

RENEWAL

CHARTER SCHOOL CONTRACT

between

Friends of Education

and

Parnassus Preparatory School

WHEREAS, the primary purpose of the School is to provide an educational program for its students in order to improve all pupil learning and all student achievement; and

WHEREAS, the secondary purpose(s) of the School's educational program is/are:

- ☒ Increase learning opportunities for all pupils;
- ☒ Encourage the use of different and innovative teaching methods;
- ☒ Measure learning outcomes and create different and innovative forms of measuring outcomes;
- ☐ Establish new forms of accountability for schools; and
- ☐ Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site; and

WHEREAS, the parties are authorized under Minnesota law to contract for the operation and oversight of a charter school, pursuant to Department of Education approval of Friends of Education's intent to charter the School, dated October 5, 2009, a copy of which is attached as Exhibit A; and

WHEREAS, Friends of Education and the School previously entered into a charter school contract which expires June 30, 2014; and

WHEREAS, Friends of Education has considered the reauthorization of the School and has approved the issuance of a charter contract to the School.

NOW, THEREFORE, Friends of Education grants this Contract conferring certain rights, privileges, and obligations of a charter school and confirms the status of a charter school to the School. In addition, the parties agree that the granting of this Contract is subject to the following terms and conditions.

ARTICLE I

DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever initially capitalized, shall have the meaning set forth in this section:

- (a) “Applicable Law” means all state and federal law applicable to Minnesota charter schools and any regulations implemented pursuant thereto.
- (b) “Charter School Act” means the Minnesota Statutes 124D.10 through 124D.11, as amended, and any rules adopted pursuant thereto.
- (c) “Commissioner” means the Commissioner of the Minnesota Department of Education.
- (d) “Contract” means this Charter School Contract between Friends of Education and the School.
- (e) “Department of Education” means the Minnesota Department of Education.
- (f) “Friends” means Friends of Education.
- (g) “School” means Parnassus Preparatory School, located at one site, 11201-96th Avenue North, Maple Grove, Minnesota, which is established as a charter school under this Contract pursuant to the Charter School Act, and any additional site(s) pursuant to subsequent Department of Education approval of any supplemental affidavit to expand sites. The location(s) of the School will not be changed without the prior written consent of Friends.
- (h) “School Board” means the Board of Directors of the School.
- (i) “Student” and “Pupil” are used interchangeably, and each means the Students/Pupils at the school.

Section 1.2. Captions. The captions and headings used in this Contract are for convenience only and shall not be used in construing the provisions of this Contract.

Section 1.3. Gender and Number. The use of any gender in this Contract shall be deemed to be or include the other genders, including neuter, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

Section 1.4. Exhibits. All Exhibits to this Contract are incorporated into, and made part of, this Contract. This Contract has the following Exhibits:

EXHIBITS

- A. Minnesota Department of Education Approval
- B. Articles of Incorporation of the School
- C. Bylaws of the School
- D. Implementation of Purpose/Mission
- E. Description of School's In-School & Out-of-School Time Programs
- F. Academic & Non Academic Pupil Performance Outcomes/Goals
- G. Statement of Admissions Policies and Procedures
- H. Governance & Management Plan
- I. Administration and Operations Plan
- J. Financial Management Plan
- K. Statement of Assurances Signed by All Board Members
- L. Charter School Closure Checklist & Plan
- M. Supplemental Continuing Oversight Criteria, Processes, Procedures
- N. Performance Evaluation of School

ARTICLE II

RELATIONSHIP BETWEEN THE SCHOOL AND FRIENDS

Section 2.1. Voluntary Authorization. Friends qualifies as a authorizer pursuant to Minnesota Statute 124D.10 Subd. (3). In granting this Contract, Friends voluntarily exercises powers given to Friends pursuant to Applicable Law to authorize charter schools. Nothing in this Contract shall be deemed to be any waiver of Friends autonomy or powers.

Section 2.2. Independent Status of the School. The School is not and shall not be deemed to be a division or part of Friends. The relationship between the School and Friends is based solely on the applicable provisions of the Charter School Act and the terms of this Contract or other written contracts or written agreements between Friends and the School. Except as otherwise provided in this Contract, Friends shall have no authority or control, over operational, administrative, or financial responsibility for the School.

Section 2.3. Financial Obligations Are Separate. Any contract, mortgage, loan or other instrument of indebtedness entered into by the School and a third party shall not in anyway constitute an obligation, either general, special, or moral, of Friends. The School will never pledge the full faith and credit of Friends for the payment of any School contract, mortgage, loan or other instrument of indebtedness.

Any contract, mortgage, loan or other instrument of indebtedness entered into by Friends and a third party shall not in anyway constitute an obligation, either general,

special, or moral, of the School. Friends will never pledge the full faith and credit of the School for the payment of any Friends contract, mortgage, loan or other instrument of indebtedness.

Section 2.4. No Authority To Obligate or Bind Other Party. The School has no authority whatsoever to enter into any contract or other agreement that would obligate Friends, nor does the School have any authority whatsoever to make any representations to third parties including lenders, that Friends in any way guarantees, is obligated, or is in any way responsible for any obligation, including any contract, mortgage, loan or other instrument entered into by the School.

Friends has no authority whatsoever to enter into any contract or other agreement that would obligate the School, nor does Friends have any authority whatsoever to make any representations to third parties including lenders, that the School in any way guarantees, is obligated, or is in any way responsible for any obligation, including any contract, mortgage, loan or other instrument entered into by Friends.

Section 2.5. Limited Use of “Friends” Name. The School may not use the name of Friends or any assumed name, trademark, division or affiliation of Friends in any of the School’s promotional advertising, contracts, or other materials without Friends prior written consent, except that the School may include the following statement in such materials, “[Name of School] is authorized by Friends of Education.” Pursuant to Minnesota Statute 124D.10 Subd. 4(e) the School shall identify Friends as its authorizer and include Friends contact information on its website and in School materials made available to the public.

ARTICLE III

ROLE OF FRIENDS

Section 3.1. Oversight Responsibilities of Friends. Friends shall monitor and evaluate the School’s academic, financial, operational, and student performance, including the School’s compliance with this Contract and Applicable Law. Friends shall monitor and evaluate School performance using various criteria, processes, and procedures set forth generally in Article VI and Exhibit M.

The School agrees that, in the spirit of continuous improvement, Friends may monitor and evaluate any indicator of academic, financial, operational, and student performance, including indicators not expressly set forth in this Contract, which shall inform the School’s continuous improvement plan.

Section 3.2. Authorizer Fee. The School shall pay Friends a fee for Friends execution of its oversight responsibilities. The fee shall be the maximum fee provided by the Charter School Act, except that if Minnesota law is amended to increase this fee, the School will pay the increased fee.

ARTICLE IV

PERMITTED ACTIVITIES OF THE SCHOOL & ASSUMPTION OF LIABILITY

Section 4.1. Limitation on Actions. The School shall act exclusively as a charter school and shall not undertake any action inconsistent with its status as a charter school authorized to receive state and federal school aid funds and shall not undertake any action to jeopardize its 501(c)(3) status including observation of applicable conflict of interest requirements.

Section 4.2. Other Permitted Activities. The School shall have all powers, duties and responsibilities provided by law to a charter school. The School shall not engage in any otherwise lawful activities that are in derogation of the School's status as a public school or that would jeopardize the eligibility of the School for state and federal school aid funds. The School may exercise its powers, enter into agreements with other public schools, governmental units, businesses, community and nonprofit organizations, reasonably necessary to accomplish its obligations as a charter school under this Contract.

Section 4.3. Assumption of Liability. The School and the School Board may sue and be sued. The School and the School Board accept liability for all actions arising out of or are in any manner connected with the School's operations.

ARTICLE V

LEGAL STATUS OF THE SCHOOL

Section 5.1. Nonprofit Status. The School shall be organized and operated as a nonprofit corporation under Minnesota Statutes Chapter 317A, as amended. Notwithstanding any provision of Minnesota Statutes Chapter 317A, as amended, the School shall not take any action inconsistent with the Charter School Act or in derogation of the School's status as a public school.

Section 5.2. Articles of Incorporation. The School represents that, as of the date of this Contract, the Articles of Incorporation of the School set forth as Exhibit B are accurate and have not been otherwise altered or amended.

Section 5.3. Bylaws. The School represents that, as of the date of this Contract, the Bylaws of the School set forth as Exhibit C are accurate and have not been otherwise altered or amended.

ARTICLE VI

OPERATING REQUIREMENTS

Section 6.1. Governance. The School shall be organized and administered under the direction of the School Board elected in accordance with the School's Bylaws and Applicable Law. The School Board shall decide and be responsible for matters related to the operation of the School including, but not limited to, budgeting, curriculum, programming, personnel, and operating procedures. In addition, the Board shall evaluate the student achievement and School's progress towards achieving its charter contract goals and commitments.

Section 6.2. School Board Meetings. Meetings of the School's Board and its committees shall comply with the Minnesota Open Meeting Law, Minnesota Statute Chapter 13D.

Section 6.3. Exhibits. The School agrees to implement and adhere to all the representations and information identified in the Exhibits, including without limitation, the achievement of the academic outcomes/goals identified in Exhibit F.

Section 6.4. Compliance with all Applicable Laws. The School shall comply with all Applicable Laws.

Section 6.5. Programs Offered by the School. All programs which the School provides, operates, is affiliated with, or sponsors shall comply with Applicable Law, have adult supervision at all times, and be covered by the School's insurance.

The School provides the following programs:

- (a) In-School Time Programs. In-school time programs include all programs operated during school hours. The School provides the in-school time program summarized in Exhibit E. Except as may be otherwise limited by the Department of Education approval of Friends affidavit of intent to charter the school or expanded by the Department of Education approval of any supplemental affidavit to expand the grades or programs offered by the School, the School may accept enrollment to students for the following in-school time program(s):

- ☐ Early Learning
- ☐ Preschool Instructional
- ☐ Pre-K
- ☒ Grades K - 12

- (b) Out-of-School-Time Programs. Out-of-school-time programs include any programs operated before or after school hours, or on weekends, or during school calendar breaks, including before/after school care, but does not include

School clubs or athletics. The School provides, operates, is affiliated with, or sponsors the out-of-school time programs identified and described in Exhibit E and according to the parameters set-forth therein. The School does not provide, operate, affiliate with, or sponsor out-of-school-time programs not otherwise identified and described in Exhibit E.

- (c) Club and Athletic Programs. The School provides club or athletic programs as it deems appropriate from time to time.

The School will provide equal access to all programs and will not permit any program to operate in derogation of Applicable Law or its status as a public school.

Section 6.6. Academic Curriculum Program. The School will implement and adopt the academic program and curriculum set forth in Exhibit E.

Section 6.7. Methods of Assessment. The School shall evaluate students' work based on, at a minimum, the assessment strategies identified in this Contract and its annual report.

- (a) Academic Measures – Friends will monitor student academic performance and school culture, which provides the basis for high academic performance.
1. Regular Assessments. Friends will monitor academic achievement by reviewing student testing and assessment.
 2. Government Required Assessments. School students will take the Minnesota Comprehensive Assessment tests and any other testing required by Applicable Law.
 3. Nationally-Normed Referenced Assessments & School-Level Assessments. Except as may be otherwise limited by Exhibit F, School students will take a nationally-normed referenced assessment on at least an annual basis. In addition, School students will also take data-driven instructional assessments developed by the School on at least a quarterly basis in reading, math, and science. The School may implement any additional tests.
 4. Assessment and Test Results. The School will provide Friends results of government required assessments at such time as the School receives its preliminary assessment results and at such time as the School receives its final assessment results, and the School will provide Friends the results of any other testing each quarter, but no later than November 1st, February 1st, and May 1st. Friends will compare testing data to other schools in order to measure performance.

5. Friends of Education Council. The School agrees to participate in the Friends of Education Council, which consists of representatives of all Friends authorized schools, and Friends will monitor the School's participation in the Council. The goal of participation in the Council is to share information and identify resources, and the School agrees to do so.
 6. Professional Development. The school will ensure that each teacher at the School has a professional development plan that focuses in part on developing quality assessments, measures of student outcomes, and effective teaching strategies. The School will advise Friends, on a semi-annual basis June 15th and December 15th of professional development attended by its staff.
 7. Teamwork and Common Planning Time. The School will ensure common planning time, relating to classroom instruction, for all teaching staff and will advise Friends on a semi-annual basis, January 15th and June 15th as to the extent of common planning time for both teaching staff in the same grade and teaching staff as a whole.
 8. Continuous Improvement. The School agrees that it is committed to continuous improvement and that accountability is a continuous improvement process. Accordingly, the School will develop and implement a continuous improvement plan and review it at least annually. The School will provide Friends a copy of its continuous improvement plan, which must be included in its annual report, no later than August 1st of each school year.
- (b) Site-visits. Friends may engage in scheduled and unscheduled site-visits in the course of the Contract term. Site-visits will be an opportunity to review academic goals and achievement data to date, evaluate the implementation of the academic program, operations and other matters. Friends may engage in scheduled and unscheduled site visits at such frequency as determined necessary or prudent by Friends.
- (c) Remediation.
1. School Initiated. If the School fails to make adequate progress towards achieving its academic outcomes/goals, financial targets, or comply with Applicable Law or other requirements, the School may at any time prepare and implement an improvement plan to overcome such deficiencies. The School may at any time submit the plan to Friends for review and comment prior to adoption and implementation.
 2. Friends Initiated. If Friends has a concern about the School, or if the School fails to make adequate progress towards achieving its academic outcomes/goals or to meet financial requirements, or to comply with

Applicable Law, or other requirements, Friends shall provide the following notices, as applicable.

- (a) Notice to School Leader or Board Chair. Friends shall notify the school leader or board chair of area(s) of concern for correction. Friends may specify a target date for correction.
- (b) Formal Notice to School Board. If the situation remains uncorrected without reasonable explanation, or if the situation involves an urgent concern, Friends will formally notify the school board of the area(s) of concern for correction and may ask the school board to adopt a specific performance improvement plan. If Friends requires the School Board to retain a third-party investigation, the School Board shall retain an investigator within ten (10) days of such requirement; in addition, the third party investigator must be acceptable to Friends, and the School Board shall authorize such investigator to provide status reports to and communicate with Friends. Friends shall specify a target date for correction which Friends may, if circumstances warrant, amend.
- (c) Notice to School Board of Charter Revocation/Termination. Friends initiates notice whereby charter authorization will be withdrawn pursuant to Article X.

Section 6.8. School Calendar and School Day Schedule. The School shall provide instruction for at least the hours of instruction required by Minn. Stat. 120A.41, and shall notify Friends by each July 1st of the number of instructional days and hours for that school year.

Section 6.9. Finance, Reporting and Compliance.

- (a) To Friends. The School will furnish Friends with monthly financial reports, no later than the 20th of the month for the prior month, unless a different frequency is agreed to in writing by Friends. The reports must contain budget and actual revenue and expenses (both by current month and year-to-date) and contain explanations for all items exceeding budget and the manner in which the excess items will be resolved, as well as cash-flow statements and fiscal year-end fund balance projections. The financial reports will also include the total dollar amount of unpaid accounts payable more than thirty days past due with an explanatory note for the total amount of any such past due amounts disputed by the School, if applicable; and the current average daily membership of the School. Should the School continually exceed its budgeted expenses with no corresponding increase in revenue, not report properly or timely to the Department of Education or Friends, evidence any fiscal or legal non-compliance, the School will engage resources to resume budgeted performance and operate in

compliance with all Applicable Law and generally accepted standards of fiscal management.

The School will execute a release to enable Friends to discuss the school's financial matters with both its external auditor and accounting service provider if any. The School will submit the release to Friends no later than September 1st of each school year. The School consents to Friends conducting reviews of the School's accounts payable, at such times as Friends may require, either at the School or at the School's accounting service provider, if any.

The School Board is responsible for establishing, approving, and amending an annual budget in accordance with Applicable Law. The School will submit to Friends a draft budget for the following school year by May 1st.

By June 15th of each year, the School Board shall submit to Friends a copy of its final budget for the following school year. The budget must detail budgeted expenditures at the object level. In addition, the School Board is responsible for approving all revisions and amendments to the annual budget. Within ten (10) business days after School Board approval, revisions or amendments to the School's budget shall be submitted to Friends.

- (b) To Department of Education. The School will comply with all reporting requirements established by the Department of Education.

Section 6.10. Accounting Standards. The School shall at all times comply with generally accepted public sector accounting principles, generally accepted standards of fiscal management, and accounting system requirements that comply with Department of Education requirements.

Section 6.11. Annual Financial Statement Audit. The School shall engage an annual external audit of all financial and accounting records. The audit will be prepared and reviewed by an independent certified public accountant. By December 15th of each year, the School shall submit two (2) copies of the annual financial statement audit and auditor's management letters, including any required supplemental information, for the school year ending the previous June 30th to Friends. By January 1st of each year, the School Board shall provide to Friends a copy of any responses to auditor's management letters. The School will comply with the same financial audits, audit procedures, and audit requirements of school districts, including Minnesota Statutes sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program of the School. Financial, program, or compliance audits may be conducted by the Department of Education, or the State Auditor, and/or the Legislative Auditor.

Section 6.12. UFARS and MARSS. The School will utilize the UFARS financial accounting principles and methods. The School will comply with MARSS requirements

with respect to student accounting.

Section 6.13. Contributions and Fund Raising. The School may solicit and receive contributions and donations as permitted by Applicable Law and UFARS. No solicitation shall indicate that a contribution to the School is for the benefit of Friends. The School will not include fundraising/non-government grants or gifts not already received or subject to written pledge in its budget for operating expenses.

Section 6.14. Annual Reports. The School will submit its state-required annual report to Friends no later than seven days before the date specified by the Minnesota Department of Education, and if the Department of Education does not specify a due date, no later than October 1st for the immediately preceding school year ending June 30th. The annual report shall be approved by the School Board prior to the submission to Friends and will include such information as Friends may require.

Section 6.15. Employment. An employee hired by the School shall be an employee of the School for all purposes and not an employee of Friends for any purpose. With respect to School employees, the School shall have the power and responsibility to: (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The School shall comply with the Public Employment Relations Act (PELRA), Minnesota Statutes Chapter 179A, as applicable. The School must employ or contract with teachers who hold valid licenses or any allowable waivers to perform the teaching service for which they are employed at the School.

The School Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The School shall employ and contract teachers who hold valid licenses or certifications, as required by Applicable Law. Teachers employed by the School shall be treated by the School as public school teachers for the purposes of Minnesota Statutes Chapters 354 and 354A.

The School will ensure that lesson plans and related materials developed by School employees to implement the School's academic program and curriculum are and remain School, and not individual/employee, property.

Section 6.16. Collective Bargaining Agreements. Collective bargaining agreements, if any, with employees of the School shall be the responsibility of the School.

Section 6.17. Transportation. The School may provide transportation for students enrolled in the School and shall provide transportation for all students who are enrolled in the School and who reside in the district in which the School is located as required by Applicable Law; otherwise, transportation will be provided by the district in which the School is located. In providing transportation either through the district or itself, the School shall do so in compliance with and provide any notices required by Applicable Law.

Section 6.18. Notification of Claim. The School agrees to provide notice to Friends within five (5) days of the School's receipt of any significant claim, including any allegation of illegality or impropriety by the School or its employees, and any adverse notice received from the Department of Education.

Section 6.19. Expenses. The School agrees to pay for all expenses related to its operation as a charter school, including expenses incurred for operational programs and all expenses related to the performance of its obligations under this Contract and Applicable Law.

Section 6.20. Board Data. The School agrees to notify Friends of any resignations or additions to its School Board within ten (10) days of such change. All additions to the School Board will execute a statement of assurance, in the form of Exhibit K, within ten (10) days of such addition, which shall be provided to Friends within thirty (30) days of such addition. The School agrees to obtain background checks, at the School's expense or at the individual's expense if allowed by Applicable Law, on all potential board members before such members are added to the School Board; the School shall certify to Friends within ten (10) days of receipt of such background check that the background check has been completed and whether or not the background check contained adverse information. In addition, the School agrees to furnish Friends minutes of the Board's meetings at such time as the minutes are distributed to the School Board. The School further agrees to notify Friends of the School Board meeting schedule at least twenty (20) days in advance of meeting dates and at the same time as notice provided to board members for special and emergency meetings. The School further agrees to provide Friends by October 1st of each year, conflicts of interest statements for all board members and ex-officio board members in the form Friends requires.

Section 6.21. Additional Reporting Obligations.

- (a) Teacher Licensure. The School will advise Friends by September 15th of each school year of the following for each teaching staff member: full name, Minnesota license number, grade taught, subject(s) taught. The School will advise Friends of any changes to its teaching staff within ten (10) days of such change.
- (b) Enrollment. The School will advise Friends of its enrollment and attendance daily for the first ten school days of each school year, then once weekly for the following four weeks, then once each on December 15th and on March 15th.

Section 6.22 Cooperation and Third Parties. The School agrees to cooperate with and assist Friends or its designee in providing the access, information, and data Friends requires at Friends' sole discretion in executing this Contract. The School understands and agrees that Friends may contract with a third party to perform any of Friends' oversight functions.

ARTICLE VII

GENERAL PROHIBITIONS

Section 7.1. Tuition Prohibited. The School shall not charge tuition. The School may impose fees and require payment of expenses for activities of the School where such fees and payments are not prohibited by Applicable Law, including Minn. Stat 123B.34-123B. 39.

Section 7.2. Establishment of Religion Prohibited. The School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations.

Section 7.3. Home School Support Prohibited. The School shall not be used as a method of educating or generating revenue for students who are being home schooled, except as may be allowed by Applicable Law.

Section 7.4. Open Admissions. The School shall not limit admissions to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability or any other criteria inconsistent with Applicable Law. A student shall be re-enrolled for the next school year until formally withdrawn from the School.

Section 7.5. Lottery Admissions. The School shall enroll an eligible student who submits a timely application, unless the number of applicants exceeds the capacity of the programs, class, grade level, or building. In such cases, enrollment shall be by lottery and, when conducting such lottery, the School shall provide enrollment preferences as provided by Applicable Law

ARTICLE VIII

COMPLIANCE WITH STATE AND FEDERAL LAWS

Section 8.1. State Laws. The School shall comply with applicable state laws. Nothing in this Contract shall be deemed to apply any other state law to the School. Except as otherwise provided by the Charter School Act or this Contract, the School shall be exempt from all Minnesota Statutes and rules applicable to a school, school board, and school district unless the statute or rule is made specifically applicable to a charter school.

(a) Students with Disabilities.

1. Compliance. The School shall comply with Minnesota Statute Sections 125A.02, 125A.03 to 125A.24 and 125A.65, concerning the provision of education services to students with a disability at the School.

2. Special Education Director. The School shall employ or contract with a special education director who shall be responsible for program development, coordination and evaluation; planning for professional development and general programmatic and fiscal supervision and administration.
3. Systems & Services. The School shall implement, at a minimum:
 - (a) a child-find system to identify students with disabilities and students who are suspected of having disabilities; such system will include a procedure for receiving referrals from parents, teachers, outside agencies, and physicians.
 - (b) a system for conducting comprehensive initial and re-evaluations to determine eligibility for special education and related services.
 - (c) a full range of special education services to ensure that all students with disabilities are provided with the specially-designed instruction and related services based on their disability-related needs.
 - (d) a system for monitoring appropriate and proper due process procedures to ensure effective and efficient child study procedures and methods of providing special education services for identified students.
4. Financial Parameters. The School is entitled to access state special education funds for salaries, supplies/equipment, contracted services, and student transportation costs. The School is permitted to bill certain special education costs not paid by state special education funds to the student's resident district. The combination of state special education funds and the ability to bill to the district certain special education costs enable the School to adequately provide special education services to such children. The School may also access federal special education funds.

At such time as the School has determined the number of its students who have disabilities as defined in Minnesota Statutes, sections 125A.03-24 and 125A.65, the School shall provide to the Commissioner a further description of the financial parameters within which the School will operate to provide special education instruction and services to such children.

- (b) Health and Safety. The School shall meet the same federal, state, and local health and safety requirements applicable to a school district.
- (c) Immunization. The School shall comply with the Minnesota Statutes section 121A.15, requiring proof of student immunization against measles, rubella, diphtheria, tetanus, pertussis, polio, mumps, and hemophilia influenza type B prior to enrollment.
- (d) Human Rights Act. The School shall comply with the Minnesota Human Rights Act, Chapter 363A, which prohibits unfair discriminatory practices in employment, public accommodations, public services, or education; and comply with Minnesota Statutes section 121A.04, which governs provisions of equal opportunities for members of both sexes to participate in athletic programs.
- (e) Student Discipline and Dismissal. The School shall comply with the Minnesota Pupil Fair Dismissal Act (MPFDA), Minnesota Statutes sections 121A.40 to 121A.56. The School Board shall provide to Friends its approved discipline policy and procedure consistent with the MPFDA within 120 days of the effective date of this Contract. The School shall comply with the continuing truant notifications under Minnesota Statute section 260A.03.
- (f) Fee Law. The School shall comply with the Minnesota Public Schools Fee Law, Minnesota Statutes sections 123B.34 to 123B.39, which governs authorized and prohibited student fees.

Section 8.2. Federal Laws. The School shall comply with applicable federal laws. Nothing in this Contract shall be deemed to apply any other federal law to the School.

Section 8.3. Intellectual Property. The School has ascertained that its name and logo do not violate or infringe upon the intellectual property rights of another and has taken appropriate measures to secure the intellectual property rights with respect to its name and logo.

Section 8.4. Student Records. The School shall comply with Applicable Law regarding the management and transfer of student records.

ARTICLE IX

AMENDMENT

Section 9.1. Amendments. Friends and the School acknowledge that the operation and administration of a charter school and the improvement of educational outcomes over time may require appropriate amendment of this Contract. In order to

ensure a proper balance between the need for independent development of the School and the statutory responsibilities of Friends as an authorizing body, all amendments to this contract must be in writing, and signed by the parties.

Section 9.2. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations, rights, or remedies of either the School or Friends, this Contract shall be altered or amended to reflect the change in existing law as of the effective date of such change. To the extent possible, the responsibilities, obligations, rights or remedies of the School and Friends shall conform to and be carried out in accordance with the change in Applicable Law.

ARTICLE X

CONTRACT REVOCATION/TERMINATION AND NONRENEWAL

Section 10.1. Grounds for Revocation/Termination or Nonrenewal. This Contract may be revoked/terminated and need not be renewed by Friends upon a determination by Friends that one or more of the following has occurred:

- (a) Failure of the School to demonstrate satisfactory achievement for all students including the requirements for student performance set forth in this Contract; or
- (b) Failure of the School to meet generally accepted standards of fiscal management; or
- (c) Failure of the School to comply with all Applicable Law.

Section 10.2. Other Grounds for Revocation/Termination or Nonrenewal. In addition to the grounds for revocation/termination and nonrenewal set forth in Section 10.1, Friends may revoke/terminate or not renew this Contract, upon Friends' determination that one or more of the following has occurred:

- (a) The School is unable to pay its bills as they become due, is insolvent, or is bankrupt;
- (b) The School has insufficient enrollment or demonstrated financial resources to successfully operate a charter school, or the School has lost more than fifty percent (50%) of its student enrollment from the previous school year
- (c) The School defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;

- (d) The School amends its Articles of Incorporation and/or Bylaws at any time without first obtaining Friends' written approval;
- (e) Friends discovers negligent, fraudulent or criminal conduct by any of the School's applicant(s), directors, officers, employees or agents in relation to the school's performance under this Contract; or
- (f) The School's applicant(s), directors, officers or employees have provided false or misleading information or documentation to the Department of Education or Friends in connection with Friends issuance or oversight of this Contract, or in connection with any affidavit that the School requests Friends submit to the Department of Education, or in connection with the School's reporting requirements under this Contract or Applicable Law; or
- (g) Other good cause shown.

Section 10.3. Procedures for Revoking/Terminating or Not Renewing Contract. Friends' process for revoking/terminating or not renewing the Contract is as follows:

- (a) Notice of Intent to Revoke/Terminate or Not Renew. Friends, upon reasonable belief that grounds for revocation/termination or nonrenewal of the Contract exist, shall notify the School Board of such grounds by issuing the School Board a notice of intent to revoke/terminate or not renew. The notice of intent to revoke/terminate or not renew shall be in writing, shall set forth in reasonable detail the alleged grounds for revocation/termination or nonrenewal, and shall state that the School Board may request in writing, within fifteen (15) business days of receiving the notice, an informal hearing before Friends.
- (b) School Board's Response. Within fifteen (15) business days of receipt of the notice of intent to revoke/terminate or not renew, the School Board shall respond in writing to the alleged grounds for revocation/termination or nonrenewal. The School Board's response shall either admit or deny the allegations of non-compliance. If the School's response includes admissions of non-compliance with the Contract or Applicable Law, the School Board's response must also contain a description of the School Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the School's response includes a denial of non-compliance with the Contract or Applicable Law, the School's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the School Board may request that an informal hearing be scheduled with Friends. The School Board's failure to provide to Friends a written request for an informal hearing within the fifteen (15) business day period shall be treated as acquiescence to Friends proposed action.

- (c) Informal Hearing. Upon receiving a timely written request for an informal hearing, Friends shall give ten (10) business days notice to the School Board of the hearing date and time, and Friends shall conduct such hearing.
- (d) Plan of Correction. Friends shall review the School Board's response and may, in its sole discretion, determine whether a reasonable plan for correcting the deficiencies may be formulated. If Friends determines that a reasonable plan for correcting the deficiencies set forth in the notice of intent to revoke/terminate or not renew can be formulated, Friends shall develop a plan for correcting the non-compliance ("Plan of Correction"). In developing a Plan of Correction, Friends is permitted to adopt, modify or reject some or all of the School Board's response for correcting the deficiencies outlined in the notice of intent to revoke/terminate or not renew. Friends is not obligated to offer a Plan of Correction to the School.
- (e) Withdrawal of Notice of Revocation/Termination or Nonrenewal. Friends may withdraw its notice of intent to revoke/terminate or not renew if Friends determines any of the following: (i) the School Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the notice of intent to revoke/terminate or not renew has been corrected by the School Board; or (iii) the School Board has successfully completed the Plan of Correction.
- (f) Effective Date of Revocation/Termination or Nonrenewal. If Friends decides to revoke/terminate or not renew the Contract, the revocation/termination or nonrenewal shall be effective on the date of Friends' act of revocation/termination or nonrenewal, or at a later date as determined by Friends, such date specified by Friends in its determination of revocation/termination or nonrenewal. Friends must take final action regarding revocation/termination or nonrenewal no later than twenty (20) business days: (i) before the specified date for revocation/termination or non-renewal of the Contract, or (ii) the Contract's termination date.

Section 10.4. Dissolution. If this Contract is revoked/terminated, or if this Contract is not renewed pursuant to this Article, the School will dissolve following the process provided by Minn. Stat. Ch. 317A and Applicable Law relating to dissolutions and Exhibit L.

Section 10.5. Distribution of Property Upon Termination of Contract. In the event of dissolution of the School, all property which it might lease, borrow or contract for use, shall be promptly returned to those organizations or individuals from which the School has leased or borrowed the materials.

Section 10.6. Property Owned by School. All property which has been purchased by the School will remain its own. In the event of subsequent dissolution of the School,

such property as may be required or permitted by Applicable Law will first be donated to other charter schools authorized by Friends and if no Friends School wants such property, then to any other Minnesota Charter School. Any remaining property will then will be sold or distributed in accordance with Applicable Law.

Section 10.7. Property Owned by School Employees. All property personally and/or individually owned by the trained and licensed teachers or staff employed by the School, shall be exempt from distribution of property and shall remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, personal mementos and other materials or apparatus which have been personally financed by teachers or staff. Such property does not include lesson plans and related materials developed and produced by School employees to implement the School's academic plan and curriculum; the School will ensure that its employment agreements document that such property is School property.

ARTICLE XI

ADDITIONAL PROVISIONS

Section 11.1. Contract Renewal or Transfer to Different Authorizer.

(a) Contract Renewal.

1. Considerations Determining Renewal. The School acknowledges that improving all pupil learning and all student achievement is the most important factor Friends will consider in determining Contract renewal, which determination shall be based substantially on the School's attainment of its academic outcomes/goals identified in Exhibit F. Friends will also consider any compelling evidence of improved pupil learning and student achievement for all students on Department of Education measures other than the attainment of outcomes/goals specified in Exhibit F.

Friends will consider other factors in its renewal determination, which factors are considered secondary to improving all pupil learning and all student achievement. Specifically, Friends will consider the achievement of any additional identified purposes specified in Exhibit D, and financial and operational performance obligations and compliance with Applicable Law as set forth in this Contract.

The School will be eligible for renewal only if the School has improved pupil performance and student achievement for all students, notwithstanding superior performance in financial, operations, governance, or legal compliance factors.

If Friends offers a renewal contract, a five-year term will be awarded only

if warranted by School performance: the School has improved all pupil learning and all student achievement, the School has met or substantially met its academic pupil performance outcomes/goals in Exhibit F, the school has no significant financial, operational, governance, or legal compliance deficiency, or multiple deficiencies in any of the financial, operational, governance, or legal compliance areas, or deficiencies in multiple areas.

2. Considerations Warranting Nonrenewal. Nonrenewal is warranted based on the existence of grounds identified in section 10.1 or 10.2 or Applicable Law, notwithstanding the existence of improved pupil learning and student achievement for all students. For example, nonrenewal will result from the School's failure to improve all pupil learning and all student achievement notwithstanding superior performance in financial, operations, governance, or legal compliance factors, and nonrenewal may result from the School's improvement of all pupil learning and all student achievement combined with a significant financial, operational, governance, or legal compliance deficiency, or multiple deficiencies in any of the financial, operational, governance, or legal compliance areas, or deficiencies in multiple areas.
3. Corrective Action Renewal. If the School has improved all pupil learning and all student achievement, but School performance also indicates the existence of a significant financial, operational, governance, or legal compliance deficiency, or multiple deficiencies in any of the financial, operational, governance, or legal compliance areas, or deficiencies in multiple areas, Friends may, but is not obligated to, renew this Contract. If Friends renews the Contract in these circumstances, the renewal is for corrective action with a term not to exceed three years, and the School acknowledges and agrees that the School must continue to improve all pupil learning and all student achievement and must eliminate and resolve the deficiencies causing the Corrective Action Renewal and that no additional deficiencies are created or identified during that renewal term, in order to be eligible for a subsequent renewal.
4. Application. By September 1st of the school year in which this Contract terminates, the School will submit an application to Friends which shall contain three parts: (1) School Performance. An analysis and evaluation of the School's performance under this Contract, which shall include a comprehensive evaluation of each contract goal for each year of the contract, as well as an evaluation of fiscal, operational, and governance performance during the term of the contract; (2) Proposed Goals. A proposal for goals for the following contract period; and (3) Other Information. Any other information the School desires Friends to consider. The School agrees to provide to Friends documentation supporting the School's evaluation if requested by Friends.

Friends will notify the School within four weeks of receipt of the School's external audit (final, not draft) for the most recently completed fiscal year as to whether Friends intends to offer a renewal charter contract.

- (b) Transfer to Different Authorizer. Friends must consent to the School's transfer to another authorizer. If Friends consents to the School's request to transfer to a different authorizer, the School agrees to reimburse Friends for any authorizer fees waived or not paid, grants provided by Friends to the School, and all training and professional development provided to the School by a third party but paid by Friends. This provision does not apply if Friends requests that the School transfer to another authorizer.

Section 11.2. Insurance. The School Board shall secure and maintain in its own name as the "first named insured" at all times the following insurance coverages:

- (a) workers' compensation insurance to include coverage A;
- (b) insurance covering all of the School's real and personal property, whether owned or leased;
- (c) insurance required by Minn. Stat. 466.04, including a minimum of commercial general liability insurance in comprehensive form, bodily injury and property damage combined of one and a half million dollars (\$1,500,000) per occurrence and personal injury of one and a half million dollars (\$1,500,000) per occurrence; and up to three million dollars (\$3,000,000) per occurrence for the release or threatened release of a hazardous substance; and if not included under its general liability coverage, additional coverages as follows: minimum automobile liability insurance coverage, bodily injury and property damage, of one million dollars (\$1,000,000) per occurrence if the School owns or operates motor vehicles; officer and employee errors and omissions/professional liability of one and a half million dollars (\$1,500,000) per occurrence; and employee dishonesty insurance of five hundred thousand dollars (\$500,000).

The insurance must be obtained from a financially responsible licensed mutual, stock, or other responsible company licensed to do business in the State of Minnesota. The School may join with other charter schools to obtain insurance if the School Board finds that such an association provides economic advantages to the School, provided that each School maintains its identity as first named insured. The School shall have a provision included in all policies requiring notice to Friends, at least thirty (30) days in advance, upon termination or non-renewal of the policy. In addition, the School shall provide Friends or its designee copies of all insurance policies required by this Contract, if requested by Friends. Friends may periodically review the types and amounts of insurance coverages that the School secures.

The above-stated coverage limits shall be issued and maintained as indemnity limits and shall not be reduced by any applicable insurer defense obligations. The Department of Education may suggest or Applicable Law may determine alternative amounts and terms of any deductible or insurance provisions, which shall supersede the foregoing requirements. The School shall provide the Department of Education with any insurance information, as requested.

The School may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for students while attending school or participating in a school program or activity.

Section 11.3. School Lease. The School shall provide to Friends a copy of its lease, and any subsequent amendment(s), or deed for the premises in which the School shall operate within fourteen (14) calendar days of execution. The school will provide to Friends any notice of lease termination within five (5) calendar days of receipt. The School may lease space from any independent or special school board eligible to be a charter school authorizer, other public organization, private nonprofit institution organization or private property owner, as it deems necessary. The School may lease space from a sectarian organization as allowed by Applicable Law.

Section 11.4. Occupancy and Safety Certificates. The School Board shall: (a) ensure that the School's physical facilities comply with all fire, health and safety standards applicable to schools; and (b) possess the necessary occupancy and safety certificates for the School's physical facilities. The School Board shall not conduct classes until the School has complied with this section. Copies of such certificates shall be provided to Friends before the first day of classes, if requested by Friends.

Section 11.5. Legal Liabilities. Friends does not assume any obligation with respect to any director, employee, agent, parent, guardian, student, or independent contractor of the School. The School acknowledges and agrees that it assumes full liability for its activities and that the Commissioner, Friends, officers and members of the Board of Friends, and employees of Friends, are immune from civil and criminal liability with respect to all activities related to the School, pursuant to Minnesota Statutes Section 124D.10 Sub. (25), and nothing in this Contract is intended to affect such immunity.

Section 11.6. Indemnification of Friends & Commissioner. Notwithstanding Section 11.5, the School agrees to indemnify and hold harmless Friends and its officers, board members, employees, agents or representatives, and to indemnify and hold harmless the Commissioner and Department of Education officers, agents, and employees notwithstanding Minn. Stat. section 3.736, from all suits, claims, demands, or liability, including attorney fees, and related expenses, which arise out of or are in any manner connected with the School's operations or which are incurred as a result of the reliance of Friends upon information supplied by the School, or School Board and its agents or employees, or which arise out of the failure of the School to perform its obligations under this Contract or which arise out of Friends' exercise of its obligation under Applicable Law or enforcement of this Contract.

ARTICLE XII

GENERAL TERMS

Section 12.1. Term of Contract. This Contract shall be effective on the date of its issuance and shall remain in full force and effect for five (5) academic years through the end of the 2018/2019 school year, and shall terminate on June 30, 2019, unless sooner revoked/terminated according to the terms hereof.

Section 12.2. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or electronic mail; or (iii) upon placing into United States mail if by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other address or person as the respective party may designate by written notice delivered pursuant hereto:

If to Friends:

Friends of Education
200 East Lake Street
Wayzata, MN 55391

If to School: to the attention of the School Board or School Board President/Chair at:

Parnassus Preparatory School
11201-96th Avenue North
Maple Grove, MN 55369

Section 12.3. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. Subject to §9.2, if any provision of this Contract shall be or become in violation of any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.4. Successors. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors.

Section 12.5. Entire Contract. Except as specifically provided in this Contract, this Contract sets forth the entire agreement between Friends and the School with respect

to the subject matter of this Contract. All prior contracts, representations, statements, negotiations, understandings, and undertakings are superseded by this Contract.

Section 12.6. Assignment. This Contract is not assignable by either the School or Friends.

Section 12.7. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.8. Governing Law. This Contract shall be governed and controlled by the laws of the State of Minnesota as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.9. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.10. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.11. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.12. No Third Party Rights. This Contract is made for the sole benefit of School and Friends. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.13. Non-agency. School is not an agent of Friends and Friends is not an agent of the School.

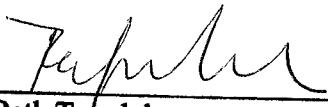
Section 12.14. Termination of Responsibilities. Except as provided in §12.15, upon termination or revocation of the Contract, Friends or its designee and the School shall have no further obligations or responsibilities under this Contract to the School or any other person or persons in connection with this Contract.

Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.1(a)3 Probationary Renewal, Section 11.2 Insurance, Section 11.5 Legal Liabilities, Section 11.6 Indemnification of Friends, Section 11.7 Covenant Not to Sue, Section 12.8 Governing Law, Section 12.10 Construction, Section 12.13 Non-Agency, and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.


As the designated representative of Friends, I hereby issue this Contract to the School on the date set forth:

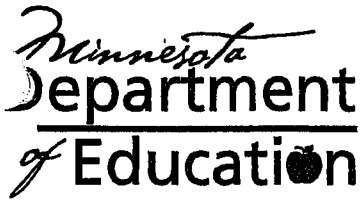
DATE: July 1, 2014

FRIENDS OF EDUCATION

By: 
Beth Topoluk
Its: Executive Director

As the authorized representative of the School, I hereby certify that the School is able to comply with the Contract and all Applicable Law, and that the School, through its governing board, has approved and agreed to comply with and be bound by of the terms and conditions of this Contract as of the date set forth above.

By: 
Greg Friess
Title: Board Chair
Board Chair



October 5, 2009

Via Email and U.S. Mail

Beth Topoluk
Friends of Education
200 East Lake Street, EXO-01-A
Wayzata, MN 55391

Dear Ms. Topoluk:

Congratulations! Friends of Education's request to authorize Parnassus Preparatory School charter school has been provisionally approved according to the requirements set forth in Minn. Stat. § 124D.10.

Please note that because of recent changes to Minnesota's charter school laws enacted during the 2009 legislative session, this approval is considered provisional, pending the completion of the Minnesota Department of Education's ("Department") revised application process for approving authorizers. More information about this process is forthcoming shortly, and will be disseminated to you as soon as it is available. At that time, Friends of Education will need to meet the new standards for authorizers in order to receive final approval.

Accordingly, Parnassus Preparatory School charter school is provisionally approved to serve students in kindergarten through grade 12 at one site in the northwest metro area of Brooklyn Park, Maple Grove, or Champlin. With successful development during the planning period, Parnassus Preparatory School charter school may begin serving students as early as the 2010-2011 school year.

Friends of Education will be responsible for providing primary oversight during the charter school's development and ongoing operation. Please note that as the charter school's board of directors engages in the process of developing the charter school to serve students, board members will be required to attend a mandatory Post-Approval Board Training on October 21 and 22, 2009 at the Minnesota Department of Education in Roseville.

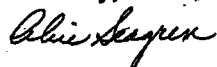
Enclosed with this letter you will find:

- Parnassus Preparatory School's application review feedback; and
- The Department's Post-Approval Board Training registration information.

Review feedback from the evaluation of your Minnesota Charter Public School & Federal Charter Schools Program Planning Grant application is summarized in the attached document. Friends of Education and Parnassus Preparatory School charter school are encouraged to focus on areas that were identified by reviewers as needing improvement in the application, and to prioritize the further development of those areas.

Please contact Pat King at (651) 582-8655 or patricia.k.king@state.mn.us if you have any questions. Congratulations again and best wishes for the success of Parnassus Preparatory School charter school.

Sincerely,



Alice Seagren
Commissioner

CC: Laura Bottenfield, Parnassus Preparatory School

Enc: Application Review Feedback
Post-Approval Board Training registration information

**SECOND AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
PARNASSUS PREPARATORY SCHOOL**

**ARTICLE I.
NAME**

The name of the corporation shall be Parnassus Preparatory School.

**ARTICLE II.
PURPOSES AND POWERS**

The purpose of this corporation is to form and operate, pursuant to Minnesota Statutes Chapter 124D.10, a public charter school in the State of Minnesota committed to developing the intellect and character of every student through a rigorous, systematic and comprehensive K-12 program with a Classical curriculum grounded in the Trivium, and this corporation shall possess all powers necessary and appropriate in connection therewith, including but not limited to all those powers expressly conferred upon non-profit corporations by Minnesota Statutes Chapter 317A, as it may from time to time be amended, together with those powers implied therefrom.

Notwithstanding the foregoing or any other provisions of these Second Amended Articles of Incorporation, this corporation is organized exclusively for charitable, religious, educational, literary and scientific purposes under §501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, and accordingly:

a) All of the work of the corporation shall be carried out and all funds of the corporation, whether income or principal and whether acquired by gift or contribution or otherwise, shall be used and applied exclusively for charitable, religious, educational, literary and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations, all in accordance with Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code;

b) No part of the earnings or assets of the corporation will in any event inure to the benefit of or be distributable to its directors, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article II;

c) No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office;

d) The corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code; and

e) No director, trustee or officer of the corporation or private individual shall be entitled to share in the distribution of any of the corporate assets upon liquidation, dissolution or winding up of the corporation; however, nothing contained in these Articles shall be construed to prevent a distribution from the properties of the corporation to another distributee, otherwise properly made in accordance with the provisions of these Articles and the purposes herein stated, solely by reason of the fact that one or more of the directors, trustees or officers of the corporation may be connected or associated with the distributee as shareholder, member, trustee, director, officer or in any other capacity.

ARTICLE III. DURATION

The duration of this corporation shall be perpetual.

ARTICLE IV. NO PECUNIARY GAIN

The corporation does not and shall not afford pecuniary gain, incidentally or otherwise, to its directors, trustees or officers, except that the corporation shall be authorized and empowered to pay reasonable compensation to such persons for services rendered.

**ARTICLE V.
REGISTERED OFFICE**

The registered office of this corporation shall be 6640 Eagle Lake Drive, Maple Grove, Minnesota 55369.

**ARTICLE VI
BOARD OF DIRECTORS**

The management of this corporation shall be vested in a Board of Directors. The Bylaws shall set forth the number, qualifications, terms of office and method of selection of directors. The names and addresses of the initial directors of the corporation are:

<u>Name</u>	<u>Address</u>
Laura Bottenfield	6640 Eagle Lake Drive Maple Grove, MN 55369
Greg Friess	7375 Berkshire Court Maple Grove, MN 55311
JP Jongerling	16337 82 nd Place North Maple Grove, MN 55311
Heather Ross	11400 Ashbury Circle Champlin, MN 55316
Kenneth D. Zigrino	12480 Cockspur Court Eden Prairie, MN 55347

Kenneth D. Zigrino and Heather Ross shall be Class A directors, whose terms shall expire at the annual meeting occurring in the first year of school operations; JP Jongerling shall be a Class B Director, whose term shall expire at the annual meeting occurring in the second year of school operations; and Laura Bottenfield and Greg Friess shall be Class C directors, whose terms shall expire at the annual meeting occurring in the third year of school operations.

Second Amended and Restated Bylaws

Parnassus Preparatory School

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**FIRST AMENDED AND RESTATED
BYLAWS
OF
PARNASSUS PREPARATORY SCHOOL
(the "Corporation")**

**ARTICLE I
PURPOSE**

The purposes of the Corporation are as stated in its Articles of Incorporation.

**ARTICLE II
OFFICES**

The registered office of the Corporation in the State of Minnesota is as stated in the Articles of Incorporation. The Corporation may have such other offices within the State of Minnesota as the Board of Directors may determine or as the affairs of the Corporation may require. The registered office may be, but need not be, identical with the principal office in the State of Minnesota.

**ARTICLE III
MEETINGS**

Section 1. Annual Meeting. The annual reorganization meeting of the Board of Directors shall take place in February of each year. Notice of the annual meeting of the Corporation shall be by official posting on the school website and posting at the school site. Such notice shall contain the date, time and place of the meeting.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held the Second Tuesday of each month. The Board will be notified by written notice received by mail, by e-mail, in person or by facsimile at least five (5) days prior to the meeting. The Board of Directors shall meet no less than ten (10) times per fiscal year. The notice shall designate the time, place and date of such meeting.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called at any time, for any purpose, by the President or upon the written request of at least two Directors. Notice of every special meeting of the Board of Directors shall be mailed to each director at least five (5) days before the day on which the meeting is to be held, or be delivered in person, e-mailed, or by telephone, not later than seventy-two (72) hours before the meeting is to be held.

Section 4. Quorum and Adjourned Meeting. A meeting at which at least a majority of the members of the Board of Directors are present shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If, however, such quorum shall not be present at any such meeting, the director or directors present thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present. The existence of a quorum is determined when a duly called meeting is convened.

Section 5. Voting. Except as otherwise set forth herein or as required by applicable law, the affirmative vote of a majority of a quorum of Board members shall constitute a duly authorized action of the Board. Each Director shall have the power to exercise one (1) vote on all matters to be decided by resolution of the Board of Directors. Voting by proxy shall not be allowed.

Section 6. Open Meeting Law. All Board of Director meetings and committee meetings of the Board of Directors, and notice of all such meetings, shall comply with the Open Meeting Law.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors. Except as limited by the Articles of Incorporation, these Bylaws, Minnesota Statute 124D.10, and by other applicable law, the Board of Directors shall have the power and authority to do all acts and perform all functions that the Corporation may do or perform.

Section 2. Number, Tenure, and Qualifications.

- (a) Number. The Board of Directors shall consist of at least five (5) and no more than seven (7) members.
- (b) Tenure -- Initial Board of Directors. The initial Board shall be as stated in the Articles of Incorporation and may, by a majority vote of the Board membership, appoint additional members. The Board shall designate each Director on the initial Board as Class A, B, or C, with Class A terms expiring at the annual meeting occurring in the first year of school operations, Class B terms expiring at the annual meeting occurring in the second year of school operations, and Class C terms expiring at the annual meeting occurring in the third year of school operations.
- (c) Tenure -- Ongoing Board of Directors. Each director shall hold office for a three (3) year term or until a successor has been duly

elected and qualified or until the director dies, resigns, is removed, or the term otherwise expires.

(d) Qualifications.

(i) Related Parties Prohibited. The Board of Director membership shall not contain any related parties, as defined by Minn. Stat. 124D.10.

(ii) Additional Qualifications -- Initial Board. At least one Director must be a Minnesota licensed teacher.

(iii) Additional Qualifications -- Ongoing Board.

(A) Employee Termination. A school employee who is a Director and who resigns his or her employment at the school or whose employment is terminated at the school is ineligible to be a Director and is removed from the Board as of the date of employment resignation or termination.

(B) Governance Model. The Board of Director membership must adhere to one of the following two governance models:

1. 1/1/1 Governance Model. The Board of Directors must be comprised of at least one Minnesota licensed teacher employed at the school, at least one parent/legal guardian of a child enrolled at the school, and at least one community member who is neither employed at the school nor has a child enrolled at the school.

2. Teacher Majority Governance Model. A majority of the Board of Directors must be Minnesota licensed teachers who are employed at the school. The Board of Directors must also contain at least one parent/legal guardian of a child enrolled at the school and at least one community member who is neither employed at the school nor has a child enrolled at the school.

A teacher employed at the school who is also a parent of a child enrolled at the school is eligible for a teacher Director position and is ineligible for a parent Director position.

A community member Director who, during his or her Board term, becomes employed at the school or a parent of a child enrolled at the school is removed from the Board as of the date of such employment or enrollment.

A parent Director whose child is unenrolled from the school during such Director's term, is removed from the Board as of the date of such unenrollment.

Section 3. Designation & Change of Governance Model.

- (a) Designation of Governance Model. The Board membership shall adhere to the 1/1/1 governance model.
- (b) Requirements to Change of Governance Model. The Board may change the governance model only upon:
 - (i) a majority vote of the Board membership and Minnesota licensed teachers employed at the school, with Minnesota licensed teachers who are both employed at the school and a Director having one vote.

AND

- (ii) approval of the school's authorizer.
- (c) Process & Procedures to Change Governance Model.
 - (i) Requests & Petitions to Change Model. The Board may consider a change in its governance model upon receipt of a request for such consideration signed by at least two Directors, or the receipt of a petition to so change the governance model signed by at least 70% of the parents of students enrolled in the school or 70% of the licensed teachers employed at the school.
 - (ii) Special Board Meeting to Solicit Community Comment. Upon receipt of a request or petition complying with (i) above, the Board shall schedule and publicize a special board meeting, to be held within thirty days of receipt of such request or petition, for the sole purpose of receiving community comment regarding the governance model. When publicizing the special board meeting, the Board shall also invite the school community to

submit written comments to the Board prior to the special board meeting.

- (iii) Board Meeting. The Board shall place on the agenda of its regular meeting following the special board meeting consideration of changing the governance model. Placing the item on the agenda does not require any board member to introduce a motion or second a motion for such consideration.
- (iv) Effective Date of Change in Governance Model. Any change in the governance model complying with this Section 3 is not effective for the duration of the current charter contract period and will be effective for the subsequent charter contract period and begin on the same date as the effective date of the charter contract next executed between the school and its authorizer.

Section 4. Nomination Process. At least sixty (60) days prior to the Corporation's annual meeting, the Board of Directors, or its committee, will solicit nominations from teachers, parents/legal guardians, and community members, for all of the Director positions that will be filled at the next annual meeting. Each nominee shall identify the category of board membership – licensed teacher, parent/legal guardian, community member – for which s/he is seeking election. The Board of Directors will compile a list of said nominees and notify eligible voters of the nominees, the category of board membership for each nominee, and the date of the annual meeting and election, at least thirty (30) days prior to the annual meeting/election. The Board of Directors shall prepare ballots for use by voters which shall segregate nominees by category of board membership.

Section 5. Eligible Voters. Each parent and legal guardian of a child enrolled at the school and each employee of the school shall be a member of the Corporation and shall have the limited right to exercise one (1) vote for nominees to the Board. A parent/legal guardian of a child enrolled at the school who is also employed at the school shall have the right to exercise only one (1) vote. The Board nominee (or, in the event more than one Director position in a category is to be filled, the nominees) in each category receiving the highest number of votes shall be elected as a Director. Notwithstanding the foregoing, a person eligible to vote for Directors pursuant to the foregoing shall not be eligible to vote on any other matter affecting or concerning the Corporation, and shall have no other rights or privileges except as explicitly set forth in these Bylaws or provided by Minnesota Statutes Chapter 124D.10.

Section 6. Resignation and Removal. Directors may resign at any time, effective immediately or at a specified later date, by giving written notice to the Board President or the Secretary of the Corporation and shall be effective at the time specified therein, or if no time is specified, at the time of its receipt by the

President or Secretary. The acceptance of such resignation shall not be necessary to make it effective. A director may be removed at any time, by a two-thirds (2/3) vote of a majority of all remaining directors of the Corporation. Notwithstanding the foregoing, three (3) unexcused absences anytime during the year from a regular or special Board meeting will operate as the resignation of that Board member. An unexcused absence is defined as a failure to notify the Board of the Board member's absence at least two (2) days prior to the meeting. Notification occurs when the Board member submits a written notice via mail or email or posts her/his excuse in the office or on the Corporation's website.

Section 7. Filling Vacancies. Unless otherwise provided by Minnesota Statutes, Section 317A.227, vacancies on the Board of Directors caused by death, disqualification, resignation, disability, removal or such other cause shall be filled by appointment of a new director by the affirmative vote of a majority of the remaining directors, even if less than a quorum. A director filling a vacancy shall hold office until the next annual meeting, or until his or her successor has been duly elected and qualified, subject to his or her earlier death, disqualification, resignation or removal.

Section 8. Compensation. Directors shall not receive compensation for their services as a Director, but nothing in these Bylaws shall be construed to preclude any director from serving the Corporation as an employee or contractor and receiving compensation therefore. In addition, the directors of this Corporation may be reimbursed for reasonable out-of-pocket expenses incurred by them in rendering services to this Corporation, as the Board of Directors from time to time determines such services to be directly in furtherance of the purposes and in the best interest of the Corporation.

Section 9. Meetings Without Notice. Any director may, in writing or orally, either before, at, or after any meeting of the Board of Directors, waive notice thereof and, without notice, any director by attendance at such meeting and participation therein shall be deemed to have waived notice of the action or actions taken at any meeting of the Board of Directors.

Section 10. Presence at Meetings. Members of the Board of Directors or of any committee, as applicable, may participate in a meeting of the Board of Directors or any committee by means of telephone or similar electronic communications if all of the following conditions are met:

- (a) an in-person meeting is not practical or prudent due to a health pandemic or an emergency declared under Minn. Stat. Ch. 12,
- (b) all Board members, wherever physically located, can hear one another and all discussion and testimony,

- (c) all members of the public at the regular meeting location can hear all discussion and testimony and all votes, unless attendance at the regular meeting location is not feasible due to the health pandemic or emergency declaration,
- (d) at least one Board member, legal counsel, or chief administrator is physically present at the regular meeting location, unless unfeasible due to the health pandemic or emergency declaration, and
- (e) all votes are conducted by roll call, so that each Board member's vote on each issue can be identified and recorded.

Section 11. Committees of the Board. The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate, define authority of, set the number and determine the identity of, members of one or more committees. Committee members must be natural persons, but need not be members of the Board of Directors. The Board may, by similar vote, designate one or more alternate members of any committee who may replace any absent or disqualified member of any meeting of the committee.

- (a) Authority of Committees. All committees shall make recommendations to the Board of Directors. No committee shall have the authority to act on behalf of the Board of Directors.
- (b) Procedures for Conducting Committee Meetings. The activities of all committees of this Corporation shall be conducted in such manner as will advance the best interest of the Corporation. Each committee shall fix its own rules of procedure and other regulations which shall be consistent with the Articles of Incorporation, these Bylaws and the policies of the Corporation. The Board President shall be an ex-officio non-voting member of all committees, unless the President serves as a member of such committee. The meetings of all committees shall be open to the public.
- (c) Limitation on Authority of Committees. Each committee shall be under the direction and control of the Board and shall keep regular minutes of its proceedings, and all action of each committee shall be reported to the Board of Directors and shall be subject to revision and alteration by the Board of Directors.
- (d) Committee Establishment. Committees of the Board of Directors may include a Facility Committee; a Budget, Finance, and Audit Committee; a Marketing/Development Committee; and a Curriculum Committee. The Board may establish other committees by majority vote of Board membership. Committees may be temporary, lasting until a date determined by the Board, or may

remain in existence until dissolved by the Board. All such committees shall report to the Board, and shall have no decision-making authority.

Section 12. Conflict of Interest. A Conflict of Interest Policy will be established by the Board of Directors that is consistent with Minn. Stat. 124D.10 and federal law. Further, the Conflict of Interest Policy and the Board of Directors must meet at least the following conditions:

- (a) Statement of No Conflict. Each Director must complete a conflict-of-interest statement for review by the Board within thirty (30) days of his or her election, and shall annually complete such a statement on the anniversary of his or her election or on such an annual date that the Board may select. The Board will provide all such conflict of interest statements to its authorizer.
- (b) Conflict of Interest Prohibited. A member of the Board of Directors is prohibited from serving as a member of the Board of Directors if the individual, an immediate family member, or the individual's partner is an owner, employee or agent of, or a contractor with a for-profit or nonprofit entity with whom the school contracts, directly or indirectly, for professional services, goods, or facilities.
- (c) Conflict of Interest Policy-Contract or Transaction. Neither the Board nor the Corporation shall enter into any contract or transaction with (i) one or more of its Directors, (ii) a Director-related organization, or (iii) an organization in or of which a Director is a director, officer, or legal representative, employee, or in some other way has a material financial interest in the organization, unless all of the following criteria are met, in addition to (a) and (b) above: (1) The contract or transaction is fair and reasonable; (2) that interest is fully disclosed to all the Board's directors; (3) the Board approves, authorizes or ratifies the action in good faith and within Minn. Stat. 124D.10; and (4) the approval is by unanimous decision of the Board, with the interested party abstaining from discussion and vote.
- (d) Conflict of Interest - Participation at Board Meeting. The interested Director may be present at the Board meeting to answer questions, and shall exit from the meeting room during and shall not otherwise participate in the discussion or vote. The Minutes of all actions taken on such matters shall clearly state that the requirements of this section were met and were consistent with Minn. Stat. 124D.10.

ARTICLE V **OFFICERS**

Section 1. Number & Election.

- (a) Number of Officers. The officers of this Corporation shall consist of a President (Chief Executive Officer), Vice President, Treasurer (Chief Financial Officer), Secretary and such other officers as the Board of Directors shall determine from time to time.
- (b) Election of Officers & Term.
 - (i) Initial Board. The officers of the initial Board shall be elected by a majority vote of the Board, which officers shall retain such officer positions until their term otherwise expires or until such director's death, disqualification, resignation, or removal.
 - (ii) Ongoing Board. The officers of the Corporation shall be elected by the ongoing Board for the lesser of a one (1) year term or the remaining unexpired term of the officer.

Section 2. Vacancies. A vacancy in any office of this Corporation occurring by reason of death, disqualification, resignation or removal shall be filled by a majority vote of the Board for the remaining unexpired term of the office.

Section 3. President (Chief Executive Officer). The President shall:

- (a) Exercise the functions of the Office of the President of the Corporation;
- (b) Preside at all meetings of the Board of Directors;
- (c) Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation as directed by the Board of Directors;
- (d) Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officer's signature, unless otherwise directed by the Board;
- (e) Have the general powers and duties usually vested in the office of the president and;
- (f) Have such other powers and perform such other duties as are prescribed by Minnesota Statutes, Section 317A.305, subd. 2, and as the Board of Directors may from time to time prescribe.

Section 4. Vice-President. The Vice-President shall:

- (a) Exercise the functions of the Office of the President of the Corporation, in the absence of the President;
- (b) Preside at all meetings of the Board of Directors, in the absence of the President;
- (c) Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation as directed by the Board of Directors, in the absence of the President;
- (d) Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officers signature, unless otherwise directed by the Board, in the absence of the President;
- (e) Have the general powers and duties usually vested in the Office of the President, in the absence of the President; and,
- (f) Have such other powers and perform such other duties as are prescribed by Minnesota Statutes, Section 317A.305, subd. 2, and as the Board of Directors may from time to time prescribe.

Section 5. Treasurer (Chief Financial Officer). The Treasurer shall:

- (a) Keep accurate accounts of all monies of the Corporation received or disbursed;
- (b) Deposit all monies, drafts and checks in the name of, and to the credit of, the Corporation in such banks and depositories as the Board of Directors shall from time to time designate;
- (c) Have the care and custody of the corporate funds and securities;
- (d) Have the power to endorse for deposit all notes, checks and drafts received by the Corporation at the direction of the Board;
- (e) Disburse the funds of the Corporation as ordered by the Board of Directors, making proper vouchers therefore;
- (f) Render to the Board President and the Board of Directors, whenever required, an account of all of the transactions as Chief Financial officer and of the financial condition of the Corporation; and,
- (g) Perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors.

Section 6. Secretary. The Secretary shall maintain the Office of the Corporation and shall:

- (a) Attend all meetings of the Board of Directors and all committees as required;
- (b) Record all proceedings in the Minutes of the Board of Directors and committees in a book to be kept for that purpose;
- (c) Preserve all documents and records belonging to the Corporation;
- (d) Give or cause to be given notice of all meetings of the Board of Directors and its committees; and,

- (e) Perform such other duties as may be prescribed by the Board of Directors.

Section 7. Management and Administrative Employees. The Corporation may have such management and administrative employees as the Board of Directors deems necessary. Such employees shall: 1) be appointed in a manner, 2) have their duties and responsibilities; and 3) hold their positions for the time, prescribed by the Board of Directors.

Section 8. Compensation. The employees of the Corporation may be paid such reasonable compensation, if any, for their services rendered to the Corporation in such capacity, and may be reimbursed for reasonable out-of-pocket expenses, as the Board of Directors from time to time determines to be directly in furtherance of the purposes and in the best interests of the Corporation.

Section 9. Bond. The Board of Directors of this Corporation shall from time to time determine which, if any, of the officers, agents or employees of this Corporation shall be bonded and the amount of each bond.

Section 10. Removal of Officer. Any officer may be removed at any time, by the vote of a majority of a quorum of the Board of Directors at any regular meeting or at a special meeting called for that purpose.

Section 11. Resignation. Any officer may resign at any time. Such resignation shall be made in writing to the President or Secretary of the Corporation and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE VI

DISTRIBUTION OF ASSETS

Section 1. Right to Cease Operations and Distribute Assets. By a two-thirds (2/3) vote of all Directors, given at a special meeting of the Board called for such purpose, the Board of Directors may resolve that the Corporation Cease operations and voluntarily dissolve. Such resolution shall set forth the proposed dissolution and direct designated officers of the Corporation to perform all acts necessary to effect dissolution. Written notice as required by the Bylaws shall state that the purpose of the special meeting shall be to vote upon the dissolution of the Corporation. A resolution to dissolve the Corporation shall be approved only upon the affirmative vote of two-thirds (2/3) of all Directors taken at a meeting during which the resolution is brought before the public. If such cessation and distribution is called for, the Board of Directors shall set a date for commencement of the distribution.

Section 2. Cessation and Distribution. When cessation of operations and distribution of assets has been called for, the Board of Directors and the designated officers shall cause the Corporation to discontinue its regular business activities and operations as soon as practicable, and shall liquidate and distribute all the Corporation's assets to other entities in accordance with Minnesota Statutes, Section 317A.735 and in accordance with the Articles of Incorporation. Notice of intent to dissolve shall be filed with the Secretary of State pursuant to Minnesota Statutes, Section 317A.723.

ARTICLE VII

INDEMNIFICATION

Section 1. Indemnification. Each director, officer and employee of the Corporation, past or present, and each person who serves or may have served at the request of the Corporation, as a director, officer, partner, trustee, employee, representative or agent of another organization or employee benefit plan, and the respective heirs, administrators and executors of such persons, shall be indemnified by the Corporation in accordance with, and to the fullest extent permitted by, Minnesota Statutes, Section 317A.521. The Corporation shall not be obligated to indemnify any other person or entity except to the extent such obligation shall be specifically approved by resolution of the Board of Directors. The Corporation shall have the power to advance such person's expenses incurred in defending any such proceeding to the maximum extent permitted by law. This Section is and shall be for the sole and exclusive benefit of the individuals designated herein and no individual, firm or entity shall have any rights under this Section by way of assignment, subrogation or otherwise, whether voluntarily, involuntarily or by operation of law.

Section 2. Insurance. The Corporation may purchase insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against and incurred by such person in his or her official capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against liability under Minnesota Statutes, Section 317A.521, the Articles of Incorporation or these Bylaws.

ARTICLE VIII

AMENDMENTS TO BYLAWS

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

ARTICLE IX

FINANCIAL MATTERS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and any such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or these Bylaws, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it financially liable for any purpose or to any amount.

Section 2. Loans and Pledges. No loans shall be contracted nor pledges or guarantees given on behalf of the Corporation unless specifically authorized by the Board of Directors.

Section 3. Authorized Signatures. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such person or persons and in such manner as shall from time to time be determined by the Board of Directors or these Bylaws.

Section 4. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate and shall be disbursed under such general rules and regulations as the Board of Directors may from time to time determine.

Section 5. Corporate Seal. The Corporation shall not have a corporate seal.

Section 6. Documents Kept at Registered Office. The Board of Directors shall cause to be kept at the registered office of this Corporation original or copies of:

- (a) Approved minutes and records of all proceedings of the Board of Directors and all committees;
- (b) Records of all votes and actions of the members;
- (c) All financial statements of this Corporation; and,
- (d) Articles of Incorporation and Bylaws of this Corporation and all amendments and restatements thereof.

Section 7. Accounting System and Audit. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted standards of fiscal management for a public charter school applied on a consistent basis, an appropriate accounting and financial reporting system for

the Corporation. The Board shall cause the records and books of account of the Corporation to be audited at least once each fiscal year and at such other times as it may seem necessary or appropriate, and may retain such person or firm for such purposes as it may deem appropriate.

ARTICLE X
MISCELLANEOUS

Section 1. Gender References. All references in these Bylaws to a party in the masculine shall include a feminine and neuter.

Section 2. Plurals. All references in the plural shall, where appropriate, include the singular and all references in the singular shall, where appropriate, be deemed to include the plural.

THESE SECOND AMENDED AND RESTATED BYLAWS
WILL BE ADOPTED AT THE NEXT BOARD MEETING

ON JULY 6TH, 2010

Third Amended and Restated Bylaws

Parnassus Preparatory School

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**THIRD AMENDED AND RESTATED
BYLAWS
OF
PARNASSUS PREPARATORY SCHOOL
(the “Corporation”)**

**ARTICLE I
PURPOSE**

The purposes of the Corporation are as stated in its Articles of Incorporation.

**ARTICLE II
OFFICES**

The registered office of the Corporation in the State of Minnesota is as stated in the Articles of Incorporation. The Corporation may have such other offices within the State of Minnesota as the Board of Directors may determine or as the affairs of the Corporation may require. The registered office may be, but need not be, identical with the principal office in the State of Minnesota.

**ARTICLE III
MEETINGS**

Section 1. Annual Meeting. The annual reorganization meeting of the Board of Directors shall take place in February of each year. Notice of the annual meeting of the Corporation shall be by official posting on the school website and posting at the school site. Such notice shall contain the date, time and place of the meeting. Such meeting may be postponed to a later date as necessary, in the Board’s discretion, in the event of inclement weather or other exigencies.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held, in the Board’s discretion, the Second Tuesday of each month. The Board will be notified by written notice received by mail, by e-mail, in person or by facsimile at least five (5) days prior to the meeting. The Board of Directors shall meet no less than ten (10) times per fiscal year. The notice shall designate the time, place and date of such meeting.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called at any time, for any purpose, by the President or upon the written request of at least two Directors. Notice of every special meeting of the Board of Directors shall be mailed to each director at least five (5) days before the day on which the meeting is to be held, or be delivered in person, e-mailed,

or by telephone, not later than seventy-two (72) hours before the meeting is to be held.

Section 4. Quorum and Adjourned Meeting. A meeting at which at least a majority of the members of the Board of Directors are present shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If, however, such quorum shall not be present at any such meeting, the director or directors present thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present. The existence of a quorum is determined when a duly called meeting is convened.

Section 5. Voting. Except as otherwise set forth herein or as required by applicable law, the affirmative vote of a majority of a quorum of Board members shall constitute a duly authorized action of the Board. Each Director shall have the power to exercise one (1) vote on all matters to be decided by resolution of the Board of Directors. Voting by proxy shall not be allowed.

Section 6. Open Meeting Law. All Board of Director meetings and committee meetings of the Board of Directors, and notice of all such meetings, shall comply with the Open Meeting Law.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors. Except as limited by the Articles of Incorporation, these Bylaws, Minnesota Statute 124D.10, and by other applicable law, the Board of Directors shall have the power and authority to do all acts and perform all functions that the Corporation may do or perform.

Section 2. Number, Tenure, and Qualifications.

- (a) Number. The Board of Directors shall consist of at least five (5) and no more than seven (7) members.
- (b) Tenure -- Initial Board of Directors. The initial Board shall be as stated in the Articles of Incorporation and may, by a majority vote of the Board membership, appoint additional members. The Board shall designate each Director on the initial Board as Class A, B, or C, with Class A terms expiring at the annual meeting occurring in the first year of school operations, Class B terms expiring at the annual meeting occurring in the second year of school operations, and Class C terms expiring at the annual meeting occurring in the third year of school operations.

- (c) Tenure -- Ongoing Board of Directors. Each director shall hold office for a three (3) year term (for directors elected after the date hereof, a four (4) year term) or until a successor has been duly elected and qualified or until the director dies, resigns, is removed, or the term otherwise expires.
- (d) Qualifications.
 - (i) Related Parties Prohibited. The Board of Director membership shall not contain any related parties, as defined by Minn. Stat. 124D.10.
 - (ii) Additional Qualifications -- Initial Board. At least one Director must be a Minnesota licensed teacher.
 - (iii) Additional Qualifications -- Ongoing Board.
 - (A) Employee Termination. A school employee who is a Director and who resigns his or her employment at the school or whose employment is terminated at the school is ineligible to be a Director and is removed from the Board as of the date of employment resignation or termination.
 - (B) Governance Model. The Board of Director membership must adhere to one of the following two governance models:
 - 1. Non Teacher Majority. The Board of Directors must be comprised of at least one Minnesota licensed teacher employed at the school, at least one parent/legal guardian of a child enrolled at the school, and at least one community member who is neither employed at the school nor has a child enrolled at the school. Teachers employed at the school may not comprise a majority of the Board.
 - 2. Teacher Majority Governance Model. A majority of the Board of Directors must be Minnesota licensed teachers who are employed at the school. The Board of Directors must also contain at least one parent/legal guardian of a child enrolled at the school and at least one

community member who is neither employed at the school nor has a child enrolled at the school.

A teacher employed at the school who is also a parent of a child enrolled at the school is eligible for a teacher Director position and is ineligible for a parent Director position.

A community member Director who, during his or her Board term, becomes employed at the school or a parent of a child enrolled at the school is removed from the Board as of the date of such employment or enrollment.

A parent Director whose child is unenrolled from the school during such Director's term, is removed from the Board as of the date of such unenrollment.

Section 3. Designation & Change of Governance Model.

- (a) Designation of Governance Model. The Board membership shall adhere to the Non Teacher Majority model.
- (b) Requirements to Change of Governance Model. The Board may change the governance model only upon:
 - (i) a majority vote of the Board membership and Minnesota licensed teachers employed at the school, with Minnesota licensed teachers who are both employed at the school and a Director having one vote.

AND

- (ii) approval of the school's authorizer.
- (c) Process & Procedures to Change Governance Model.
 - (i) Requests & Petitions to Change Model. The Board may consider a change in its governance model upon receipt of a request for such consideration signed by at least two Directors, or the receipt of a petition to so change the governance model signed by at least 70% of the parents of students enrolled in the school or 70% of the licensed teachers employed at the school.

- (ii) Special Board Meeting to Solicit Community Comment. Upon receipt of a request or petition complying with (i) above, the Board shall schedule and publicize a special board meeting, to be held within thirty days of receipt of such request or petition, for the sole purpose of receiving community comment regarding the governance model. When publicizing the special board meeting, the Board shall also invite the school community to submit written comments to the Board prior to the special board meeting.
- (iii) Board Meeting. The Board shall place on the agenda of its regular meeting following the special board meeting consideration of changing the governance model. Placing the item on the agenda does not require any board member to introduce a motion or second a motion for such consideration.
- (iv) Effective Date of Change in Governance Model. Any change in the governance model complying with this Section 3 is not effective for the duration of the current charter contract period and will be effective for the subsequent charter contract period and begin on the same date as the effective date of the charter contract next executed between the school and its authorizer.

Section 4. Nomination Process. At least sixty (60) days prior to the Corporation's annual meeting, the Board of Directors, or its committee, will solicit nominations from teachers, parents/legal guardians, and community members, for all of the Director positions that are required to be filled at the next annual meeting. Each nominee shall identify the category of board membership – licensed teacher, parent/legal guardian, community member – for which s/he is seeking election. The Board of Directors will compile a list of said nominees and notify eligible voters of the nominees, the category of board membership for each nominee, and the date of the annual meeting and election, at least thirty (30) days prior to the annual meeting/election. The Board of Directors shall prepare ballots for use by voters which shall segregate nominees by category of board membership.

Section 5. Eligible Voters. Each parent and legal guardian of a child enrolled at the school and each employee of the school shall be a member of the Corporation and shall have the limited right to exercise one (1) vote for nominees to the Board in each category to be filled. A parent/legal guardian of a child enrolled at the school who is also employed at the school shall have the right to exercise only one (1) vote. The Board nominee (or, in the event more than one Director position in a category is to be filled, the nominees) in each category receiving the highest number of votes shall be elected as a Director. Notwithstanding the foregoing, a person eligible to vote for Directors pursuant

to the foregoing shall not be eligible to vote on any other matter affecting or concerning the Corporation, and shall have no other rights or privileges except as explicitly set forth in these Bylaws or provided by Minnesota Statutes Chapter 124D.10.

Section 6. Resignation and Removal. Directors may resign at any time, effective immediately or at a specified later date, by giving written notice to the Board President or the Secretary of the Corporation and shall be effective at the time specified therein, or if no time is specified, at the time of its receipt by the President or Secretary. The acceptance of such resignation shall not be necessary to make it effective. A director may be removed at any time, by a two-thirds (2/3) vote of a majority of all remaining directors of the Corporation. Notwithstanding the foregoing, three (3) unexcused absences anytime during the year from a regular or special Board meeting will operate as the resignation of that Board member. An unexcused absence is defined as a failure to notify the Board of the Board member's absence at least two (2) days prior to the meeting. Notification occurs when the Board member submits a written notice via mail or email or posts her/his excuse in the office or on the Corporation's website.

Section 7. Filling Vacancies. Unless otherwise provided by Minnesota Statutes, Section 317A.227, vacancies on the Board of Directors caused by death, disqualification, resignation, disability, removal or such other cause may be filled by appointment of a new director, and any such appointment shall be by the affirmative vote of a majority of the remaining directors, even if less than a quorum. A director filling a vacancy shall hold office until the next annual meeting, or until his or her successor has been duly elected and qualified, subject to his or her earlier death, disqualification, resignation or removal.

Section 8. Compensation. Directors shall not receive compensation for their services as a Director, but nothing in these Bylaws shall be construed to preclude any director from serving the Corporation as an employee or contractor and receiving compensation therefore. In addition, the directors of this Corporation may be reimbursed for reasonable out-of-pocket expenses incurred by them in rendering services to this Corporation, as the Board of Directors from time to time determines such services to be directly in furtherance of the purposes and in the best interest of the Corporation.

Section 9. Meetings Without Notice. Any director may, in writing or orally, either before, at, or after any meeting of the Board of Directors, waive notice thereof and, without notice, any director by attendance at such meeting and participation therein shall be deemed to have waived notice of the action or actions taken at any meeting of the Board of Directors.

Section 10. Presence at Meetings. Members of the Board of Directors or of any committee, as applicable, may participate in a meeting of the Board of Directors or any committee by means of telephone or similar electronic communications if all of the following conditions are met:

- (a) all Board members, wherever physically located, can hear one another and all discussion and testimony,
- (b) all members of the public at the meeting location can hear all discussion and testimony and all votes,
- (c) at least one Board member, legal counsel, or chief administrator is physically present at the meeting location, and
- (d) all votes are conducted by roll call, so that each Board member's vote on each issue can be identified and recorded.

Section 11. Committees of the Board. The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate, define authority of, set the number and determine the identity of, members of one or more committees. Committee members must be natural persons, but need not be members of the Board of Directors. The Board may, by similar vote, designate one or more alternate members of any committee who may replace any absent or disqualified member of any meeting of the committee.

- (a) Authority of Committees. All committees shall make recommendations to the Board of Directors. No committee shall have the authority to act on behalf of the Board of Directors.
- (b) Procedures for Conducting Committee Meetings. The activities of all committees of this Corporation shall be conducted in such manner as will advance the best interest of the Corporation. Each committee shall fix its own rules of procedure and other regulations, which shall be consistent with the Articles of Incorporation, these Bylaws and the policies of the Corporation. The Board President shall be an ex-officio non-voting member of all committees, unless the President serves as a member of such committee. The meetings of all committees shall be open to the public.
- (c) Limitation on Authority of Committees. Each committee shall be under the direction and control of the Board and shall keep regular minutes of its proceedings, and all action of each committee shall be reported to the Board of Directors and shall be subject to revision and alteration by the Board of Directors.

- (d) Committee Establishment. Committees of the Board of Directors may include a Facility Committee; a Budget, Finance, and Audit Committee; a Marketing/Development Committee; and a Curriculum Committee. The Board may establish other committees by majority vote of Board membership. Committees may be temporary, lasting until a date determined by the Board, or may remain in existence until dissolved by the Board. All such committees shall report to the Board, and shall have no decision-making authority.

Section 12. Conflict of Interest. A Conflict of Interest Policy will be established by the Board of Directors that is consistent with Minn. Stat. 124D.10 and federal law. Further, the Conflict of Interest Policy and the Board of Directors must meet at least the following conditions:

- (a) Statement of No Conflict. Each Director must complete a conflict-of-interest statement for review by the Board within thirty (30) days of his or her election, and shall annually complete such a statement on the anniversary of his or her election or on such an annual date that the Board may select. The Board will provide all such conflict of interest statements to its authorizer.
- (b) Conflict of Interest Prohibited. A member of the Board of Directors is prohibited from serving as a member of the Board of Directors if the individual, an immediate family member, or the individual's partner is an owner, employee or agent of, or a contractor with a for-profit or nonprofit entity with whom the school contracts, directly or indirectly, for professional services, goods, or facilities.
- (c) Conflict of Interest Policy-Contract or Transaction. Neither the Board nor the Corporation shall enter into any contract or transaction with (i) one or more of its Directors, (ii) a Director-related organization, or (iii) an organization in or of which a Director is a director, officer, or legal representative, employee, or in some other way has a material financial interest in the organization, unless all of the following criteria are met, in addition to (a) and (b) above: (1) The contract or transaction is fair and reasonable; (2) that interest is fully disclosed to all the Board's directors; (3) the Board approves, authorizes or ratifies the action in good faith and within Minn. Stat. 124D.10; and (4) the approval is by unanimous decision of the Board, with the interested party abstaining from discussion and vote.
- (d) Conflict of Interest - Participation at Board Meeting. The interested Director may be present at the Board meeting to answer questions,

and shall exit from the meeting room during and shall not otherwise participate in the discussion or vote. The Minutes of all actions taken on such matters shall clearly state that the requirements of this section were met and were consistent with Minn. Stat. 124D.10.

ARTICLE V **OFFICERS**

Section 1. Number & Election.

- (a) Number of Officers. The officers of this Corporation shall consist of a President (Chief Executive Officer), Treasurer (Chief Financial Officer), Secretary and such other officers as the Board of Directors shall determine from time to time.
- (b) Election of Officers & Term.
 - (i) Initial Board. The officers of the initial Board shall be elected by a majority vote of the Board, which officers shall retain such officer positions until their term otherwise expires or until such director's death, disqualification, resignation, or removal.
 - (ii) Ongoing Board. The officers of the Corporation shall be elected by the ongoing Board for the lesser of a one (1) year term or the remaining unexpired term of the officer.

Section 2. Vacancies. A vacancy in any office of this Corporation occurring by reason of death, disqualification, resignation or removal may be filled by a majority vote of the Board for the remaining unexpired term of the office.

Section 3. President (Chief Executive Officer). The President shall:

- (a) Exercise the functions of the Office of the President of the Corporation;
- (b) Preside at all meetings of the Board of Directors;
- (c) Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation as directed by the Board of Directors;
- (d) Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officer's signature, unless otherwise directed by the Board;
- (e) Have the general powers and duties usually vested in the office of the president and;

- (f) Have such other powers and perform such other duties as are prescribed by Minnesota Statutes, Section 317A.305, subd. 2, and as the Board of Directors may from time to time prescribe.

Section 4. Vice-President. The Vice-President shall:

- (a) Exercise the functions of the Office of the President of the Corporation, in the absence of the President;
- (b) Preside at all meetings of the Board of Directors, in the absence of the President;
- (c) Perform such duties and exercise such powers as are necessary or incident to the supervision and management of the business and affairs of the Corporation as directed by the Board of Directors, in the absence of the President;
- (d) Sign and deliver, in the name of the Corporation, all deeds, mortgages, bonds, contracts or other instruments requiring an officers signature, unless otherwise directed by the Board, in the absence of the President;
- (e) Have the general powers and duties usually vested in the Office of the President, in the absence of the President; and,
- (f) Have such other powers and perform such other duties as are prescribed by Minnesota Statutes, Section 317A.305, subd. 2, and as the Board of Directors may from time to time prescribe.

Section 5. Treasurer (Chief Financial Officer). The Treasurer shall:

- (a) Keep accurate accounts of all monies of the Corporation received or disbursed;
- (b) Deposit all monies, drafts and checks in the name of, and to the credit of, the Corporation in such banks and depositories as the Board of Directors shall from time to time designate;
- (c) Have the care and custody of the corporate funds and securities;
- (d) Have the power to endorse for deposit all notes, checks and drafts received by the Corporation at the direction of the Board;
- (e) Disburse the funds of the Corporation as ordered by the Board of Directors, making proper vouchers therefore;
- (f) Render to the Board President and the Board of Directors, whenever required, an account of all of the transactions as Chief Financial officer and of the financial condition of the Corporation; and,
- (g) Perform such other duties and have such other powers as may from time to time be prescribed by the Board of Directors.

Section 6. Secretary. The Secretary shall maintain the Office of the Corporation and shall:

- (a) Attend all meetings of the Board of Directors and all committees as required;
- (b) Record all proceedings in the Minutes of the Board of Directors and committees in a book to be kept for that purpose;
- (c) Preserve all documents and records belonging to the Corporation;
- (d) Give or cause to be given notice of all meetings of the Board of Directors and its committees; and,
- (e) Perform such other duties as may be prescribed by the Board of Directors.

Section 7. Management and Administrative Employees. The Corporation may have such management and administrative employees as the Board of Directors deems necessary. Such employees shall: 1) be appointed in a manner, 2) have their duties and responsibilities; and 3) hold their positions for the time, prescribed by the Board of Directors.

Section 8. Compensation. The employees of the Corporation may be paid such reasonable compensation, if any, for their services rendered to the Corporation in such capacity, and may be reimbursed for reasonable out-of-pocket expenses, as the Board of Directors from time to time determines to be directly in furtherance of the purposes and in the best interests of the Corporation.

Section 9. Bond. The Board of Directors of this Corporation shall from time to time determine which, if any, of the officers, agents or employees of this Corporation shall be bonded and the amount of each bond.

Section 10. Removal of Officer. Any officer may be removed at any time, by the vote of a majority of a quorum of the Board of Directors at any regular meeting or at a special meeting called for that purpose.

Section 11. Resignation. Any officer may resign at any time. Such resignation shall be made in writing to the President or Secretary of the Corporation and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective.

ARTICLE VI

DISTRIBUTION OF ASSETS

Section 1. Right to Cease Operations and Distribute Assets. By a two-thirds (2/3) vote of all Directors, given at a special meeting of the Board called for such purpose, the Board of Directors may resolve that the Corporation Cease operations and voluntarily dissolve. Such resolution shall set forth the proposed dissolution and direct designated officers of the Corporation to

perform all acts necessary to effect dissolution. Written notice as required by the Bylaws shall state that the purpose of the special meeting shall be to vote upon the dissolution of the Corporation. A resolution to dissolve the Corporation shall be approved only upon the affirmative vote of two-thirds (2/3) of all Directors taken at a meeting during which the resolution is brought before the public. If such cessation and distribution is called for, the Board of Directors shall set a date for commencement of the distribution.

Section 2. Cessation and Distribution. When cessation of operations and distribution of assets has been called for, the Board of Directors and the designated officers shall cause the Corporation to discontinue its regular business activities and operations as soon as practicable, and shall liquidate and distribute all the Corporation's assets to other entities in accordance with Minnesota Statutes, Section 317A.735 and in accordance with the Articles of Incorporation. Notice of intent to dissolve shall be filed with the Secretary of State pursuant to Minnesota Statutes, Section 317A.723.

ARTICLE VII **INDEMNIFICATION**

Section 1. Indemnification. Each director, officer and employee of the Corporation, past or present, and each person who serves or may have served at the request of the Corporation, as a director, officer, partner, trustee, employee, representative or agent of another organization or employee benefit plan, and the respective heirs, administrators and executors of such persons, shall be indemnified by the Corporation in accordance with, and to the fullest extent permitted by, Minnesota Statutes, Section 317A.521. The Corporation shall not be obligated to indemnify any other person or entity except to the extent such obligation shall be specifically approved by resolution of the Board of Directors. The Corporation shall have the power to advance such person's expenses incurred in defending any such proceeding to the maximum extent permitted by law. This Section is and shall be for the sole and exclusive benefit of the individuals designated herein and no individual, firm or entity shall have any rights under this Section by way of assignment, subrogation or otherwise, whether voluntarily, involuntarily or by operation of law.

Section 2. Insurance. The Corporation may purchase insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against and incurred by such person in his or her official capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against liability under Minnesota Statutes, Section 317A.521, the Articles of Incorporation or these Bylaws.

ARTICLE VIII
AMENDMENTS TO BYLAWS

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

ARTICLE IX
FINANCIAL MATTERS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and any such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or these Bylaws, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or to render it financially liable for any purpose or to any amount.

Section 2. Loans and Pledges. No loans shall be contracted nor pledges or guarantees given on behalf of the Corporation unless specifically authorized by the Board of Directors.

Section 3. Authorized Signatures. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such person or persons and in such manner as shall from time to time be determined by the Board of Directors or these Bylaws.

Section 4. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate and shall be disbursed under such general rules and regulations as the Board of Directors may from time to time determine.

Section 5. Corporate Seal. The Corporation shall not have a corporate seal.

Section 6. Documents Kept at Registered Office. The Board of Directors shall cause to be kept at the registered office of this Corporation original or copies of:

- (a) Approved minutes and records of all proceedings of the Board of Directors and all committees;
- (b) Records of all votes and actions of the members;

- (c) All financial statements of this Corporation; and,
- (d) Articles of Incorporation and Bylaws of this Corporation and all amendments and restatements thereof.

Section 7. Accounting System and Audit. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted standards of fiscal management for a public charter school applied on a consistent basis, an appropriate accounting and financial reporting system for the Corporation. The Board shall cause the records and books of account of the Corporation to be audited at least once each fiscal year and at such other times as it may seem necessary or appropriate, and may retain such person or firm for such purposes as it may deem appropriate.

ARTICLE X

MISCELLANEOUS

Section 1. Gender References. All references in these Bylaws to a party in the masculine shall include a feminine and neuter.

Section 2. Plurals. All references in the plural shall, where appropriate, include the singular and all references in the singular shall, where appropriate, be deemed to include the plural.

THESE THIRD AMENDED AND RESTATED BYLAWS

WERE ADOPTED ON NOVEMBER 12, 2012

BY RESOLUTION OF THE BOARD OF DIRECTORS OF

PARNASSUS PREPARATORY SCHOOL



KENNETH D. ZIGRINO, SECRETARY

IMPLEMENTATION OF PURPOSE/MISSION PARNASSUS PREPARATORY SCHOOL

The School's identified four statutory purposes and the methods it will use to achieve them are:

1. **Improve All Pupil Learning and All Student Achievement:**
To improve pupil learning, the School implements the classical Trivium, which has been demonstrated to improve student achievement.
2. **Increase Learning Opportunities for All Pupils:**
To increase pupil learning opportunities, the School locates in the northwest metropolitan area which currently does not have school offering the classical Trivium academic program.
3. **Encourage the Use of Different and Innovative Teaching Methods**
To encourage the use of innovative teaching methods, the School implements the Grammar, Logic, and Rhetoric phases of the classical Trivium which each require different and innovative teaching methods. The grammar phase requires the teacher to focus on content using memorization techniques. The logic phase requires the teacher to ask leading questions to stimulate students' critical thinking and arrive at valid conclusions. The rhetoric phase requires teachers to utilize guided reading and discussions, debates, and the Socratic discussion method.
4. **Measure Learning Outcomes and Create Different and Innovative Forms of Measuring Outcomes:**
The innovative forms of measuring outcomes the School will use include the National Latin Exam and other national assessments evaluated and approved by the Board.

The School will report its implementation of these purposes in its annual report.

SCHOOL PROGRAMS

PARNASSUS PREPARATORY SCHOOL

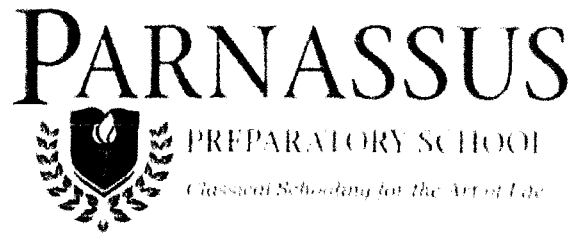
In-School Time Programs:

K – 12 Academic Program:

1. Implementation of the Classical Trivium
2. Implementation of Saxon math to the algebra level.
3. Implementation of Direct Instruction reading program in the School of Grammar and Direct Instruction reading correctives in all three schools as needed.
4. Implementation of seminars, Socratic discussions, circles, and questioning in the School of Logic and School of Rhetoric.
5. Study of Latin, Greek, and Spanish.
6. Elements of Core Knowledge.
7. The study of formal logic.

Out-of-School Time Programs

Parnassus offers Animus and Accendo as described and within the parameters identified in the attached.



Overview of Parnassus Out of School Time Programs

1. Out of School Offered by Parnassus – Animus & Accendo

1.1. Background

Parnassus Animus & Accendo School Programs were designed to support the students in their learning of the classical trivium curriculum at Parnassus and has an academic focus on all of its activities. The program is for before and after school hours. It follows the school's mission, philosophy, and classroom rules similar to the decorum in the classrooms during the school day. Parnassus' Program is not a "baby-sitting" time or day-care, but rather a continuation of the school day committed to supporting student learning and academic performance.

Parnassus' homework and reading expectations are supported in this program as defined per grade level. As such, the program has two offerings and separate Grammar from Logic Schools students:

Animus Program – Grammar School students (K-4)

The Latin word 'animus' means memory, intellect, and character which fits well with our Grammar stage and the focus on learning and memorizing the facts of every subject.

Accendo Program – Logic School students (5-8)

The Latin word 'accendo' means to kindle, to illuminate used in our Logic stage program to signify the shedding light and understanding into knowledge base of the grammar stage.

Program Description

Animus and Accendo is a fee based program and it includes breakfast in the morning and healthy snacks after school. The Program seeks to support all students. Please see an Administrator if Federal Guidelines for financial assistance applies or if financial hardship prevents participation. Students who qualify for childcare benefits from Hennepin County can use those benefits to cover the fees for the Animus/Accendo program. In cases where families have expressed a need, we have directed them to contact their social worker to start the enrollment process. The finance committee is also currently exploring other scholarship opportunities for our before and after school programs.

Before School Program Schedule

Location: Forum

7:00 – 7:50am – before school period

7:00 – 7:20am – breakfast

7:20 – 7:50am – academic review period

Grammar School students will have guided reviews including reading time, grammar jingles, poems recitation review, pre-test review, homework review, memorization work, reading minutes, and other activities supporting the curriculum.

Logic School students will be instructed to review their subjects for the day, including Grammar, History, and Geography jingles, math, poems recitation review, pre-test review, homework review, memorization work, reading time, and other activities supporting the curriculum.

7:50 – Wrap-up and walk to classroom – classes start promptly at 8:00am

Students that arrive after 7:20am may still have breakfast; however the student may miss the academic review period.

After School Program Schedule

Students will be given quiet study time to complete their homework, reading minutes, and any other curriculum activity.

Location: Designated Classrooms for Animus and Accendo Programs

3:30 – 6:00pm – program period

3:30 – 4:00pm

Upon dismissal at 3:30 students in the Animus and Accendo programs will walk to their designated classrooms. Grammar School students and Logic School students are separated into two different classrooms. Students will have recess and healthy snacks at this time before quiet studying time begins.

4:00pm – 6:00pm

Grammar School students will complete their homework, will have quiet reading time, and will review/practice all other classes' assignments such as Spanish and Latin as time permits. Upon completing their homework, they will show it to the teacher who will check the homework for completion and quality of work. The teacher will review all homework assignments and will assist the students in correcting their homework. Students with poor quality and sloppy homework will be asked to re-do. Once homework is reviewed and completed, students will be instructed to read assigned literature books or curriculum supporting books according the History time period, per the school's expected reading time per grade. Students will also practice their math facts in addition, subtraction, multiplication, and division according to the grade level. Students will practice their Spanish and Latin vocabularies using different methods such as memory card games. Remaining time will be used for read-aloud, guided reviews including Grammar, History, Geography jingles, poems recitation review, pre-test review, memorization work and sound-offs, and other activities supporting the curriculum.

Logic School students will complete their homework, will have quiet reading time, and will review/practice all other classes' assignments such as Spanish and Latin as time permits. Upon completing their homework, they will show it to the teacher who will check the homework for completion and quality of work. Students with poor quality and sloppy homework will be asked to re-do. Students will continue to work on their math facts using different methods of memorization. Once homework is reviewed and completed, students will be instructed to read assigned literature books or curriculum books supporting the historical time period, per the school's expected reading time per grade. Students will practice their Spanish and Latin vocabularies using different methods such as memory card games. Remaining time will be used for reviews including Grammar, History, Geography jingles, poems

recitation review pre-test review, memorization work, and other activities supporting the curriculum. For the time remaining, students may seek to utilize the school's mobile laptops to complete assignments or leverage approved links for curriculum assistance.

6:00pm – End program and pick-up time.

The program is offered to all students. Parnassus teachers staff the before/after – Animus & Accendo – program. The teachers receive professional development in the summer and throughout the year.

1.2. Parnassus Summer Institute

During the 4 weeks in the summer, Parnassus offers classes to ensure students are engaging their brains in a positive and active way. The goal is to enhance or at least maintain the learning from during the academic year. The summer program encompass a combination of Parnassus academic teacher led courses and classes offered through community partnerships. The classes are one week long for about 3 hours either in the morning or in the afternoon. Morning classes run from 9am to noon. Afternoon classes run from 1pm to 4pm. The program offers snacks, but students bring lunch if they are participating in morning and afternoon classes. Parnassus Summer Institute has a Handbook that is shared with all staff and community partners. The handbook covers registrations, rosters, check in/out procedures, safety procedures and requirements, emergency contacts and other procedures. (See attached). Community partners who offered classes during the s2013 summer are listed in the last page.

1.3. Foundational Capacity

Student/Teacher Ratio:

No more than 40 students will be assigned per teacher. Each after school room has one teacher and efforts are made to staff with two teachers.

Board

The board is kept informed through reports on participation, attendance, as part of the school's programs and financial data. The board considers co-curricular programs, the Summer Institute, the Animus/Accendo before and after school programs and other co-Curricula to be an important part of our mission to deliver a K-12 Classical Education based on the Trivium. The board's oversight of these programs comes via our oversight of the Executive Director, regular board updates from the Community Director, and financial oversight through monthly financial reviews and our budgeting process.

Out of school time programs fall into our community fund which makes up less than 2% of our revenues and expenditures. Given its size, we estimate our ED spends less than 5% of her time directly on our out of school time programs. Additionally, as noted above, we have a Community Director (0.5 FTE) who oversees these programs, reports to the ED and also reports to the board periodically.

Liability Insurance – See Attached

Parnassus insurance policies do NOT have a limitation or exclusion for after school activities (statement letter attached). Also attached is a certificate of insurance showing the current coverage limits.

1.4. Safe and Healthy Environment

Safety Drills

Parnassus teachers and students participate in safety drills as part of the school scheduled practices.

Check-in Out/After School, Authorization for Pick-Up

- Students are pre-registered through a consistent dismissal plan or a registration form.
- Students are checked in to the after school program so that teachers have a record of students and can ensure they are all picked up.
- Students sign in and out to go to the bathroom and grades K-4 have group bathroom breaks to minimize the instances of students leaving the classroom.
- Students who attempt to check in to the after school program who are not registered are sent to the office. Parents are then contacted to find out if there was a change on the dismissal plan for that day.
- The after school coordinator investigates cases where students do not attend the after school program, but are registered. The absent/early pick-up list is checked, after school activities are noted, parents are contacted, missing students are paged, until the coordinator finds out where the missing student(s) is.
- Students may be picked up by an authorized person, which are the parents listed in Infinite Campus or emergency contacts. Parents may notify the school to make arrangements for a designated person to pick up their children. A list of authorized people to pick up are available to the after school teachers so they can check the list and ID of any people picking students up that they do not know.
- Students must be signed out by an authorized person with the time listed.

Attendance Numbers:

This includes all students who attended the Before/After School Program in the 2013/2014 Program.

- Special Ed Students: 16
- Limited English Proficient: 18
- Free Lunch: 47
- Reduced Lunch: 6
- Participants by Grade Level

Grade	Count
1	49
2	30
3	40
4	34
5	35
6	20
7	24
8	11
KG	31
KG P	4

Total: 278

- The after school program has a first-aid kit available in case of minor injuries.
- Administrators with a key to the nurse's office are available in case of emergencies where students may need an inhaler or epi-pen. In case of emergencies teachers know to dial 911. There have not been any incidents where an emergency call to 911 was needed.

1.5. Budget

The following is the current budget for revenues and expenditures in our Community Fund. All out of school time activities run through the community fund.

Parnassus Community Fund Budget

	FY 15	FY 16	FY 17
Revenues	\$ 134,000	\$ 141,800	\$ 150,500
Expenditures	\$ 162,000	\$ 127,620	\$ 135,450
Annual Surplus	\$ (28,000)	\$ 14,180	\$ 15,050
Beginning Fund Balance	\$ 94,303	\$ 66,303	\$ 80,483
Ending Fund Balance	\$ 66,303	\$ 80,483	\$ 95,533

Revenues are derived from student fees for our Animus and Accendo programs as well as any fees for co-curriculars, school plays, etc. The bulk of our expenses go to salaries for our before and after school employees, our Community Director's salary, and to fees paid to partners who deliver our co-curricular programs. Expenses also include a transfer to the food service fund for the cost of milk, breakfast and snacks provider to students.

In addition, we make an estimate on a portion of our cost attributable to fixed costs including non-school supplies, utilities, and overall administrative time. The goal is to accurately reflect the cost of delivering our programs. FY 15 budget includes an intentional deficit to purchase co-curricular materials to enhance our program. The Community Fund continues to maintain a healthy fund balance despite these expenditures.

While no decisions have been made for years beyond FY 2015, it would be in keeping with the board's philosophy to continue investing some of our fund balance into the Community Fund with the goal of improving our overall program delivery.

ACADEMIC OUTCOMES / GOALS

PARNASSUS PREPARATORY SCHOOL

The School agrees to the following outcomes. This Exhibit F has two pages.

Goal 1: State Assessments (50% weight)

Sub Goal 1.1: Absolute Proficiency: By the conclusion of FY2017, the school-wide proficiency rate for students enrolled in the School for at least three consecutive years will be no less than 85% for math and 84% for reading.

Sub Goal 1.2: Comparative Proficiency: Each year, the School will demonstrate higher grade level and school wide proficiency rates, for students enrolled in the School for at least three consecutive years, than the Osseo school district for reading, math, and science (for the same grades as offered by the School), and higher school-wide proficiency rates, for students enrolled in the School for at least three consecutive years, than an Osseo-district school (for the same grades as offered by the School) which the School students would otherwise likely attend for reading, math, and science.

Sub Goal 1.3: Growth. The percentage of students achieving high growth will exceed the percentage of students achieving low growth in reading and math, and the percentage of nonproficient students achievement high growth will be at least 50% in reading and math.

Sub Goal 1.4: Achievement Gap Reduction. By the conclusion of FY2017, for both reading and math, the proficiency rate for each subgroup of students enrolled in the School for at least three consecutive years and for which the School had publicly-reportable / sufficient counts in 2013 will be no less than:

$$[\text{One-half of } (100 - 2013 \text{ subgroup proficiency rate})] + 2013 \text{ subgroup proficiency rate}$$

In addition, by the conclusion of FY2018, the difference between the non-FRL proficiency rate in the School for students enrolled in the School for at least three consecutive years, and the FRL proficiency rate of students enrolled in the School for at least three consecutive years will be no greater than five percentage points for both reading and math.

Goal 2: Nationally Normed Assessments (20% weight)

Sub-Goal 2.1 Each year, the School will administer a nationally-normed assessment in at least 4th and 8th grades. For 4th grade students who have a national percentile ranking of less than 70% and who remain in the School through the 8th grade: at least 50% will increase their national percentile ranking by the end of the 8th grade.

Sub-Goal 2.3. At least 90% of the class of 2018 will take the ACT; the average composite score will exceed the state average composite.

Goal 3: Latin & Greek Acquisition (15% weight)

Sub-Goal 3.1. Latin. At least 25% of School of Logic students enrolled in the School for at least four consecutive years will receive awards of distinction on the National Latin Test.

Sub-Goal 3.2. Greek. At least 25% of School of Rhetoric students enrolled in the School for at least four consecutive years will receive awards of distinction on the National Greek Test – Introduction to Greek.

Goal 4: School Culture (15% weight)

The School will implement an Academic Governance Plan to critically evaluate and strategically lead the School's academic performance and improvement. The School shall include a summary of its findings in the School's board minutes no less than twice annually.

Goal 5: Additional Measures

Sub-Goal: 5.1. Attendance. Each year, the School will maintain at least a 95% student attendance rate.

Sub-Goal 5.2. Satisfaction Surveys. Each year, at least 80% of all parents and staff returning the annual survey will indicate overall satisfaction with the School.

ADMISSION POLICIES & PROCEDURES

PARNASSUS PREPARATORY SCHOOL

The School establishes the following admissions policy and procedures. This Exhibit G has three pages.

POLICY STATEMENT: Admission to Parnassus Preparatory School is open to all students, without regard to ability, race, religion, or any other factors, other than the capacity of the program, class, grade level, or building.

1. The Board will establish maximum enrollment by grade and publish its admission and lottery policy by January.
2. The Board will establish the enrollment period for the following school year
3. The School will ask families of currently enrolled students regarding their intent for the following year's enrollment. During the open enrollment period, the School will ask families to complete an "Intent to Return" form which will be used to provide assistance with the School's planning and management but will not be binding upon the student because all existing students have the right to return to the School regardless of whether or not or how the Intent to Return form is completed. The Board will use the Intent to Return forms as a guide to identify the number of seats it will designate as available in any grade for the upcoming open enrollment period.
4. Parents and teachers will be provided notice of the open enrollment period so that siblings of enrolled students and children of teachers may submit an application.
5. Siblings of currently enrolled students who complete an application by the end of the open enrollment period are automatically enrolled if there are available seats in the grade. If the number of siblings exceeds the number of available spaces in the grade, a sibling lottery will be held to identify admitted students and establish the order of the sibling waiting list for that grade. If all seats in the grade are filled by siblings, the lottery continues and establishes the sibling waiting list, which has preference over the general waiting list.
6. Children of teachers employed at the School, who submit an application by the end of the open enrollment period, are automatically enrolled provided all siblings of already enrolled students who submitted a timely application are enrolled, and provided there is available space in the grade. If the number of children of teachers exceeds the number of available seats in the grade (after all siblings of already enrolled students are admitted), a teacher children lottery will be held to identify admitted students and to establish the order of the teacher children waiting list for that grade.
7. All enrollment applications received will be date and time stamped.
8. All applications received during the open enrollment period will automatically be accepted for enrollment unless more applications are received than the maximum enrollment established by the Board for that grade. In this situation, all submitted applications for that grade will move to the lottery, except that siblings of enrolled students have preference.

9. General Lottery: If the number of applications received during open enrollment exceeds available seats in any grade, the school will conduct a general lottery. The first general lottery conducted will be the highest grade for which seats are available. If a student is selected through the general lottery, those siblings are automatically enrolled as long as seats remain available in that grade.
10. Once all seats in each grade are filled, the lottery continues and establishes the general waiting list for that grade in the order drawn, until all names are drawn.
11. Applications received after the open enrollment period expires are automatically accepted for enrollment if there are available seats in the grade, in the order received. If there are no available seats in the grade, applications received after the open enrollment period expires are added to the waiting list for that grade, in the order received.
12. The school will conduct all lotteries through a method of random selection.

General Admission Procedures:

Order of Admission: Siblings of Already Enrolled Students, Children of Teachers Employed at the School, General Admissions.

2. No waiting list carries over from year to year: each waiting list is “redrawn” during each admission process each year.
3. Multiple Births (twins, triplets, etc.): Each student completes an application (not one application for the family). In a lottery situation, each student receives an individual number/lot in the lottery.

**AVAILABLE ENROLLMENT BY GRADE
FOR SCHOOL YEAR 20__ - 20__
PARNASSUS PREPARATORY SCHOOL**

Upon consideration of the number of currently-enrolled students at Parnassus Preparatory School who are each by law provided enrollment preference, the Board of Parnassus Preparatory School establishes the following available enrollment/seats in each grade:

Grade	Available Enrollment/Seats
K	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	

The Board reminds interested applicants of the Order of Admissions for Available Enrollment/Seats: Siblings of Already Admitted Students, then Children of Staff Employed at the School, then General Admissions.

GOVERNANCE AND MANAGEMENT PLAN PARNASSUS PREPARATORY SCHOOL

The School shall be operated by a School Board elected in accordance with its bylaws.

The School Board delegates the day-to-day management of the School to an administrator who is hired and supervised by the School Board.

The School Board shall employ and contract with necessary teachers, as defined by Minn. Stat. 122A.15, Subd. 1, who hold valid licenses to perform the particular service for which they are employed at the School.

Teachers employed at the School shall be treated by the School as public school teachers for the purposes of Minn. Stat. chapters 354 and 354A.

The School Board may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services.

The School Board may discharge teachers and non-licensed employees.

The School Board shall decide and be responsible for policy matters relating to the operation of the School, including budgeting, curriculum programming, personnel, and operating procedures. The School Board delegates to the school administrator implementation of its policies.

The School Board shall adopt personnel evaluation policies and practices that comply with Minn. Stat. 124D.10 Subd. 8(t) and Subd. 11.

The School Board shall implement a governance plan whereby it regularly, but no less than annually, evaluates: academics -- whether the school is improving student achievement; finances -- whether the school is fiscally sound; and operations - whether the school is well managed and legally compliant; and shall include summaries of its evaluations in board minutes.

The School Board shall adopt a policy, plan, budget and process consistent with Minn. Stat. 120B.11 to review curriculum, instruction, student achievement, and strive for the world's best workforce.

The School Board shall review its strategic plan annually. As part of its strategic plan the School Board will implement a financial plan to maintain a minimum 20% fund balance.

ADMINISTRATION AND OPERATIONS PLAN PARNASSUS PREPARATORY SCHOOL

Executive Director:

The Board will hire an Executive Director who will manage the day-to-day operations of the School. Responsibilities include: (1) implementing the mission and philosophy of the School; (2) maintaining the academic integrity of the school; (3) managing the operations of the School, faculty, and staff; (4) ensuring the classical trivium curriculum and pedagogy is being taught as identified by the founders; (5) overseeing the training, observation, and evaluation of teachers and staff; and (6) overseeing the supervision of students and school safety.

The Executive Director is an intellectual and a leader who will ensure the culture and mission of the School is clear to all stakeholders. The Executive Director also facilitates development of the School's culture. The Executive Director reports to the Board.

Faculty:

The faculty teaches the classical curriculum as set forth by the Executive Director and Curriculum Director. Multiple classes in any grade will follow the same curriculum map to ensure consistency from class to class and the same expectations. Any deviation from the curriculum must be approved by both the Executive Director. The faculty report to an administrator.

Business Manager:

The business manager is responsible for all financial matters at the School. The business manager has a strong background in school finance and reporting and oversees the budget and preparation of necessary reports. The Business Manager reports to the Board.

FINANCIAL MANAGMENT PLAN

PARNASSUS PREPARATORY SCHOOL

The Board is trained in financial oversight. The Board treasurer and finance committee members receive additional training to ensure comprehensive understanding of charter school finance and oversight.

The Board monitors and evaluates the School's recordkeeping, controls, and financial position. Specifically: (1) the Business Manager reports at all Board meetings regarding the School's financial position, including current and forecast positions, and makes related recommendations; (2) the Board Treasurer reports at all Board meetings regarding all disbursements made, cash flow, balance, additional relevant financial data, and its monitoring of the School's recordkeeping and control processes; and (3) the Board Treasurer and School Leader meet regularly with the Business Manager to monitor school finances on a regular and ongoing basis. Significant developments that adversely impact the School are immediately brought before the Board.

The Board retains an external auditor on an annual basis to review the School's internal controls and processes. The Board initiates and monitors corrective action to ensure that noted deficiencies, if any, are addressed and will not result in repeat findings in subsequent audits.



Statement of Assurances

I understand that the primary purpose of a charter school is to improve pupil learning and student achievement. I further understand that the charter school board decides and is responsible for all policy matters related to the operation of the charter school, including budgeting, curriculum programming, personnel, and operating procedures. In furtherance of the school's purpose and the board's responsibility, I make the following assurances:

I. ACHIEVEMENT DATA

- I assure that this school will establish baseline data for all students and routinely evaluate student achievement with state and national standardized tests on at least an annual basis, and that the board will evaluate student achievement and post-secondary and workforce readiness on at least an annual basis.

II. ADMISSION

- I assure that the school's admission process will not discriminate against anyone regarding race, gender, national origin, color, ability level, age (except that minimum age requirements may be established as allowed by law), or religion, and that the school will not admit students based on race, gender, national origin, color, ability level, age (except that minimum age requirements may be established as allowed by law), or religion.
- I assure that the school will admit students on the basis of an annual lottery if more students apply than can be accommodated in the class, program, grade-level, or building.
- I assure that the school will not admit students based on religious preference.
- I assure that the school's admission process will comply with Minn. Stat. 124D.10.

III. ANNUAL REPORT

- I assure that the school will publish an annual report as required by Minn. Stat. 124D.10.

IV. BOARD GOVERNANCE

- I assure that all board members will receive training annually.
- I assure that the board will at all times be comprised of at least five voting members of which at least one is a Minnesota-licensed teacher employed at the school, at least one is a parent or guardian of a student currently enrolled at the school, and at least one is a community member who neither is employed by the school nor is a parent or guardian of a student enrolled at the school.
- I assure that the board will decide and be responsible for all policy matters related to the operation of the school, including budgeting, curriculum programming, personnel, and operating procedures.
- I assure that each new board member will execute these Statement of Assurances.

V. CHARTER CONTRACT

- I assure that I have reviewed the school's charter contract.

VI. COMPLIANCE WITH ALL APPLICABLE LAWS

- I assure the school will comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to the school.

VII. CONFLICTS OF INTEREST

- I assure that the school will avoid apparent and actual conflicts of interest when administering grants and entering into contracts for equipment and services.
- I assure that the school will comply with conflict of interest provisions identified in Minn. Stat. 124D.10.

VIII. CRIMINAL BACKGROUND CHECKS

- I assure that this school will conduct criminal background checks of all employees and board members and will maintain records of those checks.

IX. DATA PRACTICES

- I assure that the school board will comply with data privacy requirements regarding all students including those with disabilities, that the school will securely store student records that separates special education files from cumulative files and that is under the supervision of the school's administrator or a designee, and that mandatory staff training will be provided for Data Privacy.
- I assure that the school will follow state data practices law and will maintain a board-adopted data practices policy that includes the staff's ability to report unethical or fraudulent actions, and that the school board will regularly attend training that includes state data practices requirements.

X. DISCIPLINE POLICY AND PUPIL FAIR DISMISSAL ACT

- I assure that the school will implement a discipline policy that is in compliance with the Pupil Fair Dismissal Act and that provides protection of the rights of students with disabilities.

XI. DISSEMINATION

- I assure that the school will regularly disseminate information about how to use its offerings. Targeted groups include low-income families and communities, students of color, and students who are at risk of academic failure.

XII. ELECTRONIC COMMUNICATIONS

- I assure that the school will subscribe to and maintain current contact information to electronically share with and receive information from the Minnesota Department of Education.

XIII. ELECTRONIC DATA REPORTING SYSTEM (EDRS)

- I assure that this school will designate a person to be assigned and trained to submit data electronically in the Electronic Data Reporting System (EDRS) via the internet, as required by the Minnesota Department of Education.

XIV. EQUAL OPPORTUNITY IN SCHOOL PROGRAMS

- I assure that this school will provide equal opportunities and equal access to school programs, including extra-curricular activities such as athletics and clubs.

XV. FACILITY REQUIREMENTS

- I assure that this school will comply with all building inspection, fire marshal requirements, certificate of occupancy requirements, will meet all health and safety codes, and that the school will continually be handicap-accessible as required by Section 504 of the Americans with Disabilities Act.

XVI. FILING WITH THE STATE

- I assure that this school will maintain current/active filings with the Secretary of State's Office as a nonprofit under Chapter 317A.

XVII. FOOD SERVICE

I assure that food served at the school will satisfy applicable health and safety requirements, provide equal accommodations to all religions, and otherwise comply with Minn. Stat. 124D.10.

XVIII. FINANCIAL REPORTING (UFARS AND GAAP) REQUIREMENTS

- I assure that this school will comply with both the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS) and Generally Accepted Accounting Practices (GAAP); and that this school will comply with all financial reporting requirements.
- I assure that the school will use only state-approved accounting and reporting software.

XIX. HIRING AND EMPLOYMENT PRACTICES

- I assure that the school, in compliance with Minn. Stat. §363A.08, will use and maintain open and fair employment practices, advertise for all employment openings, and maintain a record of these advertisements.
- I assure that all teaching staff will be licensed as required by law unless a waiver or variance is obtained in advance of actual employment.

- I assure that the board will establish qualifications for administrative, supervisory, and instructional leadership positions, including at least qualifications in instruction and assessment; human resources and personnel management; financial management; legal and compliance management; effective communication; board, authorizer, and community relationships; and will use those qualifications as a basis for job descriptions and performance evaluations.
- I assure that the board will develop professional development plans for unlicensed staff in administrative, supervisory, or instructional leadership positions.

XX. MINNESOTA'S ACADEMIC STANDARDS

- I assure that this school will implements Minnesota's Academic Standards, as they may change from time to time, as minimum academic requirements.

XXI. MINNESOTA'S ACCOUNTABILITY SYSTEM REQUIREMENTS

- I assure that this school will comply with all elements of Minnesota's State Accountability System Requirements under the federal No Child Left Behind Act (NCLB) (or waiver if granted). I understand that the school is expected to make Adequate Yearly Progress (AYP) as defined by the State's accountability plan and that the school will be held accountable for these outcomes as well as performance outcomes in the charter contract.

XXII. POLICIES AND PROCEDURES

- I assure that this school will implement written procurement procedures in accordance with federal and state law and conduct all procurement transactions in a manner that provides open and free competition.
- I assure that the school will maintain property inventory records of all equipment, assets, and non-consumable items.
- I assure that the school will adopt and implement a religious accommodation policy that accords equal treatment of access to all religions.
- I assure that if the school allows religious or other activities on school property during non-instructional hours that there will be a board-adopted policy in place allowing equal access to all groups and that such access otherwise complies with Minn. Stat. 124D.10.
- I assure that the board will adopt all policies and practices which are required by law.

XXIII. PROGRAM EVALUATION

- I assure that the board will evaluate the school's program on at least an annual basis.
- I assure that the school will provide annually to its authorizer and the Minnesota Department Education such information as may be required to determine if the charter school is making satisfactory progress toward achieving its goals and academic outcomes, including data, evaluations or studies, and that the school will comply with all such requests for information.
- I assure that the school will cooperate with the authorizer and the Minnesota Department of Education in evaluating the school's program.

XXIV. PUBLIC SCHOOL

- I assure that this school will operate as a public school that:
 - operates in accordance with Minn. Stat. 124D.10 and other applicable law
 - is created as a public school, and is operated under public supervision and direction;

- operates in pursuit of a specific set of educational objectives agreed to between the school and its authorizer with the purpose of improving pupil learning and student achievement;
- provides a program of elementary or secondary education, or both;
- is nonsectarian in its programs, admissions policies, employment practices, dress code requirements and all other operations, and is not affiliated with a sectarian school or religious institution; and
 - if leasing from a sectarian organization, the school will maintain procedures to screen its students from any involvement with or exposure to any of the sectarian organization's religious activities occurring on school property during the school day or during school-sponsored events;
 - will maintain a board-adopted religious accommodation policy that accords equal treatment of and access to all religions;
 - will not impose any sectarian-based restrictions on food consumed on school premises and will maintain equal accommodations for all religions;
 - does not involve itself in religious activities, including recruiting employees, parents or volunteers for such activities;
 - has a neutral dress code or uniform policy that does not promote a particular religion or religious custom and that the school will not, through its dress code or uniform policy, restrict opportunity to participate in school activities;
- maintains a board-adopted policy allowing equal access to the use of the school's facilities and such access otherwise complies with Minn. Stat. § 124D.10
- complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;
- agrees to comply with the same federal and state audit requirements as do other elementary schools and secondary schools in the state;
- meets all applicable federal, state and local health and safety requirements;
- operates in accordance with federal and state law; and
- has a written performance contract with the authorizer that includes a description of how student performance will be measured in charter schools pursuant to state assessments that are required of other public schools and pursuant to any other assessments mutually agreeable to the authorizer and the charter school.

XXV. PUBLIC SCHOOL FEE LAW

- I assure that this school will comply with the Minnesota Public School Fee Law, Minn. Stat. 123B.34 to 123B.39.

XXVI. REQUIRED STATE REPORTING FOR STUDENTS AND STAFF (MARSS AND STARS)

- I assure that this school will have a person assigned and trained to submit data on the Minnesota Automated Reporting Student System (MARSS) and Staff Automated Reporting System (STARS), as required by the Minnesota Department of Education.

XXVII. SPECIAL EDUCATION

- I assure that this school will contract or employ an appropriately licensed special education director, will adhere to all applicable requirements in serving special education students in Minnesota and will comply with all federal and state special education laws.
- I assure that this school will involve parents of students with disabilities on an advisory council.
- I assure that this school will develop a service delivery model that provides a full continuum of special education services.
- I assure that this school will determine who will provide transportation for students who have 504 plans or IEPs in which transportation is determined necessary by the 504 plan or IEP team.
- I assure that this school will order necessary supplies, equipment and instructional materials appropriate to meet the needs of individual students with disabilities as they appear.
- I assure that this school will meet its Child Find obligation, in part, by including information about special education service in its marketing materials, handbooks, etc. The school will establish and implement procedures for identification of students currently qualifying for special education services and/or those who may have a disability; and for reviewing student data and determining the need to assess/reassess student needs.
- I assure that this school will have procedures for obtaining information from parents and/or previous school on student's special education or 504 Accommodation Plan.

XXVIII. TORT AND LIABILITY INSURANCE

- I assure that this school will assume appropriate tort liability and will have at all times the minimum insurance required by Minn. Stat. 124D.10.

XXIX. TRANSPORTATION OF STUDENTS

- I assure that annual written notice of this school's intentions for transportation of students will be provided as required to the resident district and the Minnesota Department of Education.

XXX. TUITION FREE

- I assure that this school will not charge tuition for its instructional or co-curricular programs.

By signing, I acknowledge:

- that I have reviewed the preceding assurances,
- that I am a board member of _____ (name of School), and
- that the board is responsible for ensuring compliance with all federal and state laws applicable to charter schools, including the expectations contained in the preceding assurances.

Signature Greg Fries

Date 6/27/14

Print Name: Greg Fries

Phone Number: 612.718.4042

Email Address: friesg@parnasusprep.com

XXVII. SPECIAL EDUCATION

- I assure that this school will contract or employ an appropriately licensed special education director, will adhere to all applicable requirements in serving special education students in Minnesota and will comply with all federal and state special education laws.
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By signing, I acknowledge:

- that I have reviewed the preceding assurances,
- that I am a board member of _____ (name of School), and
- that the board is responsible for ensuring compliance with all federal and state laws applicable to charter schools, including the expectations contained in the preceding assurances.


Signature _____ Date June 25, 2014
Print Name: Nancy Rigby
Phone Number: 952 6812718
Email Address: rigby@parnassusprep.com

XXVII. SPECIAL EDUCATION

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By signing, I acknowledge:

- that I have reviewed the preceding assurances,
- that I am a board member of _____ (name of School), and
- that the board is responsible for ensuring compliance with all federal and state laws applicable to charter schools, including the expectations contained in the preceding assurances.

Signature Barbara L. Rose Date 6-27-14

Print Name: Barbara L. Rose

Phone Number: 763-688-3875

Email Address: ~~rose@parnassusprep.com~~ rose@parnassusprep.com

XXVII. SPECIAL EDUCATION

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- I assure that this school will involve parents of students with disabilities on an advisory council.
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XXX. TUITION FREE

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By signing, I acknowledge:

- that I have reviewed the preceding assurances,
- that I am a board member of _____ (name of School), and
- that the board is responsible for ensuring compliance with all federal and state laws applicable to charter schools, including the expectations contained in the preceding assurances.

Signature _____

Date _____

Print Name: _____

Phone Number: _____

Email Address _____

XXVII. SPECIAL EDUCATION

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- I assure that this school will involve parents of students with disabilities on an advisory council.
- I assure that this school will develop a service delivery model that provides a full continuum of special education services.
- I assure that this school will determine who will provide transportation for students who have 504 plans or IEPs in which transportation is determined necessary by the 504 plan or IEP team.
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XXX. TUITION FREE

- I assure that this school will not charge tuition for its instructional or co-curricular programs.

By signing, I acknowledge:

- that I have reviewed the preceding assurances,
- that I am a board member of _____ (name of School), and
- that the board is responsible for ensuring compliance with all federal and state laws applicable to charter schools, including the expectations contained in the preceding assurances.

Signature Kenneth D. Zigrino Date 6/27/14

Print Name: Kenneth D. Zigrino

Phone Number: 612-817-2560

Email Address: zigrino@msn.com

Friends of Education

Charter School Closing Checklist & Plan

IMPORTANT: THIS DOCUMENT IS NOT AN EXCLUSIVE LIST OF ALL ACTIONS NECESSARY TO CLOSE A SCHOOL AND IS NOT A SUBSTITUTE FOR LEGAL ADVICE.

CHARTER SCHOOLS SHOULD CONSULT WITH LEGAL COUNSEL.

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
FRIENDS OF EDUCATION RESPONSIBILITIES					
	Involuntary Closure: <ul style="list-style-type: none"> <input type="checkbox"/> Frequently Asked Questions. Create Q & A including summary of closure process, summary of transition steps, etc. <input type="checkbox"/> Notice of Final Determination. Provide notice to school and Minnesota Department of Education. <input type="checkbox"/> Press Release. Issue press release which includes brief history of school, closure process, reason(s) for closure, and identifies press point person. <input type="checkbox"/> Closure Checklist. Provide additional copies of closure checklist and plan to school, highlight family transition and student records transfer. <input type="checkbox"/> Offer assistance as appropriate to school board. <input type="checkbox"/> Updates. Request periodic updates of closure progress. <input type="checkbox"/> Request file log (identifying file name, date transferred, school transferred). 				
	Voluntary Closure: <ul style="list-style-type: none"> <input type="checkbox"/> Closure Checklist. Provide additional copies of closure checklist and plan to school, highlight family transition and student records transfer. <input type="checkbox"/> Offer assistance as appropriate to school board. <input type="checkbox"/> Updates. Request periodic updates of closure progress. <input type="checkbox"/> Request file log (identifying file name, date transferred, school transferred). 				

EXHIBIT L

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
CHARTER SCHOOL RESPONSIBILITIES					
Organizational					
1	<p>Establish School Board Committee for wind-up / transition</p> <ul style="list-style-type: none"> <input type="checkbox"/> Designate School contact person(s) to send and receive communications <input type="checkbox"/> Assign tasks/action items to employees or School Board members; <input type="checkbox"/> Provide contact information, and list of employees / School Board members and correspondent responsibilities to Friends of Education 				
2	<p>Terminate Contracts /Cancel Programs Beyond Termination Date</p> <p>Take appropriate action to terminate any contracts or cancel any programs extending beyond the charter termination.</p>				
3	<p>Reserve Funds</p> <p>Segregate by School Board resolution in a separate checking account up to \$50,000 in funds to be used for legal, accounting, and other expenses to dissolve the school.</p>				
4	<p>Maintain Communications and Identifiable Location</p> <p>Notify the landlord that during the wind-up of the School's affairs, it is anticipated that the School Board will use the School Facility, and access thereto should be maintained, even if only by advance notice in order to access assets, etc. In the event the landlord sells or rents the School Facility before the winding up of the School's affairs, the School must relocate its business records and remaining assets to a location with operational telephone service with voice message capability, and maintain custody of business records until all business and transactions are completed, and the School corporation dissolved.</p>				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
5	Designation of Records Custodian <input type="checkbox"/> The school must designate a contact person for student and financial records, for two years after closure. <input type="checkbox"/> Provide Friends of Education with a copy of the notice.				
Notifications and Further Actions					
6	Notification to Parents/Guardians Notify parents/guardians and employees of school regarding the closure of the School, if such notification has not been made. Such notification shall include, but not be limited to, the following: <ul style="list-style-type: none"> <input type="checkbox"/> Date of the last day of regular instruction; <input type="checkbox"/> Information and offer assistance sufficient to enable the student to re-enroll in another school. <input type="checkbox"/> List of and contact information for the charter, public and private schools in the area. <input type="checkbox"/> Date of optional school fair, coordinated by the School with representatives of area schools. <input type="checkbox"/> Provide Friends of Education with a copy of the notice. 				
7	Final Report Cards and Student Records Notice Within 7 days after end of classes, provide parents / guardians with copies of final report cards and notice of where student records will be sent and specific contact information. <ul style="list-style-type: none"> <input type="checkbox"/> The notice must advise the parent/guardian to contact the school where the student intends to enroll and to have the student's new school contact the School's district of location to have the student's educational records transferred to the new school. 				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<input type="checkbox"/> Student records sent to the student's new school upon the new school's request. <input type="checkbox"/> After the school closes, and unless the student's records are requested by another school, the remaining student records will be sent to each student's school district of residence. <input type="checkbox"/> Provide Friends of Education with a copy of the notice.				
8	<p>Transfer of Student Records and Testing Material</p> <p>If the parents do not request transfer of records to a specific school, student records must be sent to the student's resident district.</p> <p>All end of school year grades and evaluations must be completed and made part of the student records, including any IEP / Committee on Special Education meetings /progress reports.</p> <p>Testing material, including scores, test booklets, etc. required to be maintained by the School and must also be forwarded to the new school.</p> <p>No later than 10 business days after the School closes, send student records to the new school, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Individualized Education Programs (IEPs) and all records regarding special education and supplemental services, where applicable, <input type="checkbox"/> student health / immunization records; <input type="checkbox"/> attendance records; <input type="checkbox"/> grades; <input type="checkbox"/> assessments/testing information; <input type="checkbox"/> credits earned; <input type="checkbox"/> MARSS numbers, and <input type="checkbox"/> all other student records. <input type="checkbox"/> If a student's record contains formal disciplinary records, provide notice to the student and student's parent/guardian that the records will be transferred as part of the student's educational record. NOTE: THIS REQUIRES AN INDIVIDUAL / FILE BY FILE REVIEW. 				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<input type="checkbox"/> To the extent that scores, etc. will come into existence after the end of classes, arrangements should be made with the testing agent to forward such material to the new school.				
9	Notification to School Districts/Area Schools Notify resident school district and area schools that: <ul style="list-style-type: none"> <input type="checkbox"/> The school is closing on (date). <input type="checkbox"/> They will be getting students. <input type="checkbox"/> Provide a phone number/contact person to call for records. <input type="checkbox"/> If applicable, notification regarding cessation and transportation services should be provided. <input type="checkbox"/> Provide Friends of Education with a copy of the notice. 				
10	Notification of Funding Sources / Charitable Partners All sources of the School's operational funding must be notified in writing of the closure of the School, including any charitable partners. <ul style="list-style-type: none"> <input type="checkbox"/> The School should not incur additional liability; however, it may continue to accept gifts from charitable partners as long as the charity is aware of the School's closure. <input type="checkbox"/> Charities with property on the premises of the School should be notified to remove same as soon as possible or after end of classes, whichever is appropriate. 				
11	Notification of Contractors and Termination of Contracts Within 30 days, formulate a list of all contractors with contracts in effect; the list should briefly describe the service and whether any property is related to the contract (e.g. photocopier lease). <ul style="list-style-type: none"> <input type="checkbox"/> Notify the contractors regarding cessation of school operations. <input type="checkbox"/> If applicable, instruct contractors to make arrangements to remove any contractor property from the School facility by a date certain, e.g., copying machines, water coolers, other rented property. 				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<input type="checkbox"/> Provide Friends of Education with a copy of such notice. <input type="checkbox"/> Retain records of past contracts with proof that they were fully paid. <i>(see Records Retention, below)</i> <input type="checkbox"/> Telephone, gas, electric, water, insurance (premises and D&O insurance, should remain operative through the end of classes and to the extent necessary to wind up the School's affairs beyond that time. As appropriate, and to the extent possible, terminate contracts for goods and services as of the last date such goods or services will be needed				
12	Notify MDE/Schedule State Audit Notify Minnesota Department of Education and schedule MDE audit, as applicable.				
13	Notification of Employees and Benefit Providers After an employee termination date is established, notify all employees of termination of employment and/or contracts, and notify benefit providers of pending termination of all employees. Notify employees and providers of termination of all benefit programs, and, if allowable, terminate all programs as of the last date of service in accordance with applicable law and regulations (i.e. COBRA), including: <input type="checkbox"/> health care / health insurance; <input type="checkbox"/> life Insurance; <input type="checkbox"/> dental plans; <input type="checkbox"/> eyeglass plans; <input type="checkbox"/> cafeteria plans; <input type="checkbox"/> teacher retirement plans; and <input type="checkbox"/> other. Specific rules and regulations may apply to such programs - Consult legal counsel. Employees should be notified of eligibility for Minnesota Unemployment				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	Insurance pursuant to any applicable law and regulations. (In the event the School has not paid into the unemployment program on an ongoing basis, the School may have significant financial liability on an ongoing basis after the end of classes, and additional reserve funds should be set aside.				
14	Notification re: Transportation Services As required by the contractual notice requirements, cancel school district or private transportation services.				
15	Notification Regarding Lawsuits Within 5 days after receiving notice and/or service of process regarding litigation against, or initiated by, the School, School Board or School employees, notify Friends of Education and provide copies of legal papers received. The School has an ongoing obligation to keep Friends of Education informed regarding such litigation, including bankruptcy, whether voluntary or involuntary, and to provide copies of all filings.				
Assets, Insurance, Liquidation					
16	Withholding <input type="checkbox"/> Pay Federal withholding tax. <input type="checkbox"/> Pay State withholding tax.				
17	Payroll <input type="checkbox"/> Pay Staff through last day of employment.				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
18	List of Creditors and Debtors; UCC Search <input type="checkbox"/> Formulate list of creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor. This list is not the same as the contractor list, above, but may include contractors, which should be listed. <input type="checkbox"/> Perform a UCC search to determine if there are any secured creditors and to what assets security interests are attached. <input type="checkbox"/> Provide a copy of the list of creditors to the Friends of Education with the amount owed to each creditor thereon and the amount owed by each debtor.				
19	Notification to Creditors Notify all creditors of its closure. The School should solicit from each creditor a final accounting of the School's accrued and unpaid debt owed to such creditor. This figure should be compared to the School's calculation of the debt and be reconciled between the parties. To the extent possible, the School should also begin to negotiate a settlement of debts, which is ultimately consummated by a settlement agreement reflecting satisfaction and release of the existing obligations, if possible. Consult Legal Counsel.				
20	Notification to Debtors Within thirty (30) days the School must contact all debtors and demand payment. Debtors include persons who owe the school fees or credits, lessees or sub-lessees of the School, and any person holding property of the School.				
21	Reconciliation with District(s) The School must reconcile its billings and payments with the districts, including special education payments.				
22	School Wind-Up Plan and Action				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<p>The School shall collect debts, dispose of assets and negotiate with and pay creditors in an orderly fashion in accordance with a timetable and plan adopted by the School's board of trustees. Priority should be given to continuing the School's educational program through the end of the charter termination and retaining funds to complete the wind-up process.</p> <ul style="list-style-type: none"> <input type="checkbox"/> The initial plan should be adopted within 20 days of and be updated at least twice per month. <input type="checkbox"/> Termination of non-essential personnel and cancellation of non-essential services prior to end of classes. <input type="checkbox"/> Make final federal, state and local tax payments (every employer, including the School, which pays wages to employees is responsible for withholding, depositing, paying, and reporting federal, state and local income tax, social security taxes, and federal unemployment tax for such wage payments). <input type="checkbox"/> Auction / sale of assets in a manner that avoids conflicts of interest, and maximizes net revenue to the extent permitted by ongoing agreements with existing creditors. <input type="checkbox"/> Liquidation or closing of bank accounts according to a schedule that minimizes fees but leaves the School enough flexibility to pay creditors, attorneys, accountants, etc. during the course of the wind-up, including funds for a final audit, and for dissolution in accordance with Minn. State 124.D10. <input type="checkbox"/> Cancellation of corporate credit cards and lines of credit. <input type="checkbox"/> Change authorized signatures on accounts as needed to reflect changes in persons authorized to implement the winding down operations of the School Corporation, and employment, contract and School Board status of those authorized to sign for the School. <input type="checkbox"/> Status reports on the implementation of the School Wind-Up Plan to be submitted to the Friends of Education through Interim Statements and a Final Statement (below). 				
23	<p>Protection of Assets; Insurance</p> <p>The School's assets and any assets in the School that belong to others must be protected against theft, misappropriation and deterioration.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Existing insurance coverage should be maintained on the assets until the disposal of such assets. 				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<input type="checkbox"/> Continue existing insurance for School Facility, and other assets until 1) disposal or transfer of real estate or termination of lease, and 2) disposal, transfer or sale of other assets are sold, respectively. <input type="checkbox"/> Negotiate School Facility insurance with entities that may take possession of School Facility – landlord, mortgagors; bond holders, etc., if possible. <input type="checkbox"/> Appropriate security services should be obtained or maintained. <input type="checkbox"/> Action may include moving assets to secure storage after closure or loss of the School Facility.				
24	D&O Insurance Maintain existing directors and officers liability (D&O) insurance, if any, until final dissolution of the School.				
25	Inventory No later than 30 days prior to end of classes, <u>all</u> of the School's assets must be inventoried and/or its inventory updated. <input type="checkbox"/> All assets of the School, (not just assets over a certain dollar value) must be inventoried. <input type="checkbox"/> Separately identify assets purchased with federal grant funds. <input type="checkbox"/> Provide Friends of Education with a copy of the inventory. <input type="checkbox"/> Identify assets belonging to other entities (school district, county, municipality, health department, sponsoring foundation, vendors, PTA, etc.), including those borrowed or loaned. <input type="checkbox"/> Identify assets encumbered by the terms of a contingent gift, grant or donation, or a security interest. <input type="checkbox"/> Return assets not belonging to School and document same.				
26	Liquidation of Assets <input type="checkbox"/> Federally purchased property may not be sold to pay creditors and, according to specific program guidance, must either be returned to the awarding agency				

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	<p>or distributed for similar use to another eligible entity. Assets purchased with federal grant funds may be given to other charter schools.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Assets not purchased with federal grant funds must be liquidated in a commercially reasonable manner including, but not limited to, sale by way of auction, sealed bidding or other commercially reasonable sales methods to the extent permitted under agreements with existing creditors and to the extent such assets are free and clear of any liens or encumbrances. If an asset is subject to a lien, encumbrance or security interest the secured party should be contacted. <input type="checkbox"/> Assets valued at \$100,000+ must be advertised and disposed via sealed bid. <input type="checkbox"/> Assets valued between \$25,000 - \$100,000 must obtain at least two bids before disposition. <p>School Board members and their relatives as well as employees and students of the School may participate in any auction/sealed bidding process provided the party has disclosed his/her relationship to the School Board and the disclosure is made a matter of record in the School Board's minutes and approved by a majority of the non-interested members of the School Board.</p> <p><i>School board members, their relatives, employees and students of the school may not purchase school assets other than through auction or sealed bid.</i></p>				
27	<p>Interim/Final Statements</p> <p>No later than 10 days after end of classes, prepare, and submit to the Friends of Education, an interim statement to Friends of Education, of the status of all contracts and other obligations of the School and all funds, including principal and accrued interest, owed to, and by, the School Corporation, with supporting evidence showing:</p> <ul style="list-style-type: none"> <input type="checkbox"/> all creditors or former creditors, any amounts paid to creditors (or in-kind exchanges of assets), and any amounts of debt of the School outstanding, including principal and accrued interest, as of the date of the interim report; and <input type="checkbox"/> all amounts owed to the School by debtors, any amounts paid by debtors, and whether any debtors have paid in full, and any amounts outstanding; and <input type="checkbox"/> all income generated through sale or auction of assets and any other change in status of assets. <p>The School will prepare and submit such statements at 30 day intervals until the</p>				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	final statement (below) is prepared and submitted.				
28	<p>Final Statement</p> <p>No later than 10 days prior to the filing of a dissolution proceeding, the School shall prepare a final statement of the status of all contracts and other obligations of the School, and all funds owed to the School, audited (or confirmed) by an independent accountant, with supporting evidence showing:</p> <ul style="list-style-type: none"> <input type="checkbox"/> all assets and the value and location thereof, whether such asset has been distributed to creditors in satisfaction or payment of any existing debt obligation; and <input type="checkbox"/> each remaining creditor and any and all amounts owed to each creditor, including principal and accrued interest through the date of such statement; and <input type="checkbox"/> statement that (a) all debts have been collected, or (b) that good faith efforts have been made to collect same, and <input type="checkbox"/> each remaining debtor of the School and the amounts owed by each debtor, including principal and accrued interest. <input type="checkbox"/> This statement is in addition to the final Financial Statement Audit (below). 				
Corporate Records / Accounting					
29	<p>Final Financial External Audit</p> <p>The School must have an external audit performed in accordance with Applicable law.</p> <p><input type="checkbox"/> File as requested by Minn. Stat 124D.10.</p>				
30	Charter Reports; Final Annual Report				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	During the course of the wind-up process, the School must comply with its reporting or notice obligations under the charter (including, but not limited to, resignations of Board members, etc.), and its reporting and notice obligations.				
31	Closeout of State and Federal Grants State, federal and other grants must be closed out, including: <ul style="list-style-type: none"> <input type="checkbox"/> Notification to the grant entity of the School closure; and <input type="checkbox"/> Filing of any required expenditure reports or receipts and any required program reports. 				
32	IRS Status; Reports <ul style="list-style-type: none"> <input type="checkbox"/> Notification to IRS regarding any address change of the School; and <input type="checkbox"/> Filing of required tax returns or reports (e.g., IRS form 990 and Schedule A) for school year in which school ceases operation. <input type="checkbox"/> Notify the IRS of dissolution of the education corporation and its 501(C) (3) status. <input type="checkbox"/> File final tax returns or reports. 				
33	Minnesota Charitable Organization Report <ul style="list-style-type: none"> <input type="checkbox"/> Notification re: Any change of address <input type="checkbox"/> Filing of return for school year in which school ceases operation. <input type="checkbox"/> File final report. 				
34	Corporate Records In all cases, the School Board shall maintain all corporate records related to: <ul style="list-style-type: none"> <input type="checkbox"/> Loans, bonds, mortgages and other financing; <input type="checkbox"/> Contracts; <input type="checkbox"/> Leases; <input type="checkbox"/> Assets and asset sales; <input type="checkbox"/> Grants—records relating to federal grants must be kept in accordance with 34 				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<p>CFR 8042.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Governance (Minutes, by-laws, policies); <input type="checkbox"/> Employees (background checks, personnel files); <input type="checkbox"/> Accounting/audit, taxes and tax status, etc; <input type="checkbox"/> Personnel, <input type="checkbox"/> Employee benefit programs and benefits; and <input type="checkbox"/> Any items listed in this Closure Plan. <p>Any and all records not previously sent to the school district must be retained by a designated school representative.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Notify Friends of Education of name and address where all records not sent to the school district are retained. 				
Dissolution / Final Distribution of Assets					
35	<p>Dissolution</p> <p>The School Board must follow the dissolution provisions provided by Applicable Law.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Board adopts intent to dissolve resolution which includes a plan of dissolution. <input type="checkbox"/> Secure any required affirmation/approvals. <input type="checkbox"/> File notice of intent to dissolve with Minnesota Secretary of State. <input type="checkbox"/> File notice with Minnesota Attorney General's office. <input type="checkbox"/> Publish notice for unknown creditors and provide written notice to known creditors or provide written notice. <input type="checkbox"/> Distribute Assets <input type="checkbox"/> Board approves Articles of Dissolution and files with Secretary of State and submits copy to Friends of Education. 				

Item	Action Items	Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
36	<p>Final Distribution of Assets</p> <p>All liabilities and obligations of the School must be paid and discharged (or adequate provision must be made therefore) to the extent of the School's assets. Any assets held subject to a lien, encumbrance, security interest or other written conditions or limitations must be disposed of in accordance with and subject to those conditions or limitations.</p> <p>Assets received and held by the School subject to limitations permitting their use only for charitable, benevolent, educational, or similar purposes, but not held upon condition requiring return or with specific disposition instructions, shall be held until dissolution and transferred or conveyed to one or more charter schools.</p> <p><input type="checkbox"/> An itemized receipt must be obtained from each recipient of an asset containing the name, address and telephone number of the recipient.</p> <p><input type="checkbox"/> In closing out any federal grant and accounting for any federal grant funds, property owned by the federal government or property acquired under a federal grant must be distributed in accordance with federal regulations. See 34 CFR, Part 80, subparts C and D.</p>				

[SCHOOL NAME]
STUDENT RECORD TRANSFER LOG

	NAME OF STUDENT LAST, FIRST	MARSS #	WHERE District	WHO Name of Individual	DATE mm/dd/yy
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Supplemental / Continuing Oversight

Friends of Education evaluates its charter schools in three primary areas:

1. Academic Performance
2. Fiscal Performance
3. Operations and Legal Compliance

1. Academic Performance:

Guiding Question: Is the school improving student achievement?

Academic Performance is evaluated based on six criteria: AYP¹ (Adequate Yearly Progress), Absolute Proficiency, Comparative Proficiency, Growth, Achievement Gap, and Governance.

AYP: Friends of Education evaluates a school's academic performance based on its consistency in achieving AYP status (or alternative measure if waived under NCLB).

Absolute Proficiency: Expecting proficiency for each student, Friends of Education evaluates the percentage of students meeting or exceeding state standards on the state tests (MCA-II and MCA-III). Students are tested in grades 3-8 & 10 for Reading and 3-8 & 11 for Math.

Comparative Proficiency: Expecting each charter school to fulfill its statutory obligation to improve student performance, Friends of Education evaluates how well the charter school performs compared to a nearby district school that the charter school students would otherwise likely attend.

Growth: Expecting growth for each student, Friends of Education evaluates the growth each student achieved on the state and other assessments.

Achievement Gap: Expecting all students regardless of economic status to achieve academic success, Friends of Education evaluates the degree to which students qualifying for free/reduced lunch achieve the same proficiency rates as students not qualifying for free/reduced lunch on the MCA tests.

Academic Governance: Friends of Education evaluates the school board's demonstration that it critically evaluates and strategically leads academic performance.

2. Fiscal Management:

Guiding Question: Is the school fiscally sound?

Fiscal Performance is evaluated based on four criteria: External Audit, Fund Balance, State Finance Award, and Governance.

External Audit: Friends of Education evaluates external audits and expects its schools to work towards elimination of deficiencies.

Fund Balance: Friends of Education evaluates a school's fiscal health based on its ability to pay unforeseen expenses.

State Finance Award: Friends of Education considers whether a charter school has received the Minnesota Department of Education Finance Award, which recognizes sound fiscal health and management policies and procedures.

Governance: Friends of Education evaluates the school board's demonstration that it pre-approves and maintains a balanced budget; reviews monthly and annual budget reports and requires explanations for out-of-budget spending; receives required board training; and has adequate time to review board materials.

3. **Operations and Legal Compliance:**

Guiding Question: Is the school well-managed and legally compliant?

Operations and Legal Compliance is evaluated based on four criteria: Compliance with Applicable Law, Minnesota Department of Education Audit Results, Charter Contract Reporting Obligations, and Leadership.

Charter schools must comply with all applicable laws, such as admissions, teacher licensing, and special education requirements. Friends of Education evaluates the degree to which the school complies with these requirements.

Effective operations and governance are fundamental to a quality charter school. Consequently, Friends of Education evaluates effective operations through attendance at board meetings, review of board meeting minutes, discussions with staff and other stakeholders, MDE audit results, and the adherence to charter requirements.

See the Friends of Education Charter School Program Guide on its website, improvek-12education.org, for updates and additional information such as expansion application requirements.



CHARTER SCHOOL RENEWAL EVALUATION



Name of Charter School:

Name of Authorizer:

Friends of Education (Friends)

Date Current Contract Expires:

June 30, 2014

Term of Current Contract:

Three Years

(Charter Contract Section 12.1)

Date of this Report:

April 30, 2014

Person to Contact Regarding this Report: R.E. Topoluk

Phone: 952.745.2717

Fax: 952.745.2739

Email: topoluk@tcfbank.com

Article VI of the charter contract between Friends and the school sets forth the fiscal and student metrics and evaluation processes: the school agreed to the academic goals set forth in its application, to comply with reporting requirements, and to provide regular academic and financial reporting to Friends. In addition, contract section 6.7 provides that Friends would perform site visits as an additional evaluation tool, and contract section 6.19 specifies that Friends may contract with third parties to perform oversight functions. Friends has performed oversight functions both with its own staff and with retained third-parties. Consequently, information contained in this report is based on data on file with the Minnesota Department of Education; data on file with the authorizer; site visits performed by Friends and retained third-parties, including educators contracted by Friends to tour the school as potential parents; and board meetings attended by Friends or third parties on behalf of Friends.

Executive Summary

Parnassus Preparatory Academy is currently in its third operating year. The School is tremendously popular, having doubled its opening enrollment in only its third year. Parnassus has a fiscally prudent board as is evident by its substantial 25.9%, or \$1 million, achieved in just two operating years. In addition, all of the school's audits have been "clean", revealing no deficiencies, which reflects sound fiscal management.

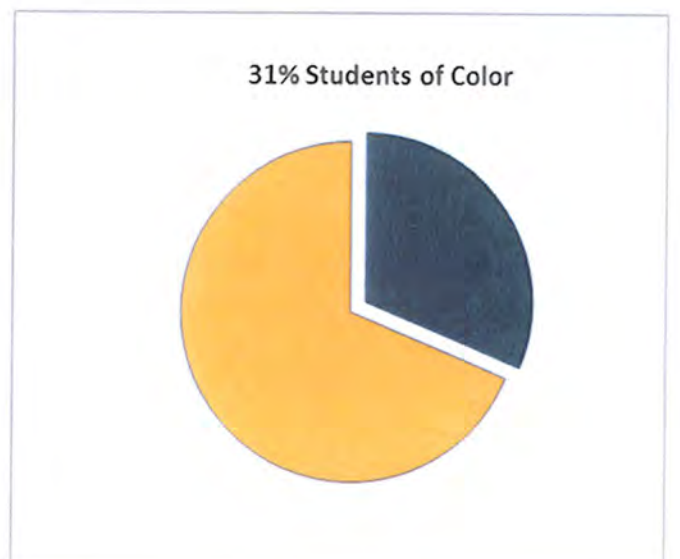
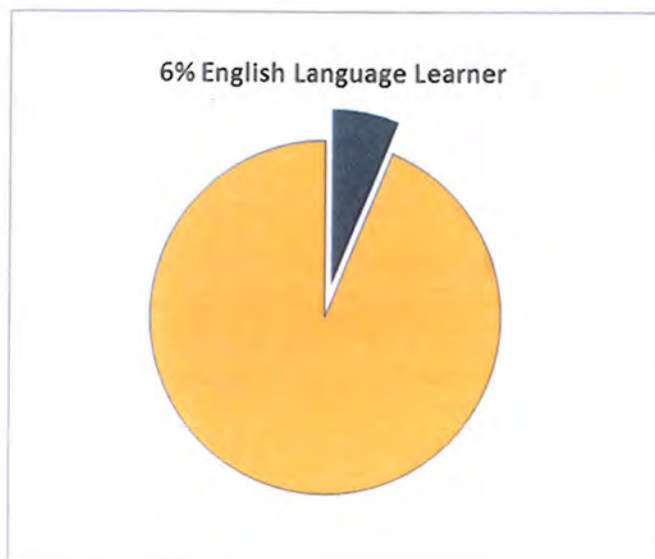
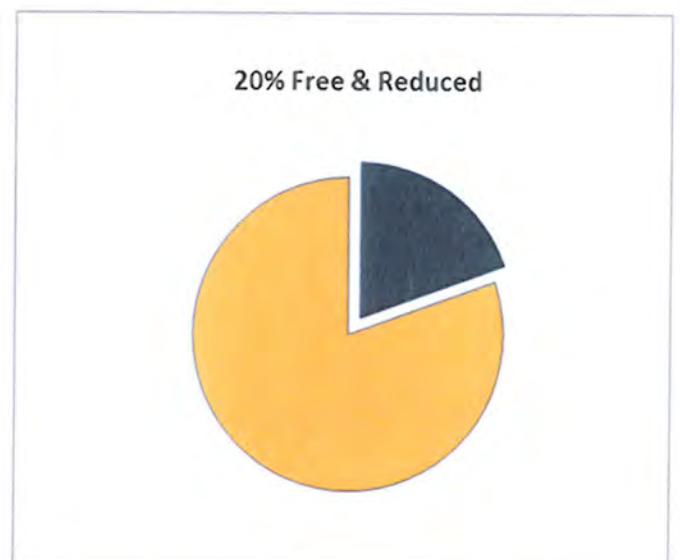
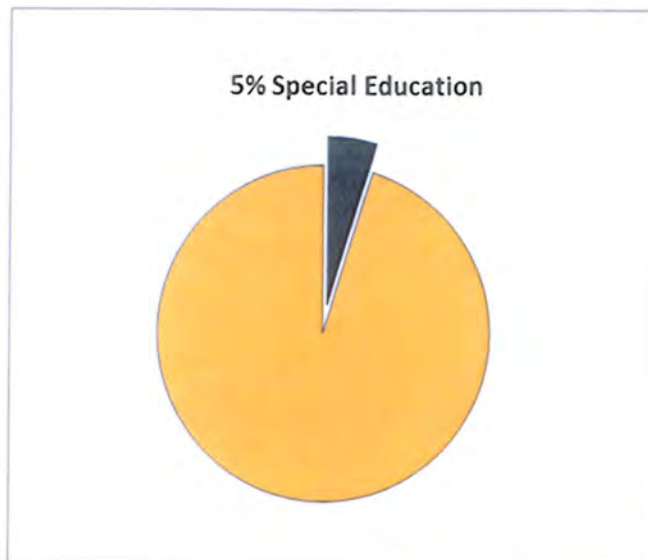
Parnassus' charter contract was executed in 2010. In 2012, the Minnesota legislature amended the charter school act to allow initial charter terms of five years, rather than the previous maximum of three years which Parnassus has. The School's charter term of three years allows only two academic data points, 2012 and 2013, which demonstrate that the School achieved 71% of its charter contract goals. In addition, the School experienced extraordinary growth in both math and reading in 2012; the School has significantly reduced the achievement gap in reading, and the School outperformed its resident district. Friends also notes that Parnassus' 2013 Quality Index of 0.517 places the School in the top one-third of all public schools in the state. Friends believes these factors – primarily the School's charter goal attainment rate of 71.5% and its 2013 Quality Index – warrant a five-year renewal, the maximum term allowed by law.

GENERAL INFORMATION

Friends granted a charter to Parnassus Preparatory School in 2011 for grades K-12. Parnassus opened the fall of 2011 with grades K-5 in Maple Grove. The School has added 6th grade in 2011-2012 school year, 7th grade for 2012-2013 school year, and grade 8 in FY2014.

Section 12.1 of the contract between Friends and the school sets forth the term of the contract, and specifies that it terminates June 30, 2014. Article X sets forth the revocation and non-renewal provisions. Friends has not issued any letters of concern or notice of intent to revoke/non-renew the contract.

Parnassus currently (FY2014) serves 760 students with the following demographics:



Parnassus' enrollment has been:

FY	Enrollment	Increase from Prior Year
2012	353	
2013	611	73%
2014	760	24%

The licensed staff/student ratio (licensed staff to ADM) has been:

2012 – 25.07

2013 – 21.50

Achievement of Purposes

As stated in its application, Parnassus Preparatory was established to achieve multiple purposes. The identified multiple purposes and evaluation of each follow: (1) Improve pupil learning, (2) Increase learning opportunities for pupils, (3) Innovative teaching methods, (4) Innovative forms of measuring outcomes, and (5) Create new professional opportunities for teachers.

1. Improve Pupil Learning:

To improve pupil learning, the School implements the classical Trivium, which has been demonstrated to improve student achievement. As discussed in the “Contract Fulfillment: Academic Performance” section, Parnassus has demonstrated improved pupil learning.

2. Increase Learning Opportunities for Pupils:

To increase pupil learning opportunities, the School located in the northwest metropolitan area which currently does not have school offering the classical Trivium academic program.

3. Innovative Teaching Methods:

To encourage the use of innovative teaching methods, the School implements the Grammar, Logic, and Rhetoric phases of the classical Trivium which each require different and innovative teaching methods. The grammar phase requires focus on content using memorization techniques. The logic phase requires the teacher to ask leading questions to stimulate students' critical thinking and arrive at valid conclusions. The rhetoric phase requires teachers to utilize guided reading and discussions, debates, and the Socratic discussion method.

4. Innovative Forms of Measuring Outcomes:

The innovative forms of measuring outcomes the School uses include the National Latin Exam and other national assessments evaluated and approved by the Board.

5. Create New Professional Opportunities for Teachers:

The school creates new professional opportunities for teachers by requiring teachers to participate in professional training with the top classical schools in the state and the nation, including Nova Classical Academy and Ridgeview Classical Schools.

Conclusion: Parnassus Prep has achieved its original five stated purposes; consequently, Parnassus has fulfilled its statutory obligation (to improve pupil learning and achieve at least one other statutory purpose)

CONTRACT FULFILLMENT: FINANCIAL PERFORMANCE

Section 6.11 of the contract between Friends and the School requires the School to submit an external audit to Friends by December 15th of each year and to comply with program, financial, and compliance audits conducted by MDE. Parnassus Preparatory filed its FY 2011 through FY 2013 external audits by the statutory and contract deadline. Friends is unaware of any audits conducted by MDE at the school.

External Audits: The school's external audits reveal:

2011: No deficiencies

2012: No deficiencies

2013: No deficiencies

State Finance Award: Friends notes that Parnassus received the state finance award for 2013 and 2014 which recognizes sound fiscal and financial management policies and procedures.

Financial Governance: Parnassus Preparatory's board approves its annual budget and monthly financial reports which demonstrate adherence to or deviation from budget. The school contracts its payment processing to an outside vendor. Parnassus Preparatory generally promptly pays its bills and is not delinquent on payroll taxes or pension payments. In addition, the school generally has timely filed its required reports with Minnesota Department of Education.

Revenues & Expenditures: Parnassus Preparatory Academy's revenue sources and expenditures for the term of the contract have been:

Parnassus Consolidated Financial Statement							
	FY13	FY13	FY12	FY12	FY11	FY11	% Change from 12 to 13
	<u>Total</u>	<u>% of Total</u>	<u>Total</u>	<u>% of Total</u>	<u>Total</u>	<u>% of Total</u>	
Revenue							
State	\$4,485,093	94.44%	\$2,476,399	84.10%	\$7,767	8.5%	81.11%
Federal	\$222,878	4.69%	\$453,034	15.39%	\$84,073	91.5%	-50.80%
Gifts/Other	\$41,018	0.86%	\$15,179	0.52%	\$0	0.0%	170.23%
TOTAL REVENUE	\$4,748,989	100.00%	\$2,944,612	100.00%	\$91,840	100.0%	61.28%
Expenses							
Instruction & Pupil Support							
Salaries/Benefits	\$1,461,686	35.75%	\$717,171	28.42%	\$0	0.0%	103.81%
Textbooks/Other	\$557,305	13.63%	\$432,340	17.13%	\$9,305	10.9%	28.90%
Subtotal	\$2,018,991	49.38%	\$1,149,511	45.56%	\$9,305	10.9%	75.64%
Administration							
Salaries/Benefits	\$376,308	9.20%	\$248,024	9.83%	\$0	0.0%	51.72%
Supplies/Other	\$219,227	5.36%	\$187,480	7.43%	\$70,893	82.8%	16.93%
Subtotal	\$595,535	14.57%	\$435,504	17.26%	\$70,893	82.8%	36.75%
Facility	\$1,206,050	29.50%	\$745,174	29.53%	\$5,426	6.3%	61.85%
Student Transportation	\$267,882	6.55%	\$192,997	7.65%	\$0	0.0%	38.80%
TOTAL EXPENSE	\$4,088,458	100.00%	\$2,523,186	100.00%	\$85,624	100.0%	62.04%
ANNUAL SURPLUS/DEFICIT	\$660,531		\$421,426		\$6,216		
Other Financing Sources-In							
Net Transfers In / -Out	-\$17,220		-\$12,316		\$0		
CUMULATIVE FUND BALANCE	\$1,058,636	25.9%	\$415,324	16.5%	\$6,216	7.3%	154.89%

#s may not total due to rounding

Parnassus Preparatory ended FY 2013 with a \$1,058,636 fund balance (25.9%) and is projected to end FY 2014 with an increase to its fund balance. Parnassus Preparatory's fund balance, compared with the other Friends' schools, is:

Fund Balance	
Clarkfield	88.00%
New Millennium	49.70%
Aspen	49.50%
Minneapolis	45.50%
Paideia	36.30%
DaVinci	32.40%
Cologne	29.50%
AVERAGE	28.52%
Parnassus Prep	25.90%
Seven Hills	20.17%
Nova	19.50%
St Croix Prep	14.20%
Beacon Prep	13.90%
Eagle Ridge	10.90%
Yinghua	9.40%
Stride	5.90%
Hennepin	5.50%

Parnassus Preparatory expense allocation, compared with other Friends' schools, is:

Percentage of Total Expenditures by Category FY2013

Instruction/Pupil Support		Administration		Facility		Transportation	
Cologne	70.06	Clarkfield	17.24	St Croix Prep	29.52	Hennepin	11.10
Beacon Prep	62.45	St Croix Prep	17.24	Parnassus Prep	29.50	Minneapolis	9.01
Paideia	62.10	Hennepin	16.90	Aspen	29.34	New Millennium	7.59
Seven Hills	61.80	Minneapolis	16.17	Stride	28.21	Seven Hills	6.64
Nova	61.71	New Millennium	15.15	Hennepin	25.85	Parnassus Prep	6.55
Clarkfield	61.33	Parnassus Prep	14.57	Paideia	24.30	Eagle Ridge	6.26
DaVinci	60.14	Eagle Ridge	14.00	AVERAGE	24.18	DaVinci	4.52
Yinghua	59.01	Beacon Prep	13.86	Yinghua	24.17	AVERAGE	4.37
AVERAGE	57.86	AVERAGE	13.59	DaVinci	23.85	Cologne	4.24
Aspen	57.75	Yinghua	13.54	Nova	23.32	Beacon Prep	4.04
Eagle Ridge	56.55	Stride	13.45	Eagle Ridge	23.19	Yinghua	3.28
Stride	55.69	Paideia	12.80	New Millennium	22.85	Nova	3.07
New Millennium	54.40	Aspen	12.73	Clarkfield	21.43	Stride	2.65
Minneapolis	54.01	Nova	11.90	Cologne	20.98	Paideia	0.80
St Croix Prep	53.24	Seven Hills	11.73	Minneapolis	20.82	Aspen	0.19
Parnassus Prep	49.38	DaVinci	11.49	Seven Hills	19.84	Clarkfield	0
Hennepin	46.14	Cologne	4.73	Beacon Prep	19.64	St Croix Prep	0

Parnassus Preparatory Academy

Friends notes that for FY 2013:

- Parnassus spent 49% of its funds on instruction and pupil support. This is lower than the FY13 Friends' school average of 58%.
- Parnassus spent 15% of its funds on administration. This is slightly higher than the FY13 Friends' school average of 14%.
- Parnassus spent 30% of its funds on its facility. This is higher than the FY13 Friends' school average of 24%.
- Parnassus spent 7% of its funds on transportation. This is higher than the FY13 Friends' school average of 4%.

The cost per student (# of students divided by the total expenditures) has been:

	2012	2013
Parnassus Preparatory Academy:	\$ 7,114	\$ 6,751
Osseo District:	\$11,331	\$11,535

Friends notes that Parnassus Preparatory provided its 2013 educational program at 59% of the local district cost and at 75% of the average of Friends' schools serving similar demographics.

Conclusion: Parnassus Preparatory has healthy enrollment, which is critical to fiscal sustainability. The School's external audits indicate no findings, reflecting sound fiscal management. The School achieved a sizable \$1 million in two operating years, reflecting fiscal prudence.

Cost Per Pupil	
Schools Serving Majority % Free/Reduced	
School	Per Student Cost
Minneapolis	\$15,625
Hennepin	\$13,375
AVERAGE	\$12,967
New Millennium	\$12,328
Clarkfield	\$10,540
Remaining Schools	
School	Per Student Cost
Beacon Prep	\$11,172
Paideia	\$10,629
DaVinci	\$9,369
Nova	\$9,335
St Croix Prep	\$9,278
Stride	\$9,259
Eagle Ridge	\$9,185
Seven Hills	\$9,134
AVERAGE	\$9,043
Cologne	\$8,798
Yinghua	\$8,381
Aspen	\$7,223
Parnassus	\$6,751

CONTRACT FULFILLMENT: ACADEMIC PERFORMANCE

AYP Status: Parnassus Preparatory has made AYP each year during the contract term, in 2012 and 2013.

Multiple Measure System: As a result of Minnesota's waiver from the No Child Left Behind law (NCLB), Minnesota has implemented the Multiple Measure System which is used to rate schools on multiple domains with the overarching goal of reducing the state's achievement gap. The ratings the state gives to schools are Multiple Measurement Ratings (MMR) and Focus Ratings (FR), which are derived from five domains: proficiency, growth, achievement gap reduction, graduation, and focused proficiency.

Parnassus Preparatory Academy's MMR and FR are shown below, as compared to the School's traditional district comparison schools and the state average:

	MMR	FR
Parnassus Preparatory Academy:	60.10%	70.69%
Comparison Schools:		
Basswood Elementary:	85.62%	87.15%
Maple Grove Jr High:	44.37%	30.00%
State of MN Average:	57.13%	62.86%

Academic Measures: Friends of Education evaluates three academic measures:

1. **Absolute Proficiency.** Expecting proficiency for all students attending its charter schools, Friends measures the charter school's percentage of students who meet or exceed state standards.
2. **Comparative Proficiency.** Expecting its charter schools to meet or exceed local district performance, Friends measures the school's proficiency against the proficiency of a local traditional district school that the charter school students would likely otherwise attend.
3. **Growth.** Expecting growth for all students attending its charter schools, Friends measures the growth students achieve each school year.
4. **Achievement Gap.** Expecting all students regardless of economic status to achieve academic success, Friends of Education evaluates the degree to which students qualifying for free/reduced lunch achieve the same proficiency rates as students not qualifying for free/reduced lunch on the MCA tests

Academic Performance – Absolute Proficiency

School-wide proficiency rates are:

	% Proficient	
	2012	2013
Reading:	86%	69%
Math:	71%	67%

2013 Proficiency rates, compared with other Friends' schools, are:

MCA Proficiency 2013

READING

Seven Hills Classical	89
St. Croix Preparatory	81
Eagle Ridge Academy	79
Aspen Academy	78
Nova Classical	78
Yinghua Academy	74
Beacon Preparatory	74
Parnassus Preparatory	69
DaVinci Academy	68
Cologne Academy	67
Paideia Academy	60
Stride Academy	54
Minneapolis Academy	40
New Millennium Academy	24

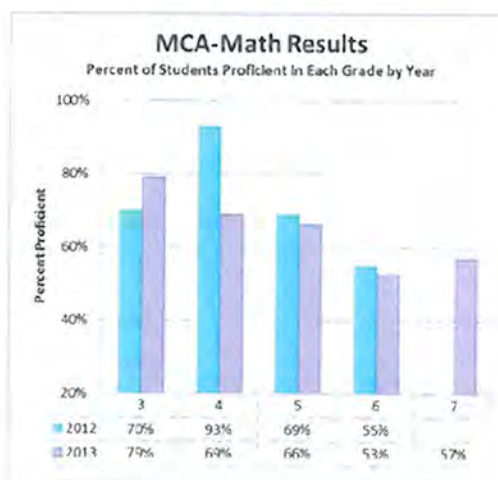
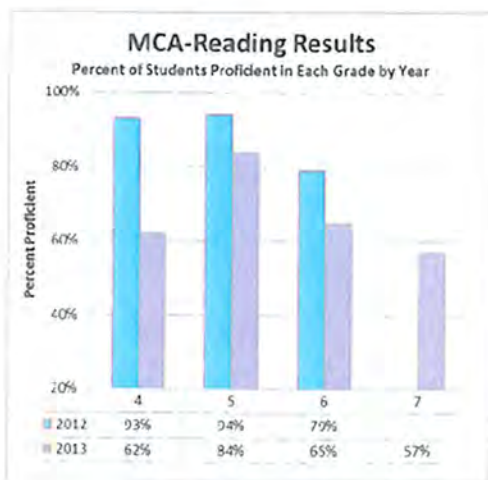
MCA Proficiency 2013

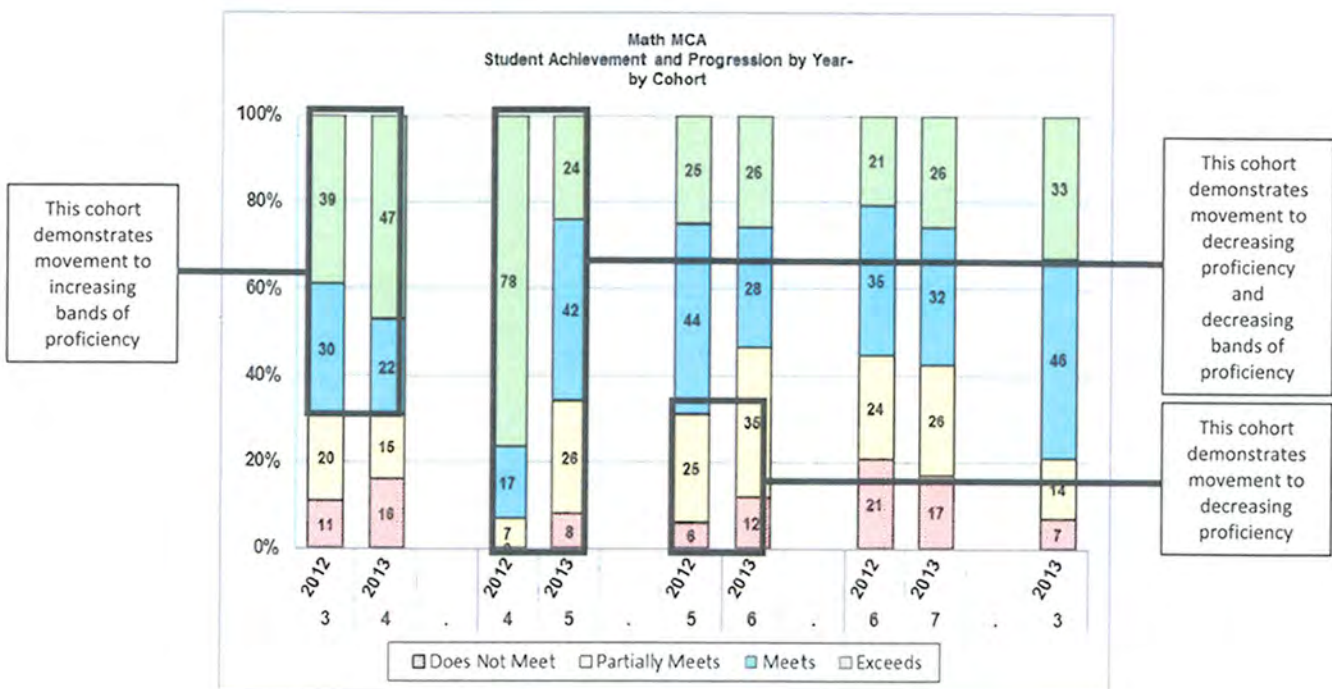
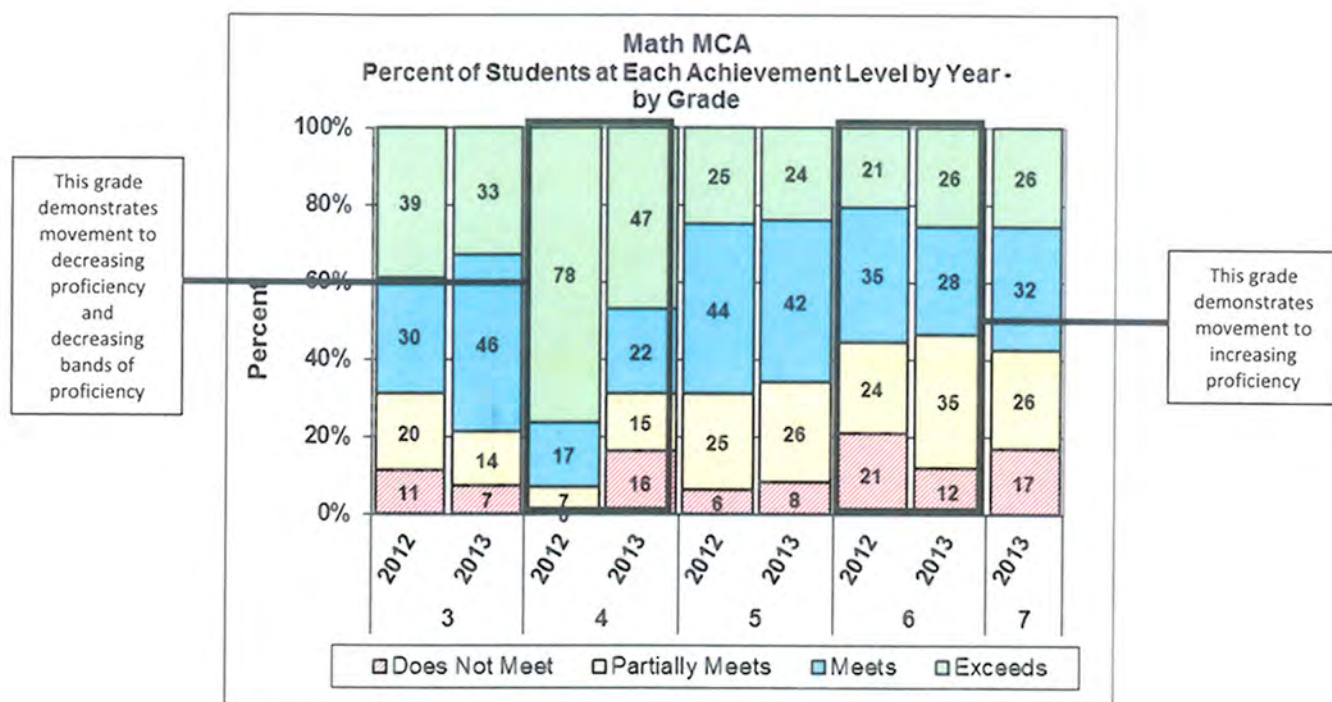
MATH

Yinghua Academy	89
Eagle Ridge Academy	88
Aspen Academy	87
Seven Hills Classical	83
St Croix Preparatory	77
DaVinci Academy	74
Cologne Academy	73
Nova Classical Academy	72
Beacon Preparatory	72
Parnassus Preparatory	67
Paideia Academy	60
Stride Academy	59
Minneapolis Academy	56
New Millennium Academy	48

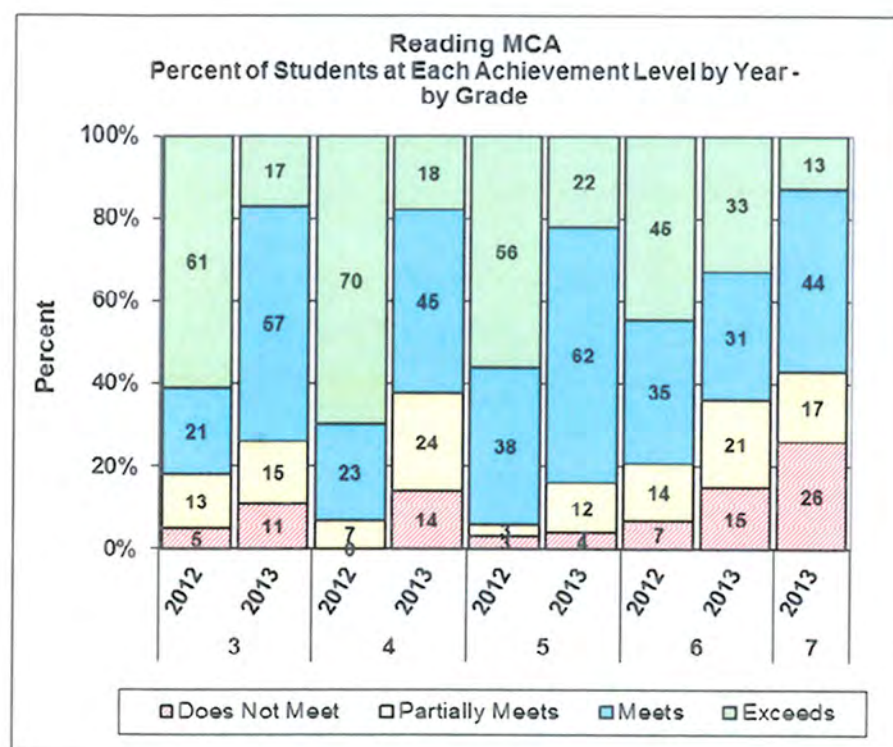
Parnassus Preparatory's grade-by-grade performance on the MCAs has been:

2013 MCA II and MCA III Student Proficiency (Meets or exceeds standards)

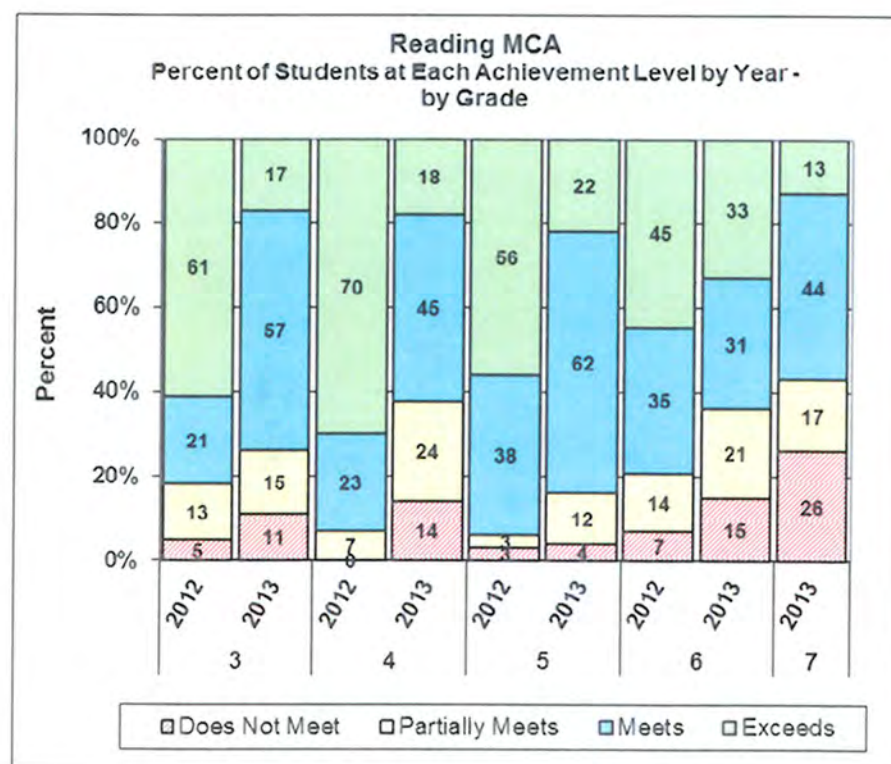




2013 displayed an overall decrease in reading proficiency across grades



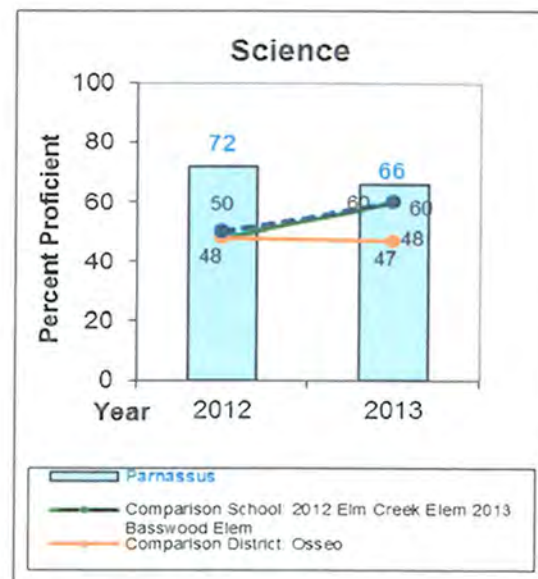
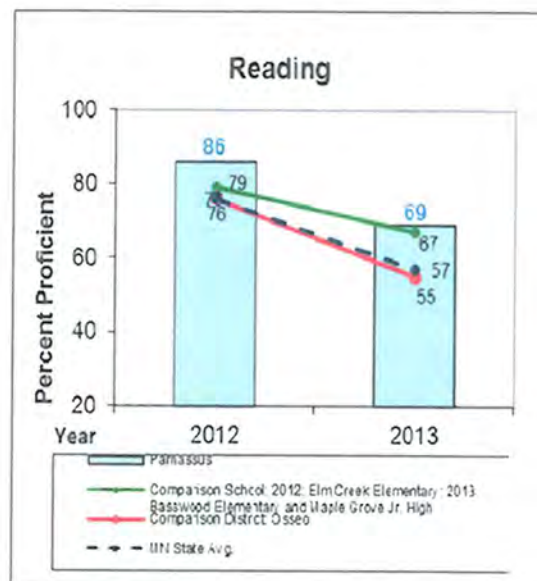
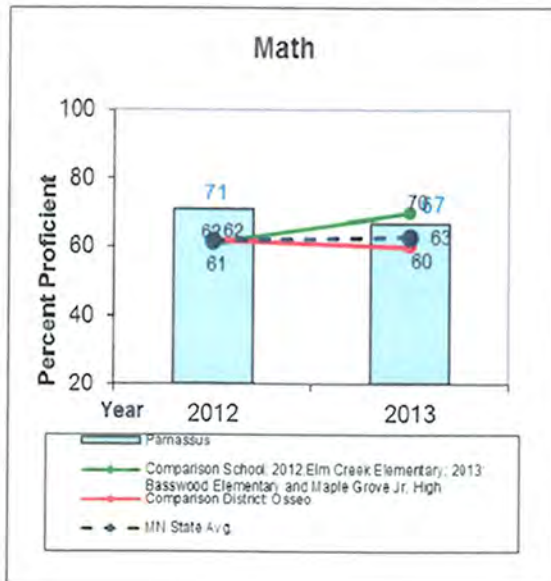
2013 displayed an overall decrease in reading proficiency across cohorts



Academic Performance – Comparative Proficiency

Parnassus' MCA performance exceeds its resident district and comparison district school in reading and science. In math, the School exceeds its resident district but not comparison school performance.

MCA II & MCA III Student Proficiency (Meets or exceeds standards)



The Comparative Proficiency % is calculated by dividing the % proficiency in the charter school (the Absolute Proficiency %) by the % proficiency in the comparison local district school.



Parnassus Preparatory's 2013 comparative proficiency performance, relative to other Friends' schools, follows.

**Comparative Proficiency %
2013**

READING	Comparison School	Comparison District	MATH	Comparison School	Comparison District
Aspen Academy	111	111	Aspen Academy	109	110
Beacon Preparatory	105	128	Beacon Preparatory	98	120
Cologne Academy	113	113	Cologne Academy	110	110
DaVinci Academy	106	114	DaVinci Academy	101	110
Eagle Ridge Academy	109	110	Eagle Ridge Academy	126	124
Minneapolis Academy	196	99	Minneapolis Academy	248	142
New Millennium Academy	193	58	New Millennium Academy	274	109
Nova Classical Academy	95	208	Nova Classical Academy	91	166
Paideia Academy	101	91	Paideia Academy	97	87
Parnassus Preparatory	103	126	Parnassus Preparatory	95	112
Seven Hills Classical	115	143	Seven Hills Classical	104	125
St. Croix Preparatory	113	115	St. Croix Preparatory	109	105
STRIDE Academy	149	116	STRIDE Academy	127	111
Yinghua Academy	92	182	Yinghua Academy	109	203

Historically, Parnassus Preparatory has generally achieved similar academic performance as its comparison school in most grades.

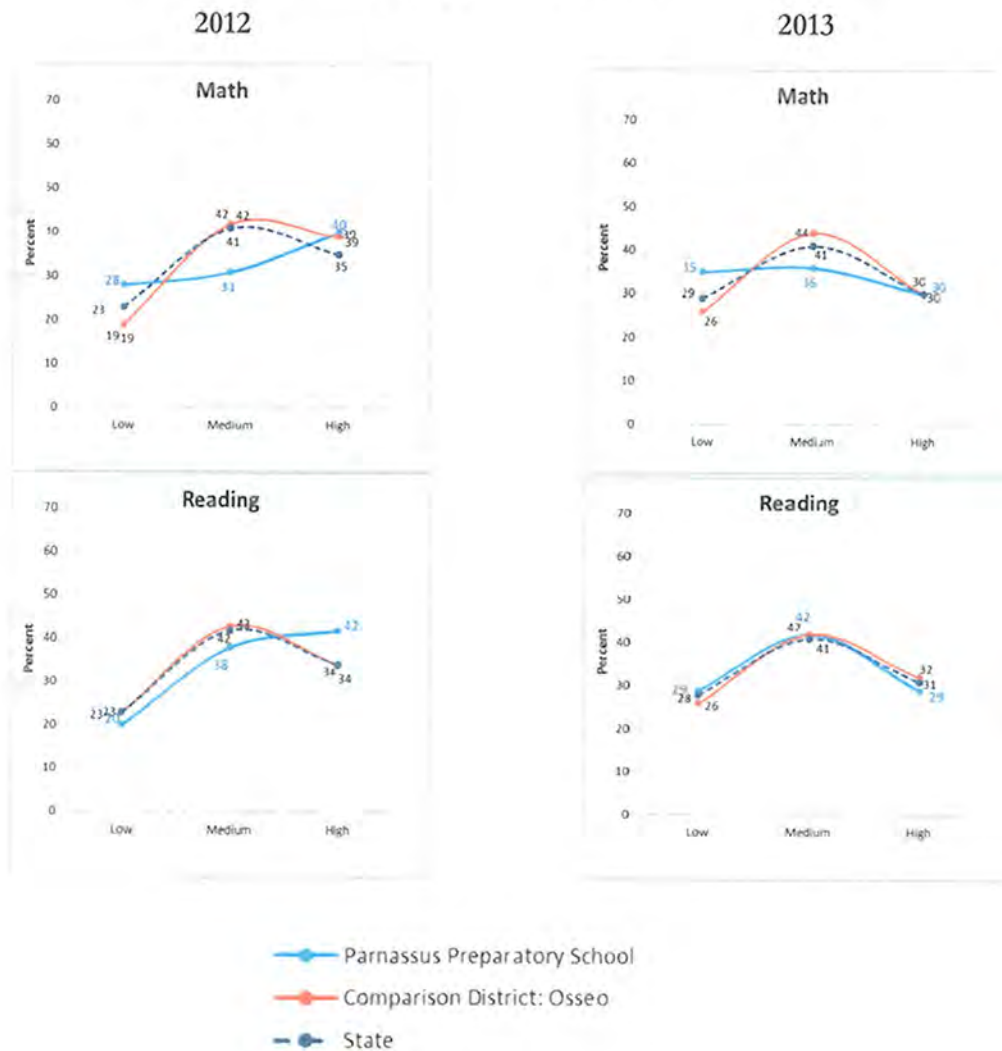
Comparative Performance Index

Reading			Math		
Grade	2012 Index	2013 Index	Grade	2012 Index	2013 Index
3	1.03	0.97	3	1.11	0.93
4	1.24	1.10	4	1.39	0.84
5	1.13	1.11	5	1.05	1.11
6	0.99	0.79	6	1.12	0.64
7		0.93	7		0.90
All	1.09	1.03	All	1.16	0.95

Academic Performance - Growth

Parnassus achieved extraordinary growth in 2012; unfortunately that growth was not replicated in 2013, with more students achieving low growth in math than achieved high growth.

MCA Growth Trends



MCA: Low Growth Performance

Inasmuch as low growth students will likely not advance, Friends of Education evaluates the percentage of students achieving low growth. In 2013, 29% of Parnassus Preparatory's students achieved low growth in reading and 35% in math, which compares unfavorably with the state average (calculated for the same grades as offered by the school) of 28% for reading and 29% for math; the resident district achieved 26% low growth in math and 26% in reading.

MCA: High Growth Performance

Because students achieving high growth are likely to continue to achieve proficiency and advance, Friends evaluates the percentage of students achieving high growth. In 2013, 29% of Parnassus Preparatory's students achieved high growth in reading and 30% in math which compares with the state average of 31% for reading and 30% for math; the resident district achieved 32% high growth in reading and 30% in math.

MCA: Adequate Growth Performance

Friends evaluates whether its schools are achieving "adequate growth". Adequate growth is calculated by adding the % of students who scored proficient on the 2013 MCA and who achieved medium or high growth from 2012 to 2013 to the % of students who did not score proficient on the 2012 MCA but who achieved high growth from 2012 to 2013. The sum of these three growth categories are identified because they are most likely to lead to continued proficiency for the already proficient student, and increased proficiency for the non-proficient student.

As demonstrated below, Parnassus Preparatory Academy achieved higher adequate growth in reading and lower adequate growth in math as the comparison school which its students would likely otherwise attend:

Adequate Growth Performance % <u>Reading</u>		Adequate Growth Performance % <u>Math</u>	
Parnassus Preparatory Academy	67.9%	Parnassus Preparatory Academy	54.2%
Comparison School	59.9%	Comparison School	59.8%
Osseo District	64.9%	Osseo District	58.1%
State of MN	63.9%	State of MN	58.5%

Parnassus Preparatory's 2013 Adequate Growth Performance, compared with other Friends schools, is:

READING	Adequate Growth	MATH	Adequate Growth
Seven Hills	85.6	Eagle Ridge	78.8
St. Croix Prep	77.8	Aspen	76.5
Aspen	75.3	Yinghua	73.4
Eagle Ridge	74.3	DaVinci	70.9
Yinghua	72.6	Seven Hills	69.4
Cologne	71.9	St. Croix Prep	67.0
Nova	70.8	Paideia	66.1
Paideia	70.6	Beacon Prep	65.3
Parnassus	67.9	Nova	63.5
Beacon Prep	67.4	Minneapolis	60.3
Stride	66.7	Stride	60.0
DaVinci	64.7	Cologne	58.7
Minneapolis	58.8	New Millennium	58.5
New Millennium	54.8	Parnassus	54.2

Academic Performance – Achievement Gap

The School's economically-disadvantaged students reading proficiency rate is on-par with the state all pass rate, demonstrating great strides in reducing the achievement gap. However, the School's math achievement gap widened between 2012 and 2013.



- FRL % Proficient
- State FRL Students % Proficient (for same grades as offered by school)
- State Non-FRL Students % Proficient (for same grades as offered by school)
- State ALL Students % Proficient (for same grades as offered by school)

Academic Performance – Contract Goals

Section 6.3 of the contract between Friends and the School requires that the School achieve the educational goals set forth in its charter contract. The School has three goal categories with measurable sub-goals in each category. Parnassus has one goal which was waived, therefore the academic goal will be weighted 2/3 and the non-academic goal will be weighted 1/3. The goals set forth in its charter contract and the school's actual performance are:

- **Goal:** State Assessment Tests (MCAs)

1. *Sub Goal:* Math: The percentage of continuously enrolled students at the school scoring at least proficient will be:

3 rd Grade	94%
4 th Grade	91%
5 th Grade	89%
6 th Grade	89%
7 th Grade	88%

Result: Not Achieved.

FY2012		FY2013	
3 rd Grade	70%	3 rd Grade	79%
4 th Grade	93%	4 th Grade	69%
5 th Grade	69%	5 th Grade	72%
6 th Grade	55%	6 th Grade	54%
7 th Grade	NA	7 th Grade	59%

2. *Sub Goal:* Math: The number of continuously enrolled students scoring at least proficient will increase 20% each year.

Result: Achieved.

FY2012	FY2013
# of students scoring proficient = 105	# of students scoring proficient= 209, a 99% increase from 2012

3. *Sub Goal:* Math: The School will demonstrate higher grade level and school-wide proficiency rates than the Osseo school district and a traditional district with similar demographics as determined by Friends of Education.

Result: Substantially Achieved.

Achieved 15 of 22 categories (68%)

2012: Achieved 6 of 10 categories

2013: Achieved 9 of 12 categories

	FY2012			FY2013		
	Parnassus Preparatory	Osseo District	Comp School	Parnassus Preparatory	Osseo District	Comp School
Grade 3	70%	62%	81%	79%	62%	64%
Grade 4	93%	68%	70%	69%	67%	60%
Grade 5	69%	59%	73%	66%	58%	65%
Grade 6	55.17%	54.78%	71%	53%	58%	75%
Grade 7	NA	NA	NA	57%	54%	61%
ALL	71%	62%	73%	67%	59%	63%

4. *Sub Goal:* Reading: The Percentage of continuously enrolled students at the school scoring at least proficient will be:

3 rd Grade	92%
4 th Grade	91%
5 th Grade	92%
6 th Grade	92%
7 th Grade	90%

Result: Not Achieved.

FY2012		FY2013	
3 rd Grade	82%	3 rd Grade	74%
4 th Grade	93%	4 th Grade	62%
5 th Grade	94%	5 th Grade	84%
6 th Grade	79%	6 th Grade	65%
7 th Grade	NA	7 th Grade	56%

5. *Sub Goal:* Reading: The number of continuously enrolled students scoring at least proficient will increase 20% each year.

Result: Achieved.

FY2012	FY2013
# of students scoring proficient = 127	# of students scoring proficient= 210, a 65% increase from 2012

6. *Sub Goal:* Reading: The School will demonstrate higher grade level and school-wide proficiency rates than the Osseo school district and a traditional district with similar demographics as determined by Friends of Education.

Result: Substantially Achieved. Achieved 19 of 22 categories, 86%

2012: Achieved 9 of 10 categories

2013: Achieved 10 of 12 categories

	FY2012			FY2013		
	Parnassus Preparatory	Osseo District	Comp School	Parnassus Preparatory	Osseo District	Comp School
Grade 3	82%	77%	88%	74%	51%	64%
Grade 4	93%	72%	82%	62%	48%	60%
Grade 5	94%	76%	83%	84%	60%	65%
Grade 6	79.3%	78.7%	49%	65%	60%	75%
Grade 7	NA	NA	NA	57%	55%	61%
ALL	86%	76%	75%	68%	55%	63%

7. *Sub Goal:* Science: 75% of all continuously enrolled students at the School will score at least proficient.

Result: Not Achieved.

FY2012	FY2013
23/32 = 72%	30/43 = 70%

8. *Sub Goal:* Science: The School will demonstrate higher grade level and school-wide proficiency rates than the Osseo school district and a traditional district school with similar demographics as determined by Friends of Education.

Result: Achieved.

	FY2012			FY2013		
	Parnassus Preparatory	Osseo School District	Comp School	Parnassus Preparatory	Osseo School District	Comp School
Grade 5	72%	49%	62%	66%	47%	61%

9. *Sub Goal:* Math Growth: The percentage of students achieving medium and high growth will be at least 70%.

Result: Partially Achieved.
 2012: Achieved
 2013: Not Achieved

FY2012	FY2013
72%	65%

10. *Sub Goal:* Math Growth - Nonproficient: The percentage of non-proficient students achieving high growth will be at least 60%.

Result: Not Achieved.

FY2012	FY2013
39%	16%

11. *Sub Goal 11:* Reading Growth: The percentage of students achieving medium and high growth will be at least 70%.

Result: Achieved.

FY2012	FY2013
80%	71%

12. *Sub Goal:* Reading Growth - Nonproficient: The percentage of non-proficient students achieving high growth will be at least 60%.

Result: Partially Achieved.
 2012: Achieved
 2013: Not Achieved

FY2012	FY2013
100%	27%

State Assessments – MCA Goal Summary: The School had twelve MCA sub-goals each worth one-twelfth towards the total of this goal category. The School achieved six of its MCA sub-goals and partially achieved two, for 38.5% $((7/12) * 0.66)$ towards the total goal attainment rate

- **Goal: NWEA Measures of Academic Progress**

Note: In 2011, the School requested and Friends agreed to waive test administration for FY2012. Consequently, the first tests were administered in the spring of 2013 and attainment of the growth cannot be measured. Because Friends agreed to no nationally normed administered tests in the School's first year, this goal is not counted against the School, and the State Assessments goal category is expanded to include this goal category and be worth 2/3 rather than 1/3.

1. *Sub Goal: Math: The rate of continuously enrolled students each year achieving targeted annual fall to spring RIT growth, according to the Achievement Status Report by NWEA, will be no less than the 80th percentile nationwide*

Result: No results

2. *Sub Goal: Math: The number of continuously enrolled student achieving RIT growth will increase 20% each year.*

Result: No results

3. *Sub-Goal: Reading: The rate of continuously enrolled students each year achieving targeted annual fall to spring RIT growth, according to the Achievement Status Report by NWEA, will be no less than the 80th percentile nationwide*

Result: No results

4. *Sub Goal: Reading: The number of continuously enrolled students achieving targeted RIT growth will increase 20% each year.*

Result: No results

Nationally-Normed Assessments Goal Summary: The School had no results for this goal.

- **Goal: School Culture**

1. *Sub-Goal: Attendance: The School will maintain at least a 95% attendance rate.*

Result: Achieved.
2012: 97%
2013: 99%

2. Sub-Goal: Parent Satisfaction Survey: At least 85% of all parents returning the annual survey will indicate overall satisfaction with the School

Result: Achieved.

2012: 90%

2013: 89%

3. *Sub Goal:* Staff Satisfaction Survey: At least 80% of all staff returning the annual survey will indicate overall satisfaction with the School.

Result: Achieved.

2012: 100%

2013: 100%

School Culture Goal Summary: The School had three school culture goals towards the total of this goal category. The School achieved two sub-goals and partially achieved one sub-goal for 33% $((3/3)*0.33)$ towards the total goal attainment rate.

ACADEMIC PERFORMANCE - CONCLUSION: The School exhibits strong performance in improving pupil learning and student achievement in multiple measures:

The School has a contract attainment rate of 71.5%.

The School's growth rates were extraordinary in 2012.

The School's economically-disadvantaged students achieve proficiency rates on-par with the state proficiency rate for all students (for the same grades as offered by the School), demonstrating great strides in reducing the achievement gap.

The School's proficiency rates in math, reading and science exceed its resident district and state average (for the same grades as offered by the school).

Specific Operational Issues

Admission Policies and Procedures. Section 7.4 of the contract between Friends and the School requires that the School have an open admissions policy and specifically prohibits limiting admission based on intellectual ability, achievement, aptitude, or athletic ability. Enrollment preferences are granted to siblings.

Management and Administration of the School. The management and administration of the School is described in Exhibit D to the Charter Contract. Exhibit D states that the board shall be elected in accordance with its bylaws. The School's board is organized consistent with state law. The School Board delegates the day to day management of the School to an administrator who is

hired and supervised by the School Board. The School Board shall decide matters relating to operations of the School including, but not limited to, budgeting, curriculum, and operating procedures. The School Board delegates to the school administrator implementation of the operational decisions made by the School Board. Based on Friends' review, the Board generally complies with its bylaws.

Parameters within which the Charter Public School will Operate to Provide the Special Instructions and Services to Children with a Disability. Contract section 8.1A enumerates the special education provisions with which the school agreed to comply, and that section also identifies the financial parameters regarding special education funding. Based on feedback from Parnassus Preparatory's special education director, Friends believes the school complies with both federal and state special education requirements.

Legal Compliance

Except as otherwise described in this evaluation, Friends believes that Parnassus Preparatory Academy complies with the following requirements/laws, as applicable:

1. Open Meeting Law, Minn. Stat. 13D
2. Educational Data, Minn. Stat. 13.32
3. Educational Records, Minn. Stat. 120A.22 Subd. 7
4. Equal Opportunities in Athletic Programs, Minn. Stat. 121A.04
5. The Pledge of Allegiance Requirement, Minn. Stat. 121A.11 Subd. 3
6. The Pupil Fair Dismissal Act, Minn. Stat. 121A.40 – 121A.56
7. Receipt of Records, Minn. Stat. 121A.75
8. Teacher Licensure, Minn. Stat. 122A.15 Subd. 1
9. The Minnesota Public School Fee Law, Minn. Stat. 123B.34 – 123B.39
10. Keeping open a school that a school board decides to close, Minn. Stat. 124D.10 Subd. 1(b)
11. Assumption of liability by the charter school, Minn. Stat. 124D.10 Subd. 25(d)
12. Financial audits, audit procedures and audit requirements, Minn. Stat. 124D.10 Subd. 6a
13. Charter School Board, Minn. Stat. 124D.10 Subd. 4(g)
14. Nonsectarian operations and affiliations, Minn. Stat. 124D.10, Subd. 8 (d)
15. The charter school's primary focus, Minn. Stat. 124D.10 Subd. 8(f)
16. Tuition, Minn. Stat. 124D.10 Subd. 8(g)
17. Student Admission, Minn. Stat. 124D.10 Subd. 9
18. Length of School Year, Minn. Stat. 124D.10 Subd. 13
19. Annual Report, Minn. Stat. 124D.10, Subd. 14
20. Information required by and submitted to the authorizer, under Minn. Stat. 124D.10
21. Provisions for transportation of pupils enrolled at the school, Minn. Stat. 124D.10 Subd. 16
22. Dissemination of information, Minn. Stat. 124D.10 Subd. 19
23. Types/amounts of insurance coverages to be obtained by the charter school, Minn. Stat. 124D.10 Subds. 6, 25
24. Charter School Revenue, Minn. Stat. 124D.11
25. Education of pupils with a disability, Minn. Stat. 125A.02, 125A.03 – 125A.24, 125A.65
26. Student Legal Records, Minn. Stat. 250B.171 Subds. 3, 5
27. Minnesota Cooperative Law, Minn. Stat. 308A
28. PERA, Teacher Retirement, and TRA, Minn. Stat. 353, 354, 354a
29. Nonprofit Corporations, Minn. Stat. 317A

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30. State and Local Health and Safety Requirements
31. Charter School Board Member Training, Minn. Stat. 124D.10 Subd. 4(f)
32. Website Disclosure Requirements, Minn. Stat. 124D.10 Subds. 4(e), 14, 27(h), 9(3)

Staff Licensing. Parnassus Preparatory's teaching staff has had the following qualifications:

	2012	2013
Licensed	93%	97%
Teaching by waiver/variance	7%	3%
Highly Qualified under NCLB	100%	96%

Facility. The lease and site of the School have been reviewed by the MDE. Fire and other safety requirements are in place.

Other

Leadership. School leadership and board management have appropriately addressed complaints. School leadership and board management have been responsive to Friends of Education requests.