CHARTER SCHOOL RENEWAL AGREEMENT

BETWEEN

THE COLORADO CHARTER SCHOOL INSTITUTE

AND

CAPROCK ACADEMY

Contents

SECTION 1: RECITALS 1
SECTION 2: THE SCHOOL 2
2.1 Parties. 2
2.2 Term. 2
2.3 Charter School Legal Status. 3
2.4 Contacts. 3
SECTION 3: INSTITUTE-SCHOOL RELATIONSHIP 3
3.1 Institute Responsibilities and Rights 3
3.2 School Responsibilities and Rights 5
3.3 Procedures for Contract Amendments. 7
3.4 Voluntary Dispute Resolution. 7
3.5 Other Remedial Courses of Action 8
3.6 Institute Violations of State Charter Law or Breaches of This Contract 9
SECTION 4: SCHOOL GOVERNANCE 9
4.1 Governance. 9
4.2 Corporate Purpose. 10
4.3 Transparency. 10
4.4 Conflict of Interest Policy. 10
4.5 Grievance Policy. 10
SECTION 5: OPERATION OF SCHOOL AND WAIVERS 11
5.1 Operational powers. 11
5.2 Performance Evaluations.. 11
5.3 Budget. 11
5.4 Transportation. 11
5.5 Food Services. 11
5.6 Insurance. 12
5.7 Volunteer Requirements 12
5.8 Nonreligious, Nonsectarian Status 12

5.9 Commitment to Nondiscrimination....12
5.10 Waivers....13
SECTION 6: SCHOOL ENROLLMENT AND DEMOGRAPHICS....13
6.1 School Enrollment and Demographics....14
6.2 Student Recruitment and Enrollment....14
6.3 Continuing enrollment....14
6.4 Indigent Students....14
6.5 Denial of Admission....14
SECTION 7: EDUCATIONAL PROGRAM....14
7.1 Vision and mission....15
7.2 Contracting for Core Educational Services....15
7.3 Educational Accountability, School Performance and Accreditation....15
7.4 Performance Frameworks and CSI Annual Review of Schools....15
7.5 Student Performance Goals....16
7.6 Monitoring....16
7.7 Renewal....16
7.8 Framework Amendment....16
7.9 Student Attendance....17
7.10 Conduct and Discipline....17
7.11 Student Welfare and Safety....17
7.12 School Calendar; Hours of Operation....17
7.13 Online program....17
7.14 Additional programs....17
7.15 Curriculum, instructional program, and pupil performance standards....17
7.16 Exceptional Students....18
7.16 Assessment of Pupil Performance and Procedures for Corrective Action....20
SECTION 8: FINANCIAL MATTERS....20
8.1 Funding and Disbursement of Per Pupil Revenue Funding....20
8.2 Disbursement of per pupil revenue funding....22
8.3 Adjustment to funding....22
8.4 Budget....22

8.5 Enrollment projections. 22
8.6 TABOR reserve. 23
8.7 Non-appropriation of funds. 23
8.8 Contracting. 23
8.9 Financial Reporting 24
8.10. Timing 25
SECTION 9: PERSONNEL 25
9.1 Employee Status. 25
9.2 Employee Policies. 25
9.3 Employee Qualifications. 25
9.4. Background Checks; Fingerprinting 26
SECTION 10: FACILITIES 26
10.1 Facility 26
SECTION 11: RENEWAL, REVOCATION, AND SCHOOL-INITIATED CLOSURE 26
11.1 Renewal Process 26
11.2 School-initiated Termination. 27
11.3 Dissolution. 27
11.4 Return of Property 28
11.5 Termination and Appeal Procedures 28
11.6 Survival of Certain Contract Terms. 28
SECTION 12: GENERAL PROVISIONS 28
12.1 Order of Precedence 28
12.2 Amendments. 28
12.3 Merger. 28
12.4 Non-assignment 28
12.5 Governing Law and Enforceability. 29
12.6 No third-party beneficiary. 29
12.7 No waiver. 29
12.8 Notice. 29
12.9 Severability 29
12.10 Conflict with Exhibits 30

12.11 Counterparts; Signature by Facsimile 30
12.12 Business Days. 30
EXHIBIT A: RESOLUTION TO APPROVE THE CHARTER RENEWAL APPLICATION ..31
EXHIBIT B: ARTICLES OF INCORPORATION AND BYLAWS 33
EXHIBIT C: REQUESTED WAIVERS 54
EXHIBIT D: ENROLLMENT PROCEDURES 58

CHARTER SCHOOL RENEWAL CONTRACT

This charter school renewal contract (the "Contract") is effective on February 14, 2017 by and between the State Charter School Institute (the "Institute" or "CSI") and Caprock Academy (the "School") for the renewal of a Charter School, organized as a Colorado nonprofit corporation, located in Grand Junction, CO.

SECTION 1: RECITALS

WHEREAS, the Colorado General Assembly has enacted the Charter Schools Act (the "Charter Schools Act"), **CRS 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 **CRS 22-30.5-102(2) & (3)**;

WHEREAS, The Colorado General Assembly has subsequently enacted **CRS 22-30.5-501** *et seq.*, (the "State Charter Institute Act") authorizing the creation of the Institute and empowering the Institute to enter into charter school contracts as specified therein;

WHEREAS, pursuant to **CRS 22-30.5-503(1)(b)(III), 22-30.5-504(1) and 22-30.5-508(1)**, the Institute has the authority to approve applications to establish charter schools in the State of Colorado and thereafter to enter into contracts with such schools setting forth the terms and conditions under which a charter school is to operate;

WHEREAS, on October 21, 2016, CSI received a charter renewal application from CAPROCK ACADEMY ("CAPROCK");

WHEREAS, the renewal application was examined in accordance with national best practices for charter school application review;

WHEREAS, CSI staff analyzed all available cumulative annual and interim student performance data, school financial performance data, governance/operations data, and other outcomes data covering the full term of CAPROCK's contract;

WHEREAS, during the summer of 2016, the school was notified along with all renewal schools that the foundation for the renewal analysis and decision-making would be the CSI Annual Review of Schools (CARS);

WHEREAS, on November 14, 2016, the school received its preliminary Annual Performance Report (APR) summarizing cumulative academic, financial and operations information and its CSI Accountability Rating;

WHERAS, during fall 2016, the school had the opportunity to provide additional information related to the CARS rating and the annual review documentation;

WHEREAS, on December 5, 2016, CSI staff provided a copy of the staff recommendation, recommending renewal, to both CAPROCK and the CSI Board;

WHEREAS, on December 5, 2016, the CSI Board Performance Management Committee convened to discuss the application and the staff recommendation, and the recommendation was forwarded to the full Board for consideration at the December 13, 2016 CSI Board Meeting;

WHEREAS, the CSI Board fully considered the renewal request from CAPROCK, as well as the recommendation report from CSI staff, and all the additional information provided by CAPROCK;

WHEREAS, on December 13, 2016 the Institute approved the Renewal Application, subject to certain conditions and negotiation and execution of a contract acceptable to the Institute and to the School, as reflected in Institute Resolution #1613, which is attached hereto as **Exhibit A** and is incorporated by reference herein;

WHEREAS, this Contract, together with the Original Charter Application (the "Application") and Renewal Application (both as modified and incorporated by reference herein) and with the attachments and exhibits thereto, contains all terms, conditions and provisions hereof and the entire understandings and all representations of understandings and discussions of the parties relating thereto, and all prior representations, understandings and discussions are merged herein and superseded and canceled by this Contract; and

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, the parties agree as follows:

AGREEMENT

SECTION 2: THE SCHOOL

2.1 Parties. This Agreement is entered into between the Board of Directors of the School ("School Board") and the Institute. The person authorized to sign on behalf of the School is the Chair of the School Board and as attested by the Secretary of the School Board. The person authorized to sign on behalf of the Institute is the Chair of the Board of Directors of the Institute and as attested by the Secretary of the Board of Directors.

2.2 Term. This Contract is effective as of July 1, 2017 and is to terminate on June 30, 2022. This Contract may be renewed in accordance with the State Charter Institute Act, the Institute rules, and as set forth in **Section 11** below. Although this Contract is for operation of the School as a charter school for a period of 5 years, any financial commitment on the part of the Institute contained in this Contract is subject to annual appropriation by the General Assembly and the parties agree that the Institute has no obligation to fund the financial obligations under this Contract other than for the current year of the Contract term; and that the Institute has not irrevocably pledged and held for payment sufficient cash reserves for funding

the School at or above the per pupil allocation or for providing services described herein for the entire term of the Contract.

2.3 Charter School Legal Status. The School represents that it is and shall maintain its status as a Colorado nonprofit corporation in accordance with **CRS 22-30.5-507** and the Colorado Revised Nonprofit Corporation Act. The School is to remain organized and maintained as a separate legal entity from the Institute for all purposes of this Contract. As provided by the Charter Schools Act, the School will 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 a public school under the legal supervision of the Institute. As such, the School is subject to Colorado laws and Institute policies that are applicable to public schools unless waived in accordance **Section 5.10** of this Contract.

2.4 Contacts. Each year, the School shall submit a contact identification form in accordance with Institute procedures which identifies a primary School contact in addition to contact information for Board members and other key School personnel. The Institute will follow the information provided on the contact identification form in communicating with the School, but reserves the right to communicate with other School personnel or School Board members depending on the nature and subject matter of the communication. The School agrees to timely notify the Institute of any material changes to the information provided on the contact identification form. Formal notices shall be sent in accordance with **Section 12.8** below.

SECTION 3: INSTITUTE-SCHOOL RELATIONSHIP

3.1 Institute Responsibilities and Rights

A. **Oversight Authority**. The Institute shall have broad oversight authority over the School pursuant to **CRS §§ 22-30.5-503(5), 505 and 507(2)**, and the State Board of Education (the "State Board") shall also have general supervision of the School pursuant to **CRS § 22-30.5-503(6)**. The School shall be accountable to the Institute and is subject to all applicable federal and state laws, regulations of the State Board and the Colorado Department of Education, and Institute policies and regulations unless specifically waived.

B. **Right to Review**. To fulfill its accountability responsibility, 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 Institute officials who have legitimate educational interests in such records within the meaning of the Family Educational Rights and Privacy Act ("FERPA"). 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, including bank statements;

iii. Educational program, including test administration procedures and student protocols;
iv. Interim assessment measures;
v. Personnel records, including evidence that criminal background checks have been conducted;
vi. School operations, including health, safety and occupancy requirements; and
vii. Inspection of the facility.

Further, this Contract makes explicit the Institute's right to make announced or unannounced visits to the School to fulfill its oversight responsibilities. Records must be maintained in Colorado and Institute staff must be granted unlimited access to any electronic student record systems.

Notwithstanding anything to the contrary herein, the Institute 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 a work product exception, or other confidential attorney client communications, in whatever form, relating to negotiations with the Institute.

C. **Complaints**. In accordance with Institute policy, complaints received by the Institute will first be directed to the School's administration and then to the School Board for resolution. Where a grievant has followed the School's Grievance Policy and escalates the complaint to the Institute, the Institute agrees to notify the School and, if appropriate, the School Board of any formal complaint within five (5) business days of receipt of the complaint and will include information about the substance of the complaint. Due consideration shall be accorded to any complainant's request for anonymity.

D. **Feedback about Progress.** The Institute will provide information to the School about its status in relationship to the requirements contained in **Section 7** in accordance with the CSI Annual Review of Schools and associated timelines.

E. **Access to Data and Information.** The Institute 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, Exceptional Student Education Act data, school improvement status, accreditation, special education, and funding information.

F. **Accreditation Data and Process.** No later than five (5) business days following the receipt of the information, the Institute shall provide to the School the data used by the Colorado Department of Education ("Department") to conduct its analysis of the School's performance and the Department's initial recommendation considering the type of performance plan the School should be required to implement. The Institute 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 Institute. The Institute shall present any appeal it reasonably determines to be valid to the Department in accordance with **CCR 301-1-10.03**. No later than five (5) business days following the receipt of the information, the Institute shall provide to the School the final plan assignment determination that the School shall implement. No later than ten (10) business days following approval by the Institute Board, the Institute shall provide to the School the final accreditation status assigned to the School and the Institute's assessment of the progress made by the School toward the goals and objectives set forth in **Section 7** of this Contract.

3.2 School Responsibilities and Rights

A. **Records.** The School shall comply with applicable federal and state laws concerning the maintenance, retention and disclosure of student records, including, but not limited to, the Colorado Open Records Act, **CRS 24-72-201** *et seq.*, and the **Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g**. The School further agrees to assist and cooperate with the Institute in accessing or reviewing any records as part of its oversight responsibility or to address its compliance requirements.

Student records include but are not limited to immunization records, class schedules, records of academic performance, IEP and 504 records, disciplinary actions, attendance and standardized test results and documentation required under federal and state law regarding the education of students with disabilities. The School agrees to maintain up-to-date information about enrolled students in the School's online student data systems. All paper records shall be maintained at the School and shall be open to inspection, consistent with law, during reasonable business hours.

B. **Notice to the Institute.**

Timely Notice: The School will timely notify the Institute (and other appropriate authorities) in the following situations:

i. The discipline of employees at the School arising from misconduct or behavior that may have resulted in harm to students or others, or that constituted violations of law; and
ii. Any complaints filed against the School or its employees, administration, or Board members by any governmental agency.

Immediate Notice: The School will immediately notify the Institute of any of the following:

i. Conditions that may cause it to vary from the terms of this Contract, applicable Institute requirements, or federal or state law;
ii. Any circumstance requiring the unplanned extended 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;

iii. Any circumstances requiring lockdown, emergency drills or any other action that may affect school health or safety;

iv. The arrest, dismissal or resignation of any members of the School Board or School employees for a crime punishable as a felony or any crime related to the misappropriation of funds or theft;

v. Misappropriation of funds;

vi. A default on any obligation, which will include debts for which payments are past due by sixty (60) days or more; and

vii. Any change in the School Board's corporate status with the Colorado Secretary of State's Office or status as a **501(c)(3)** tax-exempt organization.

C. **Compliance.** The School will comply with all applicable federal and state laws, regulations and rules, local ordinances, and Institute policies, except to the extent that the School has obtained waivers from state law and Institute policies in accordance with **Section 5.10** below. The School is expected to be aware of the federal and state laws and Institute policies with which the School must comply. Noncompliance will be addressed through the Institute's school compliance policy. A compliance attestation document will be provided to the School Board chair for signature on a yearly basis. The Institute reserves the right to conduct audits and require submission of certain documents or assurances in order to monitor compliance.

D. **Reports.** The School will timely provide to the Institute any reports necessary and reasonably required for the Institute to meet its oversight and reporting obligations. Required reports include, but are not limited to, those listed on the CSI online compliance calendar (or its replacement) with projected due dates for the current school year. Timely notification will be provided by the Institute when due dates are changed or if additional reports are required by the federal government or the Colorado Department of Education ("CDE"). The Institute will continuously update the list of required reports and due dates and provide this information to the School via the CSI online compliance calendar (or its replacement). Failure by the School to provide reports by set deadlines may constitute a material breach of the Contract in accordance with Institute compliance policies and procedures, and the Institute may take action under **Sections 3.5 or Section 11** of this Contract.

E. **Indemnification.** To the extent permitted by law and not covered by insurance or not otherwise barred by the Colorado Governmental Immunity Act, the School Board and the School agree to indemnify and hold the Institute and its employees, directors, officers, agents, and assigns harmless from all liability, claims and demands of third parties arising on account of personal injury, sickness, disease, death, property loss, infringement on intellectual property rights or damage or any other losses of any kind whatsoever to the extent the same are proximately caused by any act, error, or omission, whether negligent, grossly negligent, intentional or otherwise, of any of its employees, directors, officers, agents, assigns, subcontractors, and representatives. The Institute may withhold funds for damages, attorneys' fees, costs and expenses incurred in connection

with any pending or threatened suits, actions, grievances, charges or proceedings. The forgoing provision will not be deemed a relinquishment or waiver of any kind of applicable bar or limitation liability provided by the Colorado Governmental Immunity Act or other law. This clause shall apply to disputes that arise post-termination of the contract between the Institute and the School for claims arising relating to the contract.

3.3 Procedures for Contract Amendments. If the Institute requests a change to this Contract, the Institute will send written notice to the School in accordance with **Sections 12.2** and **12.8**. The School will have 60 days to review and accept or reject the proposed changes.

Except as otherwise specified in the Contract, if the School desires any changes to this Contract, the School shall submit a written request, in a form and manner prescribed by the Institute Governing Document Modification process (or its replacement), which request shall, at a minimum, identify the change being requested, the rationale for the proposed change, and a description of all considered academic, organizational, and financial impacts.

The Institute shall have 60 days to review and accept or reject any complete request for contract modification. Failure to receive advance approval for such changes may be considered a material breach of the Contract.

3.4 Voluntary Dispute Resolution. The parties may choose to attempt to resolve disputes arising out of the implementation of this Contract, and not subject to immediate appeal to the State Board, by means of the dispute resolution process set forth in this Section. Should both parties agree to pursue dispute resolution, they further agree that they shall continue without delay to their performance under this Contract, except for any performance which may be directly affected by such dispute.

i. **Informal negotiation**. If both parties agree to dispute resolution, authorized representatives of the Institute and the School will meet to discuss a possible resolution to the dispute.

ii. **Formal notification of dispute**. If the dispute is not resolved through informal negotiation, either party may submit to the other a written notice identifying the specific action with which it disagrees, any Contract provision which it alleges has been breached, and the specific corrective action it wishes the other party to take. Such notice must be given within twenty (20) days of the time the party knew or should have known of the action at issue and that informal resolution under **Section 3.4(i)** was unsuccessful.

iii. **Mediation.** If the parties are unable to negotiate a resolution to the dispute within ten (10) business days of receipt of such formal notice, either party may request mediation. The party making the request will notify the other party of the request in writing. Within one calendar week of receipt of notice by the other party, the authorized representatives of the parties will attempt to agree on a mediator. If the parties through their representatives fail to reach an agreement within one calendar week after the first attempt to agree, they will

request appointment of a mediator by the American Arbitration Association or such other organization as may be mutually agreed upon.

iv. **Procedure.** Within thirty (30) days of appointment, the mediator will conduct a hearing limited to the issues raised in the notice required by **Sections 3.4(ii)**. The mediator will have authority to make procedural rules and will issue a report to the parties within thirty (30) days after the close of the hearing. Such report will contain findings and a recommendation regarding the issue(s) in dispute. The mediator's recommendation will be forwarded to the Institute and to the School. This shall not be deemed the "release" of the mediator's recommendation.

v. **Institute Board action.** If the parties are unable to negotiate a resolution, the Institute Board will make a decision on the matter and release the mediator's recommendation. The Institute Board's action on the recommendation will be final and binding, subject only to such appeal as may be authorized by law.

vi. **Institute's authority.** The dispute resolution process set forth in this Contract will not be required prior to the exercise of any contractual right or statutory authority by the Institute Board, including remedial authority for any material breach of this Contract, such as proceedings to revoke or not renew the Contract.

vii. **Failure to Advance the Process.** Failure to advance the process within the time specified in **Section 3.4** will be deemed a waiver of any right to contest an action covered by this procedure with respect to the specific action at issue and will forever bar any claim or proceeding related to such action. In other words, if a party fails to advance the process within the time specified, that party has no right to complain that the process has moved ahead. However, notwithstanding this provision, the parties may agree in writing to extend any of the time limits for a specified period.

viii. **Costs shared.** The parties will share equally the costs of mediation, including any per diem expenses, plus any actual and necessary travel and subsistence expenses. A party who unilaterally cancels or withdraws from a scheduled mediation will pay the full cost of any fees assessed by the mediator.

3.5 Other Remedial Courses of Action. If the School is in violation of **C.R.S. 22-30.5-511(3), (4), (4.5)**, state or federal law or administrative regulations, or materially breaches the Contract, the Institute may, but is not required to, take other remedial actions prior to initiating revocation procedures in accordance with **Section 11**. Prior to taking any action other than set forth in **Section 3.5(iii), (iv),** or **(v)** below, the Institute will send a notice of breach and provide the School with an opportunity to cure the deficiency. The notice will state the deficiency and the basis for it, an opportunity for the School to contest the deficiency, the timeframe for curing the deficiency, and the expected results.

Courses of action include, but are not limited to, those listed below. These actions may be applied individually, in succession, or simultaneously.

i. **Withholding of some or all of the funds due to the School.** This action may be taken in situations as allowed by **CRS 22-30.5-105(2)(c)(IV)**, which include

failure to submit reports and budgets listed on the CSI online compliance calendar (or its replacement) or as otherwise required by law, regulation, or Institute policy by the established deadlines.

ii. **Seeking or requiring technical assistance** from the Colorado Department of Education or another organization if the School is required to prepare and implement a priority improvement plan or turnaround plan.

iii. **Requesting that the Commissioner** issue a temporary or preliminary order in accordance with **CRS 22-30.5-701** *et seq.*,

iv. **Taking immediate control of the School or some portion thereof.** Notwithstanding any other provision of this Contract, in the case of any breach which the Institute determines in good faith poses a serious threat to the School or Institute students, the community, or the property rights of the Institute or School, the Institute may, but is not required to, take immediate control of the School pursuant to **CRS 22-30.5-703**, and may exercise any portion or all power and authority over the School for such period of time as may be necessary to deal with such threat. These additional rights of the Institute will continue during the pendency of any dispute resolution process with respect to any alleged breach.

v. **Notice of breach.** A notice of breach will be initiated by a letter from the Institute containing all of the information in **Section 3.5** above. In addition, the letter will require that: (1) the School prepare a plan to remedy the deficiency; (2) the School submit the plan to the Institute for review and comment; (3) the School revise the plan after review by the Institute, if necessary; and (4) the School's Governing Board approve the plan. The School's Governing Board shall include a statement that directs the School's staff to implement the plan and to provide the School's Governing Board with periodic reports of progress. The Institute may require the School to review and revise the plan if it is not effective in remedying the deficiency. This action may be taken if (1) the School fails to make progress toward achieving its goals and objects; (2) fails to meet Institute accreditation requirements; (3) fails to implement its educational program; or, (4) fails to complete and transmit required reports by the established deadlines.

3.6 Institute Violations of State Charter Law or Breaches of This Contract. If the School believes that the Institute has violated any provision of this Contract or charter school law, the School shall send the Institute notice of the violation and provide an opportunity to cure. The notice will state the deficiency and the basis for the notice, shall provide an opportunity for the Institute to contest the deficiency, shall set forth a reasonable timeframe for remedying the deficiency, and shall set forth the expected results. If the Institute does not remedy the violation or breach, the School may initiate the dispute resolution procedures outlined in **Section 3.4** or seek other remedies provided by law.

SECTION 4: SCHOOL GOVERNANCE

4.1 Governance. The School shall be governed by a Board of Directors of the School ("School Board"), which shall remain incorporated as a Colorado Nonprofit Corporation.

The School Board members are fiduciaries of the School and shall operate in accordance with the School Corporation's Articles of Incorporation and Bylaws, which articles and bylaws shall not conflict with the School's obligation to operate in a manner consistent with this Contract and applicable state and federal laws. The School's Articles of Incorporation and Bylaws are attached to this contract as **Exhibit B**. The Articles of Incorporation and Bylaws or the corporation will provide for governance of the operation of the School in a manner consistent with this Contract and state and federal law. The School Board shall follow the requirements of the Colorado Revised Nonprofit Corporations Act in amending its articles of incorporation and bylaws and shall provide the Institute with notice of any such changes within 10 days of any such ratification or adoption by the School Board.

4.2 Corporate Purpose. The purpose of the School will be limited to such purposes as are set forth in its articles of incorporation as a nonprofit Colorado corporation and as may be accepted and approved by the IRS with regard to its status as an exempt organization under **Section 501(c)(3)** of the Internal Revenue Code.

4.3 Transparency. The School Board and the School acknowledge and agree that the School is subject to the Colorado Sunshine Act (**CRS 24-6-401** *et seq.*) and the Colorado Open Records Act (**CRS 24-72-100.1** *et seq.*) and any subsequent amendments thereto. The School shall make the School Board-adopted policies, meeting agendas and minutes and related documents readily available for public inspection, including the online publication of School Board meeting minutes, agendas, and meeting notices. Public notice of all regular and special meetings shall be given and posted in accordance with law. The Institute reserves the right to require submission or perform an audit of Board materials, including but not limited to, notices, agendas, and meeting minutes.

Additionally, to promote transparency, the School shall ensure that the following information, at a minimum, is easily accessible on the School's website:

i. School Board membership and contact information for the School Board Chair; and
ii. Governing Board meeting calendar.

4.4 Conflict of Interest Policy. The School shall adopt and strictly enforce a conflict of interest policy which preserves the mission and vision of the School and shall address nepotism, excessive compensation, and any other potential conflicts of interest.

4.5 Grievance Policy. The School shall adopt a grievance policy for resolution of public complaints consistent with Institute policy. The policy must provide an opportunity for comment by the grievant in public hearing on the matter and an appeal process. The final administrative appeal will be heard by the School Board, not the Institute Board, subject to review by the Institute in appropriate circumstances and in line with the Institute's conflict resolution policy. The Institute may require the School to modify the proposed grievance policy prior to approval, but such approval will not be unreasonably withheld. Any material changes to the School's grievance policy may be made only with the approval of the Institute in accordance with **Section 3.3** and the School Board.

SECTION 5: OPERATION OF SCHOOL AND WAIVERS

5.1 Operational powers. The School shall be responsible for its own operations including, but not limited to, fiscal matters, preparation of a budget, contracting for services including legal representation and independent auditing, and personnel matters; leasing or purchasing facilities for the School; accepting and expending gifts, donations or grants of any kind in accordance with such conditions as may be 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. The School may contract with third party providers for operational and administrative services to the extent permitted by law and the Contract, in accordance with **Section 8.8** below. 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, and 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, subject to the Institute' prior right to review such contracts.

5.2 Performance Evaluations. The School Board shall conduct a performance evaluation of the lead administrator ("School Leader") at least annually in accordance with **C.R.S. §22-9-106**, unless waived, in which case a replacement plan and rationale shall be submitted and approved in accordance with **Section 5.10** and the School Board shall operate in compliance with such replacement plan. The School Leader or his/her designee shall conduct performance evaluations of the School's employees at least annually in accordance with **C.R.S. §22-9-106**, unless waived, in which case a replacement plan and rationale shall be submitted and approved in accordance with **Section 5.10** and the School shall operate in accordance with that plan.

5.3 Budget. The School shall be responsible for the preparation of its budget and shall implement the School Board-approved operating budget. In accordance with the timelines provided in the Institute online compliance calendar or its replacement or as otherwise requested by the Institute, the School shall submit to the Institute the School Board's adopted budget for the upcoming school year. Any subsequently approved versions of the budget shall be provided to the Institute within fifteen (15) days following School Board approval. Budgets must be developed and adopted in accordance with **CRS 22-44-102** *et seq.*

5.4 Transportation. The Institute and the School acknowledge and agree that transportation is not required to be provided to students attending the School. The School is prohibited from offering a transportation program without prior written authorization from the Institute. Any transportation of students to the School (other than special education students who require transportation as a related service) will be the sole responsibility of the School. Should the School later elect to provide transportation services, the School shall be responsible for- and comply with all regulatory, safety, insurance, and licensing requirements.

5.5 Food Services. The Institute and the School acknowledge and agree that food services will not be provided to students attending the School. The School is prohibited from offering a food program without prior written authorization from the Institute.

5.6 Insurance. The School will purchase insurance protecting the School and its Board, employees, and volunteers, and the Institute where appropriate, consisting of comprehensive general liability insurance, errors and omissions liability insurance (also known as school entity liability insurance), and auto liability insurance. The School will also purchase statutory workers' compensation insurance coverage.

The School shall implement the plan to meet applicable insurance coverage requirements set forth in the Application. Any material revision to the terms of such plan may be made only with the prior approval of the Institute. Insurance terms and conditions must be acceptable to the Institute 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". Non-rated insurers must be approved by the Institute. Minimum coverage requirements are listed below:

Comprehensive general liability - $2,000,000
Officers, directors and employees errors and omissions - $1,000,000
Property insurance - As required by landlord or lender
Motor vehicle liability (if appropriate) - $1,000,000
Bonding (if appropriate)
Minimum amounts: $25,000
Maximum amounts: $100,000
Workers' compensation - (as required by state law)

The School will provide certificates of insurance to the Institute in accordance with the timelines provided in the CSI online compliance calendar or its replacement or as otherwise required by the Institute. All insurance policies purchased by the School will state that coverage will not be suspended, voided, cancelled, reduced in coverage or in limits, except after 45 days prior written notice by certified mail return receipt requested, has been given to the Institute. The School will notify the Institute within 10 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.

5.7 Volunteer Requirements. Any requirement adopted by the School that requires parents 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. The School agrees to conduct background checks of volunteers, as appropriate, and to require evidence of insurance and driver's licensure if the School will be using volunteers' private vehicles for student transportation.

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

5.9 Commitment to Nondiscrimination. The School shall comply with all applicable federal, state and local laws, rules and regulations prohibiting discrimination on the

basis of race, color, creed, national origin, sex, sexual orientation, marital status, religion, ancestry, disability or need for special education services.

5.10 Waivers

A. **Automatic Waivers**. Pursuant to **C.R.S. §22-30.5-103** and **1 CCR 301-35**, 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 to which the School shall be subject. The School shall submit a request for automatic waivers in accordance with Institute Policies and Procedures and in accordance with state laws and regulations.

B. **Non-Automatic Waivers.** In addition to waivers automatically granted, the Institute agrees to jointly request waivers of additional state laws or regulations to the extent permitted by state laws, rules and regulations upon request by the School and upon approval by the Institute. The waivers to be requested jointly from state law or regulation are set forth in **Exhibit C**. The School shall submit a request for non-automatic waivers in accordance with state laws and regulations.

C. **Subsequent or Additional Waiver Requests**. The School may request subsequent or additional waivers after the original request. Upon receipt of such request, the Institute will have 30 calendar days to review the request. Waivers of Institute policies and regulations may be granted by the Institute Board only to the extent permitted by state law. In the event the Institute policy or regulation from which the School seeks a waiver is required by state law, or where the School otherwise requests release from a state law or regulation, the Institute agrees to jointly request such a waiver from the State Board if the Institute first approves the request. Institute approval of requests to waive either Institute policies or regulations or State law or regulations will 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 will meet to negotiate the effect of such State Board action.

D. **Legal Liabilities**. The School shall operate in compliance with all Institute policies, procedures and regulations, and all applicable federal, state and local laws, rules and regulations, unless specifically waived pursuant to this **Section 5.10**.

E. **Compliance Assurance**. The School will take reasonable steps to assure that staff at the School, members of the School Board, and administrators at the School comply with all replacement policies or practices adopted by the School in connection with waiver of state statutes or rules or Institute policies, or, when appropriate, comply with the intent of waived state statutes, state board rules, and Institute policies.

SECTION 6: SCHOOL ENROLLMENT AND DEMOGRAPHICS

6.1 School Enrollment and Demographics. The School shall provide instruction to students in grades K through 12 in accordance with the following Enrollment Schedule and as further described in the Application:

Grade	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Projected # of Students	50	50	50	50	50	50	50	50	50	50	50	50	50	650

Material increases or decreases to total enrollment and/or the addition or subtraction of a grade level served require advance Institute approval in accordance with Institute policies and procedures. The School agrees that, under no circumstance, shall its student enrollment exceed the capacity of the facility or site as set forth in the Certificate of Occupancy. The School acknowledges that if actual enrollment declines below the minimum enrollment required for financial viability, the School's charter may be revoked.

6.2 Student Recruitment and Enrollment. Enrollment in the School shall be open to any child who resides within the state, except as limited by **CRS 22-30.5-507(3)**. Student recruitment and enrollment decisions shall be made in a nondiscriminatory manner specified by the School in the Application. In all cases, student recruitment and enrollment decisions shall be without regard to disability, race, creed, color, sex, sexual orientation, national origin, religion, ancestry, or need for special education services in accordance with federal and state laws and constitutional provisions. Enrollment preferences, selection method, timeline, and procedures are described in **Exhibit D**. Any material changes to the School's enrollment policies and procedures may be made only with the approval of the Institute and the School Board of Directors.

6.3 Continuing enrollment. Pursuant to Colorado state law, students who enroll in the School will remain enrolled in the School through the highest grade served by the school, absent expulsion, graduation, court ordered placement, or IEP placement. Students wishing to transfer from the School to a school in their home District may do so only through the home District's procedures.

6.4 Indigent Students. The School shall have a fees policy that waives or reduces all fees for indigent students in accordance with applicable federal and state law and Institute policy. The School shall survey its student population for eligibility for free and reduced-price lunches under federal guidelines in accordance with State Board of Education regulations. On all fee lists and schedules, the School shall include notification of the policy of waiver of fees for indigent students.

6.5 Denial of Admission. The School shall only deny admission to a student to the extent permitted by law.

SECTION 7: EDUCATIONAL PROGRAM

7.1 Vision and mission.

Mission: Help students achieve their highest academic and character potential using proven, accelerated programs while providing a safe environment.

Vision: Strengthening the community through the involvement of parents, educators and community leaders working together to provide an environment that fosters academic excellence and develops strong character in our citizens. We shape global citizens who set life goals and practice lives of service and virtue.

The School Board shall operate the School in a manner consistent with the vision and mission statements as approved by the Institute. Revisions to the vision and mission statements, or general implementation of the educational program as set forth in the Application shall be considered material changes to the Contract and shall require prior approval of the Institute.

7.2 Contracting for Core Educational Services. The School and the Institute agree that the School is not contracting with an educational service provider (ESP) for implementation of its core educational program. Unless otherwise agreed upon in writing by the Institute, the School shall not have authority to enter into a contract or subcontract for the management or administration of its core instructional program or services, including management of special education and related services. This shall not prevent the School from engaging independent contractors to teach selected, specific courses as a portion of the School's educational program or operations.

7.3 Educational Accountability, School Performance and Accreditation. The School shall comply with the educational accountability and or accreditation provisions of Colorado law and Institute policy, as amended from time to time, including, but not limited to:

i. the Educational Accountability Act of 2009, CRS 22-11-101 *et seq.*;
ii. the Preschool to Postsecondary Education Alignment Act, CRS 22-7-1001 *et seq.*; and
iii. 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.

As required by the Colorado Department of Education, to receive a school code, the School shall meet the definition of a Colorado public school, shall submit all required staff and student data to the Institute, and shall be accountable for all state- and federally-mandated accountability requirements as appropriate for the approved grade configuration of the school identified in **Section 6.1**. School codes will be requested in accordance with state laws and regulations, CDE policies, and Institute policy.

7.4 Performance Frameworks and CSI Annual Review of Schools. The School shall be subject to the Performance Frameworks developed by the Institute and as may be amended from time to time. Based on the Performance Frameworks, the Institute will annually

issue for each school the CSI Annual Review of Schools (or its replacement). The CSI Annual Review of Schools shall supersede any and all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the Application and not explicitly incorporated into the Performance Frameworks and CSI Annual Review of Schools (or its replacement). The specific terms, form and requirements of the Performance Frameworks and CSI Annual Review of Schools (or its replacement), including any required indicators, measures, metrics, and targets, are maintained and disseminated by the Institute and will be binding on the School.

7.5 Student Performance Goals. The School agrees to make reasonable progress towards meeting academic standards as defined by the Colorado School Performance Framework and the CSI Annual Review of Schools (or its replacement). Reasonable progress will be established and measured through the implementation of annually agreed-upon academic targets, developed through use of the Unified Improvement Plan process. The School's progress will be monitored and measured with the CSI Annual Review of Schools (or its replacement) and evaluated annually as set forth above. The School agrees that the terms "reasonable progress" or "adequate progress" are defined through this process and that the School will be held accountable pursuant to these definitions.

7.6 Monitoring. The Institute shall monitor and periodically report to the School on the School's progress in relation to the indicators, measures, metrics and targets set out in the Performance Frameworks and CSI Annual Review of Schools (or its replacement). Such reporting shall take place at least annually.

7.7 Renewal. The School's performance in relation to the indicators, measures, metrics and targets set forth in the Performance Frameworks and the CSI Annual Review of Schools (or its replacement) shall provide the basis upon which the Institute will decide whether to renew the School's Charter at the end of the contract term.

7.8 Framework Amendment. The parties intend that, where this Contract references or is contingent upon state or federal laws, that they be bound by any applicable modifications or amendments to such laws upon the effective date of said modifications or amendments. The specific terms, form and requirements of the Performance Frameworks and CSI Annual Review of Schools (or its replacement) may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements as set forth in law, state and/or nationally recognized best practices, or other circumstances that make assessment based on the existing Performance Framework and CSI Annual Review of Schools (or its replacement) requirements impracticable. In the event that such modifications or amendments are required, the Institute will use best efforts to apply expectations for school performance in a manner as consistent as possible with those set forth in the Performance Frameworks and CSI Annual Review of Schools (or its replacement).

7.9 Student Attendance. The School agrees that it shall comply with all state and federal laws and regulations and Institute policy concerning student attendance. Attendance of students at the School shall be in compliance with Colorado's compulsory attendance laws, including, without limitation, hour requirements and the distinction made between excused and unexcused absences.

7.10 Conduct and Discipline. The School shall implement student disciplinary policies and procedures, including policies and procedures for the suspension and expulsion of students and the discipline and placement of students with disabilities, in accordance with state and federal laws and regulations, Institute policies, and the School's Student Discipline Policy. The Institute reserves the right to audit and/or request submission of the School's discipline policies and procedures at any time, with or without cause. The authority to hold expulsion hearings, wherein a student may be expelled from the School, shall remain with the School Board or a designee of the School Board.

7.11 Student Welfare and Safety. The School shall comply with all Institute-approved policies and regulations, and comply with all applicable federal and state laws concerning student welfare, safety and health, including, without limitation, Institute policies and laws addressing the reporting of child abuse, accident prevention and disaster response, and any state regulations governing the operation of school facilities.

7.12 School Calendar; Hours of Operation. The days and hours of operation of the School shall not be materially less than those set forth in the Application unless previously approved in writing by the Institute; but in no case shall fall below the minimum number of days and hours set forth in law. For purposes of this Section, "material" is defined as a 10% reduction in time.

7.13 Online program. The School's educational program as contained in the Application and reviewed by the Institute may include certain online program elements, and such elements are hereby accepted by the Institute. The School is prohibited from offering an exclusive online program without prior written authorization from the Institute.

7.14 Additional programs. The School shall not offer programs other than those contained in the Application and reviewed by the Institute without prior written authorization from the Institute.

7.15 Curriculum, instructional program, and pupil performance standards. The School will have the authority and responsibility for designing and implementing its educational program, subject to the conditions of this Contract and in alignment with the Application. The educational program, pupil performance standards and curriculum designed and implemented by the School will meet or exceed any content standards adopted by the state, will be designed to enable each pupil to achieve such standards, and will be consistent with the School's vision and mission. Any material changes to this provision may be made only with the approval of the Institute and the School Board.

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

B. **Content Standards**. The educational program, pupil performance standards and curriculum designed and adopted by the School shall be consistent with the content standards required by the state pursuant to **CRS 22-7-1013** and referenced in **CRS 22-30.5-505(8)** and shall be designed to enable each pupil to achieve such standards.

C. **Instructional Requirements**. The School agrees to comply with all state statutory requirements concerning subjects of instruction, unless specifically waived by the State Board of Education, including but not limited to instruction in the areas of state and federal history and civil government, **CRS § 22-1-104**; honor and use of the United States Flag, **CRS § 22-1-106**; the federal constitution, **CRS §§ 22-1-108 & -109**; and the effect of use of alcohol and controlled substances, **CRS 22-1-110**.

7.16 Exceptional Students. The School shall identify academically low-achieving, at-risk students, and "exceptional children" as defined in federal and state law and regulations adopted by the Colorado State Board of Education, and shall provide its educational program to these students in a manner that appropriately serves their needs in accordance with governing law, as set forth in the Application and this Contract.

A. **Gifted and Talented Students**. The School shall identify and provide resources and support to gifted and talented students to enable them to meet their particular academic and emotional needs with a focus on literacy, mathematics, leadership, and creativity. The School shall follow the Institute's requirements for identifying, assessing and serving gifted and talented students. The School will implement the plan for meeting the needs of gifted and talented students, consistent with the plan provided to the Institute.

B. **English language learners**. The School shall identify and provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program in accordance with state and federal law. The School shall follow the Institute's requirements for identifying, assessing and exiting English language learners. The School shall implement the plan for meeting the needs of English language learners, consistent with the plan provided to the Institute.

C. **Education of Students with Disabilities**. The School shall provide services and accommodations to students with disabilities in accordance with the **Individuals with Disabilities Education Act (20 U.S.C. § 1401 *et seq.*), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794)**, the **Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*)**, and the **Exceptional Children's Educational Act (CRS 22-20-101, *et seq.*)(**"ECEA"), and any other state and federal laws and regulations pertaining to the education of students with disabilities.

Admission of Students with Disabilities

i. Admission of applicants with an IEP or Section 504 Plan shall be in compliance with federal and state laws and Institute policies, procedures, and requirements, as may be amended from time to time. Every student who is admitted with an IEP or Section 504 Plan from his or her previous school shall be placed directly in a program that meets the requirements of such IEP or Section 504 Plan, unless and until a review staffing by the IEP team or Plan review meeting is held and the IEP or Section 504 Plan is changed.

Education of students with disabilities.

i. The School shall implement a plan for meeting the needs of students with disabilities in accordance with state and federal laws and regulations, Institute policy and procedures, and as approved by the Institute. Any material changes to the plan for serving students with disabilities may be made only with the approval of the Institute and the School Board.

ii. The School shall provide all special education support services to students at the School in accordance with state and federal laws and regulations and Institute policy, and in accordance with the plan for meeting the needs of students with disabilities as approved by the Institute. Any material changes to the plan for serving students with disabilities may be made only with the advance approval of the Institute and the School Board. The School shall assign special education support staff as necessary to meet student needs, which staff shall be licensed in accordance with Colorado law.

iii. The School shall be responsible for providing and paying the cost of defense of any and all charges, complaints or investigations concerning special education by the Office for Civil Rights (OCR), the Department's Federal Complaints Officer, IDEA due process proceedings, or any other similar investigations, and shall be entitled to manage the defense of and settlement of any such claims in cooperation with the Institute. The School agrees to indemnify and hold harmless the Institute from any and all liability, claims, and demands arising from or relating to the education of students with disabilities.

iv. Pursuant to **CRS 22-30.5-503(3) and 22-20-106**, the Institute serves as the Local Educational Agency ("LEA") with administrative authority for delivering special education services to the School. The School will take direction from and work collaboratively with the Institute with regard to the provision of special education services, evaluations and concerns, and shall provide for the attendance of any School employees who should be present at any meetings at which IEPs are developed or modified. If the School and the Institute disagree as to the correct interpretation or application of a statute or regulation concerning the education of students with disabilities, the Institute's position shall control.

v. The Institute reserves the right to jointly direct with the School the development and/or modification of any IEP for special education students of the School. The Institute's Director of Exceptional Student Services, or designee, shall maintain the same administrative responsibilities and authority as in all other Institute Schools. The School shall use Institute special education forms and procedures and shall document compliance with the requirements of federal and state laws and regulations, including procedural due process. The Institute 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 Institute 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.

vi. The School's special education teachers and all related service providers are required to participate in compliance-oriented training and meetings sponsored by the Institute, and newly hired special education teachers shall participate in a state-approved induction program.

vii. In accordance with the CSI online compliance calendar (or its replacement), the School must report to the Institute its anticipated budgetary allocation and hiring plan for all special education teachers and related service providers who will be employed for the following year. No later than the first day of the opening of school, all special education teachers and related providers must be hired, appropriately qualified, and available to serve the identified needs of the students.

viii. Special education programs and services shall be available to each student as part of the regular school day in accordance with the least restrictive environment mandate of federal and state law.

7.16 Assessment of Pupil Performance and Procedures for Corrective Action. The School agrees to implement any requirements necessary to meet the School's and the Institute's respective obligations under applicable provisions of federal and state law, including, but not limited to, those of the state Education Accountability Act of 2009, and the Every Student Succeeds Act or their equivalent. Schools will administer interim assessments as set forth in the Application and in adherence to the Institute's assessment policy. Schools receiving an Improvement, Priority Improvement or Turnaround rating will be required to administer a state or nationally normed interim assessment in the fall and spring, at a minimum, and in accordance with the assessment vendor's administration timelines and procedures. Any material revision to interim assessments may be made only with the prior approval of the Institute.

SECTION 8: FINANCIAL MATTERS

8.1 Funding and Disbursement of Per Pupil Revenue Funding. Funding for the School shall be provided in accordance with the provisions of **CRS 22-30.5-513**. The Institute

will disburse per pupil revenue funding to the School as those funds are allocated from the State to the Institute subject to the adjustments set forth below.

A. The local school district (the district in which the school is geographically located) is Mesa County Valley School District 51 and is referred under the law as the "Accounting District" for purposes of funding.

B. During each fiscal year of the term, the parties agree that the Institute shall provide funding to the School in the amount of ninety-six percent (96%) of the Accounting District's adjusted per pupil revenues ("PPR"), as determined in accordance with the formula described in **CRS 22-54-104 (3).**

C. The Institute may retain the actual amount of the School's per pupil share of the administrative overhead costs for services it actually provides to the School; however, such costs shall not exceed 3% of the Accounting District's per pupil revenues. Within ninety days after the end of each fiscal year, the Institute shall provide an itemized accounting of all the Institute's administrative overhead costs pursuant to CRS 22-30.5-513. The Colorado Department of Education may retain an amount not to exceed 1% of PPR for administrative purposes from each Institute-authorized school.

D. **Federal categorical aid**. Each year the Institute will provide to the School the School's proportionate share of applicable federal Elementary and Secondary Education Act funding received by the Institute for which the School is eligible. The School is eligible for such funds upon approval of its plans for such funds either by the Institute or the Colorado Department of Education as required. Funds will be distributed on a documented expenditure reimbursement basis on a monthly interval as long as the School provides the Institute with the required documentation.

E. **State categorical aid**. In accordance with timelines provided by the CSI finance department, the Institute will provide to the School the School's proportionate share of applicable state categorical aid (e.g., At-Risk Supplemental Aid, English Language Proficiency Act, Gifted and Talented, Amendment 23 Capital Construction funds, or Transportation funding) received by the Institute for which the School is eligible. The School is eligible for such funds upon approval of its plans or other requirements for such funds either by the Institute or the Colorado Department of Education as required.

F. The Institute will provide funding under the Colorado Exceptional Children's Education Act that is attributable to identified students with disabilities enrolled in the School and for which the School has supplied appropriate documentation to obtain such funding subject to the provisions of **CRS Section 22-30.5-513(9).**

G. The parties shall cooperate in pursuing, appropriately disbursing, and properly accounting for funding provided by the federal and state governments for

categorical programs such as Gifted and Talented, English as a Second Language, Medicaid Reimbursements, Title programs, and other federal and state grant sources and categorical aid programs for each School student eligible.

H. The School will have documented financial policies and procedures in place to include procedures that are compliant with federal statutes and regulations in accordance with the Uniform Guidance - Code of Federal Regulations. The School agrees to request its federal grant funds, at a minimum, on a quarterly basis using the appropriate documentation to obtain federal funds.

8.2 Disbursement of per pupil revenue funding. Funding under **Section 8.1** will be made to the School in monthly installments, in accordance with **CRS 22-54-115**, subject, however, to annual appropriation and the Institute's receipt of the funding. In accordance with pupil enrollment projections timelines provided by CDE staff each year, the School will provide CSI with its initial estimated pupil enrollment for the upcoming school year, and monthly payments shall be made based upon such final estimates as agreed to between the Institute and the School. However, the actual funding for each fiscal year shall be based upon the pupil enrollment, as defined in **CRS 22-54-103(10)**, for such fiscal year, and the Institute will adjust previous payments made for such fiscal year, by credit or debit, as applicable, following October 1st of the fiscal year or any other applicable count day(s) established by law. Any adjustment resulting in a reduction of funding shall require reimbursement of the Institute by the School.

8.3 Adjustment to funding. The Institute's disbursement of funds will be adjusted as follows: each year, funding may be revised based on the number of FTE pupils actually enrolled at the School as determined at the official student count day(s) and included in the official pupil count (December), and to reflect any change in PPR, positive or negative, so that the overall funding for the year is equal to the PPR provided for in the geographic district and not otherwise deducted (January). Funding in January may also be adjusted for any services provided by the Institute under this Contract. In addition, to the extent that the Institute experiences any reduction or increase in state equalization support by a legislative rescission or other action, proportionate reductions or increases will be made to the School's funding. Any adjustments to funding after the January payment so that funding is equal to the PPR provided for in this Contract will be made by direct payment to the School or the Institute.

8.4 Budget. In accordance with the CSI online compliance calendar (or its replacement), the School will submit to the Institute its adopted balanced budget for the following fiscal year for Institute review for statutory compliance and compliance with the terms and conditions of this Contract. The budget will be prepared in accordance with the state-mandated chart of accounts. The budget as approved by the School Board and any subsequent approved revisions will be submitted to the Institute. A material violation of this Section shall constitute a material breach and may result in the Institute initiating remedies described in **Sections 3.5 and 12** of the Contract.

8.5 Enrollment projections. Each year of operation, the School will provide the Institute with its best estimates of its anticipated enrollment for the next school year in accordance with pupil enrollment projections. In the event that the projected enrollment materially differs from the Institute's estimate of anticipated enrollment, the Institute reserves the

right to base initial funding estimates on the more conservative figure. It is agreed by the parties that the purpose of this Section is to provide information to allow the Institute to prepare its future budgets, and that any information provided under this Section will not be used by the Institute for the purpose of restricting the School's enrollment or otherwise inhibiting the growth of the School. For purposes of this section, a material difference in enrollment shall mean any increase or decrease in excess of 10%.

8.6 TABOR reserve. The School's ending fund balance will comply with the emergency reserve requirements of **Article X, Section 20 of the Colorado Constitution** ('TABOR Reserve'). The School will maintain its TABOR reserve in a revenue bearing account. In addition, the School will maintain a positive fund balance at year end. A material violation of this Section shall constitute a material breach and may result in the Institute initiating remedies described in **Sections 3.5 and 12** of the Contract.

8.7 Non-appropriation of funds. The parties agree that the funding for the School will constitute a current expenditure of the Institute. The Institute's funding obligations under this Contract will be from year-to-year only and will not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the Institute. The Institute's obligation to fund the School will terminate upon non-appropriation of funds for that purpose by the State Board of Education for any fiscal year, any provision of this Contract to the contrary notwithstanding. The parties further agree that the Institute has not irrevocably pledged and held for payment sufficient cash reserves for funding the School at or above the current year per pupil allocation or for providing services described herein for the entire term of the Contract.

8.8 Contracting. The School shall adhere to all applicable laws and regulations and Institute policies related to procuring and contracting for goods and services, including but not limited to student data privacy laws. The School further agrees to adhere to best practices relating to procuring and contracting for goods and services, including standards related to arms-length transactions and other conflicts of interest. The School will not extend the faith and credit of the Institute 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 Institute, and the School's authority to Contract is limited by the same provisions of law that apply to the Institute, including restrictions on multi-year obligations under TABOR.

A. **Contents**. Unless otherwise agreed in writing by the Institute, each Contract or legal relationship entered into by the School shall include the following provisions in addition to all other legally-required provisions:

i. The contractor acknowledges that the School is not an agent of the Institute, and accordingly contractor expressly releases the Institute from any and all liability under this agreement; and

ii. Any financial obligations of the School arising out of the agreement are subject to annual appropriation by the School Board and the Institute.

B. **School Board Policies and Procedures.** The Institute encourages the School to adopt policies and procedures related to the procurement and contracting of goods and services.

8.9 Financial Reporting. The School agrees to establish, maintain, publish and retain appropriate financial records in accordance with Institute Policy and all applicable federal, state and local laws, rules and regulations, including Financial Transparency requirements under state law, and to make such records available to the Institute upon request or as required by Institute Policy, or federal or state laws, rules, and regulations. Financial records shall be posted in accordance with the Financial Transparency Act 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 Institute in accessing or reviewing any records as part of its oversight responsibility or to address its compliance requirements.

A. **Annual audit and trial balance**. The School shall undergo an independent financial audit conducted in accordance with governmental accounting standards and GASB No. 34 performed by an independent certified public accountant each fiscal year. The results of the final audit will be provided to the Institute in accordance with the CSI online compliance calendar (or its replacement). The School will pay for the audit. In addition, the School will transmit the final trial balance, in a format provided by the Institute, to the Institute using the CDE chart of accounts in accordance with the CSI online compliance calendar (or its replacement). If such audit and final trial balance is not received in accordance with the CSI online compliance calendar (or its replacement), such failure will be considered a material breach of Contract, and action will be initiated as necessary and in accordance with the procedures described in the Institute's school compliance policy and CSI rules.

B. **Public School Finance Audits.** Pursuant to **1 CCR 301-39, Rule 8.00** *et seq.*, the School shall be subject to audit by the CDE for any monies received by the School pursuant to the Public School Finance Act of 1994. Consequently, the School agrees to retain complete documentation supporting any certification made to CDE or any other data given to the CDE pursuant to the Public School Finance Act of 1994 until audited by CDE or until five years from the certification due date, whichever comes first.

i. If CDE determines that the School has received payment of funds greater than the amount to which the School is entitled, the School shall be responsible for repayment to CDE within thirty (30) days from the date of said determination. Should the School be unable or refuse to pay the determined repayment amount, the School agrees that it may have its current payments or reimbursements withheld until the full amount of the repayment, plus applicable interest, is recovered.

ii. Should the School leave the Institute by changing authorizers, or by conversion into any other kind of public or private school, then the School's

obligation to repay shall, pursuant to **Section 11.6** of this contract, survive the termination or expiration of this Contract and shall be enforceable by CSI for up to five years after the transfer or conversion of the School.

C. **Quarterly reporting**. The School will prepare quarterly financial reports for the Institute in compliance with **CRS 22-45-102(l)(b)** and Institute Policy. Quarterly financial reports shall be submitted to the Institute no later than 45 days following the end of each quarter except that all fourth quarter and year end reports will be submitted in accordance with the CSI online compliance calendar (or its replacement).

D. **Non-Authorized commingling.** Except as specifically set forth in the School's Application and/or official approval by resolution by the School Board, 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.

E. **Loans.** No loans may be made by the School to any person or entity (other than an affiliated entity) for any purpose without prior Institute approval, except that the Head of School and Board Chair may approve advances of up to one month's salary in cases of documented hardship.

8.10. Timing. Subject to all other provisions of this Contract, funds to be passed through the Institute to the School shall be forwarded to the School within thirty (30) days of receipt by the Institute.

SECTION 9: PERSONNEL

9.1 Employee Status. The School shall employ such personnel as are required for the efficient and effective operation of the School. All employees hired by the School shall be employees of the School and shall under no circumstances be considered an employee of the Institute.

9.2 Employee Policies. The School shall adopt and implement personnel policies in accordance with state and federal law to address, among other topics, hiring and termination of personnel, terms of employment and compensation. All employee discipline decisions will be made by the School. Terms of the employment relationship are described in the Employee Handbook submitted in accordance with the CSI online compliance calendar (or its replacement). The Handbook may be amended or revised at the discretion of the School, with a copy of the amended or revised Handbook provided to the Institute.

9.3 Employee Qualifications. The School shall employ or otherwise utilize in instructional positions only those individuals who are qualified in accordance with applicable federal and state law, rules and regulations (unless waived), including the federal Every Student Succeeds Act or its equivalent. Paraprofessionals employed by the School shall meet all credentialing requirements imposed by applicable federal and state law, rules and regulations (unless waived).

9.4. Background Checks; Fingerprinting. The School shall establish and implement procedures for conducting background checks (including a check for a criminal record) of all employees to the extent required by applicable law, rules and regulations, including but not limited to **CRS 22-30.5-110.5** and **CRS 22-30.5-110.7.** No teacher or administrator with a criminal record that would ordinarily preclude them from obtaining a teacher license or from public school employment pursuant to **CRS 22-32-109.8(6.5)** will be employed at the School, regardless of waivers that may have been granted to the School. Independent contractors and outside companies that place employees in the school shall also complete the required background checks and provide evidence of such checks to the School.

SECTION 10: FACILITIES

10.1 Facility. The School facility shall be located at 714 24 ½ Rd., Grand Junction, CO 81505.

The School or its associated building corporation may not add a location, change a location or geographic district, or enter into any financing, leasing or other arrangements in connection with a location change without obtaining prior written approval from the Institute in accordance with Institute policy. The School shall provide the Institute copies of any lease, purchase agreement, financing arrangements and/or other such facility agreements and such certificates and permissions as are necessary to operate the School in the Facility. The school shall comply with all applicable state laws, regulations and building codes including but not limited to **CRS 22-30.5-507(10)** and **CRS 22-32-124**, and shall obtain all requisite use permits and certificates of occupancy. The School shall be responsible for the construction and maintenance of any facilities owned or leased by it. The Institute shall have access at all reasonable times to any facility owned, leased or utilized in any way by the School for purposes of inspection and review of the School's operation and to monitor the School's compliance with this Contract.

SECTION 11: RENEWAL, REVOCATION, AND SCHOOL-INITIATED CLOSURE

11.1 Renewal Process. Pursuant to the requirements of **CRS 22-30.5-511**, this Contract may be renewed by the Institute for succeeding periods of at least one (1) academic year and not more than five (5) academic years. The Institute may agree to extend the length of the charter contract beyond five academic years for the purpose of enhancing the terms of any lease or financial obligation, pursuant to **CRS 22-30.5-511(1)(b)**.

A. **Timeline and Process**. The School will submit its Renewal Application in accordance with renewal timelines promulgated by CSI in the year before the School's Contract expires. The Institute Board will act on the Renewal Application in accordance with renewal timelines promulgated by CSI in the year before the School's Contract expires following a public hearing where the School will have the opportunity to address the Institute Board about its request. If the Institute Board decides to not renew the Contract, it will detail the reasons in its resolution.

B. **Renewal Application Contents**. In addition to contents required by law, the Renewal Application may include additional information requested in the CSI Renewal Application regarding progress toward meeting the Institute's accreditation indicators. The Institute may modify this format without prior notice to the School.

C. **Criteria for Non-Renewal or Revocation**. The Institute may terminate, revoke or deny renewal of the Contract for any of the grounds listed in **CRS 22-30.5-511(3), (4) and (4.5)** as they now exist or may be amended, including for a material breach of this Contract. The Institute will annually provide feedback about the School's progress toward meeting Institute's accreditation requirements and other goals and objectives in accordance with the CSI Annual Review of Schools (or its replacement). Grounds for termination, revocation or denial will be in alignment with statute, CSI rule and the CSI Annual Review of Schools (or its replacement). In addition, the School may be non-renewed if:

i. 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; or

ii. 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)**.

11.2 School-initiated Termination. Should the School choose to terminate this Contract before the end of the Contract term, it must do so in accordance with Institute rules, which require a 10-month notice period to the Institute.

11.3 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 education program until the end of the school year or another mutually agreed upon date. The Institute will supervise and have authority to conduct the winding down of the business and affairs for the School; provided, however, that in doing so, the Institute does not assume any liability incurred by the School beyond the funds allocated to it by the Institute under this Contract. School personnel and the School Board shall cooperate fully with the winding down of the affairs of the School, including convening meetings with parents at the Institute's request and counseling with students to facilitate appropriate reassignment.

Upon dissolution of the School, assets of the School remaining after paying the School's debts and obligations incurred in connection with activities authorized by this Contract, and not requiring return or transfer to donors or grantors, will become the property of the Institute or another charter school within the Institute, as determined by the Institute and the School in advance of dissolution. The School will execute all necessary documents required to convey such items. At the time of donation, any property requiring return or transfer to the donor or grantor shall be clearly marked and properly inventoried. Upon dissolution, all such documentation shall be provided to the Institute.

11.4 Return of Property. In the event of termination or dissolution, all property owned by the School that was purchased in whole or in part with funding provided by the Institute including, but not limited to, real property, or which was purchased with federal grant funds through the Institute acting in its role as a fiscal agent, will be returned to and will remain the property of the Institute or will otherwise be distributed pursuant to federal law and grantor guidelines. Notwithstanding the above, the Institute will not have the right to retain property leased by the School, unless the Institute chooses to comply with the terms of that lease. All non-consumable grants, gifts and donations or assets purchased by the School from non-federal grant, gift, or donation funds will be considered the property of the School unless otherwise identified by the donor in writing. Assets purchased exclusively with tuition paid by parents for a preschool program operated by or in conjunction with the School will not be subject to this paragraph. Assets not purchased with public funding provided by the Institute may be donated to another mutually agreeable not for profit organization upon prior agreement by the Institute.

11.5 Termination and Appeal Procedures. The Institute shall provide the School written notice of the grounds for termination and the date of the termination hearing before the Institute Board. Prior to providing this notice, the Institute shall, in accordance with Institute rules, send the School a Notice of Breach. Termination shall not take effect until the School has exhausted its opportunity to appeal such decision to the State Board.

11.6 Survival of Certain Contract Terms. Any provision of this Contract that imposes an obligation on a Party after termination or expiration of the Contract shall survive the termination or expiration of the Contract and shall be enforceable by the other Party.

SECTION 12: GENERAL PROVISIONS

12.1 Order of Precedence. In the event of any disagreement or conflict concerning the interpretation of state or federal laws, regulations or requirements, this Contract, the Application, or Institute policies, it is agreed that the order of precedence is as follows: state and federal laws, regulations and requirements, the Contract and Institute policies, followed by the Application and Renewal Application.

12.2 Amendments. No amendment to this Contract will be valid unless ratified in writing by the Institute Board and the School Board and executed by authorized representatives of the parties.

12.3 Merger. This Contract, together with the Application and with the attachments and exhibits thereto, contains all terms, conditions and provisions hereof and the entire understandings and all representations of understandings and discussions of the parties relating thereto, and all prior representations, understandings and discussions are merged herein and superseded and canceled by this Contract.

12.4 Non-assignment. Neither party to this Contract will 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 will not be unreasonably withheld, conditioned or delayed.

12.5 Governing Law and Enforceability. This Contract will 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 will 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 and the parties do not successfully negotiate a replacement provision. The parties agree to meet and discuss in good faith any material changes in law that may significantly impact their relationship as set forth in the Contract.

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 will be strictly reserved to the parties. Nothing contained in this Contract will 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 third party receiving services or benefits hereunder will 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 will constitute a waiver of any other breach.

12.8 Notice. Unless otherwise specifically provided herein, any notice required or permitted under this Contract must be in writing and will be effective upon personal delivery or email delivery where an email address has been provided (subject to verification of service or acknowledgement of receipt), or three days after mailing when sent by certified mail, postage prepaid by the sender, using the addresses listed below. Either party may change the address for notice by giving written notice to the other party pursuant to this Section 12.8. Either party may from time to time designate in writing the persons to whom notice shall be sent.

If to Institute:

Colorado Charter School Institute
1580 Logan St., Ste. 210
Denver, CO 80203

If to School:

Caprock Academy
714 24 ½ Rd.
Grand Junction, CO 81505

12.9 Severability. If any provision of this Contract is determined to be unenforceable or invalid for any reason, the remainder of the Contract will 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 Conflict with Exhibits. In the event of conflicts or inconsistencies between this Contract and its exhibits or attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: first, the terms and provisions of this Contract, second, the Original Application, and then the remaining exhibits.

12.11 Counterparts; Signature by Facsimile. This Contract may be signed in counterparts, which shall together constitute the original Contract. Signatures received by facsimile or electronic mail by either of the parties shall have the same effect as original signatures.

12.12 Business Days. As used in this Contract, "business day" means any day other than a Saturday or Sunday or a day on which government institutions in the State of Colorado are closed in recognition of established holidays.

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

SCHOOL **CAPROCK ACADEMY**	**INSTITUTE** **STATE CHARTER SCHOOL INSTITUTE**
By: Amy Case	BY:
Title: President/Chair Caprock Academy BOD	Chair, State Charter School Institute Board
Attest:	**LEGAL REVIEW** **Cynthia Coffman, Attorney General**
Title: Secretary, CABOD	BY:
	Assistant Attorney General

unless otherwise terminated by one or both of the parties in accordance with the terms contained herein.

12.10 Conflict with Exhibits. In the event of conflicts or inconsistencies between this Contract and its exhibits or attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: first, the terms and provisions of this Contract, second, the Original Application, and then the remaining exhibits.

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

SCHOOL **CAPROCK ACADEMY**	**INSTITUTE** **STATE CHARTER SCHOOL INSTITUTE**
By: _____	**BY:** _____ **Chair, State Charter School Institute Board**
Title: _____	**LEGAL REVIEW** **Cynthia Coffman, Attorney General**
Attest: _____	
Title: _____	**BY:** _____ **Assistant Attorney General**

EXHIBIT A: RESOLUTION TO APPROVE THE CHARTER RENEWAL APPLICATION

RESOLUTION 1613

CONCERNING THE RENEWAL APPLICATION TO THE COLORADO CHARTER SCHOOL INSTITUTE FROM CAPROCK ACADEMY

WHEREAS, on October 21, 2016, CSI received a charter renewal application from CAPROCK ACADEMY ("CAPROCK");

WHEREAS, the renewal application was examined in accordance with national best practices for charter school application review;

WHEREAS, CSI staff analyzed all available cumulative annual and interim student performance data, school financial performance data, governance/operations data, and other outcomes data covering the full term of CAPROCK's contract;

WHEREAS, during the summer of 2016, the school was notified along with all renewal schools that the foundation for the renewal analysis and decision-making would be the CSI Annual Review of Schools (CARS);

WHEREAS, on November 14, 2016, the school received its preliminary Annual Performance Report (APR) summarizing cumulative academic, financial and operations information and its CSI Accountability Rating;

WHERAS, during fall 2016, the school had the opportunity to provide additional information related to the CARS rating and the annual review documentation;

WHEREAS, on December 5, 2016, CSI staff provided a copy of the attached staff recommendation, recommending renewal, to both CAPROCK and the CSI Board;

WHEREAS, on December 5, 2016, the CSI Board Performance Management Committee convened to discuss the application and the staff recommendation, and the recommendation was forwarded to the full Board for consideration at the December 13, 2016 CSI Board Meeting; and

WHEREAS, the CSI Board has fully considered the renewal request from CAPROCK, as well as the recommendation report from CSI staff, and all the additional information provided by CAPROCK;

NOW, THEREFORE, BE IT RESOLVED by the CSI Board that the application from CAPROCK is hereby approved for a FIVE-YEAR period;

BE IT FURTHER RESOLVED, that the following condition be fulfilled prior to execution of the charter renewal contract:

> Condition #1: Submit confirmation of waivers for inclusion in contract exhibits. Note: CRS 22-32-109(1)(n)(II)(A) is no longer an automatic waiver, so a replacement plan is needed if the School desires to maintain this waiver. Due January 13, 2017.

BE IT FURTHER RESOLVED, that this decision be communicated to CAPROCK as soon as practicable and is hereby incorporated into the record.

Adopted this 13th day of December, 2016.

COLORADO CHARTER SCHOOL INSTITUTE

By: _____
Chair, Board of Directors

I certify that the foregoing Resolution No. 1613 was adopted by the CSI Board of Directors at a regular Board meeting upon notice as required by law on December 13, 2016, by a roll-call vote of Aye , Nay , and Abstention .

By: _____ Secretary, Board of Directors

EXHIBIT B: ARTICLES OF INCORPORATION AND BYLAWS

E-Filed

Colorado Secretary of State
Date and Time: 01/16/2007 11:14 AM
Id Number: 20061350788
Document number: 20071021667

Document processing fee
If document is filed on paper $125.00
If document is filed electronically $ 25.00
Fees & forms/cover sheets are subject to change.
To file electronically, access instructions for this form/cover sheet and other information or print copies of filed documents, visit www.sos.state.co.us and select Business Center.
Paper documents must be typewritten or machine printed.

ABOVE SPACE FOR OFFICE USE ONLY

Amended and Restated Articles of Incorporation
filed pursuant to §7-90-301, et seq. and §7-130-106 and §7-90-304.5 of the Colorado Revised Statutes (C.R.S.)

ID number: 20061350788

1. Entity name: Caprock Academy
(If changing the name of the corporation, indicate name BEFORE the name change)

2. New Entity name: (if applicable) _____

3. Use of Restricted Words *(if any of these terms are contained in an entity name, trade name or trademark stated in this document, mark the applicable box):*
☐ "bank" or "trust" or any derivative thereof
☐ "credit union" ☐ "savings and loan"
☐ "insurance", "casualty", "mutual", or "surety"

4. If the corporation's period of duration as amended is less than perpetual, state the date on which the period of duration expires: _____
(mm/dd/yyyy)

OR

If the corporation's period of duration as amended is perpetual, mark this box: ☑

5. The amended and restated constituent filed document is attached.

6. The amendment to the articles of incorporation was in the manner indicated below:
(make the applicable selection)

☑ The amendment and restatement was adopted by the board of directors or incorporators without member action and member action was not required.

☐ The amendment and restatement was adopted by the members AND the number of votes cast for the amendment by each voting group entitled to vote separately on the amendment was sufficient for approval by that voting group.

(If the amended and restated articles of incorporation include amendments adopted on a different date or in a different manner, mark this box ☐ and include an attachment stating the date and manner of adoption.)

7. *(Optional)* Delayed effective date: _____
(mm/dd/yyyy)

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.

8. Name(s) and address(es) of the individual(s) causing the document to be delivered for filing:

Sherrill (Last) Carrie (First) (Middle) (Suffix)

(Street name and number or Post Office Box number)
622 Sierra Court

Grand Junction (City) CO (State) 81503 (Postal/Zip Code)

(Province – if applicable) United States (Country – if not US)

(The document need not state the true name and address of more than one individual. However, if you wish to state the name and address of any additional individuals causing the document to be delivered for filing, mark this box ☐ and include an attachment stating the name and address of such individuals.)

Disclaimer:

This form, and any related instructions, are not intended to provide legal, business or tax advice, and are offered as a public service without representation or warranty. While this form 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. Questions should be addressed to the user's attorney.

Caprock Academy
Grand Junction, Colorado

Amendment to Articles of Incorporation with State of Colorado
Approved by Board of Directors, effective January 5, 2006

The organization provides for voting membership.

In the initial filing with the State of Colorado, Caprock Academy stated that it was an organization that did not recognize a voting membership, but request is made to change this status, as noted above.

BY-LAWS OF CAPROCK ACADEMY,
A Colorado Not-For-Profit Corporation

ARTICLE I

Offices

Section 1.1. Name. The name of the corporation shall be Caprock Academy (hereinafter "corporation", "Caprock Academy", "the school", "Academy").

Section 1.2. Principal Office. The principal office of the corporation shall be located in Mesa County, Colorado 81503. The corporation may have such other offices and places of business, either within or outside Colorado, as the board members may designate or as the business of the corporation may require from time to time.

Section 1.3. Registered Agent. The registered office of the corporation required by the laws of the State of Colorado to be maintained in Colorado may be, but need not be, identical with the principal office if in Colorado, and the address of the registered office may be changed from time to time by the board members.

ARTICLE II

Purpose and Membership

Section 2.1. Not-for-Profit Purpose. The purpose of Caprock Academy is to enrich the lives of children by providing excellence in education. The school is also empowered to perform all other acts necessary or incidental to these purposes and to do whatever is deemed necessary, useful, advisable or conducive, directly or indirectly to carry out such purpose, as set forth in these Bylaws, including the exercise of all other powers and authority enjoyed by corporations by virtue of the provisions of the Colorado Revised Nonprofit Corporation Act, subject to the limitations of Section 501(c)(3) of the Internal Revenue Code and all other pertinent Federal, State, and local laws and regulations. To this end, the school shall at all times be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code as now enacted or hereafter amended, including for such purposes, the making of distributions to organizations that qualify as exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended. All funds, whether income or principal, and whether acquired by gift or contribution or otherwise, shall be devoted to said purposes.

Section 2.2. Vision. Caprock Academy is dedicated to strengthening the community through the involvement of parents, educators and community leaders working together to provide an environment that fosters academic excellence and develops strong character in our students. We shape global citizens who set life goals and practice lives of service and virtue.

Section 2.3. Mission. Help all students achieve their highest academic and character potential using proven, accelerated academic programs while providing a safe environment.

Section 2.4. Core Values. The Core Values stand as a support mechanism for parents, educators and community leaders to understand the foundational statements that make up the school's vision and mission and provide guidance for programs and curriculum.

Academics:

- We believe strongly that all children have the right to an education; any infringement on that right will not be tolerated.
- We believe that learned citizens draw on the knowledge of the Ancients (scholarship.)
- We will implement an accelerated, rigorous academic program which exceeds Colorado standards.
- We will incorporate Classical Education – a system of learning rooted in the developing stages of grammar, logic and rhetoric.
- We will promote various secondary languages including Latin instruction, which provides the foundation for language acquisition of American English, as well as European languages
- We will utilize the Core Knowledge curriculum, which provides solid, sequenced, specific, and shared learning.
- All chosen curricula reflect the mission of CA and are proven effective through solid research and proper implementation.
- We will assign relevant homework for the purposes of achieving academic excellence for all, providing a medium of communication between school and home, and developing the virtue of work.

Character

- We will create a safe and nurturing environment that is essential to student achievement.
- We will integrate into classroom learning purposeful, proactive character education based on widely accepted virtues such as integrity, respect and honor.
- We will foster goal setting for students, guided by families and teachers.
- We will promote civic responsibility by actively participating in community service.
- We will engage parents as vital participants in all aspects of their children's educations.
- We will adhere to a firm code of conduct.
- We will implement a specific dress code incorporating a modified uniform.

Accountability

- We will recruit and develop highly qualified, passionate teachers.
- We will operate under an independent governing board.
- We will remain accountable to families and staff through yearly surveys.
- We will make ongoing professional development for faculty, board members, and volunteers a priority.
- We will utilize effective assessments of students and faculty to gauge how well we are meeting our goals.
- We will conduct ongoing training for our Board of Directors.
- We will form and support a School Advisory Council.

Section 2.5. Board objectives:

The objectives of the Caprock Academy Board are as follows:

A. To ensure that the Vision and Mission Statements are adhered to in all activities and decisions of the Board, and the daily activities of the staff, students, parents and school advisory committees as it relates to the school's operations.
B. To serve as final authority in matters affecting budget, curriculum, calendar decisions and school concerns, and to ensure that these are consistent with and promote the educational goals of the Vision and Mission Statements, and the official school policy.
C. To encourage faculty, parents and students to be aware of and responsive to the needs and concerns of the school as a whole, and of the unique learning styles, challenges and talents of individual students.

(Rev. 08/09/2011)

Section 2.6. Members: The legal guardians of a child enrolled in Caprock Academy, the CA faculty, staff and administration and the current Board of Directors shall all be defined as Members of Caprock Academy. The legal guardian(s) is the person(s) noted as such on the student's enrollment application and such membership will terminate when the child is no longer enrolled at the school. Members hold voting privileges in electing new Board members as defined in Section 4.4 and as defined in Section 3.9.1.

Members are responsible for staying informed on school issues, attending Board meetings, communicating with the board, serving in volunteer roles whenever possible and serving on committees as directed by the Board.

ARTICLE III

Meetings

Section 3.1. Meetings The Governing Board and the Principal or Administrator, an ex officio, will meet at least ten times per year, approximately monthly, to discuss Academy operations and to hear reports and updates from Board Members, committees, and Organization of Parents and Teachers to consider and to adopt or change policy, and to consider requests and concerns from parents, students, teachers and administrators and other business in order to promote and maintain the Vision and Mission of the school. All actions taken by the Governing Board will require a majority vote of those Board Members present. Each meeting of the Board shall be considered a different session from other such meetings; thus motions or questions from one session or meeting can be renewed in another meeting, in accordance with the applicable section of Roberts Rules of Orders.

Section 3.1.1 Annual Board Elections. Annual Board of Directors Elections shall be conducted in accordance with the rules, policies and procedures set forth in Section 4.4 of these By-Laws.
(Rev. 04/13/2012)

Section 3.2. Special Meeting. 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 any place as the place for holding any special meeting of the board of directors called by them.

Section 3.3. Place of Meeting. The board members may designate any place, either within or outside Colorado, as the place for any annual meeting or special meeting called by the board members. A waiver of notice signed by all board members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the board, the place of meeting shall be the registered office of the school in Colorado.

Section 3.4. Notice of Meeting. Notice of a meeting, whether annual, regular or special, shall include the location, date, time, and purpose of the meeting and shall be posted to the official Academy website as well as being posted to the designated normal public posting place.

Section 3.4.1. Timeliness of notice of meeting. Posting and delivery of notice of meeting shall be either 72 hours or the minimum time required by Colorado law.

Section 3.4.2. Additional requirements for notice of meeting of Board members. In addition to the regular board meeting requirements, in Section 3.4, and according to the timeliness of notice of meetings, current board members shall also be notified via email to their designated email address, or by United States mail, to the mailing address designated. When mailed, such notice shall be deemed to be delivered when properly deposited in the United States mail with required postage affixed, addressed to his address as designated or amended by the board member at the time of joining the Board.

(Rev. 08/09/2011)

Section 3.5 Executive Session. All regular and special meetings of the Governing Board shall be open to the public, except that, upon a vote of a majority of the Board members present, an executive session may be held to discuss any one or more of the following: 1. legal matters; 2. acquisitions or sales of property; 3. contract proposals or negotiations; 4. confidential personnel matters; 5. student disciplinary matters; and any other matters permitted by law. The motion requesting the executive session shall state the nature of the matter to be discussed. Only those persons invited by the Board may be present during the executive session. The Board shall not make final policy decision, nor shall any resolution, rule, regulation, or formal action or any action approving a contract or calling for the payment of money be adopted or approval at any session which is closed to the general public. Matters discussed during executive sessions shall remain confidential among those attending. The Secretary of the Governing Board shall maintain topical minutes of all executive session items that result in public Board action.

Section 3.5. Organization. The president, or any member directed by the president, shall call meetings of board members to order and act as Chairperson of such meetings. In the absence of said officers, any member entitled to vote at that meeting, may call the meeting to order and a Chairperson shall be elected by a majority of the board members entitled to vote at that meeting. In the absence of the secretary or any assistant secretary of the school, any person appointed by the president shall act as secretary of such meeting.

Section 3.7. Agenda and Procedure. The board members shall have the responsibility for establishing an agenda for each meeting of board members, subject to the rights of board members to raise matters for consideration which may otherwise properly be brought before the meeting although not included within the agenda. The Chairperson shall be charged with the orderly conduct of all meetings of board members; provided, however, that in the event of any difference in opinion with respect to the proper course of action which cannot be resolved by reference to statute, or to the Articles of Incorporation, of these Bylaws, Robert's Rules of Order (as last revised) shall govern the disposition of the matter.

Section 3.8. Quorum. For voting purposes, a quorum shall consist of a majority, a number greater than 50 percent, of those Board Members eligible to vote.

Section 3.9. Voting For purposes of voting on any resolution or proposal before the board, or for purposes of official action by the board, the affirmative vote of a majority of the Board members attending and eligible to vote shall be required, unless a greater number is required by law, or by the articles of incorporation, and except as specified below in Section 3.9.1.

Section 3.9.1 Special Voting Requirements for Modifications to Vision, Mission and Purpose: Should there be any resolution, proposal, change to these Bylaws, or the Articles of Incorporation that would explicitly change the Vision, Mission, Purpose, or Core Values of Caprock Academy it shall be required that a Special Voting session be held to put such change to a vote of the entire set of Members. Members are defined to include the Board Members, the faculty and administration and the parents/legal guardians of all currently enrolled students at Caprock Academy. Any such change shall require a two-thirds (2/3rds) majority vote of the members eligible to vote.

Section 3.10. Minutes. Approved minutes of all public board meetings will be placed in a notebook in the office of the school, added to the school website in prompt manner and will be available for public review at any reasonable time.

Section 3.11. Telephonic Meetings. One or more members of the board of directors or any committee designated by the board may participate in a meeting of the board of directors or a committee thereof by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear one another at the same time. Such participation shall constitute presence in person at the meeting.

Section 3.12. Board of Directors Voting by Proxy: No Board of Directors may vote by proxy.

ARTICLE IV

Governing Board members

Section 4.1. General Powers. The business and affairs of the school shall be managed by its board members, except as otherwise provided in the Colorado Revised Nonprofit Corporation Act or the Articles of Incorporation.

Section 4.2. Performance of Duties. A board member of the school shall perform his duties as a board member, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the school, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing duties, a board member shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in Section 6.1 or other committees working at the board's pleasure.

Section 4.3. Number and Qualifications. The Board shall consist of no less than three (3) and no more than seven (7) members. Of the seven (7) members, not less than five (5) shall be residents of Mesa County. Of the seven (7) board members, not less than four (4) shall be parent/legal guardian of children enrolled and attending Caprock Academy as of the date the board member is nominated by the nominating committee. No Board member shall be an employee of the school or a spouse, legal domestic partner, or immediate family member (children, parent or in-laws) of an employee of the school.

Section 4.4. Annual Election, Candidacy and Term of Board of Directors; Board Election Committee.

Section 4.4.1. Election Date and Dates to Cast Ballots. The annual, regular election of all open seats on the Caprock Academy ("CA" or the"School") Board of Directors ("CABOD") (CABOD Elections") shall take place on the fourth Thursday in April ("CABOD Election Date").

Section 4.4.2. Dates to Cast Votes. In addition to the CABOD Election Date itself, eligible Members may cast their votes on the three (3) days preceding the CABOD Election Date (collectively, all 4 days, the "Voting Days"). On Voting Days, polls for the CABOD Elections shall be open at the School, from 7:00 a.m.-6:00 p.m.

Section 4.4.3. Notice of Election. No later than the fourth Tuesday in February to the CABOD Election Date, the CABOD shall notify the school's Members that one or more seats on the CABOD are open and to be filled by Member election (the "CABOD Election Notice"). The CABOD Election Notice shall be promulgated by posting a copy at the School and the CA Website, by email communication, and by any other form of communication the Caprock Academy Board Election Committee ("CABEC," as further defined below in Section 4.4.16 of these By-Laws) deems appropriate. The CABOD Notice shall detail how many seats are up for election, the term length for each seat, and the effective beginning date of

service. The CABOD Notice shall provide the requirements for candidacy, as detailed in the section titled "Candidacy" of this policy. The CABOD Notice shall also provide a brief description of the roles and responsibilities of the

CABOD. Last, the CABOD Notice shall provide contact information for interested candidates and a deadline by which individuals must submit their Application for Candidacy.

Section 4.4.4. Other Issues on Annual Election Ballot. On the ballot for CABOD Elections, Members may be asked to vote on other issues that are determined by the CABOD to require parental approval (e.g., as in, but not limited to, matters set forth in Section 3.9.1. of these By-laws) ("Issues for Member Vote"). Such Issues for Member Vote shall be set forth in the CABOD Election Notice and all subsequent notices with respect to the CABOD Elections.

Section 4.4.5. Candidacy for CABOD. A prospective candidate for the CABOD must meet the following requirements and shall complete and submit the necessary documents to the CABEC no later than the fourth Tuesday in March of the current year. Requirements for CABOD candidacy are:

a) the prospective CABOD candidate shall not be an CA employee, nor a spouse of a CA employee;
b) the prospective CABOD candidate shall have attended at least one regular meeting of the CABOD prior to being seated; and
c) the prospective CABOD candidate shall have timely submitted the following required documents:
    (i) letter of interest;
    (ii) abbreviated resume;
    (iii) completed CABOD Application (with signed acknowledgement page);
    (iv) current background check from the Mesa County Sherriff's Office; and
    (v) signed Conflict of Interest and Code of Ethics documents.

The CABEC shall review each prospective CABOD candidate's documents to confirm that the candidate has met the requirements set forth here. The CABEC shall disqualify any prospective CABOD candidates if a candidate fails to timely provide the required documents; fails to timely provide all the required documents; or is otherwise ineligible under the requirements set out here. The CABEC shall notify, in writing, each prospective CABOD candidates to advise whether the candidate has been qualified for, or disqualified from, participating in the upcoming CABOD Election. If a prospective CABOD candidate has been disqualified, the CABEC notice shall set forth the basis for disqualification under these By-Laws. The CABEC shall publish a list of candidates (along with their letters of interest and abbreviated resumes) to the Members, no later than 10 business days prior to the election.

Section 4.4.6. CABOD Candidates Forum. The CABEC shall arrange at least one opportunity for the public to meet with the candidate(s), at the "Candidates Forum," at which time questions may be asked of the candidate(s), in accordance with the parameters set forth below.

a) The Candidates Forum shall be held no later than 2 business days prior to the first day of the Voting Days. The Candidates Forum shall be held at the School, and may be attended by any Member, student, prospective parent and/or student, director, employee or the general public.
b) The CABEC chairperson, or his/her designee, shall conduct, and serve as moderator for, the Candidates Forum. In that role, the chairperson has the authority to keep order. Accordingly, at his/her discretion, the chairperson may ask any attendee to leave if necessary or adjourn the CABOD Candidates Forum.
c) Questions for the CABOD candidates shall be submitted, in writing, to the CABEC chairperson, either in advance, or during the Candidates Forum. The moderator, in his/her discretion, shall determine if a question is appropriate, shall decide the order of questions asked, and may elect to combine questions.
d) Each year the CABOD, in consultation with the CABEC, shall establish additional general rules and procedures for the Candidates Forum, as may be needed. These additional rules and procedures shall be published and distributed in accordance with the rules for other CABOD election information.

Section 4.4.7. Campaigning for Election or Re-Election to the CABOD. Candidates shall not be permitted to campaign on School property, or by use of School data, other than as expressly prescribed in this Section 4.4 of the By-Laws. Any candidate who campaigns or solicits votes by any other method is subject to disqualification in the election, at the discretion of the CABEC.

Section 4.4.8. Eligible Voters. Eligible voters are those Members as defined in Sections 2.6, 3.9.1, and 4.4.10 of these By-Laws.

Section 4.4.9. Election Process. The CABEC shall oversee and monitor the election process. On the Voting Days, the CABEC shall make available to the Members a paper "ballot" for casting their vote(s) for each seat available in the election.

Each ballot shall clearly state the number of open seats available.

Each ballot shall list all eligible candidates who have met all requirements and shall set forth as well as any issues for Members Vote.

Voters shall be required to sign a roster of voters confirming their eligibility to vote.

Each voter shall be allowed only one vote for each open seat (with no cumulative voting) except as otherwise described below.

The CABEC shall communicate to the Members the process(es), date(s) and time(s) by which Members may vote, as follows: at least two times within the 30 days prior to the first of the Voting Dates; and at least one time within the 24 hours prior to the Election Date.

Section 4.4.10. Voting Members. Members who are parents or legal guardians of children enrolled at Caprock Academy, shall be entitled to one vote per family, regardless of the number of children attending the School. In the case of divorced parents, the parent with whom the child(ren) resides during the majority of the school year, or the parent with parental decision making authority over educational matters will vote, unless the parents submit a written agreement stating otherwise. If parents enjoy shared parental decision making authority over educational matters, each parent shall have a one-half (1/2) vote unless the parents submit a written agreement stating otherwise. All said voting agreements shall be provided to the CABOD no later than 5 business days prior to any CABOD Election.

Section 4.4.11. Disqualified votes. All of the following votes shall be disqualified by the CABEC: absentee votes; proxy votes; votes from any Member who casts more votes than there are available seats; and/or any vote cast prior to, or after, the formal hours on the Voting Dates.

Section 4.4.12. Secret Ballot and Tabulation. All votes shall be secret. Members' vote(s) shall be collected and tabulated in confidence by members of the CABEC, and no one else. Upon closing of the CABOD Election, the CABEC shall tabulate the results. The candidate(s) receiving the most votes shall be elected as directors for the term specified in these By-Laws. Any issues for Members Vote included on the ballot shall be deemed passed if a majority of the Members who voted approved such matter. The CABEC shall certify the accuracy of the results prior to any announcements.

Section 4.4.13. Election Results. On the evening of the CABOD Election, following the CABEC's certifying of the accuracy of the results, the CABEC chairperson, or his/her designee, shall contact the elected candidate(s), by phone, to notify him/her of the election results and to receive their acceptance of the nomination. Moreover, on the evening of the CABOD Election, immediately following the CABEC's contacting of candidates, the CABEC chairperson shall announce the election results, in person, at the School. Thereafter, the CBEC chairperson shall promulgate the CABOD Election results by posting a copy at the School and on the CA Website, by email communication, and by any other form of communication the CABEC deems appropriate, no later than 8:00 a.m. on the Monday after the CABOD Election. At the next CABOD meeting, the CABEC shall announce the certified election results to the Members and confirm the candidates' acceptance of the nomination(s).

Section 4.4.14. Vacancies. A CABOD seat, that becomes vacant due to resignation or other reasons (not to include removal), shall be filled in accordance with this Section 4.4.14.

A vacant seat with 6 months or more remaining in its term shall be filled by the then current members of the CABOD casting a majority vote for a potential candidate. At least one week prior to any such vote, a potential candidate shall provide the CABEC with all the required documents set forth above for a regular election candidate and shall be otherwise confirmed as eligible by the CABEC. A candidate receiving the majority vote of the CABOD members shall be seated at the next regular CABOD meeting.

If a vacant seat has less than 6 months remaining in its term, the CABOD, in its discretion, may decide to leave such seat vacant until the next regular election or to fill such seat in accordance with the procedure set forth here.

A CABOD member filling a vacant seat pursuant to this Section 4.4.14 shall hold office until the next annual election for such CABOD seat.

Section 4.4.15. Term. The terms of the CABOD members shall be three years and will be elected in rotation as follows: three seats will be open for election in 2008, two seats open for election in 2009, and two seats open for election in 2010. Each election thereafter will be a repeat of the following pattern three seats, two seats, and two seats. Directors may run for re-election as many times as they are qualified and willing to serve.

Section 4.4.16. Board Election Committee. No fewer than two months prior to the CABOD Election Date, the currently seated CABOD shall, by majority vote, appoint and commission individuals to the Caprock Academy Board Election Committee ("CABEC") for the purpose of organizing and administering the election of directors. The members of the CABEC shall serve for one calendar year beginning with the date of appointment.

The CABEC shall carry out the responsibilities set out in these By-laws, as well as such other responsibilities that the CABOD may determine, from time to time.

The CABEC shall consist of the following individuals: one currently seated member of the CABOD; the Headmaster (or his/her designee from among his/her direct reports; one current employee; one parent or legal guardian of a child currently enrolled in any grade, K-6; and one parent or legal guardian of a child currently enrolled in any grade, 7-12.

No prospective CABOD candidate, spouse of a prospective CABOD Candidate, or current member of the CABOD running for re-election, shall be a member of the CABEC.

The CABOD may appoint an employee or community member at large to sit on the CABEC, in lieu of a director, if all current members of the CABOD are running for re-election. The term of the CABEC members shall be one calendar year from the date of appointment.

Once the CABOD has appointed, and the individuals have agreed to serve on, the CABEC, the members of the CABEC shall, at their first meeting, determine a chairperson. If the CABEC cannot unanimously agree upon a chairperson, the CABOD shall, at its next regular meeting, identify a chairperson among the CABEC members.

If a member of the CABEC resigns his/her position at any point prior to the CABOD Election, the remaining members of the CABEC may, at their discretion, appoint another individual to fill the seat so long as the CABEC continues to meet the requirements of this section.

If, at anytime, a majority of the currently seated CABOD determines that the CABEC is not adhering, in good faith, to its responsibilities and authorities, the CABOD may reschedule the CABOD Election and, if necessary, begin the CABOD Election process anew, in accordance with this policy.

Current members of the CABOD, running for re-election, shall not participate in any process of the appointment of CABEC members unless a quorum is needed.

Section 4.4.17. Board Training. All Members of the CABOD will agree to attend Board Training.

Section 4.4.18. Authority. In the event any policy or policies set forth in this Section 4.4 has conflicting language, the currently seated CABOD has ultimate authority to determine an appropriate resolution and may subsequently modify this policy as needed.

(Rev. 02/13/2012)

Section 4.5. Resignation. Any member of the CABOD may resign at any time by giving written notice of his/her resignation to the other CABOD members, the President, any Vice President or the Secretary of the CABOD. Such resignation shall take effect at the date of receipt. The acceptance of such resignation shall not be necessary to make it effective. The vacancy shall be filled according to the policy set out in Section 4.4.14 of these By-Laws.

(Rev. 02/13/2012)

Section 4.6. Removal and Vacancies Caused by Removal. Except as otherwise provided in the Articles of Incorporation or in these By-Laws, any CABOD member may be removed, either with or without cause, at any time, by the affirmative vote of a two-thirds (2/3rds) majority of the CABOD members entitled to vote, at a Special Meeting of the CABOD called for that purpose. If, at the time of removal, there are six months or more remaining in the term of the now vacant CABOD set, such seat shall be filled by a "CABOD Special Election," to be held in accordance with the rules, policies and procedures governing regular CABOD Elections; provided, however, that the timeframes shall be adjusted as follows:

Within two days of the removal, the CABOD shall send out the "CABOD Notice of Special Election," in accordance with the process set forth for CABOD Notice of Election, under Section 4.4.3 of these By-Laws, with the CABOD Special Election to take place on the Thursday that is five weeks from the first Thursday following the removal (the "CABOD Special Election Date");

In addition to the CABOD Special Election Date itself, eligible Members may cast their votes on the three (3) days preceding the CABOD Special Election Date (collectively, all 4 days, the "Voting Days

Special Election"). On Voting Days Special Election, polls for the CABOD Special Election shall be open at the School, from 7:00 a.m.- 6:00 p.m.

No later than four weeks before the CABOD Special Election Date, prospective candidates for the CABOD Special Election must meet the requirements for CABOD candidacy, and shall complete and submit the necessary documents to the CABEC, as is otherwise set forth for CABOD Elections, under Section 4.4.5 of these By-Laws; and

No later than three weeks before the CABOD Special Election Date, the CABEC shall review each prospective CABOD candidate's documents to confirm that the candidate has met the requirements set out in these By-Laws for CABOD Elections. The CABEC shall disqualify any prospective CABOD candidates if a candidate fails to timely provide the required documents; fails to timely provide all the required documents; or is otherwise ineligible under the requirements set out in these By-Laws. The CABEC shall notify, in writing, each prospective CABOD candidates to advise whether the candidate has been qualified for, or disqualified from, participating in the upcoming CABOD Special Election. If a prospective CABOD candidate has been disqualified, the CABEC notice shall set forth the basis for disqualification under these By-Laws.

No later than 10 business days prior to the CABOD Special Election Date, the CABEC shall promulgate, to the Members, a list of candidates for the CABOD Special Election (along with their letters of interest and abbreviated resumes).

No later than 2 days before the first of the four Special Election Voting Days, the CABEC shall conduct a Candidates Forum (as set forth in Section 4.4.6 above).

Except as otherwise expressly modified here, all matters concerning a CABOD Special Election (including campaigning, eligible voters, voting, and the announcement of CABOD Special Election Results) shall be governed by the rules, policies and procedures governing regular CABOD Elections as set forth in Section 4.4 of these By-Laws.

A CABOD member filling a seat vacant under this Section 4.6, shall hold office until the next annual election for such CABOD seat.

(Rev. 02/13/2012)

Section 4.7. Attendance. A director having three (3) or more consecutive unexcused absences from the meetings of the board of directors shall be deemed to have resigned as a director.

Section 4.8. Standard of Care. A director shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith in a manner he reasonably believes to be in the best interests of the corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by the persons herein

designated; but he shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

No member of the board of directors shall permit his position on the board of directors to create a conflict between his personal business activities unrelated to the school and the actions of the corporation.

The designated persons on whom a director is entitled to rely are: (i) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented; (ii) counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or (iii) a committee of the board or an advisory committee upon which the director does not serve, duly designated in accordance with Sections 3.12 or 3.13 of these bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 4.9. Background Check. All Board Members shall submit to a criminal records and background check prior to serving on the Board of Directors, and service to the Board of
Directors shall be contingent on such checks being returned free from felony activity.

Section 4.10. Responsibilities. Caprock Academy Board of Directors will affirm or ratify policy recommendations made by the standing or ad hoc Committees established by the Board.

The Board shall perform the following duties, but are not limited to the duties described below, as may become appropriate and necessary to the safe and effective operation of the school, and which promote the school's vision and mission:

- Develop and oversee strategic plan for the school
- Approve annual budget
- Ensure appropriate fiscal oversight
- Participate in fund raising activities that benefit the school
- Hire, evaluate, and when necessary, terminate Headmaster
- Adopt and administer school policies
- Approve school calendar
- Approve admission requirements
- Oversee curriculum and extra-curricular programs
- Promote school-community relations
- Approve graduation requirements
- Oversee school facilities and safety
- The board shall appoint a community at large-member to service on the School Advisory Council
- Board members shall each serve on at least one standing committee as defined in Section 6.2

(Rev. 08/09/2011)

Section 4.11. Compensation By resolution of the board of directors, any director may be paid for any extraordinary expenses, if any, of attendance at meetings.

ARTICLE V

Officers and Agents

Section 5.1. General. The officers of the corporation shall be a president, one or more vice presidents, a secretary, and a treasurer. The board of directors may appoint such other offices, assistant officers, committees and agents, including a Chairperson of the board, assistant secretaries and assistant treasurers, as they may consider necessary, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors. One person may not simultaneously hold the office of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the bylaws or by the board of directors, such officer, agent or employee shall follow the orders and instructions of the president.

Section 5.2. Election and Term of Office. The officers of the school shall be elected by the board members annually at the first meeting of the board and after the new member(s) are seated as set forth in Section 4.4. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until the first of the following occurs: until his successor shall have been duly elected and shall have qualified; or until his death; or until he shall resign; or until he shall have been removed in the manner hereinafter provided.

Section 5.3. Removal. Any Officer or Agent of the Board may be removed by the board members or by the executive committee, if any, whenever in its judgment the best interest of the school will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create enforceable rights. Removal of Officers or Agents as described in this section shall be by a majority vote of the Board members eligible to vote. Any such removal undertaken under this section shall only apply to the removal from the Officer or Agent position and does not imply removal from the regular Board seat. Any removal of a Board member from the Board requires separate action as defined in Section 4.6

Section 5.4. Vacancies. A vacancy in any office, however occurring, may be filled by the board members for the unexpired portion of the term.

Section 5.5. President. Subject to the direction and supervision of the board of directors, the president shall be the chief executive officer of the corporation and shall have general and active control of its affairs and business and general supervision of its offices agents and employees. The president shall have custody of the treasurer's bond, if any. The president may chair or appoint a chairperson for, any or all meetings as he deems needful.

Section 5.6. Vice Presidents. The vice presidents, if any, shall assist the president and shall perform such duties as may be assigned to them by the president or by the board members. In the absence of

the president, the vice president designated by the board members or (if there be no such designation), the vice president designated in writing by the president, shall have the powers and perform the duties of the president. If no such designation shall be made, all vice presidents may exercise such powers and perform such duties.

Section 5.7. Secretary. The secretary shall perform the following: (a) keep the minutes of the proceedings of the board members, executive sessions, and advisory committees; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the school and affix the seal to all documents when authorized by the board members; (d) keep, at the school's registered office or principal place of business within or outside Colorado, a record containing the names and addresses of all board members and the number and class of shares held by each, unless such a record shall be kept at the office of the school's transfer agent or registrar; (e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board members. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

Section 5.8. Treasurer. The treasurer shall be the principal financial officer of the corporation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the corporation and shall deposit the same in accordance with the instructions of the board members. The Treasurer will serve as a member of the Finance Committee, ensure that any grant monies received are expended consistently with the terms of such grant, and oversee the financial transactions and financial and audit reports prepared for the Board and shall see that proper financial procedures are being followed as established by the Board.

ARTICLE VI

Committees

Section 6.1. Advisory Committees. The board of directors, by resolution adopted by a majority of the board of directors, may appoint advisory committees to the board of directors who, by such appointment, shall not be deemed to be directors, officers or employees of the corporation and whose functions shall not include participation in the operating management of the corporation.

Members of the board of directors shall be entitled to serve on advisory committees. The advisory committees shall meet at such times as the board of directors shall determine. The advisory committee shall consider, advise upon and make recommendations to the board of directors and to the Chairperson of the board with respect to matters of policy relating to the general conduct of the business of the corporation and with respect to such questions relating to the conduct of the business of the corporation as may be submitted to it by the board of directors or the executive committee.

By way of example and not of limitation, the board of directors may appoint a policy and planning committee to advise on fund raising and an investment management committee to advise the corporation on its investment portfolio. The members of the advisory committee shall hold office at the pleasure of the board of directors. Additional members or members to fill vacancies may be appointed at any regular or special meeting of the board of directors.

Section 6.2. Standing Committees. The board of directors, by resolution adopted by a majority of the full board of directors, may designate from among its members one or more committees. Standing committee shall be responsible for gathering information, exploring options, reporting on progress made toward meeting goals, and bringing recommendations to the Board in a timely manner for discussion and action. All committees shall be appointed by the Board. The responsibilities and reporting structure of all Standing Committees will be adopted by the board and recorded in policy. In addition to any board members, standing committees shall consist of parent volunteers and any interested community member or Caprock Academy administrative staff or faculty member. The board shall have the authority to create or dismiss any and all standing committees deemed necessary or expedient to further the goals of the school.

The following Standing Committees shall be in place, as they support various duties and function of the Board, and continue until such time the board deems unnecessary:

Caprock Academy Board Election Committee. As is more fully set forth in Section 4.4.16, the board will appoint a Caprock Academy Board Election Committee.

School Advisory Council. Helps evaluate the school's progress toward meeting its stated goals and objectives; develops school improvement plans; surveys parents, staff and students. The School Advisory Council shall also have at least the following two subcommittees:

Subcommittees of School Advisory Council:

Recruiting/Hiring Sub committee: Assists the Administrator with recruitment for staff positions; recommends policies for hiring and evaluation of staff and Administrator to the full Board for adoption; participates in interview processes as needed; other duties and functions as defined by the Board. No staff member, faculty, or other paid employee of Caprock Academy shall be eligible to serve on the Recruiting/Hiring Sub committee.

Curriculum and Instruction Sub Committee. Evaluates curriculum, instructional delivery, professional development, graduation, technology, school calendar and scheduling. There shall be one teacher from each division (primary, intermediate, middle, and secondary) to serve on this committee.

Facilities Committee. Aids in the development of a long-term facility plan; assists with minor repairs and improvements on the school building; and, potentially, assists with the acquisition of property maintenance services such as trash removal, carpet cleaning, etc.

Fundraising Committee. Directs and supports grant writing activities; researches and develops other fundraising avenues.

Finance Committee. Creates and administers the school budget, oversees the business needs and financial operations associated with the school. The Finance committee will be comprised of the business manager, Board Treasurer and a parent with financial experience.

(Rev. 02/13/2012)

ARTICLE VII

Indemnification of Officers and Board members

Section 7.1. No Officer or Director shall be personally liable for any obligations of the Corporation or for any duties or obligations arising out of any acts or conduct of said Officer or Director performed for or on behalf of the Academy. The Academy shall and does hereby indemnify and hold harmless each person and their heirs and personal representatives who shall serve at any time hereafter as Director or Officer of the Academy, from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of either heretofore or hereafter serving as a Director or Officer of the Corporation, or by reason of any action alleged to have been heretofore or hereafter taken or refrained from by any such Director or Officer, and shall reimburse each such Director or Officer for legal and other expenses reasonably incurred in connection with the defense of any such claim or liability; including the power to defend such person from all suits or claims as provided for under the provisions of the Colorado Nonprofit Corporation Act or the corporation code of any state in which the Academy transacts business; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of such person's own negligence or willful misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other right to which such person may lawfully be entitled, nor shall anything herein contained restrict the right of the Academy to indemnify or reimburse such person in any proper case, even though not specifically herein provided for. The Academy, its' Directors, Officer, employees and agents shall be fully protected in taking any action or making any payment or in refusing to do so in reliance upon the advice of counsel. The indemnification herein provided shall not be deemed exclusive of any other right to which those seeking indemnification may be entitled under any bylaw, agreement, vote of Directors or otherwise, both as to action in an official capacity and as to such person who has ceased to be a Director, Officer, employee, or agent, and shall inure to the benefit of the heirs and personal representatives of such person. Caprock Academy will have adequate Directors and Officers insurance as referenced in Article VIII.

ARTICLE VIII

Provision of Insurance

By action of the board of directors, notwithstanding any interest of the directors in the action, the corporation shall purchase and maintain insurance, in such scope and amounts as the board of director deems appropriate, on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation, or who, while a director, officer, employee, fiduciary or agent of the

corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against, or incurred by, him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of Article V of these bylaws or applicable law.

ARTICLE IX

Miscellaneous

Section 9.1. Waivers of Notice. Whenever notice is required by the Colorado Revised Nonprofit Corporation Act, by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the board member, member or other person entitled to said notice, whether before, at or after the time stated therein, or his appearance at such meeting in person or (in the case of a board members' meeting) by proxy, shall be equivalent to such notice.

Section 9.2. Construction. The masculine gender is used in these bylaws as a matter of convenience only and shall be interpreted to include the female and neutral genders as the circumstances indicate.

Section 9.3. Definitions. Except as otherwise specifically provided in these bylaws, all terms used in these bylaws shall have the same definitions as in the Colorado Revised Nonprofit Corporation Act.

Section 9.4. Amendments. The board members shall have the power to alter, amend or repeal the Bylaws or adopt new Bylaws of the corporation at any regular meeting of the board or at any special meeting called for that purpose, except as otherwise limited, including but not limited to Section 3.9.1, in these Bylaws or the Articles of Incorporation, subject to repeal or change by action of the board members.

Section 9.5. Emergency Bylaws. Subject to repeal or change by action of the board members, the board members may adopt emergency bylaws in accordance with and pursuant to the provisions of the Colorado Revised Nonprofit Corporation Act.

Section 9.6. Nondiscrimination. At no time will Caprock Academy engage in any action which violates a federal, state, or local law forbidding discrimination on such basis as race, creed, national origin, sex, age, religion or disability.

Section 9.7. Fiscal year. The fiscal year of the corporation shall be July 1 through June 30.

Article X

Procedure to Amend the Bylaws

The bylaws may be amended, altered, or repealed and new bylaws adopted upon proper notice and a two-thirds majority vote of the Governing Board of those eligible to vote.

EXHIBIT C: REQUESTED WAIVERS

Charter School Waiver Request Addendum

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

Contact Information
School Name: Caprock Academy
School Address (mailing): 714 24 ½ Road, Grand Junction, CO 81505
Charter School Waiver Contact Name: Kristin Trezise, Head of School
Charter School Waiver Contact's Phone Number: 970-243-1771
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Non-Automatic Waivers: Statute Description and Rationale and Replacement Plan
Statutory Citation and Title: C.R.S. § 22-9-106 Local Board of Education . Duties (substantive) Certificated Personnel Evaluations; C.R.S. § 22-2-112(1)(q)(I) Commissioner-Duties Waiver from these statutes allows Caprock Academy to implement its own performance evaluations and not to have to report the evaluation ratings.
Rationale: The Caprock Academy Head of School or designated head of school must have the ability to perform the evaluation of all personnel. Should any other designated administrator not have a Type D certificate, this should not preclude him or her from administering the evaluations under the direction of the head of school. The CABOD must also have the ability to perform the evaluation for the Headmaster or designated head of school.
Replacement Plan: Caprock Academy uses its own Performance Appraisal System as agreed to in the Charter School Agreement with Charter School Institute and therefore should not be required to report the teacher evaluation data. There is an evaluation system in place that has been created to include teaching standards as well as reflect the culture and philosophy of the school. All staff are familiar and have been trained on the evaluation system. The evaluation data is used to inform hiring and professional development decisions for staff.
Duration of Waivers: We formally request the waiver be in effect for the duration of our contract with the Colorado Charter School Institute.
Financial Impact: Caprock Academy anticipates that the requested waiver will have no financial impact upon the Charter School Institute or the Caprock Academy budget.
How the Impact of the Waivers Will be Evaluated: Since teacher performance has a critical impact on the performance of the entire school, the impact of this waiver will be measured by the same performance criteria and assessments that apply to the school, as set forth in this Charter School Agreement.
Expected Outcome: With this waiver, the school will be able to implement its program and evaluate its teachers in accordance with its Performance Appraisal System, which is designed

to produce greater accountability and be consistent with the school's goals and objectives. This will benefit staff members as well as students and the community.

Non-Automatic Waivers: Statute Description and Rationale and Replacement Plan
Statutory Citation and Title: C.R.S. § 22-63-201 Employment . Certificate required Prohibits board from entering into an employment contract with a person who does not hold a teacher's certificate or letter of authorization; C.R.S. § 22-63-202, C.R.S. Teacher employment, contracts in writing-duration-damage provision
Rationale: Caprock Academy should be granted the authority to hire teachers and principals that will support the schools goals and objectives. The principal/headmaster will not function as a traditional district school principal, but rather will be responsible for a wider range of tasks and act as the school's chief executive officer. The school will seek to attract principals/headmasters and teachers from a wide variety of backgrounds, including, but not limited to teachers from out-of-state, teachers with a lapsed Colorado certificate, persons with several years of successful teaching experience in a setting not requiring a license, as well as persons with business or professional experience. All employees of Caprock Academy will be employed on an at-will basis.
Replacement Plan: The school will, as appropriate, hire certified teachers and principals. However, in some instances it may be advantageous for the school to be able to hire highly qualified teachers and/or administrators without a certificate and who possess unique background and/or skills that fill the need of Caprock Academy.
Duration of Waivers: We formally request the waiver be in effect for the duration of our contract with Colorado Charter School Institute.
Financial Impact: The school anticipates that the requested waivers will have no financial impact on the Charter School Institute or Caprock Academy.
How the Impact of the Waivers Will be Evaluated: The impact of these waivers will be measured by the performance appraisal criteria and assessments that apply to the school, as per this Charter School Agreement.
Expected Outcome: As a result of these waivers, the school will be able to employ professional staff possessing unique skills and/or background filling all staff needs.

Non-Automatic Waivers: Statute Description and Rationale and Replacement Plan
Statutory Citation and Title: C.R.S. § 22-63-203 Probationary Teachers . renewal and non-renewal of employment contract . Specific Duties Provides for contract with probationary teachers and allows for non-renewal and renewal of employment contract;
Rationale: Caprock Academy should be granted the authority to develop its own employment agreements and terms and conditions of employment. The school will be operating differently from other schools with a unique curriculum for which having the proper teaching staff is

essential. Not every teacher who is successful in the regular public school will be successful at Caprock Academy. All employees of Caprock Academy will be employed on an at-will basis.
Replacement Plan: Caprock Academy has teacher agreement with the terms of non-renewal and renewal of employment agreements, and payment of salaries upon termination of employment of a teacher.
Duration of Waivers: We formally request the waiver be in effect for the duration of our contract with the Colorado Charter School Institute.
Financial Impact: The school anticipates that the requested waivers will have no financial impact on the Charter School Institute or Caprock Academy.
How the Impact of the Waivers Will be Evaluated: The impact of these waivers will be measured by the performance appraisal criteria and assessments that apply to the school, as per this Charter School Agreement.
Expected Outcome: As a result of these waivers, the school will be able to employ professional staff possessing unique skills and/or background, filling all staff needs.

Non-Automatic Waivers: Statute Description and Rationale and Replacement Plan
Statutory Citation and Title: C.R.S. § 22-63-206 Teacher Employment, Compensation and Dismissal Act (substantive) Permits transfer of teachers between schools upon recommendation of district's chief administrative officer.
Rationale: Caprock Academy is granted the authority under the Charter School Agreement to select its own teachers. No other school or the Charter School Institute should not have the authority to transfer its teachers into Caprock Academy or transfer teachers from Caprock Academy to any other schools, except as provided for in the Charter School Agreement.
Replacement Plan: The school will hire teachers on a best qualified basis. There is no provision for transfers.
Duration of Waivers: We formally request the waiver be in effect for the duration of our contract with the Colorado Charter School Institute.
Financial Impact: The school anticipates that the requested waivers will have no financial impact on the Charter School Institute or Caprock Academy.
How the Impact of the Waivers Will be Evaluated: The impact of these waivers will be measured by the performance appraisal criteria and assessments that apply to the school, as per this Charter School Agreement.
Expected Outcome: The school expects that as a result of this waiver it will be able to manage its own personnel affairs. There is no provision for transfers.

Non-Automatic Waivers: Statute Description and Rationale and Replacement Plan
Statutory Citation and Title: C.R.S. §22-32-109(1)(n)(I) Board of Education- Specific Duties School Calendar; C.R.S. §22-32-109(1)(n)(II)(B) Board of Education-Specific Duties Adoption of District Calendar; C.R.S. 22-32-109(1)(n)(II)(A) for teacher-pupil contact hours
Rationale: The school year at Caprock Academy will total 160 days per year and 1120 hours of instruction for grades K-12 which meets or exceeds the current requirement in state statute. Caprock Academy will prescribe the actual details of its own school calendar to best meet the needs of its students. Colorado Charter School Institute (CSI) will not set these policies and Caprock Academy will have a calendar that differs from the rest of the schools within CSI.
Replacement Plan: The final calendar and the school's daily schedule will be designed by Caprock Academy and will meet or exceed the expectations in state statute.
Duration of Waivers: We formally request the waiver be in effect for the duration of our contract with the Colorado Charter School Institute (CSI).
Financial Impact: The school anticipates that the requested waivers will have no financial impact on the Charter School Institute or Caprock Academy.
How the Impact of the Waivers Will be Evaluated: The impact of these waivers will be measured by the performance appraisal criteria and assessments that apply to the school, as per this Charter School Agreement.
Expected Outcome: As a result of these waivers, the school will be able to implement the necessary policies to increase student achievement.

EXHIBIT D: ENROLLMENT PROCEDURES

Policy SE –10.0 Enrollment/Waitlist Policy
Non-Discriminatory Policy

As a free public charter school, Caprock is open to any student residing within Mesa County. There is no admission test to be accepted into Caprock Academy. Enrollment is open to anyone who chooses to attend. In accordance with our charter, Caprock Academy will not make any distinction on account of the disability, race, creed, color, gender, national origin, religion or ancestry of any student who seeks admission.

Choosing Caprock Academy
We encourage parents and prospective students to carefully review the Caprock Academy charter (http://www.caprockacademy.org/#!charter-/c1euj);handbook (http://www.caprockacademy.org/#!handbooks-child-care-cast-etc/c7cl) and curriculum (http://www.caprockacademy.org/#!academics/c1j76). After reviewing all of the information, if they value the school's philosophy and educational offerings, we would encourage them to enroll at Caprock Academy.

Kindergarten Enrollment Process and Deadlines
Children who are five years of age on or before September 15th of the school year in which they wish to enroll, may submit an enrollment packet. Children will be admitted based on a lottery process.
Enrollment packets for Kindergarten will be accepted beginning the second Monday in February. Packets must be received on or before the last Thursday of February by 3:30pm. The lottery will be held the 1st Tuesday in March. Any enrollment packets that are received after 3:30pm on the last
Thursday in February will automatically be placed at the bottom of the waitlist according to the date and time they are received.

Elementary, Middle School and High School Enrollment Process and Deadlines

Enrollment packets for prospective 1st through 12th grade students will be accepted beginning the second Monday in February. Enrollment packets will continue to be accepted throughout the school year until the *final Enrollment Date* which is *October 1st for grades 9-12* and *the third Friday of January at 3:30pm for grades 1-8*. Upon receiving the enrollment packet, the prospective student will be added to the waitlist for the current school year and may be offered an open position if one becomes available and they are the next student on the waitlist.

Returning Students

As a school of choice, there is no re-enrollment process for current students.
However, students need to submit their Intent to Return Form by April 15th. Returning students will be assigned a position for the following school year the first week of June.

If an official request for records for a current student is received from another school and the request is signed by the parent/guardian of record, the student's seat will be vacated. The parent/ guardian will be notified by the Registrar and the vacancy will be filled as described in this policy. However, if the request for records is only signed by a staff member of the requesting school, the Caprock Registrar will contact the parent/guardian of record to determine the origin /intent of the records request.

Vacancies and Waitlists

A vacancy exists whenever the number of students enrolled in a class is below the class's capacity. As vacancies occur, they will be filled using the Waitlist Priority System as outlined below.

The Waitlist Priority System will be determined as follows:

1. Child(ren) of the founders of Caprock Academy;
2. Child(ren) of current employees;
3. Siblings of current students;
4. Based on date and time of receipt of enrollment packet with the earliest received having the first priority;
5. An existing enrollment packet will remain active and prospective students will maintain their position on the waitlist as long as the annual Renewal of Intent Form is received by Caprock Academy by the date notated on the waitlist letter.

Kindergarten Lottery and Waitlists

After filling available positions for Kindergarten using the above listed priorities one through three above, all remaining vacancies will be filled by lottery per federal grant guidelines (www.ed.gov/programs/charter/nonregulatory-guidance.doc). After all positions are filled, students will be placed on the waitlist in the order their names were drawn in the lottery.

Students submitting enrollment packets for Kindergarten after the lottery will be placed at the bottom of the waitlist according to the date and time their enrollment packet was received by Caprock Academy.
Due to confidentiality requirements, the waitlist and its priorities will not be made public. However, parents/guardians may confirm their child's priority once per semester in person with a photo I.D.

Elementary, Middle School and High School Waitlist

During the first week of June, and after currently enrolled students are placed for the upcoming school year, vacancies will be filled using the Waitlist Priority System as defined above.
A prospective student will only be placed on the waitlist for the current school year, based on their age and grade.

Any dishonest representation of grades or transcripts may result in the prospective student being removed from the waitlist.

Due to confidentiality requirements, the waitlist and its priorities will not be made public. However, parents/guardians may confirm their child's priority once per semester in person with a photo I.D.

Filling Vacancies from the Waitlist- for All Grades

When a vacancy occurs, whether it is prior to the start of the new school year, or during the school year, the parent/guardian of the prospective student will be contacted by telephone. Once a placement has been offered, parents/guardians will have 24 hours to contact Caprock Academy to either (1) accept the opening or (2) decline the position and be removed from the waitlist. Failure to contact Caprock Academy with the 24 hour period will be deemed as choosing to decline the position and the student will be removed from the waitlist. At that point the parent/guardian of the next prospective student on the waitlist will be contacted in the same manner. It is the responsibility of the parent/guardian of a prospective student to ensure their contact information on file with Caprock is current and accurate. If the parent/guardian cannot be reached by phone at the applicable time, the prospective student will be removed from the waitlist. If a position is declined, the student's enrollment packet will not be kept on file.