



July 1, 2024 – June 30, 2029

CAPSTONE ACADEMY
Charter School Contract

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CHARTER SCHOOL CONTRACT
Capstone Academy

This Charter School Contract ("Contract" or "Charter Contract") is made and entered into this ____ day of _____ 2023, by and between **School District 27J** (the "District") and **Capstone Academy**, a public charter school organized as a Colorado non-profit corporation (the "School"). The District and the School may individually be referred to as a "party" or collectively as the "Parties."

RECITALS

WHEREAS, the Colorado General Assembly has enacted the Charter Schools Act (the "Act"), C.R.S. § 22-30.5-101 *et seq.*, allowing for the creation and operation of charter schools within the state by its terms and for certain purposes as enumerated in C.R.S. § 22-30.5-102(2) & (3); and

WHEREAS, on June 13, 2022, Capstone Academy submitted an application for the approval of the School as a charter school to operate within the District (the "Application") as a result of the District's Request for Qualifications for Charter Partners to assist with the District's continued enrollment growth; and

WHEREAS, on September 27, 2022, the District Board of Education ("District Board") adopted a resolution (Resolution Number Three 2022-2023, Resolution to Approve the Capstone Academy Charter Application with Conditions) conditionally approving the School's Application and granting the School a charter for an initial term (the "Resolution")(attached hereto and incorporated by reference herein as **Attachment 1**); and

WHEREAS, in accordance with the Resolution and applicable law, the District and the School desire to enter into this mutually acceptable charter school contract;

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

SECTION ONE: ESTABLISHMENT OF SCHOOL

1.1 Term; Conditions Precedent.

- A. This contract is effective as of July 1, 2024 (“Effective Date”) and shall continue through June 30, 2029. Although this Contract is for operation of the School for a period of five (5) years, any financial commitment on the part of the District contained in this Contract is subject to annual appropriation by the District and the Parties agree that the District has no obligation to fund the financial obligations under this Contract other than for the current fiscal year of the Contract term. The District has not irrevocably pledged and held for payment sufficient cash reserves for funding the School or for providing services herein for any subsequent fiscal year during the remaining term of the Contract. The Contract may be renewed for an additional period upon application for renewal in accordance with state law and District Board approval of the renewal application.
- B. The Parties acknowledge and agree that this Contract, and the District’s obligations hereunder, are conditioned on the School’s satisfaction of the conditions of approval set forth in the Resolution and on the School’s opening by August 2024. If the School fails to satisfy one or more of the conditions of approval or fails to open by August 2024, this Contract shall terminate and shall be of no further force or effect. If by December 15, 2023, the School requests in writing an additional planning year and an extension to open in August 2025 and states good cause, the District’s consent for the extension of time will not be unreasonably withheld. However, if the request for extension is made on or after December 15, 2023, the District may in its sole discretion grant the School an additional planning year.

1.2 Charter School Corporate and Legal Status.

- A. Compliance with Contract. The School will be bound by and operated in a manner consistent with the terms of this Contract so long as such terms are in accordance with state, federal, and local law.
- B. Corporate Purpose. The purpose of the School as set forth in its Articles of Incorporation (“Articles”) will be limited to the operation of a charter school pursuant to the Act.

- C. Charter School Legal Status. The School is incorporated as a Colorado non-profit corporation. The School shall continue to operate as a Colorado non-profit corporation and shall assure that its operation is in accordance with its Articles and Bylaws. The School shall notify the District promptly of any change in its corporate and/or tax exemption status. The School is organized and maintained as a separate legal entity from the District for all purposes of this Contract. As provided by the Act, the School shall constitute a public school in Colorado. Notwithstanding its existence as a separate legal entity, the educational programs conducted by the School are considered to be operated by the School as part of the District. As such, the School is subject to Colorado laws and District policies (also known as Superintendent policies) that apply to all public schools unless waived in accordance with Section 4.5 of this Contract. Further, the School is a public entity within the meaning of C.R.S. § 24-10-106 and is therefore entitled to the protections of the Colorado Governmental Immunity Act. The School also is a local public body within the meaning of C.R.S. § 24-6-402(1)(a) and is additionally subject to the Colorado Open Meetings Law, C.R.S. § 24-6-401 *et seq.*, and the Colorado Open Records Act, C.R.S. § 24-72-201 *et seq.*
- D. Governance. The School represents that it is and shall maintain its status as a non-profit corporation that holds the charter. The Articles and Bylaws of the School will provide for governance of the operation of the School in a manner consistent with this Contract and state and federal law. The Bylaws shall require that, at all times, a majority or three, whichever is fewer, of the members of the School's governing board ("Charter Board") shall be District residents at the time they join the Charter Board. The Bylaws may permit resident board members who relocate out of the District to complete their then-current term, but such resident board members shall not be eligible for additional terms unless the resident seat requirement is otherwise satisfied. The Bylaws also shall require that the School's officers shall be Charter Board members. The Articles and Bylaws are attached to this Contract as **Attachment 2**. Any material modification (as defined in Section 3.1 below) of the Articles or the Bylaws must be submitted to the District within ten (10) business days of its ratification or adoption by the Charter Board.
- E. Non-Commingling. Assets, funds, liabilities, and financial records of the School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization including any education management provider whose services are

retained by the School as well as other charter schools who retain the services of the same education management provider.

SECTION TWO: DISTRICT-SCHOOL RELATIONSHIP

2.1 District Rights and Responsibilities.

- A. Right to Review. The School shall operate under the auspices of, and shall be accountable to, the District and subject to all applicable federal and state laws and regulations, and District policies and regulations, unless specifically waived. All records established and maintained in accordance with the provisions of this Contract, policies and regulations, and federal and state law and regulations shall, subject to the limitations set forth below, be open to inspection and review and made available in a timely manner to District officials. Records include, but are not limited to, the following:
- i. School records, including but not limited to, student cumulative files, policies, special education and related services;
 - ii. Financial records;
 - iii. Educational program, including test administration procedures and student protocols;
 - iv. Personnel records, including evidence criminal background checks have been conducted;
 - v. School operations, including health, safety, and occupancy requirements;
 - vi. Inspection of the facility or facilities; and
 - vii. Board minutes, meeting notices, agendas, other records, and communications.

Notwithstanding anything to the contrary herein, the District shall not have access to (1) documents constituting communications with the School's attorney and which are protected by attorney-client privilege, or attorney work product doctrine; or (2) documents that would otherwise be executive session minutes, or attorney-client

consultation in executive session or subject to work product exception relating to negotiations with the District.

The District may make announced or unannounced visits to the School to fulfill its oversight responsibilities. Except in emergencies, and when directed by the Superintendent of Schools, visits should be pre-arranged in a professional manner to avoid needless disruption of the educational process.

- B. Complaints. The District agrees to notify the School regarding any complaints about the School that the District receives, whether verbal or written. The notification shall be made within ten (10) business days of receipt of the complaint by the District and shall include information about the substance of the complaint, together with copies of any written communications or evidence, taking into consideration any complainant's request for anonymity.
- C. School Health or Safety Issues. The District shall immediately notify the School of any circumstances requiring School closure, lockdown, emergency drills, or any other action that may affect School health or safety.
- D. Access to Data and Information. The District will timely provide the School with access to any data and information pertaining to the School that it receives from the State or other sources including but not limited to test scores, Every Student Succeeds Act ("ESSA") school improvement status, School Performance Framework, accreditation, special education, and funding information.
- E. Accreditation Data and Process. The District shall provide to the School in a timely manner the data used by the Colorado Department of Education ("CDE") to conduct its analysis of the School's performance and CDE's initial recommendation considering the type of performance plan the School should be required to implement. The District shall give due consideration to any appeal made by the School to the plan assignment, provided that the School has submitted valid and reliable data for consideration in accordance with a reasonable deadline established by the District. The District shall present any appeal it reasonably determines to be valid to CDE in accordance with CCR 301-1-10.03. The District shall provide to the School in a timely manner the final plan assignment determination that the School shall implement, the final accreditation status assigned to

the School, and the District's assessment of the progress made by the School toward the goals and objectives set forth in Section 6.4 of this Contract.

- F. Access to Student Records. The School shall timely make available to the District information regarding special education and related services for students of the School, and additionally, upon request of the District, shall provide cumulative files of a student or students to the extent necessary in order to comply with reporting requirements imposed by applicable state or federal law. The District shall timely make available to the School cumulative files and/or student information, including but not limited to information regarding special education and related services for students of the School. The School shall use such information exclusively for fulfillment of its educational responsibilities or for compliance with the law and shall not use student information acquired from the District for any other purpose. The School shall meet all state, federal, and District reporting requirements.
- G. Annual Performance Review. In accordance with C.R.S. § 22-30.5-110(1)(b), the District shall annually provide the School with a review of its performance, which shall include at a minimum the School's progress in meeting the objectives identified in the plan the School is required to implement pursuant to C.R.S. § 22-11-210 and the results of the School's most recent annual financial audit. The District shall provide the School with written feedback from the annual review. Such annual review shall be used in evaluating a renewal application.

2.2 School Rights and Responsibilities.

- A. Records. The School shall comply with all federal, state, and District record keeping and reporting requirements including those pertaining to students, governance, and finance. The School shall be notified within ten (10) business days following adoption of new or materially modified District policies concerning the maintenance, retention, and disclosure of student records. The School's obligation herein includes maintaining up-to-date information about enrolled students including attendance records, grades, transcripts, standardized assessments, cumulative files, and special education records in the District's student information system. The School must enter or update this information within three (3) business days following receipt of the information or any change of information. In addition, the School and the District shall ensure that records

for students enrolling in the School or other District schools are transferred in a timely manner, but not to exceed three (3) business days following request for the same unless prior approval for a delay is provided by the requesting entity. Financial records shall be reported online in accordance with the Financial Transparency Act and any other federal and state laws addressing financial transparency and reconciled at least monthly. All records shall be maintained at the School and shall be open to inspection, consistent with law, during reasonable business hours. The School further agrees to assist the District in accessing or reviewing any records as part of its oversight responsibility or to address its compliance requirements. At the time of execution of this Contract, the District utilizes the Infinite Campus program as its student information system and the School agrees to use Infinite Campus for all relevant purposes and to pay to the District the District's actual costs required to add the School to and maintain the School in the system.

B. Notification Provided to the District.

- i. Timely Notice. The School shall timely notify the District (and other appropriate authorities) in the following situations:
 - a) The discipline of personnel assigned to the School arising from misconduct or behavior that may have resulted in harm to students or others, or that constituted serious violations of law including an incident of school violence, as that term is defined by C.R.S. § 24-10-106.3; or
 - b) Any complaints filed against the School with or by any governmental agency including, but not limited to the Office for Civil Rights ("OCR"), CDE, the Colorado Civil Rights Division ("CCRD"), and the U.S. Equal Employment Opportunity Commission ("EEOC").
- ii. Immediate Notice. The School shall immediately notify the District of any of the following:
 - a) Conditions that may cause it to vary from the terms of this Contract, applicable District or BOCES requirements, or applicable federal or state law;

- b) Any circumstance requiring the unplanned closure of the School, including, but not limited to, a natural disaster, such as an earthquake, storm, flood or other weather-related event, other extraordinary emergency, or destruction of or damage to the School facility or facilities;
 - c) The arrest, dismissal, or resignation of any members of the Charter Board or personnel assigned to the School (employed by the School) for a crime punishable as a felony, any crime related to the misappropriation of funds or theft, or any misdemeanor criminal offenses involving children. Additionally, the School shall comply with the provisions of C.R.S. § 22-30.5-110.7 and other relevant laws as required.
 - d) Misappropriation of funds;
 - e) A default on any obligation of the School, which shall include debts for which payments are past due by sixty (60) days or more; or
 - f) A failure to maintain its corporate status with the Colorado Secretary of State's Office that is not cured within sixty (60) days of notice of the same.
- C. Compliance. The School shall comply with all federal and state laws, local ordinances, and District policies applicable to charter schools, except to the extent that the School has obtained waivers from state law and District policies in accordance with Section 4.5.
- D. Satisfaction Surveys. The School shall conduct annual staff, parent, and student satisfaction surveys and shall share de-identified, aggregated results with the School Community and the District's Superintendent or designee.
- E. Reports. The School shall provide to the District in a timely manner any reports necessary and reasonably required for the District to meet its oversight and reporting obligations. Required reports include but are not limited to those listed below along with projected due dates. Timely written notification shall be provided by the District when due dates are changed or additional reports are to be provided by the School. The District will annually update the list of required reports and due dates and provide this information to the School. Failure to provide any report containing material information within ten

(10) calendar days after the date due is a material violation of this Contract, and the District may take actions outlined in Section 2.2.J. If any date identified in this Section and its Subsections falls on a Saturday, Sunday, or a legal holiday, the report shall be due on the next following business day.

- i. Reports Related to Accreditation. The School shall provide the District all required documents set forth on the Data Submission timeline that include but are not limited to: (1) a financial statement disclosing costs of administration, instruction, facilities, instructional materials, and other categories of expenditures, and revenues; (2) a description of the assessments used to measure student progress; (3) a summary of student assessment results, including evidence the School met, exceeded, or made reasonable progress toward meeting its objectives; (4) a description of the staffing of the School, summarizing the qualifications of staff members in accordance with ESSA, if required by CDE or the District; (5) a description of the District services provided to the School and their effectiveness and efficiency; and (6) CDE annual report requirements not otherwise listed above.
- ii. Financial Reports and Reporting of Enrollment Projections. The School shall submit required financial reports and enrollment projections as indicated in the timeline below and as otherwise required by this Contract or applicable law. Required financial reports shall be submitted in a format requested by the District and in accordance with C.R.S. § 22-44-301 *et seq.*
 - a) Proposed balanced budget for the following school year on or before April 15 per Section 7.3.
 - b) Projected enrollment for the following school year on or before February 1 (for District planning purposes). This information shall include the grade level and current school of enrollment for each student projected to enroll the following school year.
 - c) Projected enrollment for the following school year on or before March 15 per Section 7.4 (for funding purposes). This information shall include the grade level and current school of enrollment for each student projected to enroll the following school year.

- d) Revised budget for the present school year on or before December 15.
- e) Final revised School budget for the current school year on or before May 15.
- f) Adopted Budget for the following school year on or before May 30.
- g) Quarterly and Year-End financial reporting. In accordance with Section 7.8, the School shall prepare quarterly financial reports for the District in compliance with C.R.S. § 22-45-102(l)(b), and post required reports pursuant to C.R.S. § 22-44-301 *et seq.* Such reports shall be submitted to the District on or before the following dates:
 - a. 1st Quarter by October 31;
 - b. 2nd Quarter by January 31;
 - c. 3rd Quarter by April 30; and
 - d. 4th Quarter by August 30.

An unaudited year-end financial report shall be submitted by August 30. Any other year-end reports shall be submitted upon request.

- h) Reporting of Audit: Annual audit drafts, with the exception of a preliminary CDE data pipeline file which is due August 15, are due by October 15 and final copies on or before October 31. Audit information includes an audit performed by a Certified Public Accountant, CDE data pipeline file, and CDE Assurances for Financial Accreditation, pursuant to Section 7.7.
- i) Certificate of Non-Commingling: Consistent with Section 7.9 of this Contract, at the time the School submits its annual audit, the School shall annually certify that assets, funds, liabilities, and financial records of the School have been kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization, including any Education Management Provider (EMP) with which the School has an agreement.

- iii. School Calendar. The School shall provide the school calendar for the following school year on or before January 1 of each year.
- iv. Health and Safety Information. The following information shall be reported, including:
 - a) an updated monthly report of fire and safety drills for the current school year pursuant to the School's Emergency Drills Summary on or before the last day of each month;
 - b) a report of previous year's fire and other safety drills shall be submitted by August 1; and
 - c) updated emergency plans, emergency contact information, etc. to be submitted by September 1, and within seven (7) business days of any revisions thereafter.
- v. Bond Documentation. The School shall provide closing documents and bank statements no later than five (5) business days after request by the District.
- vi. Safe School Plan. The School shall comply with the Colorado Safe Schools Act, including C.R.S. § 22-32-109.1 and shall comply with District policy addressing safe schools, including Policy ADD, unless otherwise waived, and complete the required information annually by August 31 of each school year. The School shall submit the information to the Superintendent or designee. The School will be responsible for communicating the information to local responders.
- vii. Governance Information. The School shall provide the following information to the District's Superintendent or designee before the dates, identified below:
 - a) Charter Board membership (i.e., names/contact info, terms) – August 15;
 - b) Charter Board member conflict of interest disclosures – August 15;
 - c) Current Bylaws – within ten (10) business days after any material changes; and

d) Current Articles – within ten (10) business days after any material changes.

viii. Insurance Certification. The School shall annually provide insurance certificates to the District's Superintendent or designee by August 15 for each year of the Contract's term, evidencing the insurance required by this Contract.

- F. Indemnification. To the extent of claims not covered by insurance or otherwise barred by the Colorado Governmental Immunity Act and to the extent permitted by law, the School and District each agree to indemnify and hold the other, its Board, agents, and employees, except to the extent attributable to the intentional acts, negligence or malfeasance of indemnitee's employees or agents, harmless from all liability, claims, and demands on account of personal injury, sickness, disease, death, property loss, or damage or any other losses of any kind whatsoever brought in connection with or related to the operations of the indemnitor and/or the conduct of any of the indemnitor's employees, agents, or representatives or that are proximately caused by employees or agents of the Indemnitor. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided by the Colorado Governmental Immunity Act. The indemnitor's indemnification and hold harmless obligation hereunder shall include all attorney fees, costs, and expenses incurred by the indemnitee in defense of said suits, actions, grievances, charges, and/or proceedings.
- G. Indemnification by Independent Entities/Governmental Immunity. In the event the School authorizes, with the District's approval, another person or entity to operate an intersession, or other program within the School facility, such person or entity shall provide separate insurance coverage for general liability and errors and omissions with limits consistent with the District policies and naming the School, the District, and the property owner as additional insured. Such person or entity will also agree to indemnify and hold the School, the District, and the property owner harmless from all liability, claims, and demands on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss, or damage, tort and civil rights claims, or any other losses of any kind whatsoever that arise out of or are in any manner connected with such person's or entity's operations. Nothing contained in this Contract shall be deemed a relinquishment or waiver by the District or the School of any kind of applicable limitations of liability provided by the Colorado Governmental Immunity Act.

- H. Procedures for Articles and Bylaw Amendments. The School shall follow the requirements of the Colorado Revised Non-Profit Corporation Act in amending its Articles and Bylaws and shall provide the District with notice of any such material modifications, as defined in Section 3.1 below. The Bylaws or policies of the School shall include a requirement that each Charter Board member annually sign a conflict of interest disclosure, which shall at a minimum meet the requirements set forth in **Attachment 3**.
- I. District-School Dispute Resolution Procedures. In the event any dispute arises between the District and the School concerning the implementation of this Contract, and are not subject to immediate appeal to the State Board of Education (the "State Board"), including but not limited to the implementation or waiver of any District policies, regulations, or procedures, such disputes shall be subject to the dispute resolution process set forth in this Section, unless specifically otherwise provided.
- i. The School and the District agree that the existence and details of a dispute notwithstanding, both Parties shall continue their performance hereunder without delay except for any performance which may be directly affected by such dispute.
 - ii. Either party shall notify the other party that a dispute exists between them within thirty (30) days from the date the dispute arises. Such notification shall be in writing and shall identify the article and Section of this Contract that is in dispute and the grounds for the position that such article and Section is in dispute. The matter shall be immediately submitted to the Principal of the School and the Superintendent of the District, or their respective designees, for further consideration and discussions to attempt to resolve the dispute.
 - iii. In the event these representatives are unable to resolve the dispute informally pursuant to these procedures within thirty (30) days after the date of notification by one to the other of the existence of the dispute, then the matter may be submitted to an independent mediator, who shall be agreed upon by the Parties within fifteen (15) calendar days following the moving party's written request for mediation. If the Parties are unable to agree upon a mediator within that time, the Parties shall jointly obtain a list of available mediators from the Judicial Arbitrator Group, Denver, Colorado and have it delivered to the non-moving party, who shall

strike one, return the list to the moving party, and so forth, until one name remains. The remaining person shall be selected as the mediator. This striking process shall be completed within ten (10) days after delivery of the list to the non-moving party.

- iv. The mediation shall be scheduled and concluded within one hundred twenty (120) days of the moving party's written request for mediation, with final written findings entered by the mediator and served on both Parties within said 120-day timeframe. The mediator shall also apportion all costs reasonably related to the mediation equally between both Parties. The mediation process shall be closed to the public and all information submitted during mediation shall be confidential to the extent permitted by law. If the dispute is still not resolved at the conclusion of the mediation, the mediator shall make an advisory recommendation to the District Board, which shall in turn make a decision on the matter and release the mediator's written findings within thirty (30) days of its receipt of the advisory recommendation. The decision of the District Board shall be final; provided, however, that the School may appeal to the State Board concerning those matters within the State Board's jurisdiction in accordance with governing law.

- J. School Violations of Law or this Contract. If the School is subject to nonrenewal or revocation for any of the reasons listed in C.R.S. § 22-30.5-110(3), or any of the other reasons listed in this Contract, is in material (as opposed to merely technical) violation of state or federal law or regulations, or otherwise materially breaches the Contract, the District may, but is not required to, impose other remedies prior to initiating revocation procedures in accordance with Section 11.3. Remedies include, but are not limited to, those listed below. These remedies may be applied individually, in succession, or simultaneously. Prior to taking any of the actions below, the District shall send a notice as provided in subsection K below.

- i. Withholding Funds. This remedy may be applied in situations where the School could reasonably take actions to remedy the breach prior to the withholding of funds. The District may only withhold funds in situations as allowed by C.R.S. § 22-30.5-105(2)(c)(IV). Any action taken pursuant to this subsection is subject to review as provided in C.R.S. § 22-30.5-112(8).

- ii. Plan Submission. The District may require the submission of a plan to remedy the deficiency. Upon the written request of the District, the School shall develop a plan to remedy the failure or deficiency and submit it to the District for review and comment. The plan may be revised at the discretion of the School. The District may require the School to review and revise the plan if it reasonably determines that the plan is not effective in remedying the deficiency. This remedy may be applied if the School fails (a) to make progress toward achieving its goals and objectives as described in this Contract after a reasonable period of time, (b) to achieve District accreditation requirements, (c) to implement its educational program as described in this Contract after a reasonable period of time, or (d) fails to complete two or more required reports by the established deadlines.
 - iii. Seeking Technical Assistance. The District may require the School to seek technical assistance from a provider if the School is required to prepare and implement a priority improvement plan or turnaround plan. If the School has an education management provider, the School shall seek technical assistance from a person or entity other than the School's education management provider.
 - iv. Exercise of Emergency Powers. The District may request that the Commissioner issue a temporary or preliminary order in accordance with C.R.S. § 22-30.5-701 *et seq.*, if the conditions of an emergency exist, as defined therein.
- K. Procedural Guidelines for School Violations of Law or this Contract. Prior to applying a remedy other than seeking an order under the Emergency Powers set forth in C.R.S. § 22-30.5-701 *et seq.*, the District shall, to the extent practicable, engage in the following process:
- i. The District shall give the School written notice of a deficiency. The notice shall state the deficiency, the basis for the finding, the time by which the District expects the deficiency to be remedied, and the expected remedy.
 - ii. The District shall give the School a reasonable opportunity to contest the District's determination that a breach has occurred. In a non-emergency situation, this means the Principal or designee shall be given an opportunity to meet with the Superintendent or designee to discuss the notice within five (5) business days.

iii. If the breach is not cured within the time specified in this notice, the District may apply remedies 2.2.J (i) through (iv).

L. District Violations of Law or this Contract. If the School believes that the District has violated any provision of this Contract or applicable law, the School may initiate dispute resolution procedures in accordance with Section 2.2.I, file an appeal to the State Board, or seek other remedies provided by law.

M. Emergency Powers. If the District seeks a preliminary order under the Emergency Powers set forth in C.R.S. § 22-30.5-701 *et seq.*, it shall follow the procedures set forth therein.

SECTION THREE: SCHOOL GOVERNANCE

3.1 Governance.

The School's Articles and Bylaws shall not conflict with the School's obligation to operate in a manner consistent with this Contract. The Charter Board will adopt and operate under policies that provide for governance of the operation of the School in a manner consistent with this Contract. The Charter Board shall operate in accordance with these documents. Any material modification of the Articles or the Bylaws shall be made in accordance with the procedures described in Section 2.2.H of this Contract. As used herein, a "material modification" shall mean a modification that changes the purpose of the entity.

3.2 Corporate Purpose.

The purpose of the School as set forth in its Articles shall be limited to the operation of a charter school pursuant to the Act and purposes ancillary thereto and in support thereof.

3.3 Conflict of Interest.

Members of the Charter Board or any governing committee established for the School shall comply with state law and District policies and regulations regarding ethics and conflict of interest. Subject to approval of the District as applicable, if the School enters into a contract for the management or administration of its core educational services or for operational and

administrative services, including the Services Agreement attached as **Attachment 4** or any contracts entered under Sections 3.8 or 3.9, then the School acknowledges and agrees that its board members shall not be employed by such entity providing the management or administration of the School's core educational services or operational and administrative services or such entity's affiliate and shall not be employed with another charter school who retains the services of such entity.

3.4 Transparency.

The School shall make Charter Board-adopted policies, meeting agendas and minutes, the School's School Accountability Committee meeting agendas and minutes, and related documents readily available for public inspection including posting such information on the School's website. The School shall also post on its website in a timely manner information about Charter Board members, Charter Board meetings, financial information and audits, relevant School documents, the School's process for resolving public complaints, and other information that may be of interest to students, parents, and community members. The School shall conduct meetings consistent with principles of transparency, the Colorado Open Meetings and Open Records laws, and shall adopt and strictly enforce a conflict of interest policy including a policy to avoid conflicts of interest between the School and any education management provider whose services are retained by the School.

3.5 Nonreligious, Nonsectarian Status.

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

3.6 Commitment to Nondiscrimination.

The School shall comply with all applicable federal, state, and local laws, rules, regulations, and District policies prohibiting discrimination on the basis of race, color, creed, national origin, sex, marital status, sexual orientation, gender identity, gender expression, religion, ancestry, disability, or need for special education services, including, without limitation, Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681 *et seq.*, Section 504 of the Rehabilitation Act

of 1973, 29 U.S.C. § 794, and the Colorado Anti-Discrimination Act, C.R.S. §§ 24-34-301 through 24-34-805.

3.7 Complaints.

- A. The School shall establish by policy a process for resolving public complaints, including but not limited to complaints regarding curriculum, which shall include an opportunity for complainants to be heard and an appeal process that provides for a final administrative appeal to be heard by the Charter Board. Any material changes to the process shall be submitted to the District for approval prior to implementation.
- B. To the extent that the District receives a complaint regarding the School, the District agrees to notify the School within ten (10) business days of receipt by the District and shall include information about the substance of the complaint, taking into consideration any complainant's request for anonymity. The District will direct complainants to the School's dispute resolution process. Thereafter, any such complaint shall be addressed consistent with Subsection 3.4 above. The District shall be notified of the resolution of the complaint within thirty (30) business days of resolution by notification to the District's Superintendent or designee.

3.8 Contracting for Core Educational Services.

It is hereby acknowledged that the School will enter into a Services Agreement in the form attached as **Attachment 4** for the implementation of the School's core educational program with National Heritage Academies, Inc. ("NHA"). This Services Agreement is not subject to additional review or approval by the District. Otherwise, unless approved by the District in writing, which approval shall not be unreasonably withheld, the School shall not enter into a contract or subcontract for the management or administration of its core instructional program or services, including special education and related services. This shall not prevent the School from engaging independent contractors to teach selected, specific courses or provide specific services as a portion of the School's educational program or operations. Subject to the limitations above, the School may negotiate and contract with a school district, the governing body of a state college or university, a school food authority, or any third party for the use, operation, and maintenance of a school building and grounds or the provision of any service, activity, or undertaking that the School is required to perform in order to carry out the educational program described herein. If

the School desires to enter into a contract or subcontract for the management or administration of its instructional services, then at a minimum, such contract or subcontract shall satisfy the requirements set forth in **Attachment 5**. If the School fails to comply with this Section, it shall be a material breach of the Contract.

3.9 Contracting for Operational and Administrative Services.

- A. Pursuant to relevant law, the School may contract with third party providers for operational and administrative services. The School shall follow applicable laws, as they apply to charter schools, related to procuring and contracting for goods and services and adhere to best practices, including standards related to arms-length negotiations and arrangements and conflicts of interest. The School will adopt policies and procedures relating to the procurement and contracting of goods and services. The District may offer guidance on such policies and review contracts on a case-by-case basis as requested by the School.
- B. The District acknowledges that the School intends to contract with NHA for operational and administrative services using the form attached as **Attachment 4**. If the School desires to enter into a contract or subcontract for operational and administrative services then, at a minimum, such contract or subcontract shall satisfy the requirements set forth in **Attachment 5**. If the School fails to comply with this provision, it shall be a material breach of the Contract.

3.10 Volunteer Requirements.

Any requirement adopted by the School that requires parents to commit to or accrue a number of volunteer hours shall be subject to a waiver process that considers individual family circumstances, and the School shall not condition the continued enrollment of any student on the commitment of the student's parents to provide any number of volunteer hours or donations in lieu thereof. A copy of the School's volunteer policy and any changes thereto shall be provided to the District.

SECTION FOUR: OPERATION OF SCHOOL AND WAIVERS

4.1 Operational Powers.

The School shall be fiscally responsible for its own operations, and shall have authority independently to exercise the following powers (together with such powers as provided for elsewhere in this Contract and as allowed by the Act): contracting for goods and services; preparation of budgets; selection, supervision, evaluation, and determination of compensation for personnel; promotion and termination of personnel; leasing facilities for the School; accepting and expending gifts, donations, or grants of any kind in accordance with such conditions prescribed by the donor as are consistent with law and this Contract; and adoption of policies and Bylaws consistent with the terms of this Contract.

4.2 Evaluations and Trainings.

- A. Principal Evaluation. The Charter Board shall conduct a performance evaluation of the Principal of the School at least annually.
- B. Employee Evaluations. The Principal or designee shall conduct performance evaluations of the School's employees at least annually in accordance with the School's personnel policies.
- C. Training. The Charter Board shall adopt a policy for its annual training plan. Further, Charter Board members will satisfactorily complete the online charter school governing board training modules recommended by CDE, or comparable training, within a year of: (a) executing this Contract (for those members currently serving on the Board or provide evidence of prior completion) or (b) being seated on the Charter Board (for all future Charter Board members), whichever comes first. Failure to complete this requirement will be noted in the Annual Performance Report Compiled by the District.

4.3 Transportation and Food Services.

- A. Transportation. The District and the School acknowledge and agree that transportation is not provided by the District to students attending the School, unless separately arranged by contract with the District. The School shall be responsible for providing transportation services, if any, to students attending the School. The District and the School agree that enrollment at the School is a choice and as such students with disabilities are generally not eligible for transportation services. If a student's individualized education program

("IEP") team will be discussing or considering adding transportation to a student's IEP, the District's Director of Special Education or designee must be in attendance at the IEP meeting.

- B. Food Services. The District and the School acknowledge and agree that the District will not provide food services to the School, unless separately arranged by contract. The School shall partner with a school food authority that participates in the Healthy School Meals for All program to provide food services, without charge, to all students in accordance with applicable federal and state law, State Board rule, and District policy. Each year during the term of this Contract, by January 30, the School shall submit to the District its plan to provide food service during the next academic year. The District shall have the right of first refusal to provide food services as a purchased service under Section 9.1.

4.4 Insurance.

The School shall purchase insurance protecting the School and the Charter Board, employees, and volunteers (if allowable by policy), and the District where appropriate, consisting of comprehensive general liability insurance, errors and omissions liability insurance (school entity liability insurance), and such other insurance as identified below which identifies the minimum coverages for the current school year:

Comprehensive general liability - \$2,000,000 Per Occurrence/\$5,000,000 Annual Aggregate.

Sexual Molestation - \$5,000,000.

Officers, directors, and employees errors and omissions - \$2,000,000.

Property insurance – As required by landlord.

Motor vehicle liability (if appropriate) - \$1,000,000.

Crime coverage: \$100,000.

Bonding (if appropriate):

Minimum amounts: \$25,000.

Maximum amounts: \$100,000.

Workers' compensation – (as required by state law).

The School shall have on file at all times a copy of the purchased insurance policies that, at a minimum meet the above requirements, as well as evidence that payment of premiums for such policies have been timely made. The District shall provide at least sixty (60) days' prior written notice if these coverage limits are changed, and all changes shall be commercially reasonable. Insurance terms and conditions must be reasonably acceptable to the District and underwritten by insurers that are legally authorized in the State of Colorado and that are rated by A.M. Best Company not lower than "A-VII". The School shall provide certificates of insurance to the Superintendent or designee by June 1 annually. All of the School's insurance policies purchased by the School shall state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, except after thirty (30) calendar days prior written notice by certified mail, return receipt requested, sent to the School and the Superintendent or designee. The School shall notify the Superintendent or designee within ten (10) calendar days if for any reason there is a lapse in insurance coverage. The School is solely responsible for any deductibles payable under the policies purchased by the School. Both Parties shall secure policies that are primary and noncontributory to insurance obtained by the other party and/or any obligation of indemnification under this Contract.

4.5 Waivers.

A. State Laws and Regulations.

- i. Automatic Waivers. Pursuant to C.R.S. § 22-30.5-103, automatic waivers are those automatically granted upon the establishment of a charter contract. Pursuant to C.R.S. § 22-30.5-104(6), the State Board will adopt, by rule, a list of automatic waivers for which the School is *not* required to submit a replacement plan, or statement, to CDE, to specify the manner in which the School intends to comply with the intent of the state statute or State Board rule. The list in effect as of the Effective Date is attached in **Attachment 6**.
- ii. Waiver Requests. Waivers are neither necessary nor appropriate when a statute or rule by express terms does not apply to a charter school, nor when a District power or duty has been fully delegated, as more specifically stated in this Contract, to the School. The School is expected to only seek waivers if a statute or rule applies to the School and the waiver is consistent with the School's operational or educational needs.

- iii. Procedures for Non-automatic Waiver Requests. If the School complies with the timely provision of the School's rationale in support of waiver request from District policies, then the District Board agrees to jointly request waiver of the state laws and regulations that are listed in **Attachment 7**. To the extent the State Board does not grant the requested waivers or imposes conditions upon the School with respect to such waivers, it is agreed that representatives of the Parties shall meet to negotiate the effect of such State Board action.
- iv. Subsequent Waiver Requests. The School may request additional non-automatic waivers. Upon receipt of such request, the District shall have thirty (30) calendar days to review the request and, thereafter, shall present the matter before the District Board at its next regular meeting. The District Board shall, unless otherwise agreed by the Parties, have thirty (30) calendar days to consider the matter prior to rendering a decision at a regular meeting. The District agrees to jointly request such a waiver from the State Board if the District's Board first approves the request. State Board approval of requests to waive State law or regulations shall not be unreasonably withheld. To the extent the State Board does not grant the requested waivers or imposes conditions upon the School with respect to such waivers, it is agreed that representatives of the Parties shall meet to negotiate the effect of such State Board action. Any such requests for waivers must include a replacement plan articulating how the School plans to comply with the intent of the statute, rule, or policy for which waiver is required.

B. District (Superintendent) Policies.

- i. Policy Waivers. The School shall be granted certain waivers from District policies (also known as Superintendent policies) as set forth in **Attachment 8**.
- ii. Subsequent Waiver Requests. The School may request additional waivers. Upon receipt of such request, the District shall have thirty (30) calendar days to review the request and, thereafter, shall present the matter before the District Board at its next regular meeting special meeting. The District Board shall, unless otherwise agreed by the Parties, have thirty (30) calendar days to consider the matter prior to rendering a decision at a regular meeting. Waivers of District policies may be

granted only to the extent permitted by state law. Waiver of District policies shall not be unreasonably withheld. Any such requests for waivers must include a replacement plan articulating how the School plans to comply with the intent of the statute, rule, or policy for which waiver is required.

- iii. Waiver Requests After Policy Adoption or Revision by District. To the extent that the District adopts a new District policy and/or revises a District policy, notice shall be provided to the Charter School within ten (10) business days after the policy takes effect. The School may request a waiver to such new policy or revised District policy within thirty (30) calendar days after the date notice was given to the School. The District shall have thirty (30) calendar days to review the request and, thereafter, shall present the matter before the District Board at its next regular meeting. The District Board shall, unless otherwise agreed by the Parties, have thirty (30) calendar days to consider the matter prior to rendering a decision at a regular meeting. Waivers of District policies may be granted only to the extent permitted by state law. Waiver of District policies shall not be unreasonably withheld. Any such requests for waivers must include a replacement plan articulating how the School plans to comply with the intent of the statute, rule, or policy for which waiver is required and to the extent School seeks and/or is waiving out of District policies, School shall submit replacement policies with its request for waivers.

4.6 Bidding Requirements.

Unless purchased from or through the District, contractual services and supplies, materials and equipment shall be procured transparently, as may be required by the School's policy or Services Agreement, which will comport with best practices for charter schools and state law.

SECTION FIVE: SCHOOL ENROLLMENT AND DEMOGRAPHICS

5.1 School Grade Levels.

The School may operate one brick and mortar campus within the geographic boundaries of the District's South Plan Area for students in grades **K-8**. If the School desires to expand to serve additional grade levels at the School or to replicate the School at a different location, the School shall submit a new charter application to the District in accordance with applicable law and District policy.

5.2 Student Demographics.

As required by the Colorado Charter Schools Act, C.R.S. § 22-30.5-104(3), School enrollment procedures shall be conducted by the School in a nondiscriminatory manner. The School shall implement a recruitment plan that ensures that it is open to any child who resides in the District. The School is committed to the goal of enrolling and retaining a student population that will be reasonably representative of the percentage of Educationally Disadvantaged Students, which is inclusive of students who are eligible for free or reduced-price lunch ("FRL"), English language learners ("ELL"), and students participating in special education programs ("SPED"), similar to the percentage of such student populations enrolled in other District elementary, middle, and K-8 schools in the District's South Plan Area. These elementary, middle, and K-8 schools are: Henderson Elementary School, Reunion Elementary School, Second Creek Elementary School, Thimmig Elementary School, Turnberry Elementary School, Prairie View Middle School, Stuart Middle School, Southlawn Elementary School, Belle Creek Charter School K-8, and Landmark Academy K-8. The initial target percentages for enrollment demographics for Educationally Disadvantaged Students are based on the percentages at designated District elementary, middle, and K-8 schools as set forth in **Attachment 9A** and will be updated annually based on the prior school year's enrollment numbers. If the School's FRL, ELL, or SPED percentages for one or more of the three demographic categories of students falls above or below +/- 5% on FRL, +/- 1.5% on ELL, or +/- 2% on IEP per the School's enrollment targets provided by the District in **Attachment 9A**, then the District and the School will work together in good faith to recruit and enroll additional students in certain demographic categories as needed, for available openings that school year, or in the next school year, subject to the School's enrollment policies, applicable legal limitations on the enrollment lottery of the School, and open enrollment laws. The School has developed a student Recruitment and Outreach Plan, **Attachment 9B**, that reasonably anticipates its ability to accomplish this objective, including addressing the transportation, translation, and interpretation needs of potentially underrepresented families, detailing the resources and supports available for Educationally Disadvantaged Students, and promoting the School's participation in the Healthy School Meals for All program. Each year during the term of this Contract, by May 1, the School shall report to the District how the School has made progress in its recruitment efforts in accordance with the Recruitment and Enrollment Plan. The Parties acknowledge that the School's good faith effort to enroll and retain said representative populations, may not, in and of itself, ensure achievement of this goal, and that as a public school, the School cannot turn away students that meet its enrollment procedures.

5.3 Maximum and Minimum Enrollment.

The School and the District agree that during the term of this Contract, the School's total enrollment shall not exceed the capacity of the School's facility and site. The projected enrollment, with all classrooms filled, is 772 full-time equivalent students. The minimum enrollment is determined to be the lowest enrollment necessary for financial viability, as reasonably determined by both Parties. To assure financial viability, the School must have 200 grades K-5 completed intent-to-enroll forms by February 1, 2024, and 200 students enrolled in the School by August 1, 2024.

5.4 Eligibility for Enrollment.

The School shall limit enrollment of students accepted through the process outlined below, including enrollment procedures for students with disabilities, to those who meet the School's age and grade requirements, are not otherwise ineligible to enroll based on criteria in Article 33 of Title 22 or who meet the criteria in C.R.S. § 22-33-106(3)(f) in another District school. All enrollment decisions shall be made in accordance with applicable state and federal law and policy.

5.5 Enrollment Preferences, Selection Method, Timeline and Procedures.

- A. The School's enrollment preferences and selection methods must comply with the requirements of state and federal law, including allowance for equal educational opportunities. In this connection, the District authorizes the School to implement a weighted lottery that prioritizes Educationally Disadvantaged Students, including students who are eligible for free or reduced-priced lunch, migrant students, English Language Learners, neglected or delinquent students, and homeless students. The School shall confer with the District annually by December 1 of each school year to review the School's student demographics. In cases where the School's student demographics continue to meaningfully deviate from average student demographics of the other District elementary, middle, and K-8 schools (using the criteria established in Section 5.2), the School and the District will discuss strategies, including but not limited to the School further enhancing its weighted lottery the following year or granting Educationally Disadvantaged Students an enrollment preference to foster a diverse student population. The intended use or non-use of an enhanced weighted lottery should be communicated via writing from the School to the District no later than December 1 of the preceding

academic year. In cases of disagreement, the School's Principal and the District's Superintendent or designee shall meet and resolve no later than December 10 of that same year. The District reserves the right to compel use of an enhanced weighted lottery in cases where disagreement cannot be amicably resolved. The School reserves the right to determine logistics of conducting any enhanced weighted lottery.

- B. Students shall be considered for admission to the School in a manner consistent with this Contract, the School's timelines and procedures as described in **Attachment 10**, though the weighted lottery is subject to prior approval from CDE, and in all cases without regard to race, creed, color, national origin, sex, sexual orientation, gender identity, gender expression, marital status, religion, ancestry, disability, or need for special education services.

5.6 Admission Process and Procedures for Enrollment of Students with Disabilities.

To ensure that the needs of students with disabilities are met, the following procedures must be followed:

- A. The School shall conduct its admission process, including any lottery or similar process, without inquiry into the disability status of students.
- B. Following receipt of an application for enrollment and the student's admission to the School, the School and the District shall determine whether a student has been identified as a child with disabilities eligible for special education and related services pursuant to the Individuals with Disabilities Education Act, 20 U.S.C. § 1401 *et seq.* ("IDEA") or an individual with a disability under Section 504 of the Rehabilitation Act of 1973 ("Section 504"), and/or the Americans with Disabilities Act ("ADA"). If so, the Parties shall obtain a copy of the most recent individualized education program ("IEP") or Section 504 plan.
- C. The School recognizes and agrees that it is solely and exclusively responsible for providing services and accommodations to students who have a disability within the meaning of Section 504 and the ADA, but are not eligible for special education and related services under the IDEA, and that nothing in this Contract shall be construed to require the District to provide services or accommodations to such students.
- D. When a student has an IEP, a properly constituted IEP team shall be convened to determine whether the student can receive a free appropriate public education (FAPE) in

the least restrictive environment at the School and, if so, what services are to be provided by the School's teaching staff and what services will be provided by the District. The School shall provide reasonable advance notice of the IEP team meeting to the District's Director of Special Education and said Director or designee may attend the meeting. If the special education and related services required pursuant to a student's IEP cannot be provided by the School's teaching staff, the District will provide the services at a cost determined pursuant to the provisions for funding in paragraph 7.1.A. For District resident students, if the determination is that FAPE is not available, the student will be reassigned back to the student's home school and/or District program to ensure FAPE. For non-district resident applicants, if FAPE is not available at the School, the student's enrollment shall be denied and the student will be remanded back to their district of residence, which is responsible for FAPE. Every student who is admitted with an IEP from the student's previous school shall be placed directly in a program that meets the requirements of such IEP, unless and until a review staffing by the IEP team is held and the IEP is changed.

- E. Enrollment at the School may be denied for a student with disabilities in the same manner and for the same reasons as such enrollment may be denied for a student without disabilities.

5.7 Participation in Other District Programs.

No student may be jointly enrolled in the School and another District school or program without the written permission of the District and the School. Such written permission shall include the manner in which the costs of instruction shall be divided between the School and the District. Payment by the School to the District, if any, pursuant to any such agreement shall be deemed payment for a purchased service under the Act.

5.8 Non-Resident Admissions.

Subject to its enrollment policies, the School shall be open to any child who resides within the District and to any child who resides outside the District, subject to compliance with applicable Colorado public schools of choice statutes, District policy (unless otherwise waived), and this Contract. If the School has more applicants than it has space, preference shall be given to those students who reside within the District. The School shall handle denial of admission in a manner consistent with state law and District policy/regulations. Once accepted for enrollment, a non-

District resident student may reenroll for subsequent school years until completing his or her schooling at the School.

5.9 Student Movement After October 1.

After October 1, any movement of students between the School and any District school, including the school serving the student's resident address that is not operated pursuant to a charter school contract, shall be in accordance with applicable law and District policy.

5.10 Expulsion and Denial of Admission.

The School agrees that it shall comply with all District policies and regulations concerning student attendance, standards of conduct, and discipline, unless and until the School adopts its own written policies in accordance with this Contract and applicable law. The School shall follow the District's threat assessment and safety planning processes (in consultation with the District's Intervention Services Department) prior to recommending a student for expulsion from the School or a denying a student admission to the School. The School shall not recommend a student who the District has determined to exhibit low risk behaviors, in accordance with the District's threat assessment and safety planning processes, for expulsion or deny such a student admission to the School. Where the School's administration and/or Charter Board recommends a student for expulsion, the proceedings shall be referred to the District for handling through the District's expulsion processes. However, the Charter Board, or its designee, shall make findings of fact and recommendations which shall be provided to the District's Superintendent or designee for use and consideration when the District implements its expulsion processes. Any decision to expel a Charter School student by the District Board shall specify which District schools the student is expelled from attending and which schools, if any, the student may attend as an alternative. Any general education services required by law to be provided to suspended or expelled School students shall be the sole responsibility of the School, in cooperation with the District, with all costs for such services to be borne by the School. Any special education and related services required by law to be provided to suspended or expelled students shall be the sole responsibility of the School, in cooperation with the District, with all costs for such services to be borne by the School.

The District Board shall have final authority regarding appeals in student expulsion cases.

5.11 Continuing Enrollment.

Pursuant to Colorado state law, students who enroll in the School shall remain enrolled in the School through the highest grade served by the School, absent expulsion, graduation, court ordered placement, or placement in a different school pursuant to an IEP and the School shall be considered the student's home school for purposes of choice enrollment. Students wishing to transfer from the School to another school in the District may do so through the District's within-District choice enrollment and transfer procedures.

SECTION SIX: EDUCATIONAL PROGRAM

6.1 Vision and Mission Statements.

The vision and mission statements contained on page 7 of the Application are approved by the District to the extent that they are consistent with the principles of the General Assembly's declared purposes for enacting the Charter Schools Act as set forth in C.R.S. § 22-30.5-102(2) and (3). The mission statement may be modified from time to time by the Charter Board, provided that any change in the mission statement which is directly inconsistent with the Application or this Contract shall require approval of the District. The School will notify the District within thirty (30) days of any material modifications to the mission statement and provide the District with a copy of all modifications.

6.2 Equal Educational Opportunities.

The School shall provide every student equal educational opportunities through its offered programs regardless of race, color, creed, national origin, sex, marital status, sexual orientation, gender identity, gender expression, religion, ancestry, disability, or need for special education services.

6.3 Goals, Objectives, and Pupil Performance Standards.

The goals, objectives and pupil performance standards set forth in the Application are accepted by the District, as amended by this Contract, and subject to the following requirements:

- A. Accreditation. The School shall be accredited in accordance with written District guidelines and state law. The School acknowledges that these indicators may change over time and that the District agrees to provide the School with opportunity for input into any proposed changes before they are finalized. The School shall comply with the educational

accountability and or accreditation provisions of Colorado law, as amended from time to time, including but not limited to: the Educational Accountability Act of 2009, C.R.S. § 22-7-101 *et seq.*; the Education Reform Act, C.R.S. § 22-7-401 *et seq.*; the School Accountability Reporting Act, C.R.S. § 22-7-601 *et seq.*; Educational Accreditation Act of 1998, C.R.S. § 22-11-101 *et seq.*; and the Accreditation Rules of the State Board, including but not limited to tailoring educational programming to meet the individual needs of “exceptional children” as defined in such rules, unless waived.

- B. Identification for Support and Improvement Under ESSA. If the School has been identified or targeted for support and improvement, it must promptly address the areas identified as deficient.
- C. District Finance, Governance, and Operations Standards. The School shall meet or exceed District standards for charter schools in the areas of finance, governance, and operations. The School acknowledges that these indicators may change over time and that the District agrees to provide the School with prior notice and an opportunity for input into any proposed changes before they are finalized. The School and the District agree that the School shall not be required to adopt any changes in District policy under this Section during the term of this Contract, unless required to by state or federal law.

Finance, governance, and operations indicators may be incorporated into accreditation indicators in B. above. If these indicators are addressed independent of accreditation, the language in Section 2.2.E. will need to be modified.

- D. Opportunity for Comment. Reasonable progress towards all goals in this Contract shall be evaluated through the Colorado School Performance Framework, any additional federal requirements, and any other agreed-upon measures and metrics. The School will be given an opportunity for input and comment before the District finalizes its assessment of the School’s achievement on the objectives listed above.
- E. Student Welfare and Safety. The School shall comply, except as waived, with all District approved policies and regulations, and comply with all applicable federal and state laws, concerning student welfare, safety and health, including, without limitation, District policies and laws addressing the reporting of child abuse, accident prevention and disaster response and laws governing incidents of school violence under C.R.S. § 24-10-106.3, and any state regulations governing the operation of school facilities.

- F. Academically Exceptional Students. The School shall identify academically low-achieving, at-risk students, gifted and talented, and other “exceptional children” as defined by law, including in regulations adopted by the State Board, and shall provide its educational program to these students in a manner that appropriately serves their needs in accordance with applicable law, as set forth in the Application and this Contract.

6.4 Educational Program Characteristics.

The School shall implement and maintain the following characteristics of its educational program as outlined in the Application, subject to modification with the District’s written approval, which approval shall not be unreasonably withheld, conditioned, or delayed:

Standards that meet or exceed Colorado Academic Standards
College and Career Readiness
Parent Partnerships
Safe and Welcoming School Community
Multi-Tiered System of Supports

6.5 Online Programs.

The School’s educational program as contained in the Application does not include an online program pursuant to C.R.S. § 22-30.7-101 *et seq.*, and the School is accordingly prohibited from offering such online programs, unless environmental or pandemic circumstances warrant such programming on a temporary basis, not to extend beyond the then current school year without District approval.

6.6 Curriculum, Instructional Program and Pupil Performance Standards.

- A. The School shall have the authority and responsibility for designing and implementing its educational program, subject to the conditions of this Contract. The educational program, pupil performance standards and curriculum designed and implemented by the School shall meet or exceed the Colorado Academic Standards, shall be designed to enable each pupil to achieve such standards, and shall be consistent with the School’s vision and mission.
- B. On or before February 1 of each year, the School will provide to the District written information about any new or substantially modified program anticipated to be offered

during the ensuing school year. The School shall provide evidence reasonably acceptable to the District of the complete scope and sequence of such program of instruction. The intent of this requirement is to ensure that students of the School have sound educational foundations that meet or exceed content standards for applicable courses.

- C. The School shall comply with the Colorado Reading to Ensure Academic Development (“READ”) Act requirements, including using a CDE-approved curriculum or having a non-CDE approved curriculum evaluated by a third-party, using a state board-approved assessment, creating READ plans for students with significant reading deficiencies, and submitting program and assessment information.
- D. With respect to each subject area not tested under the state’s standardized testing program for which the District has developed embedded assessments designed to measure achievement of standards, the School shall notify the Superintendent or designee in writing prior to July 1 of the fiscal year following the fiscal year in which such embedded assessments were developed as to whether it will use the District’s embedded assessments or whether it will use its own embedded assessments. If the School intends to use its own embedded assessments, it shall submit its proposed assessment program for review with its written notice to the Superintendent or designee. If the School uses the District’s embedded assessments, it shall adhere to all District timelines for developing (if applicable) and administering assessments.

6.7 Tuition and Fees.

- A. Tuition. The School shall not charge tuition, except as otherwise provided in C.R.S. § 22-20-109(5), C.R.S. § 22-32-115(1) and (2), and C.R.S. § 22-54-109, other than for preschool, before and after school programs, summer programs, or as otherwise permitted by law.
- B. Fees. Student fees may be charged by the School so long as in accordance with applicable Colorado law, including but not limited to the provisions of C.R.S. § 22-32-110(1)(o) & (p) and C.R.S. § 22-32-117.
- C. Economically Disadvantaged Students. The School shall waive all fees for economically disadvantaged or homeless students in accordance with applicable federal and state law. On all fee lists and schedules, the School shall include notification of the policy of

consideration of waiver or reduction of fees for economically disadvantaged or homeless students. The School shall survey its student population for eligibility for free and reduced-price lunches under federal guidelines in accordance with State Board regulations.

6.8 English Language Learners.

The School shall provide resources and support to English language learners. The School shall use the District's hiring qualifications for teaching staff (ex. Culturally and Linguistically Diverse endorsement from CDE) and English Language Development (ELD) programming model to ensure that English language learners are given meaningful access to grade level content, acquire proficiency in English, and achieve grade level standards. The School is responsible for hiring qualified staff to implement ELD programming. The School shall follow the District's procedures for identifying, assessing, monitoring and exiting English language learners. The School's ELD program staff shall attend all District trainings required of the District's ELD program staff. The School may use its per pupil allocation of the state English Language Proficiency Act (ELPA) funds toward the salary and benefits of the ELD specialist.

6.9 Education of Students with Disabilities.

- A. Students with 504 Plans. The School recognizes and agrees that it is solely and exclusively responsible for providing services and accommodations to students who have a disability within the meaning of Section 504 and the ADA but are not eligible for special education and related services under the IDEA, and that nothing in this Contract shall be construed to require the District to provide services or accommodations to such students. The School agrees to follow District policies in identifying students who are Section 504-eligible and providing them with FAPE, including services and accommodations required by Section 504.
- B. Students with IEPs. The School agrees to comply with all District policies and the requirements of federal and state laws and regulations/rules concerning the education of IDEA-eligible students with disabilities and shall comply with this obligation by directly providing and by contracting with the District or other providers to provide special education programs and services at a level consistent with other schools in the District serving the same grade levels. The School, like other District schools, does not offer a full continuum of special education services on site. Specific services for students with more

significant needs may not be available at the School. For residents of the District, such services are available at designated school sites or through an out-of-district placement. For non-resident students, provision of such services is the responsibility of the Administrative Unit of residence.

- C. The District shall provide a menu of special education support services to the School, allowing the School to choose the best option to meet the needs of its IDEA-eligible students. If the School hires its own special education teacher(s), they will be subject to a review of licensing by District and personnel. Special education services at the School shall be commensurate with those provided at other District schools. Funding and payment for special education services shall be in accordance with Section 7.1.A.
- D. The School agrees to promptly notify the District of all charges, complaints or investigations concerning special education by the Office for Civil Rights (“OCR”), CDE’s State Complaints Officer, or IDEA due process proceedings relating to students with disabilities in attendance at the School.
- E. The District and the School agree that enrollment at the School is a choice and as such students with disabilities are generally not eligible for transportation services.
- F. The School agrees to comply with all District policies and the requirements of federal and state laws and regulations/rules concerning the education of children with disabilities and shall provide for the attendance of any personnel assigned to the School who should be present at any meetings at which IEPs are developed or modified. If the School and the District disagree as to the correct interpretation or application of a statute or regulation concerning the education of students with disabilities, the position of the District’s Special Education Director or designee shall control.
- G. The District is the Local Education Agency and the Administrative Unit responsible for overseeing special education at the School. As such, the District’s Special Education Director or designee shall maintain the same administrative responsibilities and authority in the School as in all other District special education programs and services as needed to ensure compliance with federal and state regulations. The School shall use District special education forms and procedures and shall document compliance with the requirements of federal and state law, including procedural due process. The District shall respect the

School's curriculum, instructional program, and mission in the development of IEPs for students enrolled in the School. The School agrees that it will submit appropriate documentation to the District's Director of Special Education regarding the School's special education program.

- H. Training conducted by the District on special education matters shall be reasonably available to School staff and School staff delivering special education instruction and services are expected to attend relevant professional development offered by the District.
- I. The District or the School may identify from time-to-time changes to the educational program of the School that (a) are reasonably necessary to comply with applicable law for educating students with disabilities, or (b) provide cost savings or other benefits in connection with educating students with disabilities. After good faith discussion of these changes with the School, the District shall have the right to require such changes necessary to comply with law and shall have the right to request other changes on behalf of students with disabilities.
- J. Special education programs and services shall be available to each eligible student as part of the regular school day in accordance with the least restrictive environment mandate of federal and state law.

6.10 Extracurricular and Interscholastic Activities.

Subject to the provisions of C.R.S. § 22-32-116.5 and this Contract, a student at the School who meets the prerequisites for participation may try out for extracurricular and interscholastic activities not offered at the School. The School or parents shall be responsible to make appropriate arrangements consistent with state law with the District schools for a student enrolled at the School seeking to participate in activities not otherwise sponsored by the School. The student may try out at the school in the District designated by the District in accordance with the law and applicable Colorado High School Activities Association rules. The School and the student shall comply with all applicable rules of the District and the school of participation; all eligibility requirements; and all responsibilities and standards of conduct, including related classroom and practice requirements. Where such participation requires payment of a fee, the student or the School shall be responsible for payment of the fee.

The District is not required to provide transportation of the School's students to other schools in the District to enable them to participate in extracurricular and athletic practices, rehearsals, or meetings, or to otherwise expand transportation provided for such activities and events. The School and/or parents of students enrolled in the School shall be responsible for transportation for such activities for all students of the School, including students with disabilities, as necessary for such participation. In the event the District provides transportation for an extracurricular group or athletic team to participate in a competition, students of the School shall be provided District transportation from the same departure and return points as provided to the other District student participants in the activity. Nothing herein shall be construed to require modification by either party of any calendar or schedules for extracurricular programs.

6.11 Collaboration with District.

- A. The School shall provide reasonable notice to the District before entering into any inter-governmental agreements with other government entities.
- B. The School may take part in cooperative purchasing discounts and/or promotions made available to other District schools through the District or by third-party contracting organizations.

SECTION SEVEN: FINANCIAL MATTERS.

7.1 Revenues.

- A. Funding.
 - i. District per pupil revenues ("PPR") shall be defined as set forth in C.R.S. § 22-30.5-112(2)(a.5). In each fiscal year during the term of this Contract, the District shall provide 100 percent of PPR to the School, plus any applicable capital construction revenue payments pursuant to C.R.S. § 22-54-124, minus the following: (a) the actual amount of the School's per pupil share of the actual central administrative overhead costs of the District (up to five percent of PPR), as provided by law, (b) deductions for purchased services as agreed to in writing by both Parties, and (c) other deductions as provided herein, and shall be adjusted as provided herein. Any subsequent CDE audits of District pupil counts and per pupil revenue that impact the funding received by the School shall be reflected as an adjustment to subsequent payments from the District to the School.

The District, upon request of the School, shall allow the School to contest any adverse count audit in the name of the District through the administrative appeals process. The District may make financial adjustments effective as of the date of any final audit report, notwithstanding an administrative appeal.

The District shall provide to the School an itemized accounting on the calculation of all its central administrative costs within ninety (90) days after the end of the fiscal year as required by law. The actual central administrative overhead costs shall be the amount charged to the School. Any difference between the amount initially charged to the School or withheld by the District, and the actual cost of such overhead administrative costs shall be reconciled and paid to the owed party, up to the five percent cap referenced above.

(a) Charter School Liaison. The Parties acknowledge that the District will provide charter liaison services by assigning those duties to an employee or retaining an independent contractor to act as the liaison between the District and the School (the “Charter School Liaison”). The Parties shall jointly participate in the services provided by the Charter School Liaison, including the following types of direct and indirect support services to the School and the District:

- Primary contact for the School and District representatives
- Coordinates the delivery of District services purchased by the School
- Identifies and follows up on instances of perceived or actual non-compliance with the Contract by the School or by the District

The costs for the Charter School Liaison services shall be borne by the District in the amount of 25 percent and by the District’s authorized charter schools (including the School) in the amount of 75 percent. The District’s charter schools shall pay their portion of this cost based upon their individual per pupil enrollment as a percentage of total enrollments in the District’s charter schools.

- ii. The School shall receive a proportionate share of funding provided under the Exceptional Children’s Education Act, C.R.S. § 22-20-101 *et seq.* (“ECEA”) and the Individuals with Disabilities Education Act, § U.S.C. 1401 *et seq.* (“IDEA”), for special education, calculated in accordance with the following formula:

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

For the 2024-2025 school year, such funding shall be provided upon receipt by the District for this year and each subsequent year this Contract is in effect. The School shall provide and bear the cost of special education services at the School at a level comparable to regular schools in the District serving the same grade levels, including related services and required paraprofessional support. The District will provide access to trainings, professional development, systematic support, and guidance for special education while the School will hire its own special education teacher(s) subject to review of licensing, and with the approval of the Director of Special Education. In addition, the District will provide oversight and support from central administrators, access to District-wide special education programs and defense of state complaints, due process hearings and OCR complaints through the administrative appeal level, on the same basis as such oversight, support, access, and defense are provided to other District schools. As consideration for the District's assumption of these responsibilities, the School shall pay the District its proportionate share of indirect costs, including administration, relating to the District's special education program. The School and the District shall reasonably cooperate with each other in connection with defense of special education administrative complaints; however, the School remains responsible for the costs of all awards, judgments, settlements and reasonable costs, expenses, and attorney fees incurred by the District in connection with such matters. The School will provide the District with evidence that special education services providers meet educational and certification or licensing requirements of state law, documentation of the nature and duration of services provided for each student with disabilities by such service providers, and other information required to complete applications for federal and state funds for students with disabilities.

- iii. The School shall receive a proportionate share of funding provided by the federal and state governments for gifted and talented students and other federal and state grant sources, to the extent that the School complies with the conditions and requirements of such grants, applicable law and reporting requirements under such grants. A proportionate share of moneys generated under other federal or state categorical aid programs shall be directed to the School for each of the School's students eligible for such aid. Prior to receipt of such funds, the School shall provide

the District with acceptable assurances that it will comply with various federal statutes, which assurances are required of recipients of federal funds for categorical aid. The School shall provide the District with data necessary to complete claims for such funds. As the School will be receiving funding for English language learner services, the School is responsible for supplying those services to its students.

- iv. So long as the School is not in material breach of this Contract and as expressly otherwise provided herein, this funding will be made available to the School in twelve (12) monthly installments, commencing July 1 of each fiscal year. Funds shall be disbursed within five (5) business days of being received by the District. If the School fails to open during any school year, those funds paid to the School prior to October 1 shall be refunded by the School to the District. The term “enrolled” as used in this provision shall be deemed to mean enrolled as of the official count date or period and in accordance with the School Finance Act of 1994, found at C.R.S. § 22-54-101 *et seq.*, and State Board of Education Rules. If the State Auditor disallows counting of some of the School’s students, then its funding for a following school year will be reduced by the same amount.
- v. In addition to the foregoing provisions, to the extent the District experiences any reduction in state equalization support by a legislative rescission or other action, or a property tax reduction, proportionate reductions will be made to the School’s funding by adjustment or set-off in subsequent months.
- vi. On or before March 15 of each year of the charter, the School and the District will begin negotiations concerning funding for the ensuing fiscal year in order that the amounts may be determined in conjunction with the District’s and the School’s budget development and adoption processes. In future fiscal years, it is agreed that the amount of funding provided to the School from the District shall not be less than that required by law or as may be agreed to by the Parties.
- vii. The School will be able to apply for federal and state grant funds under the same conditions as other District schools. Any state reimbursement for transportation of special needs students by the District will be retained by the District.
- viii. The funding of that portion of the PPR paid by the District to the School shall be established based on the official student enrollment count for students enrolled in

the School for each year as approved and/or accepted by the State Auditor reduced by an appropriate proportionate reduction in state equalization support as a result of legislative action, payable in 12 monthly payments. This amount shall not be increased or decreased due to any change in monthly enrollment during the year. In the event the District should, for any reason, lose the state funding allocated to any student who has withdrawn from the School, said funding shall be deducted from subsequent payments to the School.

- ix. The School must provide an address of record, the name of the contact person for fiscal matters and where funds are to be sent at least thirty (30) calendar days in advance of when funds are to be made available.
- x. The School will make no supplemental budget requests to the District to cover unanticipated expenditures or debts.
- xi. The District will comply with current state laws in terms of providing an itemized accounting to the School of central administrative costs.

B. Bond and Mill Levy Funds.

- i. Bond Issues. Pursuant to C.R.S. § 22-30.5-404, the District shall allow for representation by charter schools on the District's long-range planning committee and any committee established by the District to assess and prioritize the District's capital construction needs and shall notify charter schools of the committee's meeting schedule. The School and other District charter schools (if any) shall cooperate in determining the person or persons who will represent the interests of charter schools on the committee. If the District hereafter considers an election issue for bonded indebtedness, the District shall invite the School to participate in discussions regarding the possible submission of such a question at the earliest possible time but no later than June 1 of the applicable election year. The School may ask the District to include the capital construction needs of the School in such question, and if it determines not to include the same the School may request the District to separately submit a question for the voters that includes capital construction needs of the School in accordance with current C.R.S. § 22-30.5-404 and 405.

- ii. Mill Levy. Pursuant to C.R.S. § 22-30.5-118 and C.R.S. § 22-30.5-119, if the District has a planning committee regarding a potential Mill Levy ballot question for the electorate, the District must allow the charter schools authorized by the District to have at least one representative on the District's planning committee. The District must notify the charter schools of the planning committee's meeting schedule. The charter schools of the District shall cooperate in determining the representative. The District shall invite each charter school in the District to participate in any discussions about submitting a ballot question to authorize additional local revenues (such as a mill levy) at least by June 1 of the election year. The District shall pay to the School its proportionate share of the Mill Levy Override Funds as approved by the District's Board of Education. Funds shall be made available to the School on the same schedule that they are made available to other District schools. The additional local revenues that the School receives as a result of inclusion in a District ballot question are in addition to, and do not replace, the moneys the School receives from the District pursuant to C.R.S. § 22-30.5-112 to § 22-30.5-112.3.
- C. Federal Categorical Aid. Each year the District shall allocate to the School the School's proportionate share of applicable federal ESSA funding (e.g., Title I, Title II , Title III , Title IV, and Title V) received by the District for which the School is eligible. Schools are eligible for such funds upon approval of their plans for such funds either by the District or CDE as required. Funds shall be distributed on a documented expenditure reimbursement basis on a monthly interval as long as the School provides the District with the required documentation.
- D. State Categorical Aid. On or before January 15 of each year, the District shall allocate to or provide services equal to the School's proportionate share of applicable state categorical aid (e.g., English Language Proficiency, Gifted and Talented, or Transportation funding) received by the District for which the School is eligible (including but limited to, At-Risk, English Language Proficiency, Gifted and Talented, Amendment 23 capital construction funds or transportation funding). Schools are eligible for such funds upon approval of their plans for such funds either by the District or CDE as required or evidence of students enrolled in the School that are eligible for such funds.

- E. Other Grants. The School will receive their equitable share of the money the District receives through relevant state and federal grants in which the School participates.

7.2 Disbursement of Per Pupil Revenue.

- A. Disbursement of District Per Pupil Revenue Funding. Commencing on July 1 of each fiscal year of the contract term, District per pupil revenue funding as described in Section 7.1.A shall be disbursed to the School in monthly installments at the beginning of each month, subject however, to annual appropriation and the District's receipt of the funding, which may not allow for equal payments in light of the District's typical operating cash flow. July through December funding shall be based on the School's enrollment projections submitted in accordance with Section 7.4 if the School holds its funds in the District or shall be based on student enrollment as reported through the District's student information systems if the School moves its funds outside of the District.
- B. Adjustment to Funding. The District's disbursement of funds shall be adjusted as follows: In December or January funding will be adjusted based on the final October one-day official count of student FTE and adjusted per pupil funding as determined by CDE. This adjustment will be posted back to each respective quarter. In addition, to the extent that the District experiences any reduction or increase in state equalization support by a legislative rescission, one-day count audits or other action, proportionate reductions or increases shall be made to the School's funding. All adjustments to funding will be made by the end of the fiscal year.

7.3 Budget.

On or before April 15 each year, the School shall submit to the District its proposed balanced budget for the following school year for District review for statutory compliance and compliance with the terms and conditions of this Contract. Any projected changes in enrollment and adjustments in the amounts withheld by the District for special education oversight, support and access to District-wide programs and for District-wide ELL services necessitated by changes in revenue and/or expenses shall be considered at the time. The budget shall be prepared in accordance with C.R.S. § 22-30.5-111.7(1)(a) and C.R.S. § 22-30.5-112(7) and the state-mandated chart of accounts. The budget as approved by the Charter Board and any subsequent approved revisions shall be submitted to the District along with the Charter Board resolution approving the budget or budget revision. Proposed budgets that spend down reserves shall include a narrative

addressing (1) why reserves are being spent, (2) the duration of the reduction, and (3) the date when the School will return to a balanced budget. A material violation of this Section may result in the District initiating remedies described in Section 2.2.J.

7.4 Enrollment Projections.

Beginning with its second year of operation, the School shall provide the District with its latest and best estimates of its anticipated enrollment for the next school year by March 15, along with any discussion or plans under consideration for any increase or decrease of enrollment greater than 5 percent (5%) of the official membership for the current school year. The Parties agree that the purpose of this Section is to provide information to allow the District to prepare its future budgets, and that any information provided under this Section shall not be used by the District for the purpose of funding pursuant to Sections 7.1 and 7.2 above or for restricting the School's enrollment or otherwise inhibiting the growth of the School.

7.5 TABOR Reserve.

The School's ending fund balance shall comply with the emergency reserve requirements of Article X, Section 20 of the Colorado Constitution ("TABOR Reserve"). The School will establish a TABOR Reserve account and ensure that balances are appropriate, in keeping with Colorado Constitutional requirements and consistent with state and District policies and law.

7.6 Contracting.

The School shall not extend the faith and credit of the District to any third person or entity. The School acknowledges and agrees that it has no authority to enter into a contract that would bind the District, and the School's authority to contract is limited by the same provisions of law that apply to the District. Unless otherwise agreed in writing by the District, each contract or legal relationship entered into by the School shall include the following provisions:

- A. The contractor acknowledges that the School is not an agent of the District, and accordingly contractor expressly releases the District from any and all liability under this agreement.
- B. If such agreement extends over more than one fiscal year, any financial obligations of the School arising out of this agreement are subject to annual appropriation by the Charter

Board unless reserves have been irrevocably pledged to pay future year's obligations under such agreement.

7.7 Annual Audit and Trial Balance.

The School shall undergo an independent financial audit conducted in accordance with governmental accounting standards performed by a certified public accountant each fiscal year. A draft of the results of the audit shall be provided to the District in written form by October 15 of each year. The School shall pay for the audit. The final audit shall be provided to the District on or before October 31. If, for causes within the School's control, the audit is not provided to the District by October 15 and October 31 of each year as outlined above, it shall be considered a material breach of contract, and the School shall have ten (10) business days, or such other time as the Parties may agree, to cure such breach. If the failure to provide the audit to the District by October 31 is due to causes beyond the School's control, the School shall nevertheless use its best efforts to provide the audit to the District at the earliest possible time. The School shall comply with all deadlines as set by CDE and the District. Any requests for extensions must be approved by the District.

7.8 Quarterly Reporting.

The School shall prepare quarterly financial reports for the District in compliance with C.R.S. § 22-45-102(l)(b) and post required reports pursuant to C.R.S. § 22-44-301 *et seq.* Quarterly reports shall be submitted to the District electronically to the Superintendent or designee. Year-end reports shall also be submitted upon request.

7.9 Non-Commingling.

Assets, funds, liabilities and financial records of the School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization. When the School submits its annual audit, the School shall certify that assets, funds, liabilities and financial records of the School have been kept separate from assets, funds, liabilities and financial records of any other person, entity, or organization, including any Education Management Provider ("EMP") with which School has an agreement.

7.10 Loans.

No loans may be made by the School to any person or entity other than reasonable employee advances or to other related or controlled entity, without District approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

7.11 District Loans.

The School may not borrow funds from the District without approval from the District Board. TABOR reserves must be maintained throughout the fiscal year. If the School has an unplanned emergency that could result in borrowing, the District Superintendent or designee should be notified to discuss the financial issue, forecast and revised business plan.

SECTION EIGHT: PERSONNEL

8.1 Employee Status.

All employees hired by the School shall be employees of the School and not the District. All School employee discipline decisions shall be made by the School. The District shall have no obligation to employ School employees who are released or leave the School. The Parties acknowledge that the School's contract with NHA requires NHA to hire, employ, compensate, evaluate, supervise, discipline, and terminate the personnel needed to provide educational services to students and the management, operations, and maintenance of the School. Other terms of the employment relationship are described in the School's Employee Handbook submitted by the School to the District in the Application. The Employee Handbook may be amended or revised at the discretion of the School; however, the School shall provide the District copies of material changes within sixty (60) days following such change.

- A. Background/Fingerprinting. The School shall establish and implement procedures for conducting background checks (including a check for criminal records) of all employees to the extent required by state and federal applicable laws, rules, and regulations, including but not limited to C.R.S. § 22-30.5-110.5 and C.R.S. § 22-30.5-110.7. This includes ensuring that all independent contractors and companies that place employees in the School, complete the above requisite background checks.

8.2 Equal Opportunity Employer.

The School affirms that, consistent with applicable law and District policies/regulations, it shall not discriminate against any employee of the School on the basis of race, creed, color, sex,

national origin, marital status, sexual orientation, gender identity, gender expression, religion, ancestry, age or disability in its recruitment, selection, training, utilization, termination or other employment-related activities.

8.3 Affordable Care Act.

The School shall comply with the Patient Protection and Affordable Care Act (“PPACA”) and its related regulations, as applicable. To the extent permitted by law, the School shall indemnify and hold the District and District Board members, employees, and agents harmless from and against all damages, losses, and expenses arising out of or resulting from the School’s failure to comply with PPACA and its related regulations. The School’s indemnification obligation hereunder shall survive the termination of this Contract.

8.4 PERA Membership.

All personnel employed by the School shall be members of the Public Employees Retirement Association (“PERA”) and subject to its requirements. The School shall be responsible for the cost of the employer’s respective share of any required contributions.

8.5 Employee Welfare, Safety, and Training.

The School shall comply with all applicable federal and state laws concerning employee welfare, safety, and health issues, including but not limited to the requirements of federal law for a drug-free workplace and statutorily required training concerning the Child Protection Act of 1987, C.R.S. § 19-3-301 *et seq.*, and C.R.S. § 24-10-106.3. In addition, the School shall provide annual training on pertinent topics including, but not limited to, technology usage, sexual harassment, reporting child abuse, etc. The School shall confer with the District to review the District’s list of required trainings and the School’s progress in completing the required trainings annually by August 31 of each school year. The School’s core academic program teachers shall be READ Act qualified, where applicable. Documentation of required training shall be maintained on site at the School.

8.6 Employee Records.

The School shall be responsible for establishing and maintaining personnel records for its employees in compliance with all applicable District policies/regulations, and applicable federal and state laws concerning the maintenance, retention, and disclosure of employee records,

including but not limited to the requirements of the Colorado Open Records Act, C.R.S. § 24-72-201 *et seq.* The School shall input and maintain up-to-date employee identification data necessary for state reporting in the District's student information system.

8.7 Employee Conduct.

All School employees and employees of NHA assigned to the School shall comply with applicable District staff conduct policies, including non-discrimination policies, unless expressly waived in writing pursuant to Section 4.5 of this Contract, and applicable state law concerning staff conduct and staff conflicts of interest.

SECTION NINE: SERVICE CONTRACT WITH THE DISTRICT

9.1 Purchase of District Services.

- A. The School shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services.
- B. The School may purchase from the District the services and materials specified in **Attachment 11** at the costs specified therein. Costs shall be redetermined each subsequent year this Contract is in effect and attached as addenda to **Attachment 11**. Annually, when adopting its budget, the School will commit to purchasing the services it selects from the District for the entire budget year.
- C. Costs shall be adjusted annually by the District based upon its then-current budget and reconciled to actual costs within ninety (90) days after the end of each fiscal year as required by C.R.S. § 22-30.5-112(2)(a.4)(II), and any difference between the amount initially charged to the School and the actual cost shall be paid to the owed party.
- D. The Parties acknowledge and agree that the provision of services, whether there are charges for such services, and the amount of charges for such services, may be negotiated at the end of each fiscal year for the immediately following fiscal year.
- E. The Superintendent or designee may review and approve the School to purchase District insurance services and coverages. The Superintendent or designee may review and

inspect the School premises to assess School operations and property conditions to assure underwriting viability to be included in District provided insurance programs. Under these circumstances, the District will provide legal services, through the District's legal counsel, for defense of suits, actions and claims against the School sounding in tort, for which the District provides insurance coverage, including appeals to federal or state courts of special education due process hearings. Such legal services shall not be provided for defense of matters involving workers' compensation (unless the District also provides the workers' compensation coverage), unemployment compensation or disputes with the District. Any provision of a defense is conditioned upon prompt notification by the School to the District of all claims, including threatened or reasonably anticipated claims or actions; full cooperation with the District and legal counsel in defending the claim; and the School not compromising, settling, negotiating, or otherwise similarly dealing with the claim without the express consent of the District Board. The School acknowledges that in the event of a dispute between the School and the District, the District's legal counsel will represent the District and not the School. Any potential conflict of interest arising from the representation of the School by the District's legal counsel shall be resolved in accordance with the Colorado Rules of Professional Conduct.

- F. If the School elects not to purchase the required insurance services and coverage from the District, then the District will not provide or pay for legal fees, costs, or judgments incurred in defense of litigation against the School. In the event the School is not insured through the District and a special education due process hearing involving the School is appealed to federal or state court, the District will provide a defense through its legal counsel, and the School shall pay one-half of the legal fees and costs incurred in the defense of such appeal, as well as its share of any judgment resulting from such appeals (including costs of court-ordered services, in accordance with the allocation of special education responsibilities set forth in this Contract, and one-half of any award of attorney fees and/or costs). If the School retains an attorney for defense of such appeals, the School shall be solely responsible for all fees and costs incurred in connection with such representation, as well as any judgment rendered against the School.

SECTION TEN: FACILITIES

10.1 School Facility.

The School shall be responsible for the construction, renovation, and maintenance of any facilities owned or leased by it. The School shall provide the District with a copy of the lease, deed, closing statement or other facility agreement granting the School the right to use the same within five (5) business days of closing, refinancing or leasing. The School shall comply with C.R.S. § 22-32-124 and shall obtain all applicable use permits or certificates of occupancy necessary for the facilities owned or leased by it to be used and occupied as a school. The District shall have access at all reasonable times to any such facilities for purposes of inspecting the same and as provided in Section 2.1 above. If the School leases or owns other property, it will be fully responsible for that property.

10.2 Use of District Facilities.

The School may use District facilities in accordance with District policies KF and KF/KFB/KFC-R, Community Use of School Facilities.

10.3 Long-Range Facility Needs.

If the District considers the submittal of ballot issues to its voters regarding future tax increases for either bonded indebtedness or capital construction, it shall invite the School to participate in discussions regarding such possible ballot issues to also meet the long-range capital facility needs of the School.

10.4 Location Subject to District Approval.

The Parties acknowledge and agree that the School intends to locate at the following single-site location in the District's South Plan Area:

LOT 1, BLOCK 7, SECOND CREEK FARM, FILING NO. 1, AMENDMENT NO. 1,
LOCATED IN THE SOUTHEAST QUARTER OF SECTION 21
TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN
CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO

By December 15, 2023, the School shall notify the District of any associated construction or renovation schedule and the plan for capital construction, with milestones ensuring on-time project completion. The School may move its location only with the written approval of the District, which shall not be unreasonably withheld. Any requested change in location shall be

consistent with the Application and the School's mission. The School may request an additional planning year pursuant to Section 1.1.B.

SECTION ELEVEN: CHARTER RENEWAL, REVOCATION AND SCHOOL-INITIATED CLOSURE

11.1 Renewal Timeline and Process.

The School shall submit its renewal application by no later than December 1 of the year prior to the year in which this Contract expires. At least fifteen (15) calendar days prior to the date on which the District Board will consider whether to approve the renewal application, District personnel shall provide to the District Board and School a written recommendation, including the reasons supporting the recommendation, concerning whether to renew the charter. The District Board shall rule by resolution on the renewal application no later than February 1 of the year in which the charter expires, or by a mutually agreed upon date following a public hearing where the School shall have the opportunity to address the District Board about its renewal request. If the District Board decides to not renew the Contract, it shall detail the reasons in its resolution.

11.2 Renewal Application Contents.

In addition to contents required by law, the renewal application should include comments and additional information provided by the School about its progress toward meeting the District's accreditation indicators. The format of the renewal application shall be provided to the School by the District prior to July 1 of the year in which the application is due.

11.3 Criteria for Renewal or Non-Renewal and Revocation.

The District may terminate this Contract and revoke the charter, or not renew this Contract, for any of the grounds provided by state law, including C.R.S. § 22-30.5-110(3), as they exist now or may be amended or material breach of this Contract. Grounds for termination, revocation, or denial of renewal also include but are not limited to the following:

- A. Pursuant to C.R.S. § 22-11-210(1)(d), the School is accredited with a priority improvement plan or turnaround plan for a combined total of five (5) consecutive years or any lesser number of years established by the State Board after which closure or restructuring is required.

- B. The School is accredited with a turnaround plan and does not attain a higher accreditation rating at its next performance review in accordance with C.R.S. § 22-11-406(3).
- C. The District shall comply with all guidelines found in C.R.S. § 22-30.5-110 and any other relevant statutory or regulatory provisions regarding renewal, non-renewal and revocation.

11.4 Termination and Appeal Procedures.

The District shall provide the School written notice of the grounds for termination and the date of the termination hearing before the District Board. Prior to providing this notice, the District shall, to the extent practicable, send the School a notice of concern and a notice of breach, the contents of which are described in Section 2.2.K.(i). Termination shall not take effect until the School has exhausted its opportunity to appeal such decision to the State Board. The District may impose other appropriate remedies (see Section 2.2.J.) for breach.

11.5 School-Initiated Closure.

Should the School choose to terminate this Contract before the end of the Contract term, it may do so in consultation with the District at the close of any school year and upon written notice to the District given at least ninety (90) days before the end of the school year. Notice would ideally be given by January 1 to allow families to take advantage of District choice enrollment dates.

11.6 Dissolution.

In the event the School should cease operations for whatever reason, including the non-renewal or revocation of this Contract, the School agrees to continue to operate its educational program until the end of the school year or another mutually agreed upon date. The District shall supervise and have authority to conduct the winding up of the business and affairs for the School; provided, however, that in doing so, the District does not assume any liability incurred by the School beyond the funds allocated to it by the District under this Contract. Should the School cease operations for whatever reason, the District maintains the right to continue the School's operations as a District facility until the end of the school year. The District's authority hereunder shall include, but not be limited to, (1) the return and/or disposition of any assets acquired by purchase or donation by the School during the time of its existence, subject to the limitations of Section 11.7 below, and (2) reassignment of students to different schools. School personnel and the Charter Board shall cooperate fully with the winding up of the affairs of the School including convening

meetings with parents at the District's request and counseling with students to facilitate appropriate reassignment.

11.7 Disposition of Property.

- A. Property purchased with public funds. In the event of termination or dissolution, all property and assets owned by the School that was purchased in whole or in part with funding provided by the District, including, but not limited to, real property, shall be returned to and shall remain the property of the District. Notwithstanding the above, the District shall not have the right to retain property leased by the School, unless the District chooses to comply with the terms of that lease.
- B. Property not purchased with public funds. All non-consumable grants, gifts and donations or assets purchased from these revenue sources shall be considered the property of the School unless otherwise identified by the donor in writing. Assets not purchased with public funding provided by the District may be donated or transferred to the District, another charter school within the District, or another not-for-profit organization in accordance with the School's Articles.
- C. Documentation. The School will execute all necessary documents required to convey the above items. At the time of donation or transfer, any property requiring return or transfer to the donor or grantor shall be clearly marked and properly inventoried. Upon termination or dissolution, all such documentation shall be provided to the District.

SECTION TWELVE: GENERAL PROVISIONS

12.1 Order of Precedence.

In the event of any conflict among the organic documents and practices defining this relationship, it is agreed that this Contract shall take precedence over policies of either Party and the Application; applicable policies of the District Board that have not been waived shall take precedence over policies and practices of the School and the Application; and policies of the School and mutually-acceptable practices developed during the term of the Contract shall take precedence over the Application.

12.2 Amendments.

No amendment to this Contract shall be valid unless ratified in writing by the District Board and the Charter Board and executed by authorized representatives of the Parties.

12.3 Merger.

This Contract contains all terms, conditions, and understandings of the Parties relating to its subject matter. All prior representations, understandings, and discussions are merged herein and supersede by this Contract.

12.4 No Assignment.

Neither Party to this Contract shall assign or attempt to assign any rights, benefits, or obligations accruing to the party under this Contract unless the other party agrees in writing to any such assignment. Such consent shall not be unreasonably withheld, conditioned, or delayed.

12.5 Governing Law and Enforceability.

This Contract shall be governed and construed according to the Constitution and Laws of the State of Colorado. If any provision of this Contract or any application of this Contract to the School is found contrary to law, such provision or application shall have effect only to the extent permitted by law. Either party may revoke this Contract if a material provision is declared unlawful or unenforceable by any court of competent jurisdiction or the Parties do not successfully negotiate a replacement provision. The Parties agree that upon any material changes in law that may materially impact the relationship of the Parties, the Parties shall as soon as reasonably practical after the effective date of such change in law, amend this Contract to reflect such change in law.

12.6 No Third-Party Beneficiary.

The enforcement of the terms and conditions of this Contract and all rights of action relating to such enforcement shall be strictly reserved to the District and the School. Nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the Parties to this Contract that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only.

12.7 No Waiver.

The Parties agree that no assent, express or implied, to any breach by either of them of any one or more of the provisions of this Contract shall constitute a waiver of any other breach.

12.8 Notice.

Any notice required, or permitted, under this Contract, shall be in writing and shall be effective upon actual receipt or refusal when sent by personal delivery (subject to verification of service or acknowledgement of receipt) or one day after deposit with a nationally recognized overnight courier, or three (3) days after mailing when sent by certified mail, postage prepaid to the Principal of the School for notice to the School, or to the Superintendent for notice to the District, at the addresses set forth below. Either party may change the address for notice by giving written notice to the other party.

12.9 Severability.

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

12.10 Interpretation.

- A. Standard of Compliance. In the event of any disagreement or conflict concerning the interpretation or enforcement of this Contract, the Application, and District policies, procedures, regulations, or other requirements, unless waived, and compliance by the School therewith shall be required and measured in the same manner as may be applied and expected by the District of otherwise-comparable District schools.
- B. Business Days. As used in this Contract “business day” means any day other than a Saturday, Sunday, or day on which government institutions in the state of Colorado are closed.
- C. Counterparts; Signature by Facsimile. This Contract may be signed in counterparts, which when taken together, shall constitute one original Contract. Signatures received by facsimile or electronically by either of the Parties shall have the same effect as original signatures.

- D. Conflict with Exhibits. In the event of conflicts or inconsistencies between this Contract, the Attachments, or the Application, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: first, the terms of this Contract, second, the Attachments, and last the Application.

[SPACE BELOW INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

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

Capstone Academy,
A Colorado Non-Profit Corporation

By: _____
President, Board of Directors

Date: _____

ATTEST:

Secretary, Board of Directors

School District 27J

By: _____
President, Board of Education

Date: _____

ATTEST:

Secretary, Board of Education

List of Attachments

Attachment 1:	27J Schools Board of Education Resolution Number Three 2022-2023 Resolution to Approve the Capstone Academy Charter Application with Conditions
Attachment 2:	Capstone Academy Articles of Incorporation and Bylaws
Attachment 3:	Conflict of Interest Policy and Form
Attachment 4:	Form of Services Agreement between Capstone Academy and National Heritage Academies, Inc.
Attachment 5:	Education Management Provider (EMP) Agreement Requirements
Attachment 6:	Automatic Waivers of State Laws
Attachment 7:	Non-Automatic Waivers of State Laws
Attachment 8:	Waivers of District Policies
Attachment 9A:	Current Demographics for Educationally Disadvantaged Students
Attachment 9B:	Recruitment and Enrollment Plan
Attachment 10:	Enrollment Preferences, Selection Method, and Enrollment Timeline and Procedures
Attachment 11:	District Services Contract

**ATTACHMENT 1: 27J SCHOOLS BOARD OF EDUCATION RESOLUTION NUMBER THREE 2022-2023
RESOLUTION TO APPROVE THE CAPSTONE ACADEMY CHARTER APPLICATION
WITH CONDITIONS**

**27J SCHOOLS
BOARD OF EDUCATION
RESOLUTION NUMBER THREE 2022-2023
RESOLUTION TO APPROVE THE CAPSTONE ACADEMY
CHARTER APPLICATION WITH CONDITIONS**

COPY

WHEREAS, the founding Board of Capstone Academy has submitted an application to the 27J Schools Board of Education seeking authorization of a charter school to open in the 2024 - 2025 school year as the result of 27J Schools Request for Qualifications for Charter Partners to assist with the district's continued enrollment growth; and

WHEREAS, the Capstone Academy charter application was submitted in of June 2022 as a result of the District's Request for Qualifications; and

WHEREAS, the Capstone Academy Board was notified on June 20, 2022 that the charter application contains all of the minimum requirements specified in CRS 22-30.5-106 (1); and

WHEREAS, the Capstone Academy charter application has been reviewed by outside third party expert reviewers and 27J Schools' Executive Leadership Team; and

WHEREAS, the Capstone Academy Community Meeting was held at the August 23, 2022 Board of Education Meeting as required by CRS 22-30.5-107 (2); and

WHEREAS, the Capstone Academy charter application was reviewed by the District Accountability Committee at its August 24, 2022 meeting as required by CRS 22-30.5-107 (1)(c); and

WHEREAS, Capstone Academy will provide additional school space as the District continues to increase in student enrollment;

NOW THEREFORE, BE IT RESOLVED that the 27J Schools Board of Education approves the Capstone Academy charter application and directs the superintendent or his designees to enter into charter contract negotiations with Capstone Academy as specified in CRS 22-30.5-107 (2) for the Board's review and consideration with the following conditions and contract considerations:

Conditions - To be fulfilled before execution of the contract and based on identified weaknesses in the proposal:

1. The contract will require at a minimum, a specified location and timing of the opening of Capstone Academy, as well as a plan for capital construction with milestones ensuring on-time project completion.
2. The contract will require an agreement for data exchange processes to ensure accurate and timely data transfer with specific benchmarks and methods to monitor progress.
3. The contract will require Capstone Academy to ensure compliance with all state and federal laws, and ensure the 27J standard of care through superintendent policies (i.e. Colorado Read Act, Title IX, discipline and expulsion, etc.), and not ask for universal waivers from all superintendent policies.

27J Schools is willing to extend the contract timeline if mutually agreed upon to support Capstone Academy in having the time to meet these outlined conditions and considerations.

ADOPTED AND APPROVED THIS 27th day of September, 2022.

27J SCHOOLS

By: 

Greg Piotraschke,
President Board of Education

ATTEST: By: 

Lynn Ann Sheats,
Secretary Board of Education

ATTACHMENT 2: CAPSTONE ACADEMY ARTICLES OF INCORPORATION AND BYLAWS



Document must be filed electronically.
 Paper documents are not accepted.
 Fees & forms are subject to change.
 For more information or to print copies
 of filed documents, visit www.sos.state.co.us.

Colorado Secretary of State
 Date and Time: 08/13/2021 07:55 AM
 ID Number: 20211742089
 Document number: 20211742089
 Amount Paid: \$50.00

ABOVE SPACE FOR OFFICE USE ONLY

Articles of Incorporation for a Nonprofit Corporation
 filed pursuant to § 7-122-101 and § 7-122-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the nonprofit corporation is Capstone Academy.
(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)

2. The principal office address of the nonprofit corporation's initial principal office is

Street address 11522 Lewistown St.
(Street number and name)

Commerce City CO 80022
(City) (State) (ZIP/Postal Code)

United States
(Country)

Mailing address
(leave blank if same as street address) (Street number and name or Post Office Box information)

(City) (State) (ZIP/Postal Code)
(Province - if applicable) (Country)

3. The registered agent name and registered agent address of the nonprofit corporation's initial registered agent are

Name
 (if an individual) Martinez Yvette
(Last) (First) (Middle) (Suffix)

OR

(if an entity)
(Caution: Do not provide both an individual and an entity name.)

Street address 11522 Lewistown St.
(Street number and name)

Commerce City CO 80022
(City) (State) (ZIP Code)

Mailing address
(leave blank if same as street address) _____
(Street number and name or Post Office Box information)

(City) CO (State) (ZIP Code)

(The following statement is adopted by marking the box.)

☒ The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name
(if an individual) Martinez Yvette _____
(Last) (First) (Middle) (Suffix)

OR

(if an entity) _____
(Caution: Do not provide both an individual and an entity name.)

Mailing address 11522 Lewistown St.
(Street number and name or Post Office Box information)

Commerce City CO 80022
(City) (State) (ZIP/Postal Code)

(Province – if applicable) United States
(Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. (If the following statement applies, adopt the statement by marking the box.)

☐ The nonprofit corporation will have voting members.

6. Provisions regarding the distribution of assets on dissolution:

See Section 3.3(c) of attached articles of incorporation.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

☒ This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____.
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes. This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

<u>Carlson</u>	<u>Bryce</u>		
(Last)	(First)	(Middle)	(Suffix)
<u>940 Crabapple Dr.</u>			
(Street number and name or Post Office Box information)			
<u>Loveland</u>	<u>CO</u>	<u>80538</u>	
(City)	(State)	(ZIP/Postal Code)	
<u></u>	<u>United States</u>		
(Province – if applicable)	(Country)		

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

☐ This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

Disclaimer:

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

ARTICLES OF INCORPORATION
OF
CAPSTONE ACADEMY

The undersigned adult natural person, acting as incorporator, hereby establishes a nonprofit corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following articles of incorporation:

ARTICLE I.

NAME

The name of the corporation is Capstone Academy.

ARTICLE II.

DURATION

The corporation shall have perpetual existence.

ARTICLE III.

PURPOSES AND POWERS

Section 3.1 **Purposes.** The corporation is organized and shall be operated exclusively for educational and charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code. Subject to the foregoing, the specific purposes and objectives of the corporation shall include but not be limited to the following:

- (1) operating a public charter school in the state of Colorado;
- (2) supporting, encouraging, and facilitating the spread and growth of academically rigorous and high-quality educational opportunities for all students; and
- (3) supporting other organizations, projects, and initiatives that are organized and operated for similar purposes.

Section 3.2 **Powers.** In furtherance of the foregoing purposes and objectives (but not otherwise) and subject to the restrictions set forth in Section 3.3, the corporation shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of Colorado and may do everything necessary or convenient for the accomplishment of any of the corporate purposes, either alone or in

connection with other organizations, entities or individuals, and either as principal or agent, subject to such limitations as are or may be prescribed by law.

Section 3.3 Restrictions On Powers. In furtherance of the foregoing purposes and objectives (but not otherwise) and subject to the restrictions set forth in section (c) of this article, the corporation shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of Colorado and may do everything necessary or convenient for the accomplishment of any of the corporate purposes, either alone or in connection with other organizations, entities or individuals, and either as principal or agent, subject to such limitations as are or may be prescribed by law.

(a) No part of the net earnings of the corporation shall inure to the benefit of or be distributable to any director or officer of the corporation or any other individual (except that reasonable compensation may be paid for services rendered to or for the benefit of the corporation affecting one or more of its purposes), and no director or officer of the corporation or any other individual shall be entitled to share in any distribution of any of the corporate assets on dissolution of the corporation or otherwise.

(b) No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. However, if the corporation is an organization to which section 501(h) of the Internal Revenue Code applies and the corporation has effectively elected to have such section apply, the corporation shall have power to carry on the activities permitted by such section, but only to the extent such activities shall not result in the denial of exemption under such section. The corporation shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(c) Upon dissolution of the corporation, all of the corporation's assets remaining after payment of or provision for all of its liabilities shall be paid over or transferred to and among one or more exempt organizations described in section 501(c)(3) of the Internal Revenue Code, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or to the corporation's authorizer, 27J Schools, a Colorado public school district. The organizations to receive such property, and their respective shares and interests, shall be designated by the board of directors.

(d) Notwithstanding any other provision of these articles of incorporation, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code, or by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, and, during any period of time in which the corporation is a "private foundation" as defined in section 509(a) of the Internal Revenue Code:

(1) The corporation shall not engage in any act of “self-dealing,” as defined in section 4941(d) of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4941 of the Internal Revenue Code;

(2) The corporation shall make distributions for each taxable year at such time and in such manner so as not to become subject to the tax imposed by section 4942 of the Internal Revenue Code;

(3) The corporation shall not retain any “excess business holdings,” as defined in section 4943(c) of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4943 of the Internal Revenue Code;

(4) The corporation shall not make any investments that would jeopardize the carrying out of any of the exempt purposes of the corporation, within the meaning of section 4944 of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4944 of the Internal Revenue Code; and

(5) The corporation shall not make any “taxable expenditure,” as defined in section 4945(d) of the Internal Revenue Code, so as to give rise to any liability for the tax imposed by section 4945 of the Internal Revenue Code.

(e) All references in these articles of incorporation to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

ARTICLE IV.

OFFICES

Section 4.1 Principal Office. The address of the principal office of the corporation is 11522 Lewistown St., Commerce City, CO 80022.

Section 4.2 Registered Office and Agent. The street address of the registered office of the corporation is 11522 Lewistown St., Commerce City, CO 80022. The name of the corporation’s registered agent at the registered office is Yvette Martinez.

ARTICLE V.

MEMBERS

The corporation shall have no voting members.

ARTICLE VI.

BOARD OF DIRECTORS

Section 6.1 **General.** The management of the affairs of the corporation shall be vested in a board of directors, except as otherwise provided in the Colorado Revised Nonprofit Corporation Act, these articles of incorporation or the bylaws of the corporation. The number of directors, their classifications, if any, their terms of office and the manner of their election or appointment shall be as provided from time to time in the bylaws of the corporation.

Section 6.2 **Liability of Directors.** No director shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as a director, except that the foregoing shall not eliminate or limit liability of a director to the corporation for monetary damages for the following: (a) any breach of the director's duty of loyalty to the corporation, (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) acts specified in C.R.S. Section 7-128-403, as it now exists or hereafter may be amended, or (d) any transaction from which the director directly or indirectly derived an improper personal benefit. If the Colorado Revised Nonprofit Corporation Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability provided herein, shall be further eliminated or limited to the fullest extent permitted by the Colorado Revised Nonprofit Corporation Act. Any repeal or modification of this Section 7.2 shall be prospective only and shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE VII.

BYLAWS

The initial bylaws of the corporation shall be as adopted by the board of directors. Except to the extent limited by the Colorado Revised Nonprofit Corporation Act, the board of directors shall have power to alter, amend or repeal the bylaws from time to time in force and adopt new bylaws. The bylaws of the corporation may contain any provisions for the managing and regulating of the affairs of the corporation that are not inconsistent with law or these articles of incorporation, as these articles may from time to time be amended. However, no bylaw shall have the effect of giving any director or officer of the corporation or any other individual any proprietary interest in the corporation's property, whether during the term of the corporation's existence or as an incident to its dissolution.

ARTICLE VIII.

AMENDMENTS

The board of directors shall have the exclusive power and authority at any time and from time to time to amend these articles of incorporation by the vote of a majority of the directors then in office.

ARTICLE IX.

INCORPORATOR

The name and address of the incorporator who causes this document to be delivered to the Colorado Secretary of State are:

Yvette Martinez
11522 Lewistown St.
Commerce City, CO 80022

**BYLAWS
OF
CAPSTONE ACADEMY**

ARTICLE I.

OFFICES

Section 1.1 Business Offices. The initial principal office of the corporation shall be as stated in the articles of incorporation. The corporation may at any time and from time to time change the location of its principal office. The corporation may have such other offices, either within or outside Colorado, as the board of directors may designate or as the affairs of the corporation may require from time to time.

Section 1.2 Registered Office. The registered office required by the Colorado Revised Nonprofit Corporation Act (the “Act”) to be maintained in Colorado may be changed from time to time by the board of directors or by the officers of the corporation, or to the extent permitted by the Act by the registered agent of the corporation, provided in all cases that the street addresses of the registered office and of the business office or home of the registered agent of the corporation are identical

ARTICLE II.

MEMBERS

Section 2.1 No Members. The corporation shall have no members. Any action which would otherwise by law require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise, by law, vest in the members, shall vest in the Board.

ARTICLE III.

BOARD OF DIRECTORS

Section 3.1 General Powers. Except as otherwise provided in the Act, the Colorado Charter Schools Act, the articles of incorporation or these bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed by, its board of directors.

Section 3.2 Qualifications, Number, Classification, Election and Tenure.

(a) Qualifications. Each director must be a natural person who is twenty-five years of age or older. Qualifications for board membership shall include but not be limited to: (a) completion of required CDE board modules pursuant to Colorado Charter Schools Program grant requirements; (b) enthusiasm for Capstone Academy and conviction in its

purpose; (c) enthusiasm for the community; (d) successful passage of any background check required by any pertinent government entity or pursuant to any grant; (e) special skills or experience to address governance and needs of the School; (f) willingness to accept and support decisions democratically made; and (g) must include at least one resident of Brighton School District 27J.

(b) Number. The number of initial directors of the corporation shall be five. The number of directors shall never be fewer than five nor more than seven, as determined by the board of directors from time to time. Any action of the board of directors to change the number of directors, whether expressly by resolution or by implication through the election of additional directors, shall constitute an amendment of these bylaws changing the number of directors, provided such action otherwise satisfies the requirements for amending these bylaws as provided in the Act, the articles of incorporation or these bylaws.

(c) Reserved.

(d) Election and Tenure. The initial board of directors shall be the founding board members participating in the organizational meeting on July 8, 2021. Subsequently, at each annual meeting of the directors, the number of directors equal to the number vacancies on the board shall be appointed by the board of directors, to hold office until the end of the third succeeding annual meeting. Each director so elected shall hold office until such director's term expires and thereafter until such director's successor shall have been elected and qualified, or until such director's earlier death, resignation or removal.

Section 3.3 Resignation; Removal; Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the corporation. A director's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A director shall be deemed to have resigned in the event of such director's incapacity as determined by a court of competent jurisdiction. Any director may be removed at any time, with or without cause, by the affirmative vote of two-thirds of the other directors then in office. Any director who commits a violation that would disqualify the director from serving under Colorado law or who has three unexcused absences of regular meetings of the board shall be automatically removed from office without the need for a vote of two-thirds of the other directors then in office. Additionally, any director may be removed for cause by a majority vote of the Board of Education of the corporation's authorizer, 27J Schools. For purpose of this Section 3.3, for cause shall be defined as: (1) conviction of one of the following crimes: (i) felony child abuse, (ii) a crime of violence, as defined in C.R.S. 18-1.3-406, (iii) felony offense involving unlawful sexual behavior, (iv) felony indecent exposure, as defined in C.R.S. 18-7-302, (v) felony domestic violence, or (vi) felony drug offense; (2) failure to disclose to the corporation a material conflict of interest; and (3) intentional misuse or misappropriation of the corporation's funds. Any vacancy of an elected director may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum. A director elected to fill a vacancy shall hold the office for the unexpired term of such director's predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office, and a director so chosen shall hold office until the next election of the class of directors for which such director was chosen and thereafter until such director's successor shall have been elected and qualified, or until such director's earlier death, resignation or removal. A vacancy that will occur at a specific later date may be filled before the

vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 3.4 Regular Meetings. A regular annual meeting of the board of directors shall be held at the time and place within Adams County, Colorado, as determined by the board, for the purpose of electing directors and officers and for the transaction of such other business as may come before the meeting. The board of directors may provide by resolution the time and place within Adams County, Colorado, for the holding of additional regular meetings.

Section 3.5 Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board of directors may fix the time and place within Adams County, Colorado, for holding any special meeting of the board called by them.

Section 3.6 Notice of Meetings. The corporation shall notify all directors of meetings no less than two days prior to the holding of the meeting.

(a) Requirements. Notice of any special meeting of the board of directors stating the date, time and place of the meeting shall be given to each director at such director's business or residential address at least two days prior thereto by the mailing of written notice by first class, certified or registered mail, or at least two days prior thereto by personal delivery or private carrier of written notice or by telephone, facsimile, electronic transmission or any other form of wire or wireless communication (and the method of notice need not be the same as to each director). Written notice, if in a comprehensible form, is effective at the earliest of: (i) the date received; (ii) five days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first class postage affixed; and (iii) the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. Oral notice is effective when communicated in a comprehensible manner. If transmitted by facsimile, electronic transmission or other form of wire or wireless communication, notice shall be deemed to be given when the transmission is complete.

(b) Waiver of Notice. A director may waive notice of any meeting before or after the time and date of the meeting stated in the notice. Except as otherwise provided in this Section 3.6(b), the waiver shall be in writing and signed by the director entitled to the notice. Such waiver shall be delivered to the corporation for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver. A director's attendance at or participation in a meeting waives any required notice to that director of the meeting unless: (i) at the beginning of the meeting or promptly upon the director's later arrival, the director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or (ii) if special notice was required of a particular purpose pursuant to the Act or these bylaws, the director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

Section 3.7 Deemed Assent. A director of the corporation who is present at a meeting of the board of directors when corporate action is taken is deemed to have assented to all action taken at the meeting unless (i) the director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting; or (ii) the director contemporaneously requests the director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or (iii) the director causes written notice of the director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before the adjournment thereof or by the corporation promptly after the adjournment of the meeting. Such right of dissension or abstention is not available to a director who votes in favor of the action taken.

Section 3.8 Quorum and Voting. A majority of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at any meeting of the board of directors, and the vote of a majority of the directors present in person at a meeting at which a quorum is present shall be the act of the board of directors, unless otherwise required by the Act, the articles of incorporation or these bylaws. If less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present.

Section 3.9 Voting by Proxy. No director may vote or act by proxy at any meeting of directors.

Section 3.10 Compensation. Directors shall not receive compensation for their services as such; however, by resolution of the board of directors, the reasonable expenses of directors of attendance at board meetings may be paid or reimbursed by the corporation. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the corporation in any other capacity.

Section 3.11 Committees. By one or more resolutions adopted by the vote of a majority of the directors present in person at a meeting at which a quorum is present, the board of directors may designate from among its members one or more committees, each of which, to the extent provided in the resolution establishing such committee, shall have and may exercise specific delegated authority of the board of directors, except as prohibited by the Act. The delegation of authority to any committee shall not operate to relieve the board of directors or any member of the board from any responsibility or standard of conduct imposed by law or these bylaws. Rules governing procedures for meetings of any committee shall be the same as those set forth in these bylaws or the Act for the board of directors unless the board or the committee itself determines otherwise.

Section 3.12 Advisory Committees. The board of directors may from time to time form one or more advisory boards, committees, auxiliaries or other bodies composed of such members, having such rules of procedure, and having such chair, as the board of directors shall designate. The name, objectives and responsibilities of each such advisory board, and the rules and procedures for the conduct of its activities, shall be determined by the board of directors. An advisory board may provide such advice, service, and assistance to the

corporation, and carry out such duties and responsibilities for the corporation as may be specified by the board of directors; except that, if any such committee or advisory board has one or more members thereof who are entitled to vote on committee matters and who are not then also directors, such committee or advisory board may not exercise any power or authority reserved to the board of directors by the Act, the articles of incorporation or these bylaws. Further, no advisory board shall have authority to incur any corporate expense or make any representation or commitment on behalf of the corporation without the express approval of the board of directors or the president of the corporation.

Section 3.13 Meetings by Electronic Communication. Members of the board of directors or any committee thereof may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director may only participate by this means with the approval by the President and for valid reasons. A director participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE IV.

OFFICERS AND AGENTS

Section 4.1 Designation and Qualifications. The elected officers of the corporation shall be a president, vice-president, secretary and treasurer. The board of directors may also appoint such other officers, including an executive director, a controller, a public relations officer, assistant secretaries and assistant treasurers, as it may consider necessary or useful. One person may hold more than one office at a time, except that no person shall hold simultaneously the offices of president and vice-president. No officer shall execute, acknowledge or verify any instrument in more than one capacity. Officers need not be directors of the corporation. All officers must be natural persons who are twenty-one years of age or older.

Section 4.2 Election and Term of Office. The board of directors, or an officer or committee to which such authority has been delegated by the board of directors, shall elect or appoint the officers at or in conjunction with each annual meeting of the board of directors. If the election and appointment of officers shall not be held at or in conjunction with such meeting, such election or appointment shall be held as soon as convenient thereafter. Each officer shall hold office from the end of the meeting at or in conjunction with which such officer was elected or appointed until such officer's successor shall have been duly elected or appointed and shall have qualified, or until such officer's earlier death, resignation or removal.

Section 4.3 Compensation. The compensation, if any, of each officer shall be as determined from time to time by the board of directors, or by an officer or a committee to which such authority has been delegated by the board of directors. To the extent reasonably feasible, the person or persons determining compensation shall obtain data on the compensation of officers holding similar positions of authority within comparable organizations, shall set the compensation based on such data and an evaluation of the officer's performance and experience as related to the requirements of the position, and shall document the basis for the determination, including the comparison data used, the requirements of the position, and the evaluation of the officer's performance and experience. No officer shall be prevented from receiving a salary by

reason of the fact that the officer is also a director of the corporation. However, no payment of compensation (or payment or reimbursement of expenses) shall be made in any manner so as to result in the imposition of any liability under either section 4941 or section 4958 of the Internal Revenue Code.

Section 4.4 Removal. Any officer or agent may be removed by the board of directors at any time, with or without cause, but removal shall not affect the contract rights, if any, of the person so removed. Election, appointment or designation of an officer or agent shall not itself create contract rights.

Section 4.5 Vacancies. Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the corporation, by giving written notice to the president or to the board of directors. An officer's resignation shall take effect upon receipt by the corporation unless the notice specifies a later effective date, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An officer shall be deemed to have resigned in the event of such officer's incapacity as determined by a court of competent jurisdiction. A vacancy in any office, however occurring, may be filled by the board of directors, for the unexpired portion of the term. If a resignation is made effective at a later date, the board of directors may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the board of directors may remove the officer at any time before the effective date and may fill the resulting vacancy.

Section 4.6 Authority and Duties of Officers. The officers of the corporation shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the president, the board of directors or these bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

(a) President. The president shall, subject to the direction and supervision of the board of directors: (i) be the chief executive officer of the corporation and have general and active control of its affairs and business and general supervision of its officers, agents and employees; (ii) preside at all meetings of the board of directors; (iii) see that all resolutions of the board of directors are carried into effect; and (iv) perform all other duties incident to the office of president and as from time to time may be assigned to such office by the board of directors. The president shall be an ex-officio member of all standing committees and may be designated chairperson of those committees by the board of directors.

(b) Vice-President. The vice-president shall assist the president and shall perform such duties as may be assigned by the president or by the board of directors. The vice-president shall, at the request of the president, or in the president's absence or inability or refusal to act, perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions on the president.

(c) Secretary. The secretary shall (i) keep the minutes of the proceedings of the board of directors, the members (if any), and committees of the board or the

members; (ii) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the corporation; and (iv) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to such office by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

(d) Treasurer. The treasurer shall (i) be the chief financial officer of the corporation and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the board of directors; (ii) receive and give receipts and acquittances for moneys paid in on account of the corporation, and pay out of the funds on hand all bills, payrolls and other just debts of the corporation of whatever nature upon maturity; (iii) unless there is a controller, be the principal accounting officer of the corporation and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the president and the board of directors statements of account showing the financial position of the corporation and the results of its operations; (iv) monitor compliance with all requirements imposed on the corporation as a tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code; (v) upon request of the board, make such reports to it as may be required at any time; and (vi) perform all other duties incident to the office of treasurer and such other duties as from time to time may be assigned to such office by the president or the board of directors. Assistant treasurers, if any, shall have the same powers and duties, subject to the supervision by treasurer.

Section 4.7 Surety Bonds. The board of directors may require any officer or agent of the corporation to execute to the corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of such person's duties and for the restoration to the corporation of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the corporation.

ARTICLE V.

FIDUCIARY MATTERS

Section 5.1 Indemnification.

(a) Scope of Indemnification. The corporation shall indemnify each director, officer, employee and volunteer of the corporation to the fullest extent permissible under the laws of the State of Colorado, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by this Section 5.1. The corporation shall have the right, but shall not be obligated, to indemnify any agent of the corporation not otherwise covered by this Section 5.1 to the fullest extent permissible under the laws of the State of Colorado.

(b) Savings Clause; Limitation. If any provision of the Act or these bylaws dealing with indemnification shall be invalidated by any court on any ground, then the corporation shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of the Act or these bylaws that shall not have been invalidated. Notwithstanding any other provision of these bylaws, the corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the corporation as an organization described in section 501(c)(3) of the Internal Revenue Code, or that would result in the imposition of any liability under either section 4941 or section 4958 of the Internal Revenue Code.

Section 5.2 General Standards of Conduct for Directors and Officers.

(a) Discharge of Duties. Each director shall discharge the director's duties as a director, including the director's duties as a member of a committee of the board, and each officer with discretionary authority shall discharge the officer's duties under that authority (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the director or officer reasonably believes to be in the best interests of the corporation.

(b) Reliance on Information, Reports, Etc. In discharging duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a director, a committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence. A director or officer is not acting in good faith if the director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this Section 5.2(b) unwarranted.

(c) Liability to Corporation. A director or officer shall not be liable as such to the corporation for any action taken or omitted to be taken as a director or officer, as the case may be, if, in connection with such action or omission, the director or officer performed the duties of the position in compliance with this Section 5.2.

(d) Director Not Deemed to Be a "Trustee." A director, regardless of title, shall not be deemed to be a "trustee" within the meaning given that term by trust law with respect to the corporation or with respect to any property held or administered by the corporation including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

Section 5.3 Conflicts of Interest.

(a) Definition. A conflict of interest arises when any "responsible person" or any "party related to a responsible person" has an "interest adverse to the

corporation.” A “responsible person” is any individual in a position to exercise substantial influence over the affairs of the corporation, and specifically includes, without limitation, directors and officers of the corporation. A “party related to a responsible person” includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a director, trustee or officer or has a financial interest. “An interest adverse to the corporation” includes any interest in any contract, transaction or other financial relationship with the corporation, and any interest in an entity whose best interests may be impaired by the best interests of the corporation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the corporation, an entity in which the corporation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the corporation.

(b) Disclosure. If a responsible person is aware that the corporation is about to enter into any transaction or make any decision involving a conflict of interest, (a “conflicting interest transaction”), such person shall: (i) immediately inform those charged with approving the conflicting interest transaction on behalf of the corporation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person’s knowledge that bear on the advisability of the corporation entering into the conflicting interest transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

(c) Approval of Conflicting Interest Transactions. The corporation may enter into a conflicting interest transaction provided either:

(i) The material facts as to the responsible person’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or to a committee of the board of directors that authorizes, approves or ratifies the conflicting interest transaction, and the board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors on the board or committee, even though the disinterested directors are less than a quorum; or

(ii) The conflicting interest transaction is fair as to the corporation.

Section 5.4 Liability of Directors for Unlawful Distributions.

(a) Liability to Corporation. A director who votes for or assents to a distribution made in violation of the Act or the articles of incorporation of the corporation shall be personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating the Act or the articles of incorporation if it is established that the director did not perform the director’s duties in compliance with the general standards of conduct for directors set forth in Section 5.2.

(b) Contribution. A director who is liable under Section 5.4(a) for an unlawful distribution is entitled to contribution: (i) from every other director who could be liable under Section 5.4(a) for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the Act or the articles of incorporation, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the Act or the articles of incorporation.

Section 5.5 Loans to Directors and Officers Prohibited. No loans shall be made by the corporation to any of its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

ARTICLE VI.

RECORDS OF THE CORPORATION

Section 6.1 Minutes, Etc. The corporation shall keep as permanent records minutes of all meetings of the board of directors, a record of all actions taken by the board of directors or members without a meeting, a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation, and a record of all waivers of notices of meetings of the board of directors or any committee of the board of directors or members.

Section 6.2 Accounting Records. The corporation shall maintain appropriate accounting records.

Section 6.3 Records In Written Form. The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 6.4 Records Maintained at Principal Office. The corporation shall keep a copy of each of the following records at its principal office:

- (a) The articles of incorporation;
- (b) These bylaws;
- (c) Resolutions adopted by the board of directors relating to the characteristics, qualifications, rights, limitations and obligations of the members or any class of members;
- (d) The minutes of all meetings of the members, and records of all action taken by the members without a meeting, for the past three years;
- (e) A list of the names and business or home addresses of the current directors and officers;

- (f) A copy of the most recent corporate report delivered to the Colorado secretary of state;
- (g) All financial statements prepared for periods ending during the last three years that a member of the corporation could have requested under section 6.6(c);
- (h) The corporation's application for recognition of exemption and the tax-exemption determination letter issued by the Internal Revenue Service; and
- (i) All other documents or records required to be maintained by the corporation at its principal office under applicable law or regulation.

ARTICLE VII.

CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 7.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Board of Directors authorizes the execution of a contract or of any other instrument in the name of and on behalf of the corporation, without specifying the executing officers, the president or vice-president, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto.

Section 7.2 Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loan or advance to, or overdraft of funds by an officer or member of the Board of Directors otherwise than in the ordinary and usual course of the business of the corporation, and on the ordinary and usual course of the business or security, shall be made or permitted.

Section 7.2 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 7.3 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1 Fiscal Year. The fiscal year of the corporation shall commence on June 1 and end on July 31 of each year.

Section 8.2 Conveyances and Encumbrances. Property of the corporation may be assigned, conveyed or encumbered by such officers of the corporation as may be authorized to do so by the board of directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the corporation shall be authorized only in the manner prescribed by applicable statute.

Section 8.3 Designated Contributions. The corporation may accept any contribution, gift, grant, bequest or devise that is designated, restricted or conditioned by the donor, provided that the designation, restriction or condition is consistent with the corporation's general tax-exempt purposes. Donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the corporation shall reserve all right, title and interest in and to and control over such contributions, and shall have authority to determine the ultimate expenditure or distribution thereof in connection with any such special fund, purpose or use. Further, the corporation shall acquire and retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used exclusively to carry out the corporation's tax-exempt purposes.

Section 8.4 References to Internal Revenue Code. All references in these bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

Section 8.5 Principles of Construction. Words in any gender shall be deemed to include the other gender; the singular shall be deemed to include the plural and vice versa; the words "pay" and "distribute" shall also mean assign, convey and deliver; and the table of contents, headings and underlined paragraph titles are for guidance only and shall have no significance in the interpretation of these bylaws.

Section 8.6 Severability. The invalidity of any provision of these bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provision were omitted.

Section 8.7 Amendments. These bylaws may be altered, amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the board of directors at any regular or special meeting of the board of directors, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements for special meetings.

(END)

CAPSTONE ACADEMY

BYLAWS CERTIFICATE

The undersigned certifies that s/he is the Secretary of Capstone Academy, a Colorado nonprofit corporation, and that, as such, the undersigned is authorized to execute this certificate on behalf of said corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective bylaws of said corporation.

Dated: August 13, 2021

Secretary



Venus Howard

ATTACHMENT 3: CONFLICT OF INTEREST POLICY AND FORM

CONFLICT OF INTEREST POLICY

This conflict of interest policy (this “Policy”) was adopted by the Board of Directors of Capstone Academy, a Colorado nonprofit corporation (the “Corporation”), on [_____].

Article I

Purpose

The purpose of this Policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws, including Section 7-128-501, Colorado Revised Statutes, governing conflicts of interest applicable to nonprofit and charitable corporations.

Article II

Definitions

1. **Interested Person**

Any director, principal officer, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in any family of entities of which the Corporation is a part, he or she is an interested person with respect to all entities in the family.

2. **Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment or family--

- a. an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or
- b. a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

An interested person also has a financial interest whenever such interested person, or a family member of such interested person, has a fiduciary duty to another entity that may prevent the interested person from acting in the best interests of the Corporation. For purposes of this Policy, family member includes any person related by blood or marriage to the interested person.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2 of this Policy, a person who has a financial interest will have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Policy

- a. If the board or committee has reasonable cause to believe that an interested person has failed to disclose an actual or possible conflict of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the interested person and after making such further investigation as may be warranted by the circumstances, the board or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. Appropriating Corporate Opportunities

- a. An interested person appropriates a corporate opportunity when he or she is aware of an opportunity for the Corporation to engage in an activity that is related to the Corporation's present or planned activities, and such interested person takes advantage of the corporate opportunity personally or for the benefit of one or more third parties.
- b. Before appropriating a corporate opportunity, an interested person must inform the Corporation of the opportunity and obtain approval from the Corporation. The Corporation may provide such approval only after an informed evaluation of the corporate opportunity and a determination by the disinterested officers or directors (depending upon whether the opportunity would normally require approval by the board of directors of the Corporation) that the Corporation should not pursue such corporate opportunity.
- c. Any interested person who appropriates a corporate opportunity without approval from the Corporation shall be deemed to have violated this Policy.

Capstone Academy
Board Member Certification Form

Note: The purpose of this document is to provide disclosure. Capstone Academy ("Charter School") Board operates according to its own Bylaws and applicable law in regard to conflicts of interest. This form is a public document and will be available at the Charter School for inspection by other board members, the staff, or the community. In addition, a copy of the form will be sent to the District.

Background

1. Full legal name:

2. I affirm that I am at least 18 years of age by the date of appointment to the Charter School Board.

☐ Yes, I affirm.

3. Indicate whether you have ever been convicted or pled "no contest" of one or more of the following:

- a. a misdemeanor related to honesty or trustworthiness,
- b. a felony, or
- c. any criminal offense involving children.

☐ Does not apply to me.

☐ Yes.

If the answer to this question is yes, please provide details of the offense, the date, disposition, etc., in the space below.

4. Indicate if you have ever entered into a settlement agreement, consent decree, adjournment in contemplation of dismissal, assurance of discontinuance, or other, similar agreement with the Securities Exchange Commission, Internal Revenue Service, the U.S. attorney general or the attorney general of any state, a U.S. or district attorney, or any other law enforcement or regulatory body concerning the discharge of your duties as a board member of a for-profit or not-for profit entity or as an executive of such entity. If the answer to this question is yes, please provide details of the agreement.

☐ Does not apply to me.

☐ Yes.

Conflicts

1. Indicate whether you, your spouse, or anyone in your immediate family (in accordance with C.R.S. § 7-128-501(5), an immediate family member is a spouse, descendant, ancestor, sibling, spouse or descendant of a sibling, or a designated beneficiary) meets either of the following conditions:

- a. is doing or plans to do business with the Charter School (whether as an individual or as a director, officer, employee, or agent of any entity).
- b. any entity in which one of the above-identified individuals has an interest in doing business or plans to do business with the Charter School.

If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the Charter School.

- ☐ I/we do not know of any such person.
 - ☐ Yes. If yes, please provide additional information.
-
-

2. Indicate if you, your spouse, or other immediate family members anticipate conducting, or are conducting, any business with the Charter School or a contractor who is conducting business with the Charter School, including any EMP's retained by the Charter School to provide services. If so, please indicate the precise nature of the business that is being or will be conducted.

- ☐ I/we do not anticipate conducting any such business.
 - ☐ Yes. If yes, please provide additional information.
-
-

3. Indicate any potential ethical or legal conflicts of interest that would (or are likely to) exist for you as a member of the Charter School Board or another School or non-profit board. [Note that being a parent of a Charter School student, serving on another charter school's board, or being employed by the Charter School or another charter school which retains the services of the same EMP are conflicts for certain issues that should be disclosed.]

- ☐ None.
- ☐ Yes. If yes, please provide additional information.

Disclosures for Schools Contracting with an Educational Service Provider

1. Indicate whether you, your spouse, or any immediate family member knows (i.e., beyond a casual or professional acquaintance) any employees, officers, owners, directors, or agents of that provider. If the answer is in the affirmative, describe any such relationship.

- ☐ I/we do not know of any such persons.
 - ☐ Yes.
-
-

Conflicts for Schools Contracting with an Educational Service Provider

1. Indicate whether you, your spouse, or other immediate family members have, anticipate in the future, or have been offered a direct or indirect ownership, employment, contractual, or management interest in the provider. For any interest indicated, please provide a detailed description.

- ☐ I/we have no such interest.
 - ☐ Yes.
-
-

2. Indicate if you, your spouse, or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

- ☐ I/we do not anticipate conducting any such business.
 - ☐ Yes.
-
-

Other

1. I affirm that I have read the Charter School's Bylaws and conflict of interest policies.

☐ I affirm.

I, _____, certify to the best of my knowledge and ability that the information I am providing in regard to my application to serve as a member of the board of directors of Capstone Academy is true and correct in every respect.

Signature

Date

**ATTACHMENT 4: FORM OF SERVICES AGREEMENT BETWEEN CAPSTONE ACADEMY AND
NATIONAL HERITAGE ACADEMIES, INC.**

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (“**Agreement**”) by and between National Heritage Academies, Inc., a Michigan corporation (“**NHA**”), and Capstone Academy, a Colorado charter school (the “**School**”) is executed as of the ____ day of _____ 202_. For purposes of this Agreement, NHA and the School shall be referred to collectively as the “**Parties**.”

RECITALS

WHEREAS, the School is a charter school, organized as a public school pursuant to C.R.S. §§22-30.5-101 et seq., which authorizes the formation of charter schools (the “**Charter School Law**”). In accordance with C.R.S. § 22-30.5-104(4), the School has been incorporated as a nonprofit Colorado corporation, which incorporation does not affect its status as a public charter school for any purposes under Colorado law. Except to the extent expressly waived in accordance with the terms of the Charter School Law, the School is subject to the Colorado laws applicable to Colorado public schools (the “**Colorado School Laws**”), including without limitation Article 22 of the Colorado Revised Statutes. The School was issued a Charter Contract by Brighton School District 27J (the “**Authorizer**”) to organize and operate a public charter school. The School’s Charter Application and the Charter Contract between the Academy and Authorizer, and all amendments to the Charter, are collectively referred to as the “**Charter**”.

WHEREAS, the Parties desire to work together to promote educational excellence and innovation based on NHA’s school design, comprehensive educational program and management principles; and

WHEREAS, the Parties desire to set forth the terms and conditions of such a relationship in this Agreement;

WHEREAS, the School and NHA agree that no provision of this Agreement shall be construed to interfere with the School Board’s constitutional duty to exercise its statutory, contractual and fiduciary responsibilities in governing the operation of the School. The Parties acknowledge and agree that the School Board is an independent, self-governing public body which shall operate in accordance with the Charter and applicable law; and

NOW, THEREFORE, for good and valuable consideration, including the mutual promise and benefits contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

A. Services. Subject to the terms and conditions of this Agreement, and as permitted by applicable law, the School hereby contracts with NHA for the provision during the Term of certain educational, business administration, facility, and management services, including without limitation, all labor, equipment, and materials necessary for the provision of the same, as set forth herein (collectively, the “**Services**”).

B. Charter. This Agreement shall: (i) be subject to and comply with the terms and conditions of the Charter; and (ii) not be construed to interfere with the constitutional, statutory, or fiduciary duties of the School’s Board of Directors (the “**Board**”). In the event of a conflict between any term or condition of this Agreement and any term or condition of the Charter, the term or condition of the Charter shall govern.

C. Independent Contractor. NHA shall provide the Services as an independent contractor, and not as an employee, partner, agent, or associate of the School. This independent contractor relationship shall extend to the officers, directors, employees, and representatives of NHA. Consistent with the status of an independent contractor, NHA reserves to itself the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement consistent with Colorado School Laws and the Charter. The relationship between the Parties is based solely on the terms and conditions of this Agreement, and the terms and conditions of any other written agreement between the Parties.

D. Designations and Appointments.

1. NHA, including its directors, officers, and employees are hereby designated as “other School Officials having a legitimate educational interest in education records” for purposes of the Family Educational Right and Privacy Act, 20 U.S.C. §1232g *et seq.* (FERPA).

2. NHA, its directors, officers, and employees may be designated by the School for other purposes by a written resolution of the Board.

ARTICLE II

TERM & TERMINATION

A. Term. This term of this Agreement shall be effective on _____, 202__, (the “**Effective Date**”) and unless terminated as set forth herein, shall continue until the termination or expiration of the Charter currently in effect, inclusive of any Charter reauthorization or renewal periods thereof (the “**Term**”). The parties acknowledge that the Authorizer, as part of

any reauthorization or renewal, may require that the School and NHA submit an amended or restated Agreement for review by the Authorizer. The first school year under the Term of this Agreement shall commence July 1, 202_ to June 30, 202_, and each school year during the Term thereafter shall commence on July 1 and end on June 30 of the following year.

B. Termination.

1. By NHA. NHA may terminate this Agreement prior to the end of the Term if the Board fails to remedy a material breach of this Agreement within thirty (30) days after receiving a notice from NHA of such breach. For purposes of this Subsection, a material breach (which for the sake of clarity is a default hereunder) includes, but is not limited to: (i) NHA's failure to timely receive any compensation or reimbursement required by this Agreement; or (ii) a suspension, revocation, or non-renewal of the Charter.

2. By the School. The School may terminate this Agreement prior to the end of the Term if NHA fails to remedy a material breach of this Agreement within (30) days after receiving notice from the School of such breach. For purposes of this Subsection, a material breach (which for the sake of clarity is a default hereunder) includes, but is not limited to: (i) NHA's failure to account for expenditures or pay operating costs pursuant to the Budget (as defined below); (ii) NHA's failure to follow policies, procedures, rules, regulations or curriculum adopted by the Board, provided they do not violate the Charter, applicable law, or this Agreement; (iii) a receipt by the Board of an unsatisfactory report from NHA or an independent education consultant retained by the Board regarding the Services or the School's performance, provided the unsatisfactory performance cannot be adequately corrected or explained; (iv) a determination that this Agreement or its implementation would serve as grounds for suspension, revocation, or non-renewal of the Charter; (v) a determination that this Agreement or its implementation would jeopardize material tax exemptions of the School or its non-profit status; or (vi) any action or inaction by NHA that places the Charter in jeopardy of termination, suspension or revocation.

3. By Either Party. Either party may terminate this Agreement prior to the end of the Term, with or without cause, by providing the other party with at least ninety (90) days' prior written notice.

4. If this Agreement is terminated prior to the end of the Term, and unless otherwise agreed by the Parties, such termination will not become effective until the end of the then-current school year.

C. Effect of Termination. Upon the effective date of termination or expiration of this Agreement:

1. NHA shall have the right to remove from the School any equipment or other assets owned or leased by NHA;

2. The School shall pay or reimburse NHA through the Fee (as defined below) for the prepaid portion of any expenses or liabilities incurred by NHA pursuant to the Budget as of the date of such termination or expiration, provided NHA supplies the School with documentation of all such expenses and liabilities;

3. NHA may agree, in its sole discretion, to assist the School for a reasonable amount of time, not to exceed ninety (90) days, and for a reasonable fee, with the School's transition to another administrative, managerial, or services arrangement;

4. NHA shall, if applicable, reasonably assist the School in the execution of a closure and dissolution plan and cooperate in the closure and dissolution process, including without limitation, in any audits and court or other proceedings related thereto; and

5. The party to whom Confidential Information (as defined below) has been disclosed shall, upon request and at the direction of the disclosing party: (i) return such Confidential Information within thirty (30) days, including any copies thereof, and cease its use; or (ii) destroy such Confidential Information and certify such destruction to the disclosing party, except for a single copy thereof which may be retained for the sole purpose of determining the scope of any obligations incurred under this Agreement, and except where disclosure or retention is required by applicable law.

ARTICLE III

OBLIGATIONS OF NHA

A. Manager at Risk. NHA shall be responsible and accountable to the Board for providing the Services during the Term. During the Term, NHA shall provide the Services regardless of whether actual revenue meets the level projected in the Budget, and NHA hereby assumes the risk of funding shortfalls during the Term. Notwithstanding the foregoing, NHA shall not be required to expend funds on Services in excess of the amount set forth in the Budget.

B. Comprehensive Educational Program. The School has determined to adopt NHA's proprietary educational and academic programs and goals, as set forth in the Charter (the "**Educational Program**"). Subject to the oversight of the Board, during the Term NHA shall implement and administer the Educational Program. In the event that NHA reasonably determines that it is necessary or advisable to make material changes to the Educational Program, NHA shall inform the Board of the proposed changes and obtain the Board's approval before making such changes, as well as the Authorizer's approval if required by the Charter or applicable law. The Parties acknowledge and agree that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency. Not less than annually or as reasonably requested by the Board during the Term, NHA shall provide the Board with a report detailing progress made on each of the educational goals set

forth in the Educational Program. The school year calendar and the school day schedule shall be approved by the Board as required under the Charter.

C. All Children Welcome. NHA places a high value on diversity, and the School shall welcome students of all races, ethnicity, religion, gender and economic backgrounds.

D. Services to Students with Disabilities. NHA welcomes students with disabilities at the School. NHA shall provide special education and related services, in conformity with the requirements of applicable law, to students who attend the School.

E. Educational and Administrative Services. Subject to the oversight of the Board, during the Term, NHA shall implement operational practices and procedures that are consistent with Board policy, the Charter and applicable law. Such practices and procedures shall include, but are not limited to:

1. Student recruitment and student admissions.
2. Student assessments, including testing, promotion, and retention.
3. The acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs included in the Budget.
4. Employment of personnel working at the School and management of all personnel functions, as set forth herein.
5. All aspects of the School's business administration.
6. All aspects of the School's accounting operation, including general ledger management, financial reporting, payroll, employee benefits and payroll tax compliance.
7. All aspects of food services.
8. All aspects of facilities administration and maintenance.
9. Student behavior management and discipline.

F. Location of Services. Other than instruction, and unless prohibited by the Charter or applicable law, NHA may provide the Services, including but not limited to, purchasing, professional development and administrative services, off-site.

G. Subcontracts. NHA reserves the right to subcontract any and all aspects of the Services. NHA shall not subcontract the oversight of the Educational Program, except as specifically permitted in this Agreement or with prior written approval of the Board.

Notwithstanding the foregoing, the Board specifically acknowledges and agrees that from time to time NHA may use third parties or independent contractors to assist in the creation and development of Educational Materials (as defined below) that may be used as a part of the Educational Program.

H. Pupil Performance Standards and Evaluation. NHA shall implement pupil performance evaluations that permit evaluation of the academic progress of each School student. NHA shall utilize assessment strategies required by the Charter and applicable law. The Board and NHA shall cooperate in good faith to identify academic goals and methods to assess such academic performance. NHA shall provide the Board with timely reports regarding student performance.

I. Unusual Events. NHA shall timely notify the Board and the Administrator (as defined below) during the Term of any anticipated or known material: (i) health or safety issues, including all mandatory reporting required by applicable law; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact the School's ability to comply with the Charter, applicable law or this Agreement.

J. School Records. The financial and education records pertaining to the School (collectively, the "**School Records**"), are property of the School. Except as may be prohibited or limited by the Charter or applicable law, the School Records shall be available to the Board and the Authorizer for their review, and are subject to inspection and copying to the same extent that records of public schools are subject to inspection and copying pursuant to applicable law. All School Records shall be physically or electronically available upon request at the School's physical facility. NHA agrees to comply with the terms of the Charter regarding information to be made available to the School.

K. Facility. NHA shall use reasonable efforts to secure a facility to be leased or otherwise provided to the School on terms mutually agreeable to NHA and the Board. Obligations of the Board created under the terms of such lease are to be fulfilled by NHA unless otherwise agreed to in writing by NHA and the Board. The facility shall comply with the requirements of the Charter and applicable law. NHA shall also use reasonable efforts to cause the facility to be furnished with equipment and technology as is reasonably necessary to implement the Educational Program.

L. Legal Compliance. NHA will implement and enforce rules, regulations and procedures applicable to the School that are consistent with adopted Board policy, if any, and the Educational Program in accordance with the Charter and applicable law, including without limitation, rules, regulations, and policies regarding non-discrimination, discipline, special education, confidentiality and access to records.

M. Rules and Procedures. NHA will recommend to the Board reasonable rules, regulations, policies and/or procedures applicable to the School. The Board hereby authorizes and directs NHA to enforce such rules, regulations and procedures consistent with Board policy.

N. Assistance to the Board. NHA shall cooperate with the Board and, to the extent consistent with applicable law, timely furnish the Board with all documents and information necessary for the Board to properly perform its responsibilities under this Agreement.

ARTICLE IV

OBLIGATIONS OF THE BOARD

A. Board Policies. The Board shall be responsible for the fiscal and academic policies of the School. The Board shall exercise good faith in considering the recommendations of NHA, including but not limited to, NHA's recommendations regarding policies, rules, regulations and the Budget (as defined below).

B. Assistance to NHA. The Board shall cooperate with NHA and, to the extent consistent with applicable law, timely furnish NHA all documents and information necessary for NHA to properly perform its responsibilities under this Agreement during the Term.

C. Unusual Events. The Board shall timely notify NHA, during the Term, of any anticipated or known material: (i) health or safety issues; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact NHA's ability to comply with the Charter, applicable law, or this Agreement.

D. Office Space. The Board shall provide NHA with suitable office space at the School, provided the requested space is: (i) available and can be provided without materially prejudicing the Educational Program; and (ii) used only for activities related to the School. The space shall be provided at no cost to NHA.

E. Retained Authority. The Board shall retain the authority to adopt reasonable policies in accordance with applicable law relative to anything necessary for the proper establishment, maintenance, management, and operation of the School.

ARTICLE V

INTELLECTUAL PROPERTY

A. Definitions.

1. **“Educational Materials”** means all curriculum, print and electronic textbooks, instructional materials, lesson plans, teacher guides, workbooks, tests, and other curriculum-related materials licensed, developed or otherwise owned by the School or NHA.

2. **“Confidential Information”** means any confidential and non-public trade, technical or business knowledge, information and materials regarding the School or NHA (or their respective affiliates), which is given by one party to the other, or any of their respective representatives, in any form, whether printed, written, oral, visual, electronic or in any other media or manner. Confidential Information includes, but is not limited to, research, operations and procedures, financial projections, pricing, sales, expansion plans and strategies, services data, trade secrets and other intellectual property, or the results of any mediation or private adjudication, as well as information with respect to each party’s or its affiliates’ plans for market expansion, except for information which a party can show by contemporaneous written records was developed or formulated independently of work or services performed for, or in connection with performance of, this Agreement. Notwithstanding the foregoing, the disclosure of the other party’s Confidential Information as required to be disclosed by law, rule or regulation or by reason of subpoena, court order or government action shall not constitute a breach of this Agreement; however, in such event the party required to disclose such information will reasonably cooperate with the party whose information is required to be disclosed in order to obtain a protective order applicable to such disclosure. All Confidential Information will remain the sole property of the party disclosing such information or data.

B. School Materials. The School shall own all right, title and interest in and to Educational Materials that are: (i) licensed or owned by the School as of the Effective Date; or (ii) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by the School during the Term, provided such materials do not reference the NHA Materials (as defined below), or incorporate any Confidential Information of NHA (collectively, the **“School Materials”**). The School Materials shall include all intellectual property rights associated therewith.

C. NHA Materials. NHA shall own all right, title and interest in and to Educational Materials that are: (i) licensed or owned by NHA as of the Effective Date; (ii) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by NHA during the Term, provided such materials do not reference School Materials or incorporate any Confidential Information of the School; and (iii) any and all Educational Materials and non-curriculum

materials provided to the School by NHA relating to the Educational Program, including all changes and derivatives thereof (collectively, the “**NHA Materials**”).

D. Derivative Works. The Parties acknowledge that to the extent any Educational Materials created by the School are derivative of the NHA Materials, use of such derivative materials during the Term is subject to the license granted herein, and the license to use such derivative materials shall cease as of the date of expiration or termination of this Agreement.

E. No Transfer or Sale. The School acknowledges and agrees that NHA is not transferring or selling, and the School is not receiving, purchasing or acquiring, any intellectual property or proprietary rights in or to the NHA Materials.

F. Licenses. NHA hereby grants the School a non-exclusive, non-transferable license (without the right to sublicense) to use the NHA Materials, and any Educational Materials created by the School which are derivative of the NHA Materials, solely in furtherance of the Educational Program during the Term, including without limitation, the right to reproduce, publicly display, distribute and create derivative works of the same, in hard copy format or electronically, within the United States. The School represents and warrants that during the Term, and following the expiration or termination of this Agreement, the School will not exploit or assist any third party to exploit any of the NHA Materials for commercial purposes. Subject to applicable law, the School grants NHA a non-exclusive, irrevocable, worldwide, assignable right to use, distribute, modify and display the School Materials, solely for educational purposes for the School, in any and all media now known or hereafter developed.

G. NHA Marks. During the Term, NHA grants the School a non-exclusive, revocable, non-transferable license (without the right to sublicense) to use NHA’s trade name(s) and NHA’s trademark(s) (the “**NHA Marks**”) solely for the purposes of promoting and advertising the School. NHA shall have the opportunity to review and approve all artwork, copy or other materials utilizing the NHA Marks prior to any production or distribution thereof. All uses of the NHA Marks require NHA’s prior written permission. The School shall acquire no rights in or to the NHA Marks, and all goodwill associated with the NHA Marks shall inure to the benefit of and remain with NHA. Upon expiration or termination of this Agreement, the School shall immediately discontinue use of the NHA Marks and shall remove the NHA Marks from its locations, vehicles, websites, telephone directory listings and all other written or electronic promotional materials.

H. Assignment. Each party shall, and hereby does assign to the other, with full title guarantee and without additional compensation, such right, title and interest in and to any intellectual property as is necessary to fully affect the ownership provisions set out herein, and any accrued rights of action in respect thereof. Each party shall, if so requested by the other, execute all such documents and do all such other acts and things as may be reasonably required to comply with this Agreement to vest in the appropriate party all rights in the relevant intellectual property

and shall procure execution by any named inventor of all such documents as may reasonably be required by the other party in connection with any related patent application.

ARTICLE VI

SOLICITATION AND USE OF PRIVATE FUNDS

NHA shall seek the Board's approval prior to soliciting any non-governmental grants, donations or contributions on behalf of the School. Any such funds received shall be used solely in accordance with the purpose for which they were solicited, applicable donor restrictions, or as otherwise approved by the Board. Subject to applicable donor restrictions, the Board shall determine the allocation of any such funds subject to this Article that remain unexpended following completion of the project or purpose for which they were originally designated.

ARTICLE VII

FINANCIAL ARRANGEMENTS

A. Revenues. Except as provided herein, all monies received by the School during the Term shall be deposited in the School's depository account within three (3) business days with a financial institution acceptable to the Board; provided, however, that upon receipt of a notice from NHA, the School shall pay all such funds owing under this Agreement directly to the account or party specified in such notice. The signatories on the School depository account shall solely be Board members or properly designated Board agents (if any). Interest income earned on the School's depository account shall accrue to the School. Except as specifically excluded by this Agreement, the term "**Revenues**" shall include all funds received by or on behalf of the School, including but not limited to:

1. Funding for public school students enrolled at the School.
2. Special education funding provided by the federal and/or state government that is directly allocable to special education students enrolled at the School.
3. Academically or intellectually gifted funding provided by the federal and/or state government that is directly allocable to academically or intellectually gifted students enrolled at the School.
4. At-risk funding provided by the federal and/or state government that is directly allocable to at-risk students enrolled at the School.

5. Funding provided by the federal and/or state government that is directly allocable to students enrolled at the School with limited English proficiency.

6. All other federal and/or state grant sources, including, but not limited to, Title I and any start-up funding allocable to the School.

7. All other grants and donations received by the School to support or carry out programs at the School (except to the extent NHA is not required or involved in soliciting, administering or managing the contribution and/or donation, in which case such funds shall be deposited in the Board Spending Account (as defined below)).

8. Fees charged to students as permitted by law for extra services provided by NHA as approved by the Board.

The expenditure of any Revenues received from governmental entities shall be consistent with all applicable regulations and policies. The expenditure of any Revenues received from non-governmental grants, contributions and donations shall be made consistent with the provisions of Article VI.

B. Budget. NHA shall provide the Board with an annual proposed Budget prepared and maintained in accordance with the Charter and applicable law (the “**Budget**”). For the School’s first school year, the Budget shall be submitted prior to the beginning of the school year. Thereafter, the Budget shall be submitted to the Board prior to June 1 for the next school year.

C. Review and Approval of Budget. The Board shall be responsible for reviewing and approving the Budget in accordance with the Charter and applicable law. At the direction of either NHA or the Board, with the approval of the Board, the Budget shall be amended from time to time as necessary or as otherwise to comply with applicable law.

D. Board Reserve. Notwithstanding any other provision of this Agreement, each school year during the term of this Agreement, there shall be reserved in the Academy’s account in an amount of 3% of current fiscal year spending in compliance with Article X, Section 20 of the Colorado constitution (the Taxpayers Bill of Rights or TABOR) (the “**Board Reserve**”). These funds may not be expended except under special circumstances allowed by law. Under any circumstance, the 3% reserve must be restored to the extent expended by June 30 of the applicable fiscal year. Unused Board Reserves apply to next year’s Board Reserve requirement.

E. Fee. NHA shall receive all Revenues as its services fee (the “**Fee**”), from which it shall pay all operating costs of the School as detailed in the Budget. NHA and the Board acknowledge that operating costs may include an administrative fee payable to the Authorizer as set forth in the Charter. Payment of the Fee shall be made on the same frequency that the School receives its Revenues. NHA shall be entitled to retain as compensation for the Services the

difference, if any, between the Fee and the amount actually expended by NHA in operation and/or management of the School during the School's fiscal year.

F. No Loans. NHA shall not make or extend loans to the Board.

G. Other Schools. The School acknowledges that NHA has entered into similar services agreements with other schools. NHA shall maintain separate accounts for expenses incurred in the operation of the School and other schools assisted by NHA, and shall reflect in the School's financial records only those expenses incurred in the operation of the School. If NHA incurs expenses that are for both the benefit of the School and other schools assisted by NHA, then NHA shall allocate, to the extent permitted by law, such expenses among all such affected schools, including the School, on a prorated basis based upon the number of enrolled students, the number of classrooms, or the number of teachers at the affected schools, or on such other equitable basis as is reasonably determined by NHA. In no event shall marketing costs incurred solely for the benefit of NHA (and not the School) be allocated to the School.

H. Financial Reporting. NHA shall provide the Board with:

1. At least annually, the Budget as required by this Agreement.
2. Monthly, financial statements no more than forty-five (45) days in arrears and at least one week prior to each Board meeting. These financial statements will include a Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance at object level detail with a comparison of budget to actual revenue and expenditures and explanations of variances.
3. Quarterly, or as reasonably requested by the Board, a report on School operations and student performance.
4. As reasonably requested, other information to enable the Board to: (i) evaluate the quality of the Services; and (ii) timely provide all reports and information that are required by the Charter and applicable law.

I. Access to Financial Records. NHA shall keep accurate financial records pertaining to its operation of the School, together with all School financial records prepared by or in possession of NHA, and shall retain all of the aforereferenced records according to the Charter and applicable law to which such books, accounts, and records relate. NHA and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law. All records shall be kept in accordance with applicable state and federal requirements.

J. Accounting Standards: Annual Audit.

1. The School shall at all times comply with generally accepted public sector accounting principles and applicable law.

2. The Board shall select and retain an independent auditor to conduct an annual audit of the School's financial matters in accordance with the Charter and applicable law.

3. Subject to applicable law, all records in the possession or control of NHA that relate to the School, including but not limited to, financial records, shall be made available to the School and the School's independent auditor. The expense of the annual audit shall be included in the Budget.

K. Start-up Funds; Contributions. NHA shall provide start-up funds for: (i) the development of curriculum, a technology system and a school operations plan; (ii) recruiting, selecting and training of staff members; and (iii) to the extent necessary as reasonably determined by NHA, cleaning, renovating and equipping of the School facility (the "**Start-Up Funds**"). In addition, in its sole discretion, NHA may, but need not, make contributions to the School in the event School expenses exceed Revenues (the "**Contributions**"). The Contributions, if any, shall be in amounts acceptable to NHA and the Board and, once made, shall be included in the Budget. Unless otherwise agreed, the School shall not be legally obligated to repay NHA for the Start-Up Funds or the Contributions. NHA's agreement to make such Contributions shall not be deemed to negate or mitigate the need for the School to apply for or solicit state or federal start-up funds, grants or sub-grants which the School, as a public school, may be eligible to receive.

ARTICLE VIII

PERSONNEL & TRAINING

A. Qualified Personnel. NHA shall select and hire qualified personnel to perform the Services. NHA shall have the responsibility and authority, subject to this Article, to select, hire, evaluate, assign, discipline, transfer, and terminate personnel consistent with the Budget, the Charter and applicable law. Personnel working at the School shall be employees of NHA. NHA and the Board each shall be responsible for their respective employees. However, the compensation of all employees working at the School shall be included in the Budget. Upon Board request, NHA shall disclose to the Board the level of compensation and fringe benefits provided by NHA to NHA employees working at the School. A criminal background check and unprofessional conduct search in compliance with applicable law shall be conditions for the hiring of or services provided by any person who will or may be reasonably expected to have unsupervised access to and the care, custody or control of, any School student(s).

B. School Administrator. The School Administrator (the “Administrator”) shall be an employee of NHA and not the Board. The duties and terms of the Administrator’s employment shall be determined by NHA. The Administrator shall work with NHA in the operation and management of the School. The accountability of NHA to the School is an essential foundation of this Agreement. Since the Administrator is critical to the School’s success, NHA shall have the authority, consistent with this Article, to select, hire, evaluate, assign, discipline, transfer and terminate the Administrator, and to hold the Administrator accountable for the performance of the School. NHA shall consult with the Board with respect to the hiring and termination of the Administrator. NHA shall give due consideration to the input of the Board or the Board’s designated representative prior to making a final decision regarding placement and/or removal of the Administrator. NHA will remove the Administrator if the Board is reasonably dissatisfied with the Administrator’s performance. Absent compelling circumstances, however, the Board shall give NHA and the Administrator six (6) months to correct the basis for the Board’s reasonable dissatisfaction. The parties agree that the purpose of the above provisions is not to deny the Administrator the opportunity for growth and/or promotion within NHA. Notwithstanding any of the foregoing, the placement of the initial Administrator for the School in its first year of operation shall be made by NHA.

C. Teachers. NHA shall, consistent with this Article, provide the School with teachers qualified to teach their assigned subjects and grade level. The curriculum taught by the teachers shall be consistent with the Educational Program. The teachers may, at the discretion of NHA, work at the School on a full or part time basis. If working at the School on a part time basis, the teacher(s) may also work at other schools managed or operated by NHA. The cost for such teacher(s) shall be shared proportionately among the schools at which the teacher(s) are working. Each teacher working at the School shall hold a valid teaching certificate issued by the state board of education or applicable state agency to the extent required by applicable law (taking into consideration any applicable waivers). Such teachers may, in the discretion of NHA, work at the School on a full or part-time basis. If assigned to the School on a part-time basis, such teachers may also work at other schools for which NHA provides services under a similar agreement.

D. Support Staff. NHA shall, consistent with this Article, provide the School with qualified support staff as needed to operate the School in an efficient manner. The support staff may, at the discretion of NHA, work at the School on a full or part time basis. If assigned to the School on a part time basis, the support staff may also work at other schools assisted by NHA. The cost for such support staff shall be shared proportionately among the schools at which the support staff is working. An individual who provides a service to students in the School that is not teaching, and for which a license is required under applicable law, shall have the appropriate license to provide such services.

E. Training. NHA shall provide or procure training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Instructional personnel shall be required to obtain at least the minimum hours of professional development as required by

applicable law. Non-instructional personnel shall receive training as NHA determines reasonable and necessary under the circumstances.

F. Background Checks and Qualifications. NHA shall comply with applicable law regarding background checks, unprofessional conduct searches and certification/licensure, as applicable, for all persons working in the School.

G. Terms of Employment. No member of the staff at the School shall be subject to any covenant not to compete or other employment restriction as part of the terms of his or her employment with NHA for the Services.

H. Limitations on Discretion. All decisions made by NHA, and any discretion exercised by NHA, in its selection, hiring, evaluation, assignment, discipline, transfer, and termination of personnel, shall be consistent with the Budget, the Charter, the parameters adopted and included in the Educational Program, and applicable law.

ARTICLE IX

INDEMNIFICATION

A. Indemnification of Parties. To the extent not prohibited by the Charter or applicable law, the Parties hereby agree to indemnify, defend, and hold the other (the “**Indemnified Party**”), harmless from and against any and all third-party claims, actions, damages, expenses, losses or awards which arise during the Term out of (i) the gross negligence or intentional misconduct of the indemnifying party, (ii) any action taken or not taken by the indemnifying party, or (iii) any noncompliance or breach by the indemnifying party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used herein, Indemnified Party shall include the party’s trustees, directors, officers, employees, agents, representatives and attorneys. The Parties may purchase general liability, property, or other insurance policies. Notwithstanding anything in this Agreement to the contrary, the Board shall not be precluded by the terms of this Agreement from asserting or declining to assert a claim of governmental immunity.

ARTICLE X

INSURANCE

A. Insurance Coverage. NHA shall maintain during the Term such policies of insurance as required by the Charter and applicable law. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Article. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

B. Workers' Compensation Insurance. Each party shall maintain during the Term workers' compensation insurance as required by law, covering their respective employees.

ARTICLE XI

REPRESENTATIONS & WARRANTIES

A. Board and School. The Board represents and warrants, for itself and on behalf of the School, that: (i) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement, including without limitation, the power and authority to contract with a private entity for the provision of educational, business administration and management services; (ii) upon issuance of a Charter it will be legally vested with all power and authority necessary to operate a charter school under the Colorado School Laws; (ii); (iii) its actions have been duly and validly authorized, and it has adopted any and all resolutions or expenditure approvals required for the execution of this Agreement; and (iv) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting either the Board or the School, which if adversely determined, would have a material adverse effect on its ability to perform under this Agreement.

B. NHA. NHA represents and warrants that: (i) it is a corporation in good standing and is authorized to conduct business in the State of Colorado; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement; (iii) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting NHA, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement; and (iv) it will comply with all registration and licensing requirements relating to conducting business under this Agreement, which the Board agrees to assist NHA in applying for such licenses and permits and in obtaining such approvals and consents.

ARTICLE XII

MISCELLANEOUS

A. Entire Agreement. This Agreement and any attachments hereto shall constitute the entire agreement of the Parties on the subject matter set forth herein. This Agreement supersedes and replaces any and all prior agreements and understandings regarding the subject matter set forth herein between the School and NHA.

B. Force Majeure. Except for payment obligations, and notwithstanding any other provisions of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God, war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement in accordance with provisions contained herein if sufficient grounds exist as provided in the Article governing termination.

C. State Governing Law; Waiver of Jury Trial. This Agreement shall be construed, interpreted, governed and enforced pursuant to the laws of the State of Colorado, without regard to its conflict-of-laws principles. The Parties hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either NHA or the School against the other.

D. Notices. All notices and other communications required by this Agreement shall be in writing and sent to the Parties at the facsimile number or address set forth below. Notice may be given by: (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice; (ii) certified or registered mail, postage prepaid, return receipt requested; or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by facsimile, upon the date of postmark if sent by certified or registered mail, or upon the date of delivery if given by personal delivery. For purposes of the foregoing, "**personal delivery**" shall include delivery by nationally recognized overnight courier (such as FedEx), if signed for by the recipient or a delegate thereof. Notices to the School shall be sent to the current address of the then current Board President, with a copy to the then current Board attorney. The addresses of the Parties for the purposes aforesaid, including the address of the initial Board President, are as follows:

The School:

Capstone Academy
Attn: President, Board of Directors

Telephone:

Facsimile:

WITH A COPY TO:

Attn: _____

Telephone: _____

NHA:

National Heritage Academies, Inc.
Attn: Chief Financial Officer
3850 Broadmoor, S.E. Ste. 201
Grand Rapids, Michigan 49512
Telephone: (616) 222-1700
Facsimile: (616) 222-1701

WITH A COPY TO:

McShane & Bowie
Attn: John R. Grant
1100 Campau Square Plaza
99 Monroe Ave., NW
Grand Rapids, Michigan 49501
Telephone: (616) 732-5013
Facsimile: (616) 732-5099

E. Assignment. NHA may assign this Agreement with the prior written approval of the Board and in a manner consistent with the Authorizer's policies.

F. Amendment. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both an authorized officer of the School and NHA and in manner consistent with the Authorizer's policies.

G. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

H. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties shall use their best efforts to find and employ an alternative

means to achieve the same or substantially the same result as that contemplated by such term or provision.

I. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to NHA powers or authority of the Board which are not subject to delegation by the Board under the Charter or applicable law.

J. Compliance with Law. Each party will comply with the Charter and laws applicable to the performance of such party's obligations hereunder.

K. Time of Essence. The Parties understand and agree that time is of the essence in performing their respective responsibilities under this Agreement during the Term of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above to be effective as of the Effective Date.

NHA:

National Heritage Academies, Inc.,
a Michigan corporation

By: _____

Its: Chief Financial Officer

SCHOOL:

Capstone Academy, a Colorado charter
school

By: _____

Its: Board President

ATTACHMENT 5: EDUCATION MANAGEMENT PROVIDER (EMP) AGREEMENT REQUIREMENTS

1. The maximum term of an EMP agreement must not exceed the term of the charter. The School shall have the right to terminate the EMP agreement without cause or a financial penalty. The fee provision of the EMP agreement shall be renegotiated on an annual basis and shall not automatically adjust.
2. EMP agreements must be negotiated at 'arms-length.' The School's board and EMP must have independent legal counsel to represent their interests in reaching a mutually acceptable management agreement.
3. No provision of the EMP agreement shall interfere with the charter board's duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of the School. No provision of the EMP agreement shall prohibit the charter board from acting as an independent, self-governing public body, or allow decisions to be made other than in compliance with the Colorado Sunshine Law.
4. An EMP agreement shall not restrict the charter board from waiving its governmental immunity or require a charter board to assert, waive or not waive its governmental immunity.
5. No provision of an EMP agreement shall alter the charter board's treasurer's legal obligation to direct that the deposit of all funds received by the School be placed in the School's account.
6. EMP agreements must contain at least one of the following methods for paying fees or expenses: 1) the charter board may pay or reimburse the EMP for approved fees or expenses upon properly presented documentation and approval by the charter board; or 2) the charter board may advance funds to the EMP for the fees or expenses associated with the School's operation provided that documentation for the fees and expenses are provided for charter board ratification.
7. EMP agreements shall provide that the financial, educational and student records pertaining to the School are School property and that such records are subject to the provisions of the Colorado Open Records Act. All School records shall be physically or electronically available, upon request, at the School's physical facilities. Except as permitted under the charter contract and applicable law, no EMP agreement shall restrict the District's access to the School's records.
8. EMP agreements must contain a provision that all finance and other records of the EMP related to the School will be made available to the School's independent auditor.
9. The EMP agreement must not permit the EMP to select and retain the independent auditor for the School.
10. If an EMP purchases equipment, materials and supplies on behalf of or as the agent of the School, the EMP agreement shall provide that such equipment, materials and supplies shall be and remain the property of the School.

11. EMP agreements shall contain a provision that if the EMP procures equipment, materials and supplies at the request of or on behalf of the School, the EMP shall comply with competitive bidding processes and shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties.
12. EMP agreements must contain a provision that clearly allocates the respective proprietary rights of the charter board and the EMP to curriculum or educational materials. At a minimum, EMP agreements shall provide that the School owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the School; or (ii) were developed by the EMP at the direction of the School's governing board with School funds dedicated for the specific purpose of developing such curriculum or materials. EMP agreements may also include a provision that restricts the School's proprietary rights over curriculum or educational materials that are developed by the EMP from funds from the School or that are not otherwise dedicated for the specific purpose of developing School curriculum or educational materials. All EMP agreements shall recognize that the EMP's educational materials and teaching techniques used by the School are subject to state disclosure laws and the Open Records Act.
13. EMP agreements involving employees must be clear about which persons or positions are employees of the EMP, and which persons or positions are employees of the School. The EMP agreement shall prohibit the EMP from leasing employees to the School and shall prohibit co-employment of School and EMP employees.
14. EMP agreements must contain insurance and indemnification provisions outlining the coverage the EMP will obtain. The EMP's insurance is separate from and in addition to the insurance for the charter board that is required according to the charter contract. Insurance coverage must take into account whether or not staff at the School are employees of the EMP or the School.
15. Marketing and development costs paid by or charged to the School shall be limited to those costs specific to the School program, and shall not include any costs for the marketing and development of the EMP. Other reimbursable costs of EMP charged to the School, including, but not limited to, overhead, corporate, and travel costs, shall be defined with reference to specific dollar amounts.
16. If the School intends to enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationships with the EMP, then such agreements must be separately documented and not be a part of or incorporated into the EMP agreement. Such agreements must be consistent with the School's authority to terminate the EMP agreement and continue operation of the School.

17. The EMP agreement shall provide for the annual performance evaluation of the EMP in accordance with School policy. The EMP performance evaluation shall be subject to state disclosure laws, including, but not limited to, the Open Records Act.

ATTACHMENT 6: AUTOMATIC WAIVERS OF STATE LAWS

Automatic Waiver List (Current from 6/2/2017 to Present)	
State Statute Citation	Description
C.R.S. § 22-32-109(1)(f)	Local board duties concerning selection of staff and pay
C.R.S. § 22-32-109(1)(t)	Determine educational program and prescribe textbooks
C.R.S. § 22-32-110(1)(h)	Local board powers-Terminate employment of personnel
C.R.S. § 22-32-110(1)(i)	Local board duties-Reimburse employees for expenses
C.R.S. § 22-32-110(1)(j)	Local board powers-Procure life, health, or accident insurance
C.R.S. § 22-32-110(1)(k)	Local board powers-Policies relating the in-service training and official conduct
C.R.S. § 22-32-110(1)(ee)	Local board powers-Employ teachers' aides and other non-certificated personnel
C.R.S. § 22-32-126	Employment and authority of principals
C.R.S. § 22-33-104(4)	Compulsory school attendance-Attendance policies and excused absences
C.R.S. § 22-63-301	Teacher Employment Act- Grounds for dismissal
C.R.S. § 22-63-302	Teacher Employment Act-Procedures for dismissal of teachers
C.R.S. § 22-63-401	Teacher Employment Act-Teachers subject to adopted salary schedule
C.R.S. § 22-63-402	Teacher Employment Act-Certificate required to pay teachers
C.R.S. § 22-63-403	Teacher Employment Act-Describes payment of salaries
C.R.S. § 22-1-112	School Year-National Holidays

ATTACHMENT 7: NON-AUTOMATIC WAIVERS OF STATE LAWS

Non-Automatic Waivers from State Statute and Rule

Capstone Academy will comply with all state and federal laws and policies that are not waived. As we progress through the charter application process, we may identify additional requested district waivers. We request the waivers indicated to allow this Board and NHA to deliver on our shared mission and vision described throughout this application.

Pursuant to the Charter Schools Act, Capstone requests waivers of certain Colorado Revised Statutes listed below. We have identified each statute, the reason for each request, and a replacement plan. The waivers will help Capstone meet its mission, goals, and objectives and implement its education program. Although a replacement plan is identified with each non- automatic waiver requested, we will identify additional replacement policies and refine the noted plans before the start of school operations.

C.R.S. § 22-2-112(1)(g)(I) – Commissioner – Duties – reporting performance evaluation ratings:

Outlines requirements for the Educator Preparation Program Report.

- *Rationale:* For the school to function according to its unique needs and design, the school administrator and Capstone Board must develop and adopt its own system of evaluation.
- *Replacement Plan:* Capstone will provide a yearly evaluation for all staff. Teachers will be held accountable to the school administrator. The evaluation system will be further developed and submitted to the District prior to commencing school operations.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact will be measured by the same performance criteria and assessments that apply to Capstone as set forth in this application.
- *Expected Outcome:* With this waiver, Capstone will be able to implement its program and evaluate its teachers in a manner that produces a greater accountability to the school. This will benefit staff members as well as students and the community.

C.R.S. § 22-9-106 Local Board of Education – Duties: Establishes the duties and requirements of school districts regarding the evaluation of certificated personnel, the district's reporting requirements to the State Board of Education, and the minimum information required in the district's written evaluation system.

- *Rationale:* For the school to function according to its unique needs and design, Capstone must develop and adopt its own system of evaluation.
- *Replacement Plan:* Capstone and NHA will provide a yearly evaluation for all staff. Teachers will be held accountable to the school administrator and NHA. The evaluation system will be further developed and submitted to the District prior to commencing school operations.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact will be measured by the same performance criteria and assessments that apply to Capstone as set forth in this application.

- *Expected Outcome:* With this waiver, Capstone and NHA will be able to implement the program and evaluate its teachers in a manner that produces a greater accountability to the school. This will benefit staff members as well as students and the community.

C.R.S. § 22-32-109(1)(b) Board of Education – Specific Duties: Grants Board of Education authority to adopt policies and prescribe rules and regulations for efficient administration of the district.

- *Rationale:* Capstone will operate independently from other schools in the district and should be delegated the authority to develop, adopt, and implement its own operational policies, rules, and regulations, subject to the limitations in the Charter School Act.
- *Replacement Plan:* The Capstone Board will adopt policies and the principal will prescribe rules and regulations for operation of the school.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the district or Capstone.
- *How the Impact of Waiver Will be Evaluated:* The impact of the waivers will be measured by the same performance criteria and assessments that apply to Capstone as set forth in the application.
- *Expected Outcome:* Capstone expects that these waivers will enable it to carry out its educational program, administer its affairs efficiently, and accomplish its mission as set forth in the application.

C.R.S. § 22-32-109(1)(n)(l) – Local Board Duties Concerning School Calendar: Sets requirements for instructional days and hours.

- *Rationale:* The school will prescribe the actual details of its own school calendar and hours of teacher-pupil contact. The total number of student hours in school will equal or exceed those of the District and comply with state requirements.
- *Replacement Plan:* A finalized calendar and school day of Capstone will be officially adopted after approval of the charter and hiring of the school administrator.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver will be Evaluated:* The impact of the waivers will be measured by the same performance criteria and assessments that apply to Capstone as set forth in the application.
- *Expected Outcome:* Because of this waiver, Capstone will be able to operate under its own schedule, which is vital to the success of its program.

C.R.S. § 22-32-109(1)(n)(II)(B) – Adopt district Calendar: Requires adoption of a district calendar applicable to all schools within the district.

- *Rationale:* The school will prescribe the actual details of its own school calendar and hours of teacher-pupil contact. The total number of student hours in school will equal or exceed those of the District and comply with state requirements.
- *Replacement Plan:* A finalized calendar and school day of Capstone will be officially adopted after approval of the charter and hiring of the school administrator.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.

- *How Impact of Waiver Will be Evaluated:* The impact of the waivers will be measured by the same performance criteria and assessments that apply to Capstone as set forth in the application.
- *Expected Outcome:* Because of this waiver, Capstone will be able to operate under its own schedule, which is vital to the success of its program.

C.R.S. § 22-32-110(1)(y) – Gifts: Grants the Board of Education the power to accept gifts, donations, or grants of any kind made to the district and to expend such in accordance with the donor’s conditions, except conditions contrary to the law.

- *Rationale:* Capstone and NHA will be responsible for the development and implementation of financial policies.
- *Replacement Plan:* Capstone, rather than the District, will be responsible for determining whether or not to accept gifts, donations and grants. Capstone will ensure the process is an open process in compliance with all applicable rules and regulations.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the district or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of the waivers will be measured by the same performance criteria and assessments that apply to Capstone as set forth in this application.
- *Expected Outcome:* As a result of the waiver, Capstone will be able to carry out its educational program, administer its affairs in an efficient manner, and accomplish its mission in accordance with the terms and conditions set by the Charter Schools Act.

C.R.S. § 22-32-119 – Kindergarten: Permits Board of Education to establish and maintain kindergarten and prescribe courses of training, study, discipline, and rules and regulations governing the program.

- *Rationale:* Capstone will operate its own kindergarten program in accordance with this application. Capstone should be authorized to develop, adopt, and implement training, as well as prescribe courses of study, discipline, and rules and regulations governing its kindergarten program, subject to the limitations in the application and the contract.
- *Replacement Plan:* Capstone will provide its own curriculum for kindergarten students.
- *Duration of Waiver:* Capstone requests that the waiver be granted for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of the waivers will be measured by the same performance criteria and assessments that apply to the school, as set forth in the application.
- *Expected Outcome:* Capstone expects that as a result of this waiver it will be able to operate its kindergarten program to the benefit of the students, teachers, and community.

C.R.S. § 22-60.5-301 – Colorado Educator Licensing Act – Principals & Administrators – Types of principal licenses issued – term: Describes various types of licenses and standards for issuance for principals.

- *Rationale:* The unique curriculum and methods required to supervise and manage Capstone could limit the pool of potential candidates for the school administrator position if potential candidates must also be state licensed and/or certified.
- *Replacement Plan:* The Capstone Board will contract with NHA to hire a school administrator who will further the mission, goals, and objectives of the school. The school administrator will not function as a traditional school district principal but rather will be responsible for a wider range of tasks. The school seeks to attract a school administrator from a wide variety of backgrounds.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of the waiver will be measured by the same performance criteria and assessments that apply to Capstone, as set forth in this application.
- *Expected Outcome:* As a result of this waiver, the school will be able to contract for the employment of professional staff who possess the unique skills and/or background to fill its staff needs in accordance with the terms and conditions set by the charter school agreement.

C.R.S. § 22-63-103 (10) – Teacher Employment Substitutes – Teacher Employment, Compensation, and Dismissal – Definitions – Substitute Teacher: This section describes a substitute teacher and the qualifications of such.

- *Rationale:* Developing and maintaining a qualified pool of substitute teachers can be challenging for a charter school since the expectations vary from those of traditional public schools.
- *Replacement Plan:* The school administrator shall have the authority to select part-time and substitute teachers.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of the waiver will be measured by the same performance criteria and assessments that apply to the school, as set forth in this application.
- *Expected Outcome:* As a result of this waiver, NHA in contract with the Capstone Board, will be able to employ part-time and substitute teachers possessing unique skills and/or background necessary for the smooth operation of the school.

C.R.S. § 22-63-201 – Teacher Employment Act – Compensation & Dismissal Act – Requirement to hold a certificate: Prohibits Capstone or NHA from entering into an employment contract with a person who does not hold a teacher’s certificate or letter of authorization.

- *Rationale:* Capstone and NHA will be responsible for selecting, supervising, disciplining, determining compensation for and terminating employees at Capstone. Selection of personnel is subject to compliance with all federal and state rules and regulations.
- *Replacement Plan:* NHA may, in contract with the Capstone Board, where possible, hire certified teachers and school administrators. However, it may be beneficial for NHA to be able to hire teachers without a certificate and who possess unique background and/or

skills or fill a need for the school. NHA may require such persons to obtain a certificate within a designated period.

- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How the Impact of Waiver Will be Evaluated:* The impact of these waivers will be measured by the evaluation system set forth in this application.
- *Expected Outcome:* Because of these waivers, NHA will be able to employ professional staff possessing unique skills, and/or backgrounds, or filling needed positions.

C.R.S. § 22-63-202 – Teacher Employment Act – Contracts in writing, damage provision: Requires a written employment contract with teachers, including a damages provision. Provides for temporary suspension of employment and cancellation of contract.

- *Rationale:* NHA, in contract with the Capstone Board, will be responsible for its own personnel matters, including employing its own staff and establishing its own terms and conditions of employment, policies, rules and regulations, and termination procedures. Therefore, the school requests that these statutory duties be waived or delegated from the District to Capstone. The success of the school will depend in large part upon the ability to select and employ staff and to terminate individual staff members should they not perform in accordance with the goals and objectives of the school and/or NHA. All staff at Capstone will be employed on an at-will basis.
- *Replacement Plan:* The school and NHA will be responsible for these matters. NHA's existing policies and procedures for termination will be used. Dismissal shall not be affected by an employee's religious beliefs, marital status, racial or ethnic background, or participation in community affairs.
- *Duration of Waiver:* Capstone requests the waiver be granted for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of the waiver will be measured by the same performance criteria and assessments that apply to Capstone, as set forth in this application.
- *Expected Outcome:* Because of this waiver, NHA, in contract with the Capstone Board, will be able to employ professional staff filling its needs in accordance with the terms and conditions set by the charter school agreement.

C.R.S. § 22-63-203 – Teacher Employment Act – Requirements for probationary teacher, renewal & nonrenewal: This section establishes specific requirements for the employment of probationary teachers and the renewal or not, of their contracts.

- *Rationale:* NHA, in contract with the Capstone Board, will be responsible for its own personnel matters, including employing its own staff and establishing its own terms and conditions of employment, policies, rules and regulations, and termination procedures. Therefore, the school requests that these statutory duties be waived or delegated from the District to Capstone. The success of the school will depend in large part upon its ability to select and employ staff and to terminate individual staff members should they not perform in accordance with the goals and objectives of the school. All staff at Capstone will be employed on an at-will basis.

- *Replacement Plan:* The school and NHA will be responsible for these matters. Specific policies and procedures for termination will be developed prior to initial operations. Dismissal shall not be affected by an employee's religious beliefs, marital status, racial or ethnic background, or participation in community affairs.
- *Duration of Waiver:* Capstone requests the waiver be granted for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of the waiver will be measured by the same performance criteria and assessments that apply to Capstone, as set forth in this application.
- *Expected Outcome:* Because of this waiver, NHA, in contract with the Capstone Board, will be able to employ professional staff filling its needs in accordance with the terms and conditions set by the charter school agreement.

C.R.S. § 22-63-204 – Teacher Employment Act – Receiving moneys from sale of goods: Receiving monies from the sale of goods.

- *Rationale:* Because Capstone has a unique program, it is essential that the school be granted the latitude to raise money through grants and fundraising and to spend such funds to accomplish its educational objectives. Capstone staff needs to be allowed to accept pay for sale of goods to accomplish education objectives.
- *Replacement Plan:* The Capstone Board will establish policy for receiving gifts, donations, and grants and will monitor expenditures against instructional objectives.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of the waivers will be measured by the same performance criteria and assessments that apply to the school, as set forth in the application.
- *Expected Outcome:* As a result of the waiver, the Capstone Board will have the latitude to expend funds as needed and will be able to act more quickly while maintaining accountability.

C.R.S. § 22-63-206 – Teacher Employment Act – Transfer of teachers: Permits transfer of teachers between schools upon recommendation of the district's chief administrative officer.

- *Rationale:* The Charter Schools Act allows a charter school to be responsible for its own personnel matters. It is inconsistent with this statute for the District to make transfers with/or for Capstone.
- *Replacement Plan:* Capstone and NHA will make staff assignments based on the school's needs and educational goals. No staff will be assigned to positions for which they are not qualified.
- *Duration of Waiver:* Capstone requests that the waiver be for the duration of its charter.
- *Financial Impact:* None to either the District or Capstone.
- *How Impact of Waiver Will be Evaluated:* The impact of these waivers will be measured by the performance criteria and assessments that apply to Capstone as set forth in this application.

- *Expected Outcome:* Capstone expects that, because of this waiver, it will be able to manage its own personnel affairs.

Capstone reserves the right to identify, during its implementation period, those Colorado Revised Statutes which are impediments to effective operation and to request waivers of those statutes, as specified in C.R.S. §§ 22-2-117 and 22-30.5-104 (6) and 22-30.5-105 (3).

ATTACHMENT 8: WAIVERS OF DISTRICT POLICIES**Requested Waivers of District Policy**

Listed below are the waivers requested from the district. In some instances, waivers are requested not because of any substantive disagreement with the scope, intent, or language of a policy, but rather because the subject policy specifies that the district Board of Education, the superintendent, or a school principal bears responsibility for performing a particular action or function; in the Capstone model for governance/administration, these functions would be performed by the Capstone Board, school administrator, and/or our management partner, NHA.

Waivers of district policy**Capstone Academy
School District 27J Policy Waivers Sought**

District Policy	Title	Rationale
CHCA	Approval of Handbooks and Directive	Capstone Academy will provide a copy of handbooks to 27J Schools.
DJ/DJA	Purchasing/Purchasing Authority	Capstone Academy will have its own process for authorizing purchases and is responsible for its own fiscal management.
DJB-R	Purchasing Procedures	Capstone Academy will establish its own procedures for purchasing.
DJE, DJE-R	Bidding Procedures	Capstone Academy will have its own procedures for competitive bidding.
DJG, DJG-R	Vendor Relations	Capstone Academy will have its own purchasing policies.
IKAC, IKAC-E	Grade Change Policy	Capstone Academy will have its own policies and forms for grade changes.
DKA	Payday Schedules	Capstone Academy will establish its own payday schedules.
DKA-R	Payroll Procedures	Capstone Academy will establish its own payroll procedures.
DKB	Salary Deductions	Capstone Academy will establish its own payroll procedures.
EEA	Student Transportation	Capstone Academy will not provide transportation services for students, except as required, in order to preserve funds for educational programming.
FED-R	Construction Contract – Bidding and Awards	Capstone Academy will contract to lease a facility from NHA.

District Policy	Title	Rationale
GBEC, GBEC-A	Drug Free Workplace – Controlled Substance and Alcohol Testing	Capstone Academy will establish its own procedure for violations of alcohol, controlled substances, and tobacco on school premises.
GBJ	Personnel Records and Files	Capstone Academy will employ and maintain the personnel records of its own employees.
GC (All Sections Beginning with GC)	Professional Staff	Capstone Academy will contract for educational services with NHA. NHA has professional staff policies. All professional staff is employed on an “at-will” basis.
GD	Classified Staff	Capstone Academy will contract for support services with NHA. NHA has staff policies. All support staff are employed on an “at-will” basis.
H (All Sections)	Negotiations	Capstone Academy is not a party to these negotiations.
IC/IC-R	School Year/School Calendar	Capstone Academy will establish its own school year and calendar to meet District and State requirements and academic needs.
ID	School Day	Capstone Academy will establish its own school day.
IE	Organization of Instruction	Capstone Academy will operate as a K-8 school according to its charter.
IGA to IGF, IHAM	Curriculum Development	Capstone Academy will develop, adopt, and review its own curriculum in accordance with its charter.
IJ, IJKA, IJL, IJND, IJ-R	Instructional Resources and Materials Selection	Capstone Academy will select and adopt instructional material, supplementary material, library resources, and technology resources to support the curriculum.
IJOA	Field Trips and Excursions	Capstone Academy will establish its own field trip policy. The principal will approve all Capstone Academy field trips.
IKA, IKAC, IKAC-E, IKA-R2	Grading System and Changes	Capstone Academy will develop its own grading system.
IL, ILA. ILA-R	Testing Programs	Capstone Academy will establish its own procedures for administering standardized testing.
ILBC, ILBC-R	Literacy and Reading Assessments/Early Reading and Literacy Comprehension	Capstone Academy will implement its own procedures, plans, and systems for compliance with the state’s READ Act.
JC	Student Attendance Areas	Capstone Academy will be open to students throughout the district.

District Policy	Title	Rationale
JEB-R	Entrance Age Procedures	Capstone Academy will establish its own procedures.
JF-R	School Admissions	Capstone Academy will use its own admissions procedures.
JH	Student Attendance	Capstone Academy will implement its own attendance procedures.
JICA	Student Dress Code	Capstone Academy will establish its own uniform policy.
JICG/JICG-2, JICH	Student Tobacco, Nicotine, Controlled Substances	Capstone Academy will establish its own, more strict procedure, for violations of the policy.
JICJ	Cell Phone and Electronic Devices	Capstone Academy will have its own cell phone and electronic devices procedures.
JIHB	Student Automobile Use/Parking Lot Searches	Capstone Academy will not have student drivers or student parking.
KE	Public/Parent Concerns and Complaints	Capstone Academy will establish board policy to resolve concerns, complaints, and grievances.
KEC, KEC-E, KEC-R	Public Concerns/Complaints About Instructional Resources	Capstone Academy will establish board policy to resolve concerns, complaints, and grievances.
KF/KFB/KFC/KFC-R	Community Use of School Facilities	Capstone Academy will lease a facility from NHA and have its own policy regarding the use of that facility.
KHA	Gifts and Donations from the Public	Capstone Academy shall retain ownership of assets donated, gifted, or granted to Capstone Academy, and monitor such assets by its own policies.

ATTACHMENT 9A: CURRENT DEMOGRAPHICS FOR EDUCATIONALLY DISADVANTAGED STUDENTS

South Planning Area Averages

10/1/2021 Official October Report

SCHOOL	School Enrollment	Free and Reduced		Special Education		Non and Limited	
		Meals		Students		English Lang Speakers	
		#	%	#	%	#	%
Reunion	728	88	12.09%	105	14.42%	65	8.93%
Second Creek	812	311	38.30%	108	13.30%	201	24.75%
Thimmig	502	188	37.45%	91	18.13%	95	18.92%
Turnberry	674	167	24.78%	109	16.17%	128	18.99%
Prairie View	654	239	36.54%	74	11.31%	52	7.95%
Stuart	742	198	26.68%	76	10.24%	63	8.49%
Belle Creek Charter	600	182	30.33%	41	6.83%	130	21.67%
Landmark Academy	761	111	14.59%	63	8.28%	63	8.28%
	5473						
South Planning Average		27.11%		12.59%		14.65%	

ATTACHMENT 9B: RECRUITMENT AND ENROLLMENT PLAN

As we have noted, we will not have a targeted student population for Capstone, and we will welcome all families who wish to attend. Our intention is to design a school that sufficiently prepares all students, regardless of backgrounds, for college- and career-readiness. To do so, we will leverage our involvement in the community and NHA's experience to broadly communicate about Capstone across the area. We anticipate that most families moving into the Capstone community will have younger students, which is why we plan to begin by offering grades K-6 and growing by each year until serving students through eighth grade.

Plan for Student Recruitment

Attracting diverse families to Capstone is of utmost importance to us. Community outreach has begun and will continue to focus on a broad and diverse sector of our community. Below is more information on how we intend to leverage resources and strategies to attract students who qualify for free and reduced-price lunch (FRL), are English Learners (EL), or have a disability.

Recruiting Students with Special Needs

We know it will be critical to host events specially designed for parents of students with special needs. These events will provide a forum allowing these families to learn more about the school's services for students with special needs. These meetings will be an open dialogue, sharing information with parents about our school, but also hearing from parents about matters important to them. We will be clear in our marketing efforts that families of children with disabilities will be welcome at the school.

- The school's admissions representative will work closely with incoming families who have children with special needs to make sure they are appropriately linked to our special education supervisor, school leaders, and staff.
- We will attend and distribute marketing materials at events or programs designed specifically for the special-needs population.

Recruiting English Learners

NHA has a documented record of attracting, enrolling, and successfully serving students who are EL. We will leverage their strengths in this area and adopt their methods for recruiting this student population. This includes offering our publications, advertisements, and other communications in multiple languages. In addition, we will also host parent meetings in languages other than English to ensure parents can get specific answers to their questions in their native language.

- We will provide translators at events as needed.
- We will offer our marketing collateral in the most prevalent home languages as determined by the latest census data for the community.
- We will focus marketing efforts to businesses and organizations that provide services to EL families in the community.

Recruiting At-risk and Other Educationally Disadvantaged Students

We understand that a portion of the students who apply and enroll may have limited financial means and may qualify for FRL. Given NHA's experience serving similar student bodies, we know we must do the following to communicate effectively:

- Hire an admissions representative who is familiar with the community and able to leverage her/his knowledge and resources to reach all sectors.
- Establish relationships with community organizations that cater to families in poverty.
- Communicate frequently, through multiple means.
- Host meetings at times convenient for working families.
- Provide additional assistance for families who are homeless or living with another family.
- Provide uniforms to families who cannot afford them and/or work with the vendor to provide price reductions.

Recruiting Gifted and Talented Students

At our marketing meetings, we will work with NHA to attract gifted and talented students by sharing information on best practices in differentiating instruction for students who are above grade-level proficiency. Capstone will utilize NHA's programming for gifted and talented students, known as Excel-erate. Excel-erate is designed for the student ready to progress beyond grade level. We will offer this advanced learning opportunity for top performing students who are ready to learn at an accelerated pace. This allows us to better meet the needs of more advanced students, and provide the appropriate level of challenge and higher level thinking. Students in kindergarten through fifth grade who are ready to advance beyond grade level will be given accelerated content. Middle school (sixth through eighth grade) students will be able to take advanced courses for high school credit.

We will also share experiences at other NHA-partner schools where an accelerated cohort has been established by grade level.

Outreach to Raise Awareness

We are assessing demand from families for our school through community outreach efforts, and this will continue. As Board members who are engaged throughout the community, we have spoken about the potential for Capstone with a broad array of stakeholders across the area. We understand the importance of developing a rapport and trust with families throughout the area.

Our Board and NHA have begun to assess demand for our school through community outreach efforts. Efforts have been undertaken to connect with the community and take feedback on our application. Outreach to date has included:

- Creating a landing web page accessible at this link: <https://rb.gy/lconz3>.
- Discussing with businesses and community leaders plans for Capstone.
- Conducting a phone survey to inform area families about this proposal and ask for feedback on their current education options and on our plans for Capstone.
- Collecting "intent to enroll" information from families that express interest in Capstone.

School Enrollment Policy and Criteria for Enrollment Decisions

We have included as **(Appendix F – Admissions and Enrollment Policy in the Application)** our planned Admissions and Enrollment Policy. Capstone will comply with all applicable federal and state laws related to admissions and enrollment. Our planned admission and enrollment process and policy is described below.

Non-discrimination

The school will not discriminate on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin, or any other characteristic on which it would be illegal for a public school to discriminate.

Enrollment Period and Notice

Once the charter is approved, we will establish a timeframe for accepting enrollment applications for our first operating year. We will start accepting applications as early as we can, and we will publicize the key deadline dates widely. Once Capstone is open and operating, and in every school year thereafter, our “open-enrollment period” will run from the first day of school until 5 p.m. on the last business day in the following February. We will accept applications throughout the school year, but those received after the open-enrollment period will be categorized separately for the purposes of the enrollment lottery.

The school will provide notice of the opportunity to enroll students on its website and by printing a legal notice of the open-enrollment period in a local general-circulation newspaper. We will also mail notice of open enrollment and an application to all families that inquire. We may also seek a public service announcement on local television.

Application Procedures

School staff will meet with families, parents or guardians, and students before the first day of school to discuss enrollment procedures and opportunities. Interested parties may get applications from the school website, by visiting the school when it is open, by mailing NHA (at 3850 Broadmoor SE, Grand Rapids, MI 49512), or by phoning 866-NHA-ENROLL. Applications will be mailed, emailed, or faxed to anyone requesting one by phone.

Lottery

Applications to enroll a student in a current school year will be accepted throughout that year, and vacant seats will be filled as we receive applications. The school will receive applications for a subsequent school year during and after open enrollment. If the number of applications for any grade level received during open enrollment does not exceed the number of offered seats, all students applying for that grade level will be offered enrollment. If the number of applications for any grade level received during open enrollment exceeds the number of offered seats, a random-selection process will take place to determine which students are offered enrollment and the order of names on the waiting list once that grade level is fully enrolled. Applications received after the open-enrollment period will not be eligible for the random selection process; these applicants will be added to the end of the waiting list. We intend to utilize a weighted lottery to ensure Capstone Academy’s student population is reflective of other schools within the south plan area, as well as of the community.

Notification of Placement

Parents and guardians of accepted applicants must confirm intent to attend the school within four weeks of acceptance by returning forms, including an admissions form and an official release-of-records form. A sample admissions packet is in (Appendix G – Sample Admissions Packet) of the Application. The school will use several means to inform parents and guardians that students will not be enrolled if they do not attend the first day of school or call as instructed for an excused absence. Outreach strategies likely will include direct mail, phone calls, emails, notifications via social media, and parent meetings. The school also may attempt to contact all applicants who have not responded to determine if the applicant still plans to attend the school.

Re-enrolling Students

Students who remain enrolled on the last day of the school year remain eligible to be reenrolled for successive years without having to re-enter the random-selection process. These students will be asked to complete a reenrollment form by the end of the open-enrollment period showing intent to reenroll for the next school year. We hope all students will reenroll. If a family chooses not to reenroll children, we will follow up to try to learn why. All applicants on a waiting list must resubmit an application for the following school year to be eligible for enrollment.

Random Selection

The school will use a public random-selection process whenever the number of applicants for any grade level exceeds the number of seats offered for that grade level. The school will notify all applicants for enrollment through this process when and where the random selection will occur. Someone not related to our Board, any student, any school staff member, any applicant, or any NHA employee – will be present during this admission process, including the random-selection process, as a neutral observer to ensure the process is fair and appropriate. We will video-record the process to have an official record of the admission of students. Applicants will be randomly selected until all seats available in this process are filled. The random-selection process will continue for all students remaining in the applicant pool who were not offered a seat to establish priority order on a waiting list. This waiting list will be used to fill seats made available before and during the school year for which the student applied. We intend to utilize a weighted lottery as part of this random selection process.

- *Step 1: Set-up:* We will create a list of names of all students who applied during the open-enrollment period with each student's name, birth date, grade level to which the student is applying, address, and names and grade levels of any siblings also applying for admission.
- *Step 2: Admission of Applicants – Under-Subscribed Grades:* For each grade level in which there are fewer applications than available seats, all applicants will be admitted, and their siblings who also applied will then be admitted, if seats are available in that grade, or placed on the waiting list with sibling preference but no guarantee of a seat.
- *Step 3: Admission of Applicants – Over-Subscribed Grades:* For each grade level in which a greater number of applications are received than there are seats available, a random-selection process will occur one grade level at a time to select students for available seats. If a student is selected and has one or more siblings who are also applying for admission, the siblings will be admitted if

there are seats available in the requested grade level, or they will be placed on the waiting list with sibling preference if there are no seats available.

- *Step 4: Waiting Lists:* After all seats are filled in a given grade level, the random-selection process will continue through the remaining applicants, with students' names placed on a waiting list in the order they are selected. Applicants whose applications were received after the open-enrollment period will be added to the end of the waiting list for the appropriate grade, with such students entered on the list in the order in which applications were received.

Enrollment Preferences and Priorities

Any resident of qualifying age who is eligible to attend a public school will be eligible to apply. Once a student has attended the school, he or she will be given first preference to reenroll for the subsequent school year regardless of that student's resident district. Enrollment preference then will be offered to siblings of any reenrolling student. Enrollment preference also will be given to siblings of students newly selected for enrollment through the random-selection process. Children of full-time staff will also be given enrollment preference, but these students will not exceed 10 percent of total enrollment.

As noted, we intend to utilize a weighted lottery to ensure Capstone Academy's student population is reflective of other schools within the south plan area, as well as of the community.

If permitted by law, other enrollment preferences may be established. Additional enrollment preferences are established in Attachment 10.

Transportation

We understand the importance of providing a school that is easily accessible to families and provides a comprehensive food service program for students. Proposing to locate within the Second Creek Farm development, we will position our school facility in a way that allows families to arrive and depart for the day in a variety of ways.

Transportation Services

Providing Transportation Services to Students and Field Trips

Capstone will strive to ensure that our school is accessible to all students and that transportation needs are not a barrier to any child attending the school. We do not plan to provide bus transportation to the general student population. We will offer parents and guardians resources and support to coordinate their transportation needs, and we will provide transportation as required by any individual student's IEP, 504 plan, status as a student experiencing homelessness, or other applicable law. We have also included funds within our five year budget (see Appendix P – Five-Year Budget in the Application) for students who may have specific transportation needs to access Capstone.

We plan for our students to have experiences in the community in the form of field trips. When opportunities arise for students to supplement classroom learning with field trips, we will contract for appropriate transportation as needed.

Because Capstone will not provide transportation to the general student population, parents will be supported by the school to coordinate student transportation needs. A successful learning experience

would not be possible without the partnership and dedication of our students' parents. NHA-partner schools nationwide have seen significant benefit in collaborating with parents to address transportation needs.

School teachers, administrators, and staff greet students and parents during morning drop-off and afternoon pick-up. This routine offers students a transition between school and home that is comforting, safe, smooth, and welcoming. Students arrive at school more focused on the activities of the day and with lower levels of anxiety and distraction than often attributed to school bus rides. This approach also will allow staff an additional point of contact with parents and will give parents an additional opportunity to become a part of the day-to-day life of the school. This will enhance our efforts at building a sense of community also. This approach is in place and working successfully at NHA's other partner schools in Colorado, specifically at Foundations, Landmark, and Mountain View Academies.

Intending to locate within a residential development, we understand many families may choose to walk to and from school each day. Our school's site plan will accommodate this possibility, incorporating a design that emphasizes the safety of those who choose to do so. School staff will be available at any/all crosswalks to implement our safety measures and maintain an optimal flow of traffic.

Capstone will implement a software program called Driveline to facilitate the process when parents arrive to pick-up their student. This system allows students to stay in the classroom until their parent or guardian is on the school property. Classrooms then receive a non-disruptive notification when a specific student's parent or guardian is ready for pick-up. This system is not only efficient for traffic purposes, it is another layer of safety for our students. We recognize that this transportation strategy may not be a viable option for every family. Before the first day of school, during an orientation program for families, we will work with parents to address and coordinate their needs to ensure that transportation is not a barrier to any child attending the school. School staff will also work to identify and plan the use of public transportation options that are available and, if needed, make arrangements with private carriers. However, we also recognize that our population may include students who have transportation needs, including students from outside the local area. Should our application be approved, we would welcome a discussion on addressing those students' needs.

ATTACHMENT 10: ENROLLMENT POLICY (ENROLLMENT PREFERENCES, SELECTION METHOD, AND ENROLLMENT TIMELINE AND PROCEDURES)

**SAMPLE
CAPSTONE ACADEMY
Admission and Enrollment Policy**

Admission to the school shall be open to all age-appropriate children for grade levels offered in accordance with the school's charter contract without charge for tuition and without discrimination on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin or any other basis that would be illegal for an existing school district. Admission shall comply with all applicable federal and state laws. Admission shall be limited to those students who are residents of the state, except a foreign exchange student.

The school will remove barriers to the enrollment and retention in school of children and youth experiencing homelessness by developing and implementing practices and procedures consistent with the McKinney-Vento Homeless Education Assistance Act and applicable state law. The school will ensure that all identified homeless children and unaccompanied youth receive a free and appropriate education and are given meaningful opportunities to succeed in the school. It is the policy of the Board that its educational service provider develop and implement practices and procedures that control the admission and enrollment of students, including public notice and random selection to be used when the number of applicants exceed the number of available spaces for grades offered. Detailed application, random selection and admission practices and procedures shall be available to parents and the general public at the school office. The Board will annually approve offered seats and maximum class size of the school.

Weighted Lottery

To ensure the School meets or exceeds the District's percentage of students identified as educationally disadvantaged under Section 1115(b)(2) of ESSA, applicants meeting one of the below criteria shall receive two lottery entries in their qualifying priority category:

- Economically disadvantaged students eligible for free or reduced priced lunch
- Students with disabilities identified with an IEP
- Migrant students
- English Language Learners
- Neglected or Delinquent Students
- Homeless Students

References:

US Constitution, Fourteenth Amendment
Title IX of Education Amendments Act (20 USC 1681 et. seq.)
The Civil Rights Act of 1964
The McKinney-Vento Homeless Education Assistance Act (42 USC §11434a[2])
Rehabilitation Act of 1973 (29 USC 791 et. seq.)
Equal Educational Opportunity Act of 1974 (20 USC 1703 et. seq.)
The Americans with Disabilities Act of 1990 (42 USC 12101 et. seq.)
Colorado Charter Schools Act (C.R.S. §22-30.5-101 et. seq.)
National Heritage Academies Admissions and Enrollment Practices & Procedures
National Heritage Academies Homeless Child Practices & Procedures

PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (CO)

All applications received after the Open Enrollment Period ("late applications") will not be eligible to participate in the random selection process. If seats are available, late applications will be added to the end of the accepted list in the order received. If no seats are available, the late application will be added to the end of the waiting list or, if the late application is entitled to preference, inserted in the waiting list immediately before all applicants on the waiting list with a lower enrollment preference category.

Currently Enrolled Students

Every student who is enrolled in the current school year and remains enrolled on the last day of the current school year is eligible to re-enroll for the subsequent year without participating in the random selection process. Enrolled students do not have to submit an application for the subsequent year; however, they will be requested to complete a re-enrollment form during the school year showing intent to re-enroll for the subsequent school year.

Weighted Lottery

With the goal of ensuring we reach the economically disadvantaged student population in our community, students eligible for the free or reduced priced lunch will be part of a weighted lottery. The process for the weighted lottery will align to state and federal guidance and may be conducted prior to the general random selection process.

Random Selection Process

The random selection process shall be made public, shall be announced at least one week prior to the date of the lottery, and the school will notify all applicants of the time and place. A neutral third-party person will witness the random selection process. This person will not be related to any student, staff member, board member, anyone applying to the school, or an NHA employee.

Students will be randomly selected until all offered seats have been filled. Any remaining students will be randomly selected to establish waiting list priority used to fill available offered seats prior to and during the school year for which the student applied. After all eligible students have been randomly selected, the school will add the names of applicants who submitted applications after the Open Enrollment Period in the order in which they were received.

The random selection process will be video recorded. In the event of any discrepancy, the video recording will be the official record of placement of students.

Procedural Steps for the Random Selection Process

Step 1: Setup

A list with the name of each student who submitted an eligible application during the Open Enrollment Period will be created. The list will include, but not be limited to, the student's name, birth date, grade level to which the student is applying, street address, and names and grade levels of any siblings who are also applying for admission to the school.

Step 2: Admission of Applicants

A neutral third-party person (as previously described) will witness the electronically random selection of the names of each applicant. Any grades that will not be filled to capacity in the lottery will be considered before other grades in descending order. After all these grades have been identified, the order of the grades that will be filled to capacity in the lottery will be randomly selected.

Once the grade order has been established, randomly selected students will be placed in available seats or on the waiting list in the applying grade if an offered seat is not available. If the selected student is accepted and has siblings who are also applying for admission, the siblings will be accepted if there are offered seats available or placed on the waiting list with sibling preference if offered seats are not available. If the selected student is placed on the

PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (CO)

waiting list and has siblings who are also applying, the siblings' names will not be selected at this time or granted sibling preference but will wait until their grade level is selected. Other preferences will be incorporated as detailed in Enrollment Preferences.

Step 3: Waiting List Priority

Students will continue to be randomly selected until all are selected. After a grade level's seats are full, all remaining students will be placed on the waiting list in the order in which they are selected. Applications received after the Open Enrollment Period will be added to the end of the waiting list for the appropriate grade in the order in which they were received.

Class Size and Offered Seats

Class size and offered seats will be recommended by NHA and submitted to the school Board for approval. In order to make provision for student attrition (reenrolling students who indicate that they are coming back but do not return on the first day of school) and erosion (new students who have been accepted for offered seats but are absent without excuse on the first day of school), the school may over-subscribe grades. The number of students to be over-subscribed will be determined based on historical and forecasted attrition and erosion.

In addition, the number of classrooms may fluctuate in the event the number of students enrolled warrants the increase or decrease in number of classrooms. The number of students in any particular grade and/or the number of students within a class may vary for the purpose of accommodating staffing exigencies and attrition patterns.

In no event will over-subscription, fluctuations in the number of classrooms or variations in the number of students in a grade or class result in a violation of any provision or limit contained within the school's charter contract or applicable law.

The school's openings by grade level change daily and will be posted at the lottery. Parents can contact the school registrar to obtain updates.

Enrollment Preferences

Enrollment preference is first given to currently enrolled students. Next, preference is given to the following ordered categories of applicants (whether district residents or not): children of currently serving school board members, children of teachers of the school, siblings of currently enrolled students, siblings of students selected in the random selection process. Then, preference is given to applicants residing in School District 27J, and finally, applicants not residing in School District 27J.

If permitted by law, other enrollment preferences may be granted.

Siblings are defined as a student who is a sibling of an Accepted or Enrolled student who has at least one common parent/legal guardian and is living in the same household at least 50% of the time. If a student is selected for a grade level that still has offered seats available and the student has a sibling applying for a grade that no longer has offered seats available, the student will be accepted for his/her grade level and the student's sibling will be placed on the waiting list for his/her grade level with sibling preference. Therefore, while sibling preference applies, siblings are not guaranteed a seat.

Accepting a Seat

Prior to the start of school, accepted students must confirm their intent to attend the school within two weeks of acceptance by returning certain initial forms, including an Admissions Form, Official Release of Records Form, and proof of residency documentation (individual schools may choose to offer a

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defined grace period). One month prior and throughout the school year, the process will be accelerated and families will have 24 business hours to verbally accept the seat.

The school will send a reminder to all parents/guardians that if the student does not attend the first day of school or call in to request an excused absence by the date and time indicated, the student will forfeit his/her registered status in the school and will not be enrolled. The school may attempt to contact all applicants who have not responded to inquire whether the applicant is still planning to attend. If families do not respond within the deadline specified in the acceptance letter or decline the seat by contacting the school, the seat will be filled by the next person on the waiting list. The declining family will need to reapply if they change their mind.

Waiting List Policy

The school will keep accurate records of their waiting list containing the names home addresses, telephone numbers and grade levels of students. All applicants on a waiting list must re-submit an application for the following school year beginning in the next Open Enrollment Period.

When a seat becomes available in a particular grade due to attrition, erosion, or other event, if that particular grade has a waiting list, that available seat will be filled by the first student on the waiting list. If a waiting list does not exist for that particular grade, but exists for another grade, the school may (subject to applicable enrollment limits and board approved offered seats) fill the available seat using the first student on the waiting list in a different grade, the grade deemed most beneficial to student and school considering class size, teacher capacity, and other school operational factors.

Communication Prior to the First Day

As part of the enrollment process, the school staff will communicate or meet with families, parents/guardians, and students prior to the first day of school. The school will send all applicants a reminder communication to inform parents/guardians of the importance of being present on the first day of school. If the student does not attend the first week of school or call in to request excused absences by the date and time indicated on the reminder, the student will forfeit his/her accepted or registered status in the school and will not be enrolled. The school may attempt to call all applicants who have not responded to inquire whether the applicant is still planning to attend.

Re-Enrolling No Shows

If a student does not attend and the student's family does not respond to communication from the school during this period of absence, the student shall be removed from the student list. The school will make every effort to reach absent students during the first few weeks of school and will fill vacant seats in accordance with the process outlined above.

Withdrawal Process

Students may be withdrawn from the school at any time in accordance with the procedure outlined below. Only the enrolling custodial parent/guardian may withdraw a student.

1. The school will verify that the withdrawing parent/guardian is the custodial parent/guardian.
2. The withdrawing parent/guardian must complete a withdrawal form and provide a signature to confirm the withdrawal decision.
3. The school will confirm receipt of the completed withdrawal form and signature and may follow up with the parent to further discuss the nature of the withdrawal. If resolution is not made as a result of the follow up conversation, the school will remove the student from the school's roster.

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Appeals

Any parent or guardian may contest or appeal the random selection process, in writing, to the school's board of directors within 30 days of the lottery date. The bases for an appeal include the violation of law or written policy or material error in the application of the Enrollment and Admission policy. Following receipt of the parent's/guardian's written appeal, a school board designee will contact the parent/guardian to discuss the nature of the concern or objection. Final decisions will be made by the school board or its designee.

SAMPLE

ATTACHMENT 11: DISTRICT SERVICES CONTRACT