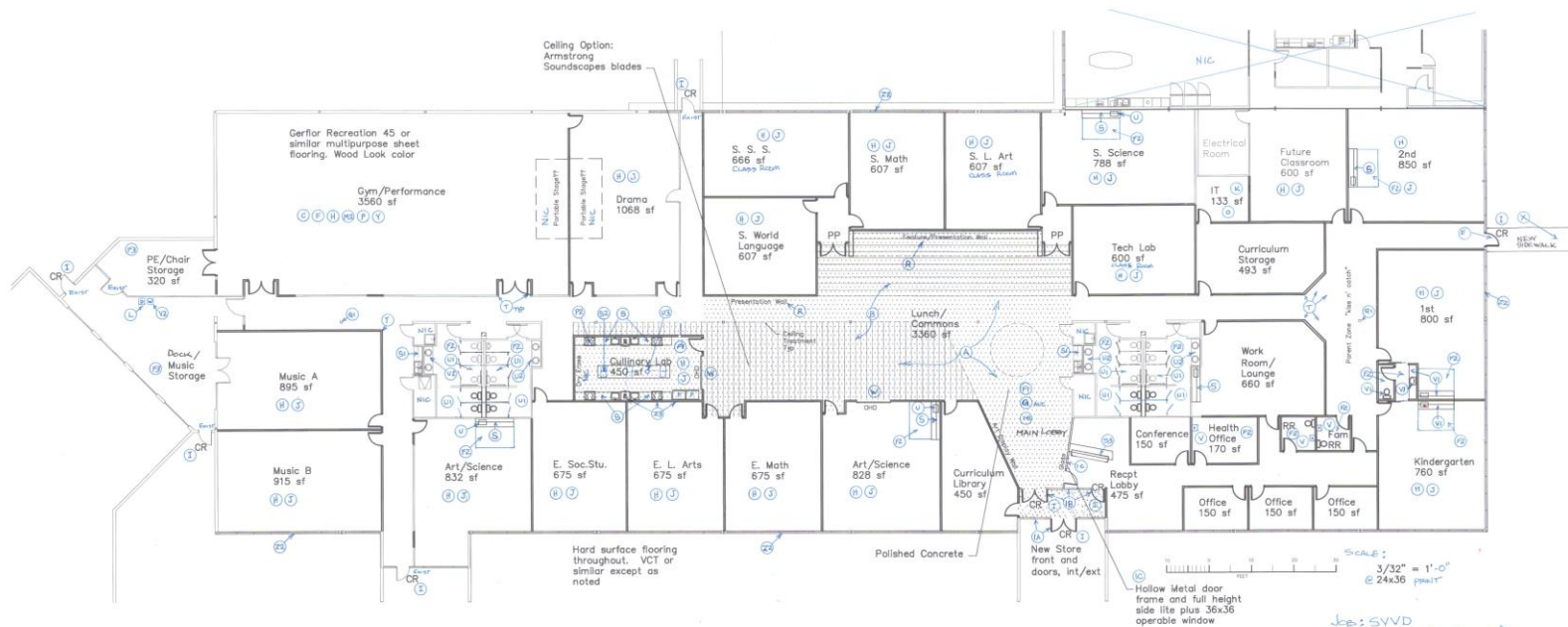
punchlist of items of the Tenant Improvements that have not been completed, distinguishing between those items which must be completed prior to the Premises being deemed Substantially Complete for Tenant to conduct its business and those items that can be completed by Landlord's Contractor after Tenant takes occupancy for the purpose of conducting its business; in the event of a dispute, Landlord's Contractor shall resolve such dispute. No items that are incomplete due to Tenant Delay shall be included on the punchlist. Taking possession of the Premises by Tenant shall be conclusive evidence as against Tenant that the Premises were in the condition agreed upon between Landlord and Tenant and acknowledgment of satisfactory completion of the Tenant Improvements, except for the punchlist items and except for latent defects of which Tenant gives notice to Landlord within 11 months following the date the Premises are deemed Substantially Complete. Landlord shall complete the punchlist items with reasonable diligence and shall remedy latent defects of which Tenant gives notice to Landlord in accordance with the foregoing provision.

6. Tenant shall pay the cost of all Tenant Improvements, including Landlord's construction management fee equal to 3% of all costs of construction, the cost of review and preparation of any space plans or construction drawings, all labor, materials, permits, fees, and contractors and subcontractors' charges up to a total maximum of \$1,115,064.00 (such amount is referred to herein as the "Tenant Contribution"). The Tenant Contribution will be expended only to pay for design, engineering, installation, and construction of the Tenant Improvements which under the Lease becomes the property of Landlord upon installation and not for movable furniture, equipment, cabling, and trade fixtures not physically attached to the Premises. All costs of the Tenant Improvements in excess of the Tenant Contribution shall be at Landlord's expense (collectively, "Landlord Contribution"). Costs arising from Tenant Delay or changes to the Space plan or scope of work requested by Tenant may not be deducted from the Tenant Contribution and shall be paid by Tenant in addition to the Tenant Contribution. As work progresses and payments are due to Landlord's Contractor, Landlord, not more frequently than monthly, shall submit requests for payment ("Payment Requests") to Tenant. The Payment Requests will include Landlord's Contractor's invoice and partial lien waiver for the portion of the Tenant Improvements completed. Within 10 days after receipt of a Payment Request, Tenant shall pay to Landlord or, at Landlord's election, Landlord's Contractor, 100% of the amount then due to Landlord's Contractor, plus 3% for Landlord's construction management fee, until Tenant has paid the entire Tenant Contribution. For certainty, Landlord shall have no obligation to pay for any portion of the Tenant Improvements until the entire Tenant Contribution has been expended. Tenant is responsible for and shall pay all costs and expenses payable by Tenant under this Work Letter that are not allowable as expenditures from the Tenant Contribution within 30 days following receipt of an invoice therefor.

7. Notwithstanding the provisions of the Lease, the Commencement Date and Tenant's obligations to pay Rent will not be delayed or extended by Tenant Delay and the Term will commence on the date it would have commenced had there been no Tenant Delay. "Tenant Delay" means delay (i) in the preparation, finalization or approval of any plans or construction drawings caused by Tenant or Tenant's agents; (ii) in the preparation, finalization or approval of the general contract with Landlord's Contractor as a result of value engineering or modifications in construction pricing caused by Tenant or Tenant's agents; (iii) caused by Tenant's material changes to any plans or construction drawings previously approved by tenant; (iv) in the delivery or installation of any special or non-standard building items specified by Tenant that would cause delay in completion beyond the date the Tenant Improvements would have been completed had it not been for such delay by Tenant; (v) delay in making payments when due hereunder; or (vi) of any kind or nature in the completion of the Tenant Improvements caused by Tenant, Tenant's agents or representatives.

# SCHEDULE A TO WORK LETTER

## SPACE PLAN



- Key Note: GENERAL CONSTRUCTION NOTES:**
- AA - Scope of Work, Key Note AA
  - BB - Scope of Work, Key Note BB
  - CC - Scope of Work, Key Note CC
  - D - Doors, Key Note D-FB
  - E - EFT TIE THROUGHOUT, VCT
  - M - LIGHTING, KEY NOTE M
  - N - SOUND BOOTS, KEY NOTE N
  - NI - VENT, KEY NOTE NI
  - PI - SOME REQUIREMENTS OF BUIS INC, KEY NOTE PI
  - Q - PAINT, KEY NOTE Q
  - Z - FIREMAN FIRE-RESISTANCE SYSTEM, KEY NOTE Z

Job: SYVD  
 (SOUTH UTAH VALLEY DISTRICT)  
 Address: 1951 E. SUNSET  
 LEVANS, CO  
 DATE: 6/14/18



SHEET A-1

# Scope of work

Saint Vrain Valley School District  
Job: SVVD  
Address: 1351 South Sunset, Longmont, CO

7/19/18

## Key notes

- AA Code:**  
Will be E Occupancy.  
2015 ICC suite of Codes has been adopted by the State for school construction, including the 2015 IECC without amendment.
- BB Wall Construction:**  
3 5/8" x 10' metal studs (to grid) with sound batt insulation between studs.  
5/8" gypboard on both sides.
- Ceilings:**
- CC** Leave existing grid unless otherwise noted. Allowance to replace damaged tile with that removed from Gym or Lunch room areas.  
Install encapsulated sound batts from wall 6' interior to each room on all sides.
- A** Lunchroom ceiling tile – New higher NRC (min. 0.80) ceiling tile provide 2 accent colors from manufacturer.
- B (ALT.)** Option: install Armstrong "Soundscapes Blade" in 3 colors, 6".
- C** Gym/Perform: Remove ceiling grid leave 'raw'; perimeter walls to deck.
- Doors:**
- D** Reuse existing where able (see existing plans).
- D** All doors to have new Schlage ND Series Sparta Small format cylinders, except exterior.
- D** All doors to have a window cut in. Std. Size ~ 6" x 27".
- E** New exterior store front door. Match and modify existing Store front glass, prepped for card reader, threshold and weather stripping.
- W** Overhead doors – All glass with aluminum frames. Art room and Culinary Lab, frost 2 lowest two layers of glass
- Flooring:**
- U.O.N.** Carpet tile in all areas except:
- F** Gym/Performance sheet goods (Gerflor Recreation 45, or similar) – Gym
- F1** Polished concrete -Lunch, Culinary Lab, Main Lobby.
- F2** VCT: Health Office, restrooms, Art/Science and 5' in front of sinks.
- F3** Dock area and PE/Chair Storage – existing concrete. Clean but otherwise as is.
- G (ALT.)** Option: Substitute VCT for Polished Concrete.
- U.O.N.** Rubber base throughout.
- Electrical:**
- H** Pipe conduit and boxes for P&D drops. 19 classrooms (3 per ea), incl Lunch and Gym, 6 in Tech Lab.
- I** Conduit for Card Readers as noted on plan.
- J** Each classroom to have 2 circuits and 8 duplex outlets spaced around the room.
- K** IT to have 7 circuits – 14 outlets for computer racks.

- L Washer - Dryer connection in dock area
- Lighting:**
- M Reuse existing where able. Most lights are 2x4 troffers
- M1 The existing indirect Lighting hanging in SE corner, in the current space to be demo'd, option reuse at new entry
- M2 New LED lighting in Gym/Perform, to be mounted as high as possible.
- HVAC:**
- N Install sound boots on RTU return air and return air grills in ceiling grid.
- N Install VVT so that there is one zone per classroom.
- O Small commercial cooling unit for IT/server room (1.5t).
- P Minimal duct work in Gym. Use existing RTU's with duct drops and four way diffusers.
- P1 Will need to conform with State code requirements, which include the 2015 IMC ventilation requirements.
- P2 Commercial range hood with fire suppression (4 ea).
- Paint:**
- Q Base color: SW Natural Classic White
- Q Accent color: each classroom to have one accent wall. 3 Accent colors for teachers to choose from.
- Q1 Paint all exposed columns.
- R Feature/Presentation wall: Paint with Walltalkers M2PR (whiteboard/magnetic/projection) paint. Two 4' rolls corner to corner.
- Specialties:**
- S Cabinetry – Plastic laminate base, upper cabinets and counter tops all to be 34" for ADA accessible. Alternate price for lockable upper cabinets on a per/each base (also see note V1) .
- S1 (ALT.) Replace existing counter or laminate at coffee bar location.
- S2 Culinary Lab island counter top to be mounted on three pairs of back to back base cabinets.
- S3 Reception counter supported by knee wall, (2) base file cabinets, (1) 4 drawer, with transaction top at 42" AFF, with solid surface tops.
- S4 Also see keynote U1, U2 & U3.
- T Add stainless angle wall corner guards in hallways, all outside corners.
- T1 Toilet partitions described in keynote U1.
- Plumbing:**
- U Sinks – 1 compartment stainless sink. Art and Science room should be wider and deeper sink, with taller faucet for clean-up.
- U1 Demo existing showers at both restroom cores, install two water closets at each location (Total 8), provide new toilet partitions and accessories for new toilets. Existing toilets, partitions and accessories to remain, removal and replacement will be necessary for new VCT flooring.
- U2 Replace sinks, counters and faucets to meet ADA at both restroom cores (8 sinks and faucets, 4 counters)
- U3 ~~Provide grease trap for Culinary Lab's four sinks in floor below the island counter.~~
- V Add sink in each of the following: Health office with base & upper caninets, Single restrooms, Main line runs between restroom cores south of center column line.
- V1 Child size water closet. Child height cabinetry, sink and faucet in the K/1<sup>st</sup> grade & restroom.
- V2 Washer - Dryer connection in dock area with recess ejector pump for waste water.
- Misc. Notes:**
- No projectors
- Access, Security, Camera and P&D cabling all by tenant or tenants vendor.

- Reuse as much as possible
- X** Cut in new doorway on east side of building will require 26' new sidewalk and landscape modifications through existing berm (sloping from sidewalk to building).
  - Y** Turn up sprinkler heads in Gym/Perf. Area
  - Z** Current fire sprinkler system should be Ordinary Hazard Group 2. Fire Sprinkler heads will be relocated per code to accommodate new construction.
  - P2** Residential kitchen exhaust hoods with no fire suppression (Typ. 4 ea).
  - Z2** Remove, clean and reuse existing exterior window blinds that are in workable condition. Repair damaged blinds if possible or replace with new.
  - Z3** Appliances in the Culinary Lab furnished by tenant, contractor install (includes 4 electric range/ovens, 2 dishwashers and 2 refrigerators/freezers)
- Glass & Glazing**
- 1A** Reconfigure or replace existing store front assembly to accommodate double door locking hardware with card reader.
  - 1B** New interior store front to match assembly above (described as **1A**).
  - 1C** Standard wall per Keynote BB with hollow metal door and frame with integral side light and a Lockable sliding glass operable window.

**EXHIBIT C**

**FORM OF COMMENCEMENT AGREEMENT**

**Commencement Date Acknowledgment and Agreement**

This Commencement Date Acknowledgment and Agreement ("Agreement") is an acknowledgment of the Commencement Date as defined in the Lease and intended to be a part of that certain Lease for premises located at \_\_\_\_\_, Longmont, Colorado, which was executed on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, between GCC LONGMONT HOLDINGS, LIMITED PARTNERSHIP, a Delaware limited partnership, as Landlord, and ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J, a political subdivision of the State of Colorado, as Tenant.

Landlord and Tenant hereby agree that:

1. The Premises are tenantable, Landlord has no further obligation for construction, and Tenant acknowledges that both the Building and the Premises are satisfactory in all respects.

2. Tenant took possession of the Premises on \_\_\_\_\_, 201\_\_\_\_. Tenant hereby agrees to pay partial month's Rent in the amount of \$\_\_\_\_\_ (\_\_\_\_ days at \$\_\_\_\_\_ per diem).

3. The Delivery Date is hereby agreed to be the \_\_\_\_ day of the month of \_\_\_\_\_, 201\_\_\_\_. The Commencement Date of the Lease is hereby agreed to be the 1st day of the month of \_\_\_\_\_, 201\_\_\_\_.

4. The Expiration Date of the Lease is hereby agreed to be the last day of month of \_\_\_\_\_, 201\_\_\_\_.

All other terms and conditions of the Lease Agreement are hereby ratified and acknowledged to be unchanged.

Agreed and executed this \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

LANDLORD:

GCC Longmont Holdings, Limited Partnership,  
a Delaware limited partnership

By: GCC Longmont Holdings GP, Inc.,  
a Delaware corporation, its General Partner

By: \_\_\_\_\_  
Title: Authorized Officer

TENANT:

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J, a political  
subdivision of the State of Colorado

By \_\_\_\_\_  
Title \_\_\_\_\_

## MEMORANDUM

DATE: August 22, 2018  
TO: Board of Education  
FROM: Dr. Don Haddad, Superintendent of Schools  
SUBJECT: Discussion – Sale of Bond Proceeds

PURPOSE

To provide the Board of Education with an opportunity to have a discussion with administration on the process, timing, and preliminary details of the sale of the remaining bonds from the 2016 Capital Construction Bond Election.

BACKGROUND

In November 2016, the voters within the St. Vrain Valley School District boundaries approved a \$260.4 million capital construction bond. That same month, \$200 million worth of bonds were sold so that capital construction projects could be started. Administration is looking to sell the remaining \$60 million in September or October of 2018 to ensure ongoing projects are completed and new projects can be started.

Administration will provide complete details when this item is brought back to the Board of Education for approval.

Greg Fieth, Chief Financial Officer, will be available for questions.