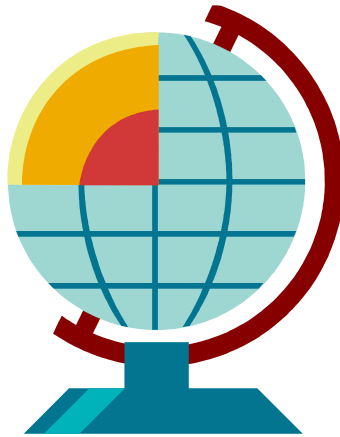


Sheridan AllPrep Academy

Charter Contract



June 30, 2015 – June 30, 2020

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CHARTER SCHOOL CONTRACT

THIS CONTRACT is made and entered into by and between the Sheridan School District (“District”) and Sheridan AllPrep Academy (“Charter Academy”).

RECITALS

WHEREAS, the Oregon Legislature has enacted ORS Chapter 338 for certain purposes as enumerated in that chapter; and

WHEREAS, on May 20, 2009 an application was submitted by Charter Academy to the District for formation of Charter Academy as a charter school to operate within the School District; and

WHEREAS, by resolution adopted 2009, the District Board granted the application and executed a three year charter agreement with Charter Academy;

WHEREAS, the Charter Academy submitted a request for renewal on November 14, 2011 pursuant to ORS 338.65(4), which was approved on November 16, 2011.

WHEREAS, the Charter Academy submitted a request for renewal on January 8, 2015 pursuant to ORS 338.65(4), which was approved on February 18, 2015.

WHEREAS, the original application and this contract between Charter Academy and the District will constitute the agreement between the parties regarding the governance and operation of Charter Academy; and

WHEREAS, the parties desire that the Charter Academy be authorized to operate and conduct its affairs in accordance with the terms of this agreement and ORS Chapter 338.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual understandings, releases, covenants, and payments herein described, the parties agree as follows:

CONTRACT

1. Grant of Charter

Charter Academy is granted a charter in accordance with ORS Chapter 338.065 and the terms and conditions of this contract to operate a charter school as described herein.

2. Effective Date; Renewal

A **Effective Date.** This contract shall commence on the date this contract is signed by both parties and shall expire at midnight on June 30, 2020. The charter school will go through the renewal process in five years.

B Renewal will follow the process outlined in ORS 338.065

Charter Academy governing body shall submit a written request to the District for consideration at least 180 days prior to the expiration of the charter. Within 45 days after receiving a written renewal request from the Charter Academy governing body, the District shall hold a public hearing regarding the request for renewal. Within 30 days after the public hearing, the District shall approve the renewal of the charter or state in writing the reasons for denying the renewal of the charter.

If the District approves the renewal of the charter, the District and Charter Academy governing body shall negotiate a new charter within 90 days after the date on which the District approved the renewal of the charter unless the District and the Charter Academy governing body agree to an extension of the time period. Notwithstanding the time period specified on the charter, an expiring charter shall remain in effect until a new charter is negotiated.

If the District does not renew the charter, the Charter Academy governing body may address the reasons and any remedial measures suggested by the District and submit a revised request for renewal to the District.

The District and Charter Academy governing body may agree in the charter of the school to a time line for renewing the charter that is different from the time line required in ORS 338.065.

If the District does not renew the charter based on the revised request for renewal, the Charter Academy governing body may appeal the decision to the State Board of Education for a review of whether the District used the process required by this section in denying the renewal of the charter.

If the state board finds that the District used the process required by this section in denying the request for renewal, the state board shall affirm the decision of the District. The Charter Academy governing body may seek judicial review of an order of the state board pursuant to ORS 183.484

If the state board finds that the District did not use the process required by this section in denying the request for renewal, the state board shall order the District to reconsider the request for renewal.

If after reconsideration the District does not renew the charter, the Charter Academy governing body may seek judicial review of an order of the District pursuant to ORS 183.484.

3. Philosophy and Mission

The philosophy and mission of Charter Academy, as described in the application, is hereby accepted by the District to the extent it is consistent with the purposes set forth in ORS Chapter 338.

4. Goals and Objectives

The goals and objectives set forth in the application are hereby accepted by the District, subject to the conditions set forth in this contract.

5. Educational Program, Student Performance Standards and Curriculum

A. Age and Grade Range

The Charter Academy shall provide instruction to students in grades K through 12.

B. Curriculum

The District agrees to waive its curricular requirements, to the extent permitted by state law, but subject to the implementation by Charter Academy of its instructional programs as outlined in its application, and as amended herein.

- (i) Charter Academy shall have the authority and responsibility of designing and implementing its educational program, subject to the conditions of this contract, in a manner which is consistent with state law.

- (ii) The educational program, pupil performance standards and curriculum designed and implemented by Charter Academy shall meet or exceed state requirements.
- (iii) Charter Academy agrees to comply with all Oregon Department of Education credit requirements for students receiving a regular high school diploma.
- (iv) Charter Academy agrees to comply with all state requirements concerning academic content.
- (v) Charter Academy agrees to provide notice of changes to the educational program outlined in its application and this contract.
- (vi) Charter Academy shall establish an administrative process for resolving public complaints against Charter Academy, including complaints regarding curriculum. A written copy of this policy shall be provided to the District.
- (vii) The failure of Charter Academy to comply with paragraph 4 is a breach of this contract.

C. Extracurricular Activities

Charter Academy students are eligible to participate in extracurricular activities at their neighborhood schools at no charge to Charter Academy as per ORS 338. Resident and nonresident Charter Academy students must comply with applicable OSAA and District rules before being eligible to participate in extracurricular activities in their resident District school.

- (i) District shall not provide transportation for a Charter Academy student to and from an extracurricular activity, except if a team member of the District.

D. Records

- (i) Charter Academy shall comply with all record keeping requirements of the Charter Academy policies and federal and state law and shall provide any reports, as necessary, to meet the District's reporting obligations to the Oregon Department of Education. Student records include, without limitation, immunization records, class schedules, records of academic performance, disciplinary actions, attendance, and documents required pursuant to the statewide assessment system under ORS 329.485(1) and any documentation required under federal and state

laws regarding the education of students with disabilities. The Charter Academy will utilize the agreed upon reporting process established by the District. A schedule of due dates is attached to this contract.

- (ii) Charter Academy shall comply with all District policies and regulations, and applicable federal and state laws, concerning the maintenance, retention and disclosure of student records, including, without limitation, the Oregon Public Records Law.

E. Nonreligious and Nondiscrimination

The educational program of Charter Academy shall be nonreligious and nonsectarian. This does not preclude the Corporation from leasing or renting a facility from a church or religious organization. Charter Academy shall not discriminate against any student or staff on the basis of race, creed, color, sex, national origin, religion, ancestry, disability, marital status, sexual orientation, or political beliefs and/or affiliations.

F. Open Enrollment

- (i) Enrollment shall be open to any child who resides within the District, and those from out of the district, in grades K through 12.
- (ii) Maximum school ADM will be 150 students, or by district agreement. The minimum enrollment for each year of this contract will be 30 ADM. The District may terminate this charter if student enrollment in Charter Academy falls under 30 ADM during any school year.
- (iii) As provided in ORS 338.125, the Charter Academy will give admission preference to (1) students who were enrolled in the Charter Academy in the prior year, and (2) applicants who have siblings who are presently enrolled in the Charter Academy and who were enrolled in the Charter Academy in the prior year, and (3) waitlist carryover re-applicants.
- (iv) Using the lottery process, the Charter Academy shall establish a waiting list of students who shall be offered the opportunity to enroll at Charter Academy if additional space later becomes available. Charter Academy shall not permit dual enrollment of any student at both Charter Academy and another public school or non-public school unless by consent of the District.

G. Admission

Admission of students to Charter Academy shall be determined in accordance with the application, except as amended in this contract. Charter Academy will follow the admission and lottery policies contained in ORS Chapter 338. "Admission" means that the student has (1) enrolled with Charter Academy; (2) successfully completed the lottery; and (3) been formally accepted as an Charter Academy student by Charter Academy.

- (i) There will be no limit as to nonresident student admissions unless otherwise dictated by state law or by agreement with the District.
- (ii) When a student is admitted in to the Charter Academy, the Charter Academy shall provide a notice to the District, and if different, the student's resident district, stating the student's name, age, address and the name of the school the student was previously enrolled. This notice must be provided within 10 days of admission.
- (iii) When a student withdraws from the Charter Academy for any reason other than graduation, the Charter Academy shall provide notification to the District, and if different, the student's resident district, stating the name, age and address of the student, the reason the student is no longer enrolled, the last date of attendance, and the school the student will enroll, if known. This notice must be provided within 10 days of withdrawal. (ORS.338.120)

H. Student Attendance, Conduct and Discipline

Charter Academy shall implement a system of uniform student discipline consistent with the Charter Academy policies and rules concerning conduct and discipline. Charter Academy shall comply with all policies and rules concerning student attendance, standards of conduct and discipline. Charter Academy shall notify its students of the student rights and responsibilities in the same manner that the District notifies its students. Charter Academy shall maintain accurate enrollment data and daily records of student attendance and shall provide these data to the District on a monthly basis. Charter Academy shall maintain enrollment and attendance data on the District's student information system. The District shall provide the Charter Academy with software access and district training to allow Charter Academy personnel to input such enrollment data.

- (i) Student attendance at Charter Academy shall be in compliance with Oregon's compulsory attendance laws.

- (ii) Discipline involving suspension and expulsion shall be achieved according to Oregon law. All Charter Academy expulsion proceedings shall be administered by a District hearings officer. Charter Academy shall employ a District approved hearings officer for expulsion hearings at its own cost. This shall be a contracted service. A student expulsion by a hearings officer may be appealed directly to the District Board under applicable Board Policy and Rule.
- (iii) Further, upon determining that initiation of expulsion proceedings is warranted, the Charter Academy shall provide the District with written notice within three days of such determination and no later than five days following the suspension of such student with a summary statement of the grounds and evidence warranting suspension. The District approved hearings officer shall then commence expulsion appeal proceedings in accordance with the District approved Charter Academy policies, rules and procedures for the expulsion of students. A student expulsion by a hearings officer may be appealed directly to the School Board under applicable Board Policy and Rule.

I. Education of Students With Disabilities

Charter Academy will comply with all Charter Academy policies and regulations and the requirements of federal and state law concerning the education of children with disabilities under the Individuals with Disabilities Education Act (“IDEA”). Compliance by Charter Academy includes, but is not limited to, the following:

- (i) Charter Academy will comply with all Charter Academy policies regarding discipline of special education students;
- (ii) The IEP team is determined by state and federal law. The Charter Academy IEP team must have a District representative in attendance, as well as appropriate District specialists;
- (iii) The student’s IEP team will determine the appropriate educational program and placement for the Charter Academy student. Charter Academy shall abide by the IEP team’s decision on program and placement;
- (iv) Charter Academy staff will comply with training required by an IEP team for delivery of services to a CHARTER student;

- (v) The funds from the Oregon Department of Education representing the ADMw for special education for Charter Academy special education students shall be retained by the District;
- (vi) The District has the discretion to determine which specialized programs will be offered at the Charter Academy site;
- (vii) The Charter Academy student's IEP team may recommend any appropriate placement of the Charter Academy student based on the student's needs, whether in or out of the charter school. Charter Academy shall not change the student's program without IEP team action;
- (viii) Special education transportation will only be provided to a Charter Academy special education student if it is a related service on a Charter Academy student's IEP;
- (ix) Charter Academy will notify the District within five days of enrolling if a new student may need special education services.
- (x) If, after a student is enrolled and attending Charter Academy, the staff and employees of Charter Academy suspect a student may be eligible for special education and related services under IDEA, Charter Academy shall comply with the District practices and policies for referral of the student for evaluation.

J. General Education 504/TAG Plans

Charter Academy shall comply with all Federal regulations regarding 504 plans or TAG plans and shall provide its educational program to these students in a manner that meets their needs as described in their 504 or TAG plan.

K. Academically Low Achieving Students

Charter Academy shall identify academically low achieving students and shall provide its educational program to these students in a manner that best serves their needs.

L. Tuition

Charter Academy will not charge tuition for programs, classes or courses of study which are part of the regular school program. Charter Academy may charge reasonable fees for textbooks, instructional materials, after-

school programs, summer school programs, and student activities and repair of equipment as defined in ORS 339.155.

M. Student Welfare and Safety

Charter Academy shall comply with all District approved Charter Academy policies and regulations and applicable federal and state laws, concerning student welfare, safety and health, including, without limitation, the reporting of child abuse, accident prevention and disaster response, and any local, state or federal regulations governing the operation of school facilities.

N. English as a Second Language

The Charter Academy shall provide English Language Learner (ELL) education services in a manner consistent with that in the application, provided that Charter Academy shall identify students who require ELL education, shall assess the English language proficiency of all students identified as coming from a non-English speaking background, and shall provide ELL education for such students. Charter Academy will provide any special services that are required for English as a second language students pursuant to District approved Charter Academy policies and state and federal law.

O. Health and Social Services

Charter Academy will contract with the District or other service providers for the delivery of health and social services for students:

- (i) Charter Academy shall comply with ORS 339.377 relating to the required reporting on child abuse, identification and prevention.
- (ii) Charter Academy shall immediately inform the District Superintendent's office of any incident regarding child abuse and neglect.
- (iii) Charter Academy shall comply with state and federal law relating to drug administration to students.

P. School Year; School Day; Hours of Operation

Charter Academy may maintain a typical nine-month school year for its regular academic program. Charter Academy may also operate summer programs if sufficient funds are available from Charter Academy's operating budget.

Q. Alternative Education Model

Subject to applicable state and federal laws, the District shall allow Charter Academy to promote and implement learning situations that are flexible with regard to environment, time, structure and pedagogy. Charter Academy may grant credits to its students under the criteria set forth in OAR 581-022-1350(2) and (3).

R. Charter Academy Requirements

Requirements as Virtual Public Charter School Pursuant to ORS 338.120, The Charter Academy agrees to implement the following requirements.

- i. A plan for implementing the proposed educational program by directly and significantly involving parents, guardians, and the professional employees of the school.
- ii. A plan to provide equitable access to the educational program compliant with ORS 338.120(I)(h).
- iii. A plan to conduct a minimum of six educational events per school year, at locations convenient to all students enrolled in the Charter Academy who want to participate.
- iv. A plan to conduct meetings at least twice a week between students and teachers.
- v. A plan to provide opportunities for face-to-face meetings between students and teachers at least six times per school year.

6. Evaluation of Student Performance and Procedures for Corrective Action

Charter Academy shall pursue and make reasonable progress towards the achievement of the goals, objectives and student performance standards consistent with those set forth in its application, provided that such goals, objectives and student performance standards shall at all times remain in compliance with Oregon law. Charter Academy's plan for evaluating student performance, the types of assessments to be used, the timeline for achievement of performance standards, and the procedure for taking corrective action in the event that student performance at Charter Academy falls below those standards, shall be consistent with the application and as further described in subsequent agreements between Charter Academy and the District. In all regards the methods of student assessment will ensure that students are being assessed, and the assessments are valid.

- A. The Charter Academy shall meet or exceed District performance scores in mathematics and English language arts. The Charter Academy scores on the School Report Card represent all students in grades 3-8 and 11. District performance scores as reported on the District Report Card will be combined to calculate the average scores for all students in grades 3-8 and 11.

When the Charter Academy's annual performance targets meet or exceed the targets described above, the Charter Academy's annual student performance targets shall grow by at least one percentage point each year.

If there is a reliable comparison between OAKS and SBAC scores, the determination regarding whether or not a target has been met will be based on this comparison. If there is not a reliable comparison, the 2014-2015 scores will be a baseline for future years.

The Charter Academy shall meet or exceed District performance for students in the areas of freshmen on track and high school completion.

- B. School Improvement Plan. If the Charter Academy does not meet annual performance targets required in 6.A., the Charter Academy shall improve school performance as described in this section.
- (i) If a mathematics or English language arts performance target is not met, the Charter Academy shall submit a detailed written plan to support improvement toward meeting the annual student performance targets. The plan will be submitted and approved by the District superintendent no later than 30 days after the release of the Oregon School Report Card.
 - (ii) If the same target is not met for two consecutive years, the Charter Academy shall submit a detailed written plan to support improvement toward meeting the annual student performance targets. The plan will be submitted and approved by the District superintendent no later than 30 days after the release of the Oregon School Report Card. The Charter Academy shall receive professional development and training at the expense of the Charter Academy for the purpose of assisting the Charter Academy in achieving its annual performance goals.
 - (iii) If the same target is not met for three consecutive years, the Charter Academy shall hire or contract with a school improvement leadership coach with school turnaround and

school leadership experience. ODE will provide the Charter Academy board with a list of candidates with qualifications in school improvement.

- (iv) If the target for freshmen on track or completion rate are not met, the Charter Academy shall submit a detailed written plan to support improvement toward meeting the annual promotion target. The plan will be submitted and approved by the District superintendent no later than 30 days after the release of the Oregon School Report Card.

7. Economic Plan, Budget and Annual Audit

A. Funding

- (i) The District shall provide funding to Charter Academy in an amount per weighted average daily membership (ADMw) of Charter Academy that is equal to a minimum of 85 percent of the amount of the District's charter school rate per ADMw as calculated under ORS 327.013 for Charter Academy students in grades kindergarten through eighth grade and an amount per ADMw of Charter Academy that is equal to a minimum of 95 percent of the amount of the District's charter school rate per ADMw for Charter Academy students in ninth through twelfth grade. Funding shall be determined based on enrollment as of the date by which the District must submit its October Report to the Oregon Department of Education. So long as Charter Academy is not in violation of this contract, this funding will be made available to Charter Academy commencing on the date set forth and according to the distribution schedule set forth in paragraph 7.A.(ii) below. The District, at its sole discretion, may advance funds to Charter Academy upon request. In addition, to the extent the District experiences any reduction or increases will be made to Charter Academy by adjustment or setoff in subsequent months.
- (ii) For the purposes of calculating ADM for individual students, students enrolled in four or more classes will be considered full time 1.0 ADM and students enrolled in one to three classes will be considered .5 ADM.
- (iii) This Contract will be changed to conform to any changes in state law relating to the calculation of ADMw or otherwise that affects funding of charter schools.
- (iv) Distribution of Funds. The District shall distribute (both ADM and additional operational funds) Charter Academy funds as

determined in paragraph 7.A.(i), in the following amounts and on the following dates:

- July 25, one-sixth (1/6)
- August 25, one-twelfth (1/12)
- September 25, one-twelfth (1/12)
- October 25, one-twelfth (1/12)
- November 25, one-twelfth (1/12)
- December 25, one-twelfth (1/12)
- January 25, one-twelfth (1/12)
- February 25, one-twelfth (1/12)
- March 25, one-twelfth (1/12)
- April 25, one-twelfth (1/12)
- May 25, one-twelfth (1/12)
- June 25, the balance subject to final adjustment by ODE.

(a) There will be an adjustment with the final June payment, as provided in state law, to reflect changes in calculation of ADMw, changes, if any, in the general purpose grant amount, and changes, if any, with respect to funding during prior school years.

(b) The parties recognize that there may be fluctuations from month to month in the total sum on which these percentage amounts are calculated due to fluctuations in the Charter Academy ADMw during a school year, as well as due to possible changes in the state's determination of the general purpose grant, and thus the amount payable by the District to the Charter Academy may change from month to month. These fluctuations will be dealt with as follows:

(c) If the Charter Academy's actual ADMw is less than the projected ADMw given to the District in their proposed budget under Section 7.B.(i) then the monthly amount under paragraph (i) will be reduced accordingly, consistent with the formulas set forth in Sections 7.A.(i); the purpose of this is to make sure that there are not in effect "overpayments" for several months during the year, which would result in a greatly reduced final payment to the Charter Academy;

(d) If the Charter Academy's actual ADMw is more than the projected ADMw given to the District in their proposed budget under Section 7.B.(i), the monthly payments may be increased to reflect such a change. If the payments are not increased, the monthly payments will continue to be based on the projected ADMw, until the District receives from the state its "balance" payment in June of the school year [or whichever month may be

set by state law]; and at that time a recalculation of the total sum due to the Charter Academy will be made so that the balance due will then be paid, consistent with the formulas set forth in Section 7.A.(i); the purpose of this is to ensure that the District is not required to make larger monthly payments than it had planned based on the Charter Academy's projected ADMw, when the District is not receiving state school funds on account of the Charter Academy's higher-than-projected ADMw (until the District receives the "balance" payment from the state).

Thus, there will be an adjustment with the final payment, as provided in state law, to reflect changes in calculation of ADMw and changes, if any, in the general purpose grant amount, as well as changes with respect to funding during prior school years that may be based on final calculations of ADMw and the general purpose grant amount that are not finalized until after the end of a school year.

- (iii) Other Sources of Fund for Charter Academy. The parties acknowledge that Charter Academy is or may be entitled to other state and federal sources of funds for schools which are not included in the per capita tuition payment described in this contract.
- (iv) Outside Funding. Charter Academy may accept gifts, donations or grants pursuant to ORS Chapter 338, provided that no such gifts, grants for donations are accepted in contrary to applicable law or to the terms of this contract. If the District uses the Charter School ADMw or ADMr in the application for grant funds then the District shall also transfer to the Charter Academy its proportionate share of any federal, state, or other government grants (or other funding) that are made to the District, where the amount of the grant (or other funding) is based on the District's ADMw, ADMr, enrollment, or other count or calculation of number of students. In the event that Charter Academy solicits funding from sources other than the District, it shall comply with all applicable state and federal laws regarding reporting of such charitable solicitations. Charter Academy shall annually report all gifts, donations and grants to the District by recording the same in the financial records required in paragraph 7.C. below.
- (v) Inadequate Funding. Inadequate funding for Charter Academy is grounds for the District to terminate this charter. Any financial commitment on the part of the District contained in this contract is subject to annual appropriation by the District and the parties agree

that the District has no obligation to fund Charter Academy operations except as expressly provided herein.

- (vi) Refund of Unspent Funds. In the event that this contract is revoked or is not renewed by the District, Charter Academy shall refund to the District all unspent funds in accordance with Section 11 of the ORS Chapter 338.

B. Budget

- (i) On or before April 15th of each year, Charter Academy shall submit to the District for its approval Charter Academy's proposed budget for the upcoming school year.
- (ii) Charter Academy shall be responsible for all costs associated with school operations, including the costs of subcontracting for goods and services, except as expressly provided in this contract.
- (iii) The fiscal year of the Charter Academy shall begin on July 1 of each year and end on June 30 of the subsequent year.

C. Financial Records, Audits and Accounting Reports

Charter Academy agrees to establish, maintain and retain appropriate financial records in accordance with all applicable federal, state and local laws, rules and regulations and to make such records available to the School District, as requested, from time to time. Charter Academy shall have an annual audit of its accounts in accordance with the Municipal Audit Law, ORS 297.405 to 297.555 and 297.998. Charter Academy will provide the District with a copy of the audit in conjunction with the District's audit deadlines and received prior to November 30.

- (i) Financial Management. Charter Academy shall operate in accordance with GAAP or other generally accepted standards of fiscal management, provided that Charter Academy's accounting method shall comply in all instances with applicable governmental accounting requirements.
- (ii) Budget and Cash Flow. Charter Academy shall prepare and provide to the District a copy of its annual budget. no later than July 1 in conjunction with the annual report under section 8.L
- (iii) Statement of Management and Financial Controls. At all times, Charter Academy shall maintain appropriate governance and managerial procedures and financial controls. Charter Academy shall retain a certified public accountant or other similar

professional who shall perform a review of Charter Academy's management and financial controls and who shall provide a statement to the District no later than June 1 of each school year concerning the status of those controls in conjunction with the annual report under section 8.L. The initial statement must address whether Charter Academy has the following in place: (1) generally accepted accounting procedures; (2) a checking account; (3) adequate payroll procedures; (4) bylaws; (5) an organizational chart; and (6) procedures for the creation and review of monthly and quarterly financial statements, which procedure shall specifically identify the individual who will be responsible for preparing such financial statements in the following fiscal year. This information may be submitted in conjunction with the annual audit. In the event that the initial statement reveals that any of the above controls are not in place, Charter Academy shall remedy such deficiency no later than September 30 of each school year.

- (iv) Charter Academy Account, Income and Expense Reports. Charter Academy shall submit monthly income and expense reports, or post them online, and submit monthly balance sheets showing liabilities and assets and an Aged Accounts Payable statement showing any accounts that are 30, 60, 90 or 90+ days past due to Charter Academy by the 15th of each month. If these financial records have not been reviewed at the time of submission to the District, any corrections required upon review by the OCAA board shall be submitted to the District the following month.
- (v) Charter Academy Audit. Charter Academy shall provide the District with copies of letters from the Charter Academy auditor to the Charter Academy Board prior to November 30 and in conjunction with the annual report under section 8.L.
- (vi) Charter Academy Review. Charter Academy and the District shall review the operations of the Charter Academy at the conclusion of each school year to review the financial operation of the Charter Academy and the following year's budget in conjunction with the annual report under section 8.L.
- (vii) Charter Academy Student Enrollment. The Charter Academy shall maintain accurate student enrollment records within the Districts system.

D. Building

- A. Charter Academy shall be located at a mutually agreeable site within the Sheridan School District boundaries. Charter Academy shall obtain and submit to the District all applicable occupancy

permits and health and safety approvals for any new school building, and an executed copy of the lease agreement for the building (if Charter Academy leases space). District will work with Charter Academy for a suitable location. The Charter Academy agrees that this location will be within the District. At this location, student and school records shall be maintained and open for inspection as required by law.

- (i) Charter Academy Occupancy. Charter Academy shall take such actions as are necessary to ensure that the lease, occupancy permits and health and safety approvals remain valid and in force and shall certify to the District no earlier than June 1 and no later than July 1 of each school year that such leases, certificates and approvals remain in force.
- (ii) Charter Academy Location. Charter Academy may change its physical location or obtain additional facilities provided that the Charter Academy fulfills the obligations and provides the information set forth in this section with respect to such new or additional facilities, and provided further that Charter Academy notifies the District of the proposed change in location or addition of facilities not less than 30 days prior to taking any final action in connection therewith.

8. Governance and Operation

Charter Academy shall govern and operate the charter school as set forth in its application to the extent permissible under federal and state law and subject to all conditions of this contract. In addition, the application is amended as follows, which amendments, and all other provisions of this contract, shall supersede and control over any conflicting language contained in the application:

A. Governing Board

The governing board of Charter Academy shall consist of three (3) to seven (7) members, or an amount consistent with its Articles of Incorporation. No District employee shall serve on the Board of Charter Academy.

B. Corporate Status

Charter Academy is and will remain an Oregon nonprofit corporation and will provide the District with changes in its Articles of Incorporation or Bylaws. Charter Academy's Articles of Incorporation and/or Bylaws will include a provision specifying that upon dissolution, voluntary or

otherwise, assets not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and obligations of Charter Academy shall be returned to the state. Unless a donor or grantor specifically provides otherwise, all gifts, donations and grants are assumed to be to the charter school, and shall be included among the assets returned to the state upon dissolution unless otherwise required by law. Charter Academy shall provide a full copy of all Charter Academy corporate documents before the signing of this contract.

C. Conflict of Interest

The governing board and any employees of Charter Academy shall comply with the District policies and regulations and state law regarding public employee ethics and conflicts of interest. A person who is a member of the Charter Academy governing board may not be an employee of any third party entity which the Charter Academy contracts with to provide educational services.

D. Nonreligious, Nonsectarian Status

Charter Academy agrees that it shall operate, in all respects, as a nonsectarian, nonreligious public school. Charter Academy shall not be affiliated with any nonpublic sectarian school or religious organization.

E. Nondiscrimination

Charter Academy shall comply with all applicable federal, state and local laws, rules and regulations regarding nondiscrimination, including, without limitation, statutory and constitutional provisions prohibiting discrimination on the basis of disability, age, race, creed, color, sex, national origin, religion, ancestry, marital status, political beliefs and/or affiliations, or sexual orientation.

F. Accountability

Charter Academy shall be accountable to the District and subject to all Charter Academy policies and regulations. All records established and maintained in accordance with the provisions of this contract, Charter Academy policy, and federal and state law shall be open to inspection by the District. Charter Academy shall participate in the statewide assessment system developed by the Department of Education under ORS 329.485(1). Charter Academy is obligated to collect and provide to the District such data regarding staffing, student enrollment, student records, state reports, and school operations, as set by state timelines of reporting.

G. Public Meetings

Charter Academy and its Board of Directors are subject to the provisions of the Oregon Public Meetings Law, ORS 192.610 to 192.690. As part of this requirement, minutes must be taken as required by law. Copies of the approved minutes shall be forwarded to the District within 10 days of every meeting of the Charter Academy Board of Directors meeting.

H. Indigent Students

Charter Academy shall waive all fees for indigent students in accordance with Charter Academy policy and applicable federal and state law. Charter Academy shall survey its student population for eligibility for free and reduced lunches under federal and state law if it elects to provide lunch for its students. If Charter Academy elects to provide for meals, it shall comply with the Federal Free and Reduced lunch program. Students who are from families that qualify as low-income under federal law shall be provided access to a computer and printer and offered an internet service costs reimbursement.

I. Operational Powers

Subject to the conditions and provision of this contract, Charter Academy through its Board of Directors shall be fiscally responsible for its own operations within the limitations of any funding provided by the School District and other revenues derived by Charter Academy consistent with law. Charter Academy will be responsible for all of the personnel decisions required for the staffing of Charter Academy.

- (i) Charter Academy Powers: Charter Academy shall have the authority to exercise independently, also consistent with the federal and state law, the following powers (including such other powers as provided for elsewhere in this contract): contract for goods and services necessary for the operation of Charter Academy; prepare a budget; procure insurance; lease facilities for school purposes; purchase, lease or rent furniture, equipment and supplies; retain fees collected from students in accordance with law; organize and carry out fundraising efforts; and accept and expend gifts, donations or grants of any kind in accordance with such conditions prescribed by the donor as are consistent with law and not contrary to any of the terms of this contract.

The Charter Academy will comply with all State and Federal laws for discipline and academic standards as outlined in this contract.

J. Purchasing Requirements

Unless purchased from or through the District, contractual services and purchases of supplies, materials and equipment shall be procured through a purchasing system developed by Charter Academy.

K. Third-Party Contracts

- i. Charter Academy shall not enter into any contract for comprehensive school management or operation services to be performed in substantial part by an entity not a party to this contract, unless Charter Academy has first submitted such contract to the District for approval and executed a contract services rider with the District acceptable to the District.
- ii. In the event that the Charter Academy enters into a contract with a third party entity to provide educational services for the Charter Academy:
 - a. No employee of the third party entity may attend an executive session of the District Board.
 - b. Charter Academy employees may not promote the sale or benefits of provided supplemental services offered by the third party entity.
 - c. The educational services offered by the third party entity must be compliant with state standards.
 - d. The Charter Academy must have on file the budget for the third party entity that itemizes: The salary of supervisory and management personnel providing services to the Charter Academy in this state, the annual operating expenses and profit margin of the entity for providing educational services in this state.

L. Annual Report and Review

Charter Academy will submit an annual report by June 1 to the District which will include, without limitation, the following:

- (i) Summary data on the progress toward meeting its academic goals and objectives;
- (ii) Student attendance and student discipline information; and
- (iii) Any other information the District deems necessary to demonstrate that Charter Academy is in compliance with state and federal law and the terms of this contract.

M. Term

The Charter Academy charter and this contract are to be effective as of the date this contract is signed by both parties and approved by the District, and will last for a period of five school years, subject to the continued financial stability of Charter Academy. This contract may be renewed by joint agreement between the District and Charter Academy pursuant to ORS 338.065.

In the event the contract is not renewed prior to the expiration of the contract, this contract shall terminate at midnight on June 30, 2020 and the Charter Academy shall dissolve pursuant to paragraph 8.N.

N. Termination

(i) Grounds for Termination: The District may revoke the charter and terminate this contract on any of the following grounds:

- a) Violation of or failure to meet and sustain any terms of this contract or of ORS Chapter 338.
- b) Failure to meet the requirements for student performance stated in the application.
- c) Violation of any federal or state law including those related to Oregon diploma and NCLB requirements.
- d) Failure to maintain insurance as described in this contract.
- e) Failure to maintain financial stability, as used in this contract shall mean the continued inability of Charter Academy to meet its financial obligation when due
- f) Failure to maintain, for two or more consecutive years, a sound financial management system described in the proposal submitted under ORS 338.045 and incorporated into the written charter under ORS 338.065.

(ii) Notice and Appeal: The District shall provide 60 days prior written notice of its intent to terminate the charter agreement. Charter Academy may appeal the District's decision to terminate the charter agreement directly to the District Board. Charter Academy may respond to the allegations in the District's written notification by offering documentary evidence and oral argument. The District bears the burden of proving the allegations in the written notification by a preponderance of the evidence. Charter Academy has the burden of proof for any affirmative defense to the allegations by a preponderance of the evidence. The Board's

decision may only be appealed to the Oregon Department of Education according to ORS 338.105.

- (iii) Charter Academy Decision to Terminate: Should Charter Academy choose to terminate this contract and revoke its charter before the end of the contract term, it may do so with the District's Board approval, at the end of a semester, all assets not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and operations of Charter Academy shall be returned to the District.
- (iv) Termination for Health and Safety Reasons: The District may, pursuant to ORS 338.105(4), terminate this contract and revoke Charter Academy's charter if Charter Academy is endangering the health and safety of students. Charter Academy may appeal this decision in writing to the District Board. The District Board has 10 days to provide an opportunity for a hearing. Under this subparagraph, the charter school shall remain closed at the discretion of the District.

O. Dissolution

In the event Charter Academy should cease operations for whatever reason, including, but not limited to, the non-renewal or revocation of its charter, or dissolution of the nonprofit corporation, it is agreed that the Corporation's legal authority to operate as a private school shall not be abridged. The Charter Academy shall be responsible for the return and/or disposition of any assets acquired by purchase or donation by Charter Academy during the time of its existence. All assets not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and obligations of Charter Academy shall be returned to the state. Any deficit is not the responsibility of the District.

9. Employment Matters

Charter Academy will serve as the employer for the staff at Charter Academy. This designation will apply to all Charter Academy's licensed and classified staff and administrators. Licensed and classified staff may choose to be included in their respective bargaining units in the same manner as all other District employees. Charter Academy has the right to set all terms and conditions of employment, subject only to state and federal law.

A. Hiring of Personnel

The Charter Academy board and administrative staff will use Charter Academy adopted procedures in bringing recommendations for the hiring

of personnel forward to the Charter Academy Board. Hiring of personnel will be at the sole discretion of the Charter Academy Board. The Charter Academy Board has authority to hire, discipline, supervise or terminate its employees.

B. Employee Compensation, Evaluation and Discipline

Charter Academy will make all decisions regarding compensation, evaluation, promotion, discipline and termination of employees working at Charter Academy, subject to the terms of the contract agreements.

- (i) The District will not be responsible for the supervision and evaluation of the teaching staff within Charter Academy.
- (ii) Charter Academy is not bound by District policies, but is bound by federal and state law regarding recruitment, promotion, discipline and termination of personnel; methods for evaluating performance; and a plan for resolving employee-related problems, including complaint and grievance procedures.

C. Payroll

Employees shall be paid through the payroll department of Charter Academy.

D. Benefits

The licensed and classified staff at Charter Academy will receive benefits in compliance with their respective Employment contracts.

E. PERS

Pursuant to ORS 338.135(5), Charter Academy shall participate in the Public Employees Retirement System (PERS) for its own employees.

F. Employee Welfare and Safety

Charter Academy shall comply with all charter school policies, and applicable federal and state laws, concerning employee welfare, safety and health issues.

G. Employee Records

Charter Academy shall be responsible for establishing and maintaining personnel records for employees working at Charter Academy in compliance with all applicable federal and state laws, concerning the maintenance, retention and disclosure of employee records.

H. Employee Conduct

Charter Academy shall ensure that its own employees comply with applicable state laws concerning employee conduct.

I. Substitutes

Whenever possible, Charter Academy will provide coverage for teachers requiring substitutes. When this is not possible, Charter Academy may contract with the District for substitute teachers from the District substitute pool. The use of a District substitute by Charter Academy shall be a contracted cost to Charter Academy.

J. Licensure

All Charter Academy teachers shall be licensed, to teach in Oregon. All teachers and paraprofessionals employed by Charter Academy who are licensed or registered with TSPC shall also comply with OAR 584-100-0090 or 584-100-0095, as applicable (Highly Qualified).

K. Professional Development

Charter Academy shall provide professional development opportunities to Charter Academy staff as provided for in Charter Academy policy and state law. Charter Academy may contract with the District for professional development opportunities. Any tuition reimbursement from a Charter Academy staff for professional development shall be a Charter Academy expense.

Charter Academy shall train teachers in its educational program. Charter Academy shall also provide all trainings as required by law. Documentation of these training shall be provided to the District within 10 days of the training.

L. TSPC Obligation

Charter Academy retains all reporting obligations to TSPC regarding its employees.

M. Criminal Background Checks

Charter Academy shall not knowingly employ any individual or allow an individual to volunteer for whom a criminal background investigation has not been initiated or who has been convicted of one or more offenses in State list of crimes from which people can not be convicted on one or more crimes listed in State Law. No later than September 30 of each school year, Charter Academy shall provide the District with a list containing names, job positions of all of its employees and volunteers. Such list shall also indicate:

- (i) For each employee the date of initiation of the criminal background investigation required by ORS 342.223;
- (ii) For any individual hired in an instructional position after the start of the current academic year, Charter Academy shall provide the District with such evidence of certification or other qualification no later than 10 days after the individual's initial date of hire.

N. Verification of Staff Training/Certification

The Charter will provide the District with verification of staff training/certification in the areas of: Bloodborne Pathogens, Child Abuse, First Aid Training, and student medication administration. No later than September 30th.

10. Insurance and Legal Liabilities

A. Insurance

- (i) Provided by Charter Academy: Charter Academy shall, at its own expense, secure and retain and provide proof of the following insurance: commercial and general liability insurance; errors and omissions insurance; directors and officers liability insurance; automobile liability insurance; workers' compensation insurance; employee dishonesty insurance; and property insurance. Charter Academy will also obtain, at its own expense, any further insurance that the District deems necessary to protect the interests of the District or Charter Academy.
- (ii) Provided by District: Charter Academy will provide insurance related to all Charter Academy staff. This cost shall be paid by Charter Academy.
- (iii) Required Proof of Insurance: No later than November 30, of each school year, and at any time thereafter upon the request of the

District, Charter Academy shall provide the District with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts set forth herein. All such insurance policies shall contain a provision requiring notice to the District, at least 30 days in advance, of any material change, non-renewal or termination.

- (iv) Coordination of Risk Management Activities: Charter Academy agrees to the prompt reporting of any and all pending or threatened claims, filing of timely notices of claims, and cooperating fully with the District in the defense of any claims. Charter Academy shall not compromise, settle, negotiate or otherwise effect any disposition of potential claims asserted against it without the District's prior written approval. All other risk management activities other than those involving claims shall be a contracted service paid by Charter Academy.

B. Legal Liabilities

- (i) Non-Exemption: Charter Academy shall not be exempt from the following federal and state laws governing school districts:
 - a) Federal law;
 - b) ORS 192.410 to 192.505 (Public Records Law);
 - c) ORS 192.610 to 192.690 (Public Meetings Law);
 - d) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
 - e) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
 - f) ORS 337.150 (textbooks);
 - g) ORS 339.141, 339.147 and 339.155 (tuition and fees);
 - h) ORS 659.850, 659.855 and 659.860 (discrimination);
 - i) ORS 30.260 to 30.300 (tort claims);
 - j) Health and safety statutes and rules;

- k) The statewide assessment system developed by the Department of Education for mathematics, science, and English under ORS 329.485(2);
- l) ORS 392.045 (academic content standards and instruction);
- m) Any statute or rule that establishes requirements for instructional time provided by a school during each day or during a year;
- n) ORS 339.250(9) (prohibition on infliction of corporal punishment);
- o) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of abuse and sexual conduct and training on prevention and identification of abuse and sexual conduct);
- p) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative certificate);
- q) ORS chapter 657 (Employment Department Law);
- r) ORS Chapter 338;
- s) Oregon Administrative Rules developed by the Oregon Department of Education regarding ORS 338;
- t) Compliance with Charter Academy Policy/Rule: Charter Academy shall comply with all the Charter Academy policies except those policies or rules which are contrary to the terms on this contract;
- u) ORS chapters 279A, 279B and 279C (Public Contracting Code);
- v) ORS 326.565, 326.575 and 326.580 (student records);
- w) ORS 329.496 (physical education);
- x) ORS 339.119 (consideration of educational services);
- y) ORS 339.326 (notice concerning students subject to juvenile court petitions);
- z) Statutes and rules that expressly apply to public charter schools;

aa) Statutes and rules that apply to a special government body, as defined in ORS 174.117, or a public body, as defined in ORS 174.109;

bb) Any statute or rule that is listed in the charter;

cc) ORS 336.840 (use of personal electronic devices); and

dd) This chapter.

- (ii) Charter Academy shall furnish to the District copies of any written policies or procedures it may develop with respect to any matter relating to its operations and educational program upon adoption of such policies by Charter Academy's governing board. Any policy that is beyond Charter Academy's powers under this contract or is otherwise inconsistent with the terms of this contract is void.

C. Full Faith and Credit

Charter Academy agrees that it will not extend the faith and credit of the District to any third person or entity. Charter Academy acknowledges and agrees that it has no authority to enter into a contract that would bind the District and that Charter Academy's authority to contract is limited by the same provisions in laws or Charter Academy policy that apply to the Charter Academy itself. Charter Academy also is limited in its authority to contract by the amount of funds obtained by the District, as provided in this contract, or from other independent sources. Charter Academy's governing board has the authority to approve contracts to which Charter Academy is a party, subject to the requirements and limitations of the Oregon Constitution, state law, District policies and the provisions of this contract.

D. Indemnification

- (i) Charter Academy Indemnifies District: To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, Charter Academy agrees to indemnify and hold the District, its Board, agents and employees harmless from all liability, claims and demands on account of injury, loss or damage, including, without limitation, claims arising from (1) the possession, occupancy or use of property of Charter Academy, its faculty, students, patrons, employees, guests or agents; (2) civil rights violations, bodily injury, personal injury, sickness, disease,

death, property loss or damage or any other losses of any kind whatsoever which arise out of or are in any manner connected with Charter Academy's operations. Charter Academy agrees to indemnify, hold harmless and defend the District from all contract claims in which Charter Academy has obligated the District without the District's prior written approval. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided in the Oregon Tort Claims Act.

- (ii) District Indemnifies Charter Academy: To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, District agrees to indemnify and hold Charter Academy, its Board, agents and employees harmless from all liability, claims and demands on account of injury, loss or damage, including, without limitation, claims arising from (1) civil rights violations, bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever which arise out of or are in any manner connected with District's operations. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act or omission of any Charter Academy Board member, officer, or employee. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act of any District employee working at Charter Academy whose negligent or wrongful act or omission is caused or directed by Charter Academy. This indemnification shall not apply to any damages incurred regarding any act or omission of the District or District Board that is later determined to be required by law or this contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided in the Oregon Tort Claims Act.
- (iii) Survival of Indemnification: this indemnification, defense and hold harmless obligation on behalf of Charter Academy and the District shall survive the termination of this contract. Any indemnified party shall have the right, at its own expense, to participate in the defense of any suit, without relieving the indemnifying party of any of its obligations hereunder.

E. District Disclaimer of Liability

The parties to this contract expressly acknowledge that Charter Academy is not operating as the agent, or under the direction and control, of the District Board except as required by law or this contract, and that the District Board assumes no liability for any loss or injury resulting from:

- (i) The acts or omission of Charter Academy, its directors, trustees, agents, or employees;
- (ii) The use and occupancy of the building occupied by Charter Academy or any matter in connection with the condition of such building, unless such building is owned by the District; or
- (iii) Any debt or contractual obligation incurred by Charter Academy.

F. ADA/504 Obligations

Charter Academy acknowledges that it is legally responsible to comply with Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 and ORS 659 with respect to its students, staff and patrons. Charter Academy will indemnify and hold harmless the District from all claims under these statutes. Charter Academy may contract with the District for services or accommodations to meet Charter Academy's legal obligation under these statutes.

11. Transportation

Charter Academy students may obtain transportation through the student's parent/guardian or existing District school bus system as space allows. Charter Academy may provide public transit tickets to its students at its discretion. Charter Academy is responsible for providing bus tickets to Charter Academy students at its sole discretion.

- (i) Charter Academy students may access transportation through existing public high school bus lines.

12. Miscellaneous Provisions

A. Entire Agreement

This contract, with attachments, contains all terms, conditions and provisions hereof and the entire understanding and all representations of understandings and discussions of the parties relating thereto, and all prior representations, understandings and discussion are merged herein and superseded and cancelled by this contract.

B. Governing Law

This contract shall be governed by, subject to and construed under the laws of the State of Oregon without regard to its conflicts of law provisions. The parties intend that where this contract references federal or state law that they be bound by any amendment to such laws, upon the effective date of such amendments.

C. Assignment

This contract may not be assigned or delegated by Charter Academy under any circumstances, it being expressly understood that the charter granted by this contract runs solely and exclusively to Charter Academy.

D. Terms and Conditions of Application

The parties to this contract agree that the attached application sets forth the overall goals, standards and general operational policies of Charter Academy, and that the application is not a complete statement of each detail of Charter Academy's operation. To the extent that Charter Academy desires to implement specific policies, procedures or other specific terms of operation that supplement or otherwise defer from those in the application, Charter Academy shall be permitted to implement such policies, procedures and specific terms of operation, provided that such policies, procedures and terms of operation are consistent with the goals, standards and general operational policies set forth in the application, this contract and ORS Chapter 338.

E. Amendment

This contract may be modified or amended only by written agreement between Charter Academy and the Sheridan School Board, or its designee.

F. Notice

Any notice required, or permitted, under this contract, shall be in writing and shall be effective upon personal delivery (subject to verification of service or acknowledgement of receipt) or three days after mailing when sent by certified mail, postage prepaid, to the office of Charter Academy or the office of the Superintendent of the District.

G. No Waiver

The parties agree that no assent, express or implied, to any breach by either of them of any one or more of the covenants and agreements expressed herein shall be deemed or be taken to constitute a waiver of any succeeding or other breach.

H. Dispute Resolution

In the event any dispute arises between the District and Charter Academy concerning this contract, including, without limitation, the implementation of or waiver from any policies, regulations or procedures, such dispute shall first be submitted to the Superintendent of the District for review. If the District and Charter Academy are unable to resolve the dispute, either party may submit the matter to the District's Board for its consideration. The decision of the District Board shall be final and binding on the parties; provided, however, Charter Academy may appeal to the State Board of Education concerning those matters within its jurisdiction under ORS Chapter 338.

I. Severability

If any provision of this contract is determined to be unenforceable or invalid for any reason, the remainder of the contract shall remain in effect, unless otherwise terminated by one or both of the parties in accordance with the terms of this contract.

J. Delegation

The parties agree and acknowledge that the functions and powers of the District Board may be exercised by the Superintendent of the District, provided that any ultimate decision regarding the amendment, renewal, non-renewal or revocation of this contract may be made only by the District Board.

K. Charter Academy Authority to Enter Into Contract

Charter Academy expressly affirms that the signatories on its behalf who sign below have the authority to enter into this contract on behalf of Charter Academy and that the Board of Directors of Charter Academy has duly approved of this contract.

13. Renewal of Contract

- A. Charter Academy may request, in writing that this Contract be renewed beyond the 2019-2020 school year. The contract renewal process is subject to ORS 338.065(3)-(6).

IN THE WITNESS WHEREOF, the parties have executed this contract as of

This _____ day of _____, 2015.

**SHERIDAN SCHOOL
DISTRICT**

SHERIDAN ALLPREP ACADEMY

Sheridan School District Board

By: _____
School Board Chairperson

By: _____
Charter Board Chairperson