

CHARTER SCHOOL AGREEMENT

DATED: _____

PARTIES: BETWEEN THE BOARD OF DIRECTORS OF THREE RIVERS
SCHOOL DISTRICT ("District")

AND

KALMIOPSIS COMMUNITY ARTS HIGH SCHOOL
("KALMIOPSIS"), an Oregon nonprofit corporation

RECITALS:

- A. On December 10, 2021, pursuant to ORS Chapter 338, the developers of KALMIOPSIS submitted to the District an application for formation of Kalmiopsis Community Arts High School (KALMIOPSIS) to operate within the District.
- B. On April 6, 2022, the District Board held a public hearing on the provisions of the Application and evaluated the criteria set forth in ORS 338.055 and District policies, and the District has determined that the Application, as amended by this Agreement, complies with the purposes and requirements of ORS 338 and District policies.
- C. On September 14, 2022, the District Board approved the Application and agreed to become the sponsor of KALMIOPSIS contingent upon the negotiation and execution of a contract acceptable to KALMIOPSIS and the District.
- D. This Agreement, including the Application and its Exhibits, will constitute the agreement between the parties regarding the governance and operation of KALMIOPSIS and the legal authorization for the establishment of KALMIOPSIS under ORS 338.065.
- E. The parties desire that KALMIOPSIS be authorized to operate and conduct its affairs in accordance with the terms of this Agreement and applicable Oregon and federal law.

CHARTER AGREEMENT

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

1. Grant of Charter.

The Three Rivers School District Board of Directors (referred to herein as either the "District" or the "District Board") has approved KALMIOPSIS's charter school proposal ("Application"), is the sponsor of the Kalmiopsis Community Arts High School ("KALMIOPSIS") that is to be operated in accordance with the terms of this Agreement, and hereby grants a renewal of the charter pursuant to the terms herein.

2. Effective Date; Term; Renewal.

2.1 Effective Date. When this Agreement has been duly executed by both the District Board and KALMIOPSIS's Board of Directors, it shall be legally binding on both parties and shall act as the legal authorization for the establishment of Kalmiopsis Community Arts High School, as provided in ORS 338.065(1).

2.2 Term. KALMIOPSIS shall be permitted to operate KALMIOPSIS for a term of three (3) school years, subject to the other terms of this Agreement. The first school year shall begin in August 2023, and thus the term shall expire June 30, 2026.

2.3 Renewal of Term. Renewal of this Agreement will be governed by ORS 338.065.

3. Grade Range of KALMIOPSIS; Number of Students; Minimum.

3.1 Number of Grades. It is the understanding of the parties that KALMIOPSIS shall operate a 9-12 school, with the understanding that in the first year KALMIOPSIS shall operate a 9-11 school.

3.2 Number of Students. KALMIOPSIS will be authorized to operate 9-12 with a **maximum** enrollment of 64 students.

3.3 Minimum Number of Students in School. As provided in ORS 338.115(5), KALMIOPSIS shall maintain an active enrollment of at least 25 students.

4. Enrollment and Admissions.

4.1 Voluntary Enrollment; Who is Eligible. Student enrollment in KALMIOPSIS shall be voluntary. All students who meet legal age requirements applicable to a particular grade

level will be eligible for enrollment. These requirements will follow District policies relating to admission of students into any grade. Other than the age of a student and the preferences allowed by law the preference for District residents described in Section 4.6, there will be no criteria for selection of students. A student will be deemed admitted to and enrolled in KALMIOPSIS when the student's application has been unconditionally accepted by KALMIOPSIS following completion of a phase of the enrollment process described below and after conditions to such acceptance have been satisfied. Enrollment of special education students is governed by Section 5.

4.2 Phased Enrollments; Deadlines. KALMIOPSIS may, in its discretion, elect to conduct a series of open enrollments for each school year, provided the process conforms to this Agreement. Each year, KALMIOPSIS will set a deadline of March 31 by which applications must be received for the first phase of the enrollment process and will determine the number of students to be admitted in each grade. KALMIOPSIS Board will approve any policies that may otherwise be needed to govern the enrollment process. KALMIOPSIS will accumulate all applications received on or before the deadline for each phase of enrollment; applicants are not accepted on a "first come, first served" basis, except as provided in Section 4.5 [after the waiting list is exhausted]. Enrollments will be paused between April 1-April 14 to allow for a lottery to be held under the conditions described in Section 4.3. The second (and final) phase for enrollment shall begin April 15 of each year.

4.3 Application Process; First Phase of Enrollment Process. Beginning on a date set each year by KALMIOPSIS and up through the deadline for the first phase of enrollment by a date set by the school and shared with the District under Section 4.2, prospective students may apply for admission to KALMIOPSIS for the school year that begins the following school year. For the first phase of the enrollment process, if the number of applications received by the deadline for the first phase is less than or equal to the number of students to be admitted for each grade as determined under Section 4.2, then all the applications for that grade will be accepted (applications from nonresidents are governed by Section 4.8). To illustrate, if the determined number of students to be admitted for a grade is 25, and if 20 applications are received, then all 20 applicants will be accepted. The remaining five "available spaces" will be filled in the second and final phase.

If the number of applications received for any grade is greater than the number of students to be admitted for that grade, then KALMIOPSIS will conduct an equitable lottery, in a manner determined by KALMIOPSIS and consistent with state law, District policy, and Section 4.6 to admit the maximum allowed number of students for that grade and to create a waiting list for subsequent admission should a space become available later. To illustrate, if the number of students to be admitted for a grade is 25, and if 40 applications are received, then 25 applicants will be accepted through the lottery process, and a waiting list of 15 can be determined [with order of priority on the waiting list also determined through the lottery process, abiding by the preferences set forth in Section 4.6].

To take into account the priority given by law to resident students (as provided in Section 4.8), if, out of the 40 applications, 30 are from resident students and 10 are from nonresidents, then a lottery will be held first as to the 30 resident applications and 25 will

be accepted, with five going on the waiting list. Then a lottery will be held among the 10 nonresidents to determine order of priority on the waiting list.

4.4 Second (and Final) Phase of Enrollment.

Students will be admitted on a "first come, first served" basis until all available spaces per grade are filled; thereafter, a wait list will be created per Section 4.5.

4.5 Use of Waiting List; Filling Spaces if No Waiting List. If, at any time, a student who has been enrolled declines to attend KALMIOPSIS, or if an attending student withdraws or is permanently expelled, KALMIOPSIS may admit the next student on its waiting list for the applicable grade. KALMIOPSIS may enroll the first student who applies after a space becomes available in a situation where (a) the first phase of enrollment under Section 4.3 has been completed, or the space becomes available during the school year; and (b) either there is no waiting list for the applicable grade or all students on the waiting list for that grade have already enrolled or have been extended an offer to enroll and have declined.

4.6 Weighted Lottery; Preferences After First Year. As provided in ORS 338.125, KALMIOPSIS may weight students in the lottery who are historically underserved as defined by ORS 338.125 as students who are at risk because of any combination of their race, sex, sexual orientation, gender identity, ethnicity, disability, income level, proficiency in the English language, socioeconomic status, or geographic location. The following categories of applicants may bypass the lottery process: (a) students who were enrolled in KALMIOPSIS in the prior year (beginning in Year 2); (b) applicants who have siblings who are presently enrolled in KALMIOPSIS and who were enrolled in KALMIOPSIS in the prior year (beginning in Year 2)

4.7 Nondiscrimination. As provided in ORS 338.125(2), KALMIOPSIS may not limit student admission based on race, religion, sex, sexual orientation, ethnicity, national origin, disability, the terms of an individualized education program, income level, proficiency in the English language or athletic ability; additionally, KALMIOPSIS will not limit student admission based on gender identity, housing status, or parenting status. KALMIOPSIS may limit admission to students within a given age group or grade level.

4.8 Nonresident Students; Limitations.

4.8.1 As provided in ORS 338.125(2), if space is available, KALMIOPSIS may admit students who do not reside in the District. At each phase of the enrollment process, preference will be given to residents of the District. Nonresident applicants may be accepted to fill any "available spaces" (including spaces on waiting lists) in accordance with Section 4.6.

4.8.2 In the event a nonresident student is admitted in KALMIOPSIS, KALMIOPSIS agrees to:

- (a) Within 10 days of a student's enrollment in a public charter school, the public charter school shall provide written notice of the student's enrollment to the school district in which the public charter school is located if the student does not reside in the school district where the public charter school is located.
- (b) Within 10 days of receiving the notice described in subsection 4.8.2(a) of this section, the school district in which the public charter school is located shall provide to the student's parent, legal guardian or person in parental relationship written information about:
 - The school district's responsibility to identify, locate and evaluate students enrolled in the public charter school to determine which students may be in need of special education and related services as provided by ORS 338.165; and
 - The methods by which the school district may be contacted to answer questions or provide information related to special education and related services.
- (c) When a nonresident student withdraws from a public charter school for a reason other than graduation from high school, the school district in which the public charter school is located shall:
 - Provide to the school district in which the student resides written notice that the student has withdrawn.
 - Provide to the student's parent, legal guardian or person in parental relationship written information about:
 - The responsibility of the school district in which the student resides to identify, locate and evaluate students who reside in the school district to determine which students may be in need of special education and related services as provided by ORS 338.165; and
 - The methods by which the school district in which the student resides may be contacted to answer questions or provide information related to special education and related services.

4.9 **Dual Enrollment.** During a school year, if KALMIOPSIS learns that one of its students remains enrolled at another private or public school, KALMIOPSIS will notify the other school of this fact and will inform the student's parents that they should take whatever steps may be required to have their child withdrawn from enrollment in the other school or from enrollment in KALMIOPSIS.

5. **Special Education Students.**

5.1 Special Education Students; IDEA. In this Agreement, the term "special education students" means children with disabilities to whom the Individuals with Disabilities Education Improvement Act ("IDEA") applies.

5.2 Application and Enrollment.

5.2.1 For any student with an IEP, KALMIOPSIS will, immediately, or as soon as practicable, notify the IEP team leader (if known) or the District liaison for special education issues. The latest date for the notification to the District is the date on which KALMIOPSIS knows the student is admitted and eligible for special education services. A representative from KALMIOPSIS will attend the IEP team meeting at which the team will determine whether or not KALMIOPSIS is the appropriate placement. This representative shall be a regular education teacher unless the District approves in advance of the meeting that another KALMIOPSIS representative will attend.

5.2.2 KALMIOPSIS will admit students without regard to their status as special education students. The parties intend by this process to ensure that KALMIOPSIS does not unintentionally discriminate against enrolling special education students or otherwise violate applicable laws.

5.3 Child Find; Accepted Students Later Determined to be Special Education Students. KALMIOPSIS will work closely with the District and any other referring school district to ensure that the District's Child Find responsibilities are carried out in good faith with respect to students enrolled in KALMIOPSIS. KALMIOPSIS will ensure that at least one of its teaching staff has been trained in the Child Find process, or if none have been so trained, KALMIOPSIS will arrange for at least one of its teaching staff to receive such training. KALMIOPSIS will promptly notify the District if a KALMIOPSIS student is suspected of having a disability and may need evaluation to determine eligibility for special education and will comply with the District's practices and policies for referral of any student for evaluation. Any student referred for evaluation shall remain enrolled at KALMIOPSIS until and unless an IEP team determines that KALMIOPSIS is not the appropriate placement for that student.

5.3.1 KALMIOPSIS shall provide a list of newly admitted and enrolled students on a monthly basis to the District so that the District is able to identify students who are in the evaluation process.

5.4 Administering the IEPs.

5.4.1 KALMIOPSIS will work closely with the District to ensure that special education and related services are provided. The parties recognize there will likely be several methods or "delivery mechanisms" for providing these services, and because there is no way to know in advance the specific needs of all special education students who will enroll at KALMIOPSIS, there is no way to specify in this Agreement anything more than a general framework or set of principles for seeing to it that the IEPs are administered.

5.4.2 The following shall apply:

- a) KALMIOPSIS will comply with all District policies and regulations (including those regarding discipline) and the requirements of state and federal law concerning the education of children under IDEA.

- b) Each IEP team must include a District representative and appropriate District specialists. KALMIOPSIS will have a teacher on the IEP team of each enrolled special education student. KALMIOPSIS will work closely with the rest of the IEP team to determine how to meet the goals of the IEP, and how to arrange for the special accommodations and services required. The IEP team will continue to evaluate the placement during the school year, as the IEP team deems appropriate. KALMIOPSIS will not change the student's program without IEP team action. KALMIOPSIS teachers will assist the District in the development of progress reports related to annual IEP goals. KALMIOPSIS teachers will cooperate with the District in evaluation and reevaluation processes, including completing teacher observation/behavior checklists, and sharing results of academic assessments and work samples.

KALMIOPSIS shall provide the accommodations and modifications to the regular education curriculum and instruction called for in the student's IEP. Any hard costs associated with these accommodations and modifications such as, but not limited to assistive technology, orthopedic supports or augmentative communication devices will be paid for by the District. KALMIOPSIS will not be reimbursed for costs associated with accommodations and modifications in general classroom instruction, such as, but not limited to accommodations in testing and classroom instruction made by a KALMIOPSIS teacher, classroom management techniques including those associated with behavioral support plans, or communications with the parent, written products (e.g. behavior cards, travel cards, teacher reports). The District shall pay all costs of related services, supplementary aids and services, speech and language pathology services, assistive technology, or instructional assistants or aides, which are provided as set forth in an individualized education plan.

- c) KALMIOPSIS staff will comply with training required by an IEP team for delivery of services to a KALMIOPSIS student, although the District is responsible for providing special education services. The District will pay the costs of any training of KALMIOPSIS staff that the IEP team determines is required to accomplish the implementation of an IEP for a student. This is limited to costs for substitutes, consultants, course fees,

and necessary supplies and materials. The District has the discretion to determine which specialized programs will be offered on site at the KALMIOPSIS facility. For those services that the IEP team, the District, and KALMIOPSIS mutually agree would be best delivered by District employees, KALMIOPSIS will make every reasonable effort to work closely with District staff to assist in the effective delivery of the services. This might include either on-site or pull-out service delivery.

- d) Special education transportation will only be provided by the District to a KALMIOPSIS special education student if it is a related service on the student's IEP.
- e) KALMIOPSIS shall protect all personally identifiable student information relating to special education students attending KALMIOPSIS and will maintain a complete special education file located within the student's permanent record.
- f) KALMIOPSIS will cooperate with the District in the event the District is required to participate in a special education administrative complaint or due process proceeding.

6. English Language Learners. KALMIOPSIS will administer the Home Language Use Survey annually with all students and provide the district with a copy of each survey within 2 school days of enrollment. Additionally, KALMIOPSIS shall assess the English language proficiency of all students identified as coming from a non-English-speaking background, or whose first language is other than English. If appropriate, District personnel will administer the ELPA Screener to select students. KALMIOPSIS will provide bilingual education or an "English Language Learners" program for identified students. KALMIOPSIS will provide any special services that are required for English-as-a-second language students pursuant to District policy and State and federal law. KALMIOPSIS will receive an additional 0.5 ADMw of any students identified as an English Language Learner. Home Language Use surveys are to be retained in student CUM files.

7. School Year; School Day; Hours of Operation.

KALMIOPSIS may be flexible in its calendar and in the scheduling of its daily activities, provided it conforms to any requirements of state law. However, KALMIOPSIS anticipates that its annual calendar shall generally match the calendar of the District, and KALMIOPSIS may maintain a typical nine month school year for its regular academic program. If KALMIOPSIS adopts a calendar different from the District's calendar that **results** in additional service costs to the District for services KALMIOPSIS either requests or requires under separate contract on those days that KALMIOPSIS is open but the District is not open (for example, costs of providing

special education services), KALMIOPSIS shall reimburse the District for these costs. The number of instructional hours during each school year shall comply with requirements of state law.

8. Records.

KALMIOPSIS shall comply with all record keeping requirements of federal and state law and shall provide any reports, as necessary, to meet the District's reporting obligations to the Oregon Department of Education. Before the first year of operation, and from time to time thereafter as state requirements change, the District shall provide KALMIOPSIS with a list of records and information by the applicable due dates as necessary for the District to meet its state reporting requirements. KALMIOPSIS shall comply with all applicable federal and state laws concerning the maintenance, retention and disclosure of student records, including, without limitation, the Oregon Public Records Law, the Family Education Rights and Privacy Act (FERPA), and the Individuals with Disabilities Education Improvement Act (IDEA). All records established and maintained in accordance with this Agreement shall be open to inspection by the District. The District will provide KALMIOPSIS with access to its student information system.

9. Participation in Interscholastic Activities.

KALMIOPSIS students shall be allowed to participate in interscholastic activities at their neighborhood high school that are governed and sanctioned by the Oregon School Activities Association (OSAA), and defined by OAR 281-026-0005, -0700, and 0710. The District may collect a fee from KALMIOPSIS of 5% maximum of the District's general purpose grant per ADMw for participation in interscholastic activities. The District may charge an additional 5% maximum per ADMw for activities that enrollment in a course for credit. If the District chooses to collect this fee, the District and KALMIOPSIS shall enter into an agreement to establish the amount of the fee.

10. Program and Curriculum, Goals, and Evaluation.

10.1 Acceptance by District of Program and Curriculum.

The District accepts the curriculum and program design of KALMIOPSIS as set forth in the Application and agrees to waive any District program and curricular requirements that are not incorporated into such curriculum design. The District's intent is to allow KALMIOPSIS, within the requirements of state law, to promote and implement new, innovative, and flexible programs, curricula, learning environments, and learning methods. KALMIOPSIS agrees to obtain prior approval from the District before making a fundamental change to the educational program or mission outlined in its Application. A fundamental change to the educational program means (i) discontinuing use of the model described in the Application for instruction, or (ii) adopting a curriculum that does not meet then-applicable state standards. The District may, at its sole discretion, define and approve or disapprove fundamental changes in the educational program.

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

10.2 Responsibilities of KALMIOPSIS. KALMIOPSIS is responsible for doing the following in compliance with state law:

10.2.1 Designing and implementing its curriculum and other components of its educational program as set forth in the Application.

10.2.2 Conforming to all state requirements applicable to public charter schools concerning subjects, academic content, and other educational matters.

10.2.3 Providing required services and appropriate programming to students who are English language learners pursuant to OAR 581-021-0046(8) and other applicable provisions of state and federal law.

10.2.4 Providing required services, if any, to academically low achieving students.

10.2.5 Implementing the state- or federally-required assessments as provided in ORS 338.115. KALMIOPSIS will send a list of all assessments to be used to measure student achievement by September 15 of each year.

10.2.6. Surveying its student population for eligibility for free and reduced lunches under federal and state law if it elects to provide lunch for its students.

10.2.7 In the event that a student is being considered for retention, Kalmiopsis will consult with the designated District representative and follow district policies IKE and IKE-AR. Kalmiopsis will follow district policies IGBB and IGBB-AR for Academic Acceleration consideration.

10.3 Goals and Evaluation. KALMIOPSIS shall submit its goals to the District by May 15th of each year. The District shall utilize these goals (as well as other evidence of compliance with the Charter) in its annual evaluation of KALMIOPSIS.

10.4 Annual Report. KALMIOPSIS will submit an annual report to the District and the State Board of Education in accordance with ORS 338.095(2) on the performance of KALMIOPSIS and its students by February 1 of each year applicable to the preceding fiscal/school year. This report will include information necessary to make a determination of compliance with the requirements of ORS Chapter 338. This report will include, among other things, information relating to goals and evaluation,, including (but not limited to):

- The results of academic assessments administered to students including:
 - State-required summative assessments
 - Internal assessments (summative or formative)
 - Classroom assessments or other internal assessments
- Other academic and non-academic indicators of student achievement, including:
 - Extracurricular participation
 - Exclusionary discipline data
 - CTE course participation
 - Attendance data
 - Graduation and completion rates
 - Drop out rates
 - Post-secondary engagement
- Progress on any academic goals set the previous year
- Progress on any financial goals set the previous year
- Progress on any organizational goals set the previous year
- Progress on the implementation of any school improvement plans required by the district
- The names and contact information of all current board members

11. School Facility and Transportation.

11.1 Facility

- a) KALMIOPSIS will locate in one facility within the boundaries of the District and will inform the District of its address. KALMIOPSIS will provide 180 days advance notice to the District if it relocates its facility. KALMIOPSIS may not add additional locations outside of District boundaries under Three Rivers sponsorship.
- b) **Approvals and Permits; Payment of Expenses.** KALMIOPSIS is responsible for obtaining all necessary permits and approvals relating to use of the facility, including building and occupancy permits, and any health and safety approvals. KALMIOPSIS has full responsibility for all costs related to its facility and any playground equipment, other equipment, furniture, and fixtures; such responsibility includes purchase costs, rental, utilities, maintenance, repair, cleaning, and replacement.

- c) **Transportation.** The District is not responsible for providing transportation by bus or otherwise of any students to KALMIOPSIS. KALMIOPSIS is obligated for providing all transportation pursuant to ORS 338.145 with the exception of transportation of special education students as a related service.. However, the District will allow KALMIOPSIS students to ride on District buses to and from KALMIOPSIS, to the extent seats are available for such students; this does not obligate the District to add or extend existing bus routes or other transportation services, as provided in ORS 338.145(2). The District will give KALMIOPSIS a two-week notice if a bus on a particular route has consistently become too full to transport KALMIOPSIS students so that families have time to make other arrangements. The parties recognize that many of KALMIOPSIS students may not be able to use existing District bus routes for transportation to and from KALMIOPSIS.

For any District student who does not have transportation to and from KALMIOPSIS, KALMIOPSIS will make efforts to arrange for transportation. With respect to arranging transportation for its students, however, this Agreement does not impose on KALMIOPSIS an obligation to lease or purchase buses, vans, or other vehicles; to employ or contract with drivers of such vehicles or with transportation service providers; or to incur expenses for insurance, fuel, repairs, or maintenance in connection with transportation for its students.

12. Financial Matters; Funding; Annual Budgets; Annual Audit.

12.1 No Tuition; Fees. KALMIOPSIS will not charge tuition to students, except as may be allowed under ORS 339.155 or other applicable law. As noted in ORS 338.115, the following laws shall apply to KALMIOPSIS: ORS 339.141, ORS 339.147, and ORS 339.155. In accordance with state law, KALMIOPSIS may charge reasonable fees for certain instructional materials, after-school programs, and student activities. KALMIOPSIS shall waive all fees for low-income students in accordance with applicable federal and state law.

12.2 Annual Funding.

12.2.1 Keeping Count. KALMIOPSIS shall identify and count, and keep accurate records of, its number of enrolled students and their days present and absent; attendance; special education students; students eligible for and enrolled in an English Language program under ORS 336.079; pregnant and parenting students, and other data required in order to calculate average daily membership, weighted average daily membership (ADMw), and related terms necessary to determine funding under state law, particularly

ORS 338.155 and 327.103. KALMIOPSIS shall use the District's student information system for purposes of this Section and shall be responsible for proper input of required information based on training provided by the District.

12.2.2 Calculating ADMw and Funding.

- a) For each school year, the District shall provide funding to KALMIOPSIS in accordance with ORS 338.155(2) as that formula may be changed from time to time.

Until the law is changed, the funding shall be 95% of the District's "Charter School Rate," as determined by the State of Oregon Department of Education and multiplied by KALMIOPSIS's ADMw.

- b) KALMIOPSIS shall determine its ADMw for the period to be covered by reports given to the District using projected ADMw for the first reports specified below.
- c) The calculation of the additional amounts under ORS 327.013 shall include, but not be limited to, an additional 0.5 for each student in average daily membership eligible for and enrolled in an English as a Second Language program under ORS 336.079.
- d) In addition, to take into account the "poverty factor" under ORS 327.013, and as required by ORS 338.157, the parties will use the same percentage used in calculating the District's adjusted poverty factor, as that percentage may be changed from time to time. To illustrate, suppose the poverty factor used for the District is 16% of ADM; assume the ADM for KALMIOPSIS is 100 students; then 100 would be multiplied by 16%; and this would be multiplied by 0.25; thus, a total of 4.0 would be added to KALMIOPSIS's ADM in calculating ADMw.
- e) This Agreement 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.

12.2.3 Reports to District. KALMIOPSIS shall give written reports to the District containing the data set forth in Section 12.2.1 for each of the following months of each school year: July, August, September, October, November, December, January, February, March, April, and May. The July and August reports (and possibly the September report), and thus the payments due from the District based on those reports, will be based on KALMIOPSIS's projected ADMw.

12.2.4 Dates of Payments by District to KALMIOPSIS.

12.2.4.1 Pursuant to ORS 338.155(8), the District shall send payment to KALMIOPSIS in the percentages set out by applicable law (currently 16.67% in July, and 8.33% Aug-May. No payment in June) within 10 days after receiving payments from the State School Fund pursuant to ORS 327.095.

12.2.4.2 The parties recognize that there may be fluctuations from month to month in the total sum on which the monthly percentage amounts are calculated due to fluctuations in KALMIOPSIS's ADMw during a school year, as well as due to possible changes in the state's determination of the general purpose grant or KALMIOPSIS's Rate, and thus the amount payable by the District to KALMIOPSIS may change from month to month. There will be an adjustment with the final June payment, as provided in state law, to reflect changes in calculation of ADMw and changes, if any, in the general purpose grant amount or KALMIOPSIS's Rate, 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 or KALMIOPSIS's rate that are not finalized until after the end of a school year.

12.2.5 End of State Funding. The financial commitment on the part of the District contained in this Agreement is subject to annual appropriation by the State of Oregon. The District has no obligation to fund KALMIOPSIS operations if State funding does not occur and this Agreement is terminated if State funding does not occur.

12.3 Annual Budgets. On or before June 30 of each year, KALMIOPSIS shall submit to the District its proposed budget for the following school year, so that the District can review it as part of its consideration of KALMIOPSIS's financial stability. KALMIOPSIS 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 Agreement.

12.4 Fiscal Agent. KALMIOPSIS shall act as its own fiscal agent.

12.5 Fiscal Year. The fiscal year of KALMIOPSIS shall begin on July 1 of each year and end on June 30 of the subsequent year.

12.6 Financial Records, Audits and Accounting Reports. KALMIOPSIS shall maintain and retain appropriate financial records in accordance with all applicable federal and state laws. KALMIOPSIS shall have audits performed in compliance with any applicable laws, as such laws may be changed from time to time. At the present time, ORS 338.095(2) requires KALMIOPSIS to have an annual audit of the accounts of KALMIOPSIS prepared in accordance with the Municipal Audit Law, ORS 297.405 to 297.555 and 297.990; and requires that the annual audit be forwarded to the District, the State Board of Education, and the Department of Education. KALMIOPSIS shall provide a copy of its financial

audit for the preceding fiscal year by December 15 of each year. KALMIOPSIS will also provide monthly financial statements to the District's Chief Financial Officer.

12.7 Financial Management. KALMIOPSIS shall operate in accordance with generally accepted standards of fiscal management applicable to Oregon nonprofit corporations, provided that KALMIOPSIS's accounting method shall comply in all instances with governmental accounting requirements that explicitly apply to charter schools. Subject to this Agreement, KALMIOPSIS through its Board of Directors shall be fiscally responsible for its own operations within the limitations of any funding provided by the District and other revenues derived by KALMIOPSIS. KALMIOPSIS's budget and accounting system must be compatible with the District's budget and accounting system.

12.8 Other Sources of Funds for KALMIOPSIS; Fundraising. In addition to the funding under Section 12.2, KALMIOPSIS may accept gifts, donations, grants and loans, including those described in ORS 338.155(9) grants available to school districts from ODE. KALMIOPSIS shall comply with all state and federal laws regarding reporting of charitable contributions, including grants where KALMIOPSIS is included in the District's application and receives funding from such a grant. KALMIOPSIS shall record all gifts, donations, loans, and grants in the financial records required in Section 12.6. As provided in ORS 338.125(10), KALMIOPSIS may conduct fundraising activities, but it shall not require a student to participate in fundraising activities as a condition of admission to or maintenance of enrollment in KALMIOPSIS.

13. Governance and Operation.

13.1 Corporate Status; Governing Board.

- a) KALMIOPSIS is and will remain an Oregon nonprofit corporation throughout the term of this Agreement. KALMIOPSIS shall govern and operate KALMIOPSIS as set forth in this Agreement, and the governing board of KALMIOPSIS will be the Board of Directors of KALMIOPSIS.
- b) KALMIOPSIS will give the District a copy of its Articles of Incorporation and Bylaws. If KALMIOPSIS makes any changes to its Articles of Incorporation or Bylaws, it will give copies of the changes to the District. If the District believes that any such changes violate either this Agreement or state or federal law, it will so notify KALMIOPSIS. If KALMIOPSIS agrees, it will make necessary changes to the Articles or Bylaws to conform to this Agreement or the applicable law; if the parties do not agree, the matter will be resolved under Section 19.8.
- c) KALMIOPSIS's Bylaws will include a provision specifying that upon termination of this Agreement or dissolution of KALMIOPSIS, the assets of

KALMIOPSIS that were purchased with public funds shall be given to the State Board of Education, as provided in ORS 338.105(6).

- d) KALMIOPSIS's Bylaws will include a provision that a majority of KALMIOPSIS's directors shall have a legal residence within the boundaries of the School District. KALMIOPSIS shall provide the addresses of these majority directors of KALMIOPSIS in KALMIOPSIS's annual report.

13.1.1 Exempt Status under Section 501(c)(3) of Internal Revenue Code. KALMIOPSIS has applied and received from the IRS a letter stating that KALMIOPSIS is qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

13.2 Nonreligious, Nonsectarian Status. As provided in ORS 338.035(7), KALMIOPSIS shall not be affiliated with any nonpublic sectarian school or religious institution. As provided in ORS 338.115(4), KALMIOPSIS shall not violate the Establishment Clause of the First Amendment to the United States Constitution or section 5, Article I of the Oregon Constitution, or be religion based. The parties agree that leasing a facility from a nonpublic sectarian school or religious institution does not violate this Section 13.2

13.3 Public Meetings. KALMIOPSIS and its Board of Directors, when acting as the Governing Body of KALMIOPSIS, along with any committees reporting to the Board of Directors, are subject to the provisions of the Oregon Public Meetings Law, ORS 192.610 to 192.690. These requirements shall be reflected in KALMIOPSIS's bylaws.

13.4 Operational Powers. Subject to applicable federal and state laws and any restrictions in this Agreement, KALMIOPSIS shall have authority to exercise independently all powers granted to nonprofit corporations and charter schools under Oregon law.

14. Employment Matters.

14.1 District is not Employer. All provisions of this Section 14 are subject to state and federal laws and applicable collective bargaining agreements, if any. The District shall not be the employer of any employees of KALMIOPSIS. KALMIOPSIS may choose to enter into contracts to provide services to the School or to fulfill responsibilities of KALMIOPSIS under this Agreement, in which case the people actually providing the services or fulfilling the responsibilities will be employees of such contractor; otherwise, KALMIOPSIS will be the employer of the staff at KALMIOPSIS. KALMIOPSIS shall control the selection of employees.

14.2 Staff Hiring, Compensation, Benefits, PERS.

14.2.1 KALMIOPSIS, in its sole discretion, has complete authority to hire, evaluate, promote, discipline, supervise, and terminate KALMIOPSIS employees, and to set all terms and conditions of employment, including all decisions regarding compensation and benefits. KALMIOPSIS will be responsible for providing substitutes for all KALMIOPSIS teachers requiring substitutes.

14.2.2 At least one-half of the total full-time equivalent (FTE) teaching and administrative staff at KALMIOPSIS shall be licensed and any teaching or administrative staff not licensed shall be registered with Teacher Standards and Practices Commission in accordance with ORS 338.135(7) and OAR 584-023-0005. For any individual hired as a teacher, KALMIOPSIS shall provide the District with evidence of certification, if any, or other qualification within 15 days after the individual's initial date of hire. In addition, no later than August 15 of each year KALMIOPSIS will send to the District a list of all licensed (teaching) staff and their licensure status with the Teachers Standards and Practices Commission.

14.2.3 For any employee of the District who chooses to work for KALMIOPSIS, any leave of absence from the District shall be governed by ORS 338.135.

14.2.4 Licensed and classified staff and other employees of KALMIOPSIS will not be included in the District's respective bargaining units. Employee membership in a labor organization and collective bargaining shall be governed by ORS 338.135.

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

14.2.6 All staffing changes in KALMIOPSIS must be reported to the District via email within five business days. The District will send an all-staff database document to KALMIOPSIS each summer with the District's current information about KALMIOPSIS staff. KALMIOPSIS must revise and update the document as necessary, and return it to the District no later than August 15.

14.3 **Employee Records.** KALMIOPSIS shall be responsible for establishing and maintaining personnel records for its employees, and for the maintenance, retention and disclosure of employee records, all in compliance with all applicable federal and state laws, including but not limited to ORS 342.850(8) governing access to personnel files. KALMIOPSIS shall meet any and all reporting obligations to the Teacher Standards and Practices Commission ("TSPC") regarding its employees.

14.4 **Criminal Records Checks.** As provided in ORS 338.115, 326.603, and 326.607 (relating to criminal records checks), KALMIOPSIS shall not knowingly employ an individual or permit an individual to volunteer (i) for whom a criminal background investigation has not been initiated or (ii) who

has been convicted of an offense that would preclude that individual from working in a public school in Oregon. No later than August 15 of each school year that KALMIOPSIS is in operation under this Agreement, KALMIOPSIS shall provide to the District a list containing the names and job positions of all its employees. Such a list shall also indicate for each employee the date of initiation of the criminal background investigation required by Oregon law.

14.5 Food Services Contracts. KALMIOPSIS will inform the District of any changes to its food services contractor and will obtain approval from the District for its use of a specific food service contractor prior to contracting with such food service contractor. KALMIOPSIS shall comply with all applicable District policies, federal, state and local laws and regulations regarding the provision of food services at a public school.

15. Application of and Compliance with Laws.

15.1 Compliance with Laws; Non-Exemption from Certain Laws. KALMIOPSIS shall comply with all applicable federal, state, and local laws and regulations (including Oregon Administrative Rules developed by the Oregon Department of Education regarding charter schools). As provided in ORS 338.115, although statutes and rules that apply to school district boards, school districts or other public schools shall generally not apply to KALMIOPSIS, the following laws shall apply to KALMIOPSIS:

- (a) Federal law;
- (b) ORS 30.260 to 30.300 (tort claims);
- (c) ORS 192.311 to 192.478 (public records law);
- (d) ORS 192.610 to 192.690 (public meetings law);
- (e) ORS chapters 279A, 279B and 279C (public contracting code);
- (f) ORS 297.405 to 297.555 and 297.990 (municipal audit law);
- (g) ORS 326.565, 326.575 and 326.580 (student records);
- (h) ORS 181A.195, 326.603, 326.607 and 342.223 (criminal records checks);
- (i) ORS 329.045 (academic content standards and instruction);
- (j) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative certificate);
- (k) ORS 329.496 (physical education);
- (l) The statewide assessment system developed by the Department of Education for mathematics, science and language arts under ORS 329.485 (2);
- (m) ORS 336.840 (use of personal electronic devices);
- (n) ORS 337.150 (textbooks);
- (o) ORS 339.119 (consideration for educational services);
- (p) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- (q) ORS 339.250 (9) (prohibition on infliction of corporal punishment);
- (r) ORS 339.326 (notice concerning students subject to juvenile court petitions);
- (s) ORS 339.370 to 339.400 (reporting of suspected abuse and suspected sexual conduct);
- (t) ORS 342.856 (core teaching standards);
- (u) ORS chapter 657 (employment department law);

- (v) ORS 659.850, 659.855 and 659.860 (discrimination);
- (w) Any statute or rule that establishes requirements for instructional time provided by a school during each day or during a year;
- (x) Statutes and rules that expressly apply to public charter schools;
- (y) 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;
- (z) Health and safety statutes and rules;
- (aa) Any statute or rule that is listed in the charter; and
- (bb) This chapter.

Any other Board policy or rule later deemed necessary by the District that does not otherwise materially alter the terms of this contract.

Oregon Administrative Rules developed by the Oregon Department of Education regarding ORS Chapter 338.

15.2 Waiver. As provided in ORS 338.025(2), KALMIOPSIS may apply to the State Board of Education to grant a waiver of any provision of ORS Chapter 338. KALMIOPSIS shall give the District a copy of any application for a waiver promptly after submitting it and shall give the District a copy of any grant of a waiver promptly after receiving it.

15.3 Amendment of Agreement to Conform to New and Changed Laws. The parties intend that where this Agreement refers to federal or state law that they be bound by any amendment to such laws, upon the effective date of such amendments, unless such amendments do not apply to charter schools. To illustrate, under Section 12.6 of this Agreement, KALMIOPSIS is required to have an annual audit prepared in accordance with the Municipal Audit Law, because ORS 338.095(2) requires this to be done. If, at any time during the term of this Agreement, the state amends existing statutes or develops any new rules, regulations or statutes that may affect the terms of this Agreement, change restrictions or requirements on KALMIOPSIS, or otherwise affect KALMIOPSIS, KALMIOPSIS and the District shall review this Agreement and may mutually agree to amend this Agreement.

15.4 School Policies. KALMIOPSIS shall adopt policies as may be required by law and may in its discretion adopt other policies governing operation of KALMIOPSIS; KALMIOPSIS shall make such policies available for review at the District's request. This Agreement requires KALMIOPSIS to operate in accordance with District policies and procedures. The District shall provide these policies and procedures to KALMIOPSIS and shall update KALMIOPSIS when these policies are revised, rescinded or altered in any manner.

16. Insurance and Indemnification.

16.1 Insurance; Proof; Renewals. KALMIOPSIS shall, at its own expense, secure and retain and provide proof of insurance of the types and in the amounts set forth in this Section 16. As provided in ORS 338.115(13), prior to beginning operation shall show proof of such insurance to the District; copies of certificates of insurance shall suffice as proof. If KALMIOPSIS fails to provide such a certificate within ten (10) days after

demand by District, District may purchase the insurance required and bill KALMIOPSIS. KALMIOPSIS shall procure and pay for renewals of such insurance prior to the time of expiration of such policies, and KALMIOPSIS shall deliver to District certificates of such renewal policies before the expiration of any existing policy.

16.2 Property Insurance. The parties anticipate that KALMIOPSIS will enter into a lease or other agreement relating to the KALMIOPSIS facility. KALMIOPSIS shall ensure that such lease or other agreement provides that (a) the facility is to be insured under an all-risk or special forms policy of insurance [such insurance may be purchased by the owner of the building or by KALMIOPSIS]; and (b) such policy is a replacement cost policy on an "all risk of direct physical loss basis," including earthquake and flood perils.

16.3 Commercial General Liability Insurance.

16.3.1 KALMIOPSIS shall maintain a commercial general liability insurance policy (occurrence form) with respect to the KALMIOPSIS facility and the operation of KALMIOPSIS, in accordance with this Agreement. The policy shall be in effect no later than when KALMIOPSIS, or any of its employees, agents, or subcontractors, enters the School facility to do any work in connection with the School facility.

KALMIOPSIS shall maintain such a policy thereafter throughout the term of the Agreement, including all extensions and renewals.

16.3.2 Subject to the following sentence, the limit of KALMIOPSIS policy shall be a minimum of \$1,000,000 for bodily injury and property damage per occurrence, \$3,000,000 annual aggregate covering KALMIOPSIS, the governing board, employees and volunteers against liability for damages because of personal injury, bodily injury, death or damage to property including the loss of use thereof. Coverage to include, but not limited to, contractual liability, advertisers' liability, employee benefits liability, professional liability and teachers' liability. The minimum limits of liability may be satisfied by using a combination of commercial general liability insurance and commercial excess/umbrella liability insurance (following form). In addition, KALMIOPSIS's policy shall contain coverage for premises medical payments in a minimum amount of \$10,000.

16.3.3 Such policy shall provide for contractual liability coverage with respect to the indemnity obligation set forth in Section 16.9 of this Agreement.

16.4 Liability Insurance for Directors and Officers. KALMIOPSIS shall procure and maintain liability insurance for directors and officers in an amount not less than \$1,000,000 each loss, \$3,000,000 annual aggregate, covering KALMIOPSIS, the governing board of KALMIOPSIS, employees, and

volunteers against liability arising out of wrongful acts and employment practices. Continuous "claims made" coverage will be acceptable, provided the retroactive date is on the effective date of this Agreement.

16.5 Business Auto Liability Insurance. KALMIOPSIS shall procure and maintain business auto liability insurance in an amount not less than \$1,000,000 combined single limit covering KALMIOPSIS, the governing board, employees and volunteers against liability for damages because of bodily injury, death or damage to property, including the loss of use thereof arising out of the ownership, operation, maintenance or use of any automobile. The policy will include underinsured and uninsured motorist vehicle coverage at the limits equal to bodily injury limits.

16.6 Workers' Compensation Insurance. KALMIOPSIS shall procure and maintain workers' compensation insurance pursuant to ORS Chapter 656 on all KALMIOPSIS employees. Employers' liability insurance will be maintained with limits of \$100,000 each accident, \$100,000 disease each employee and \$500,000 each policy limit.

16.7 Honesty Bond. KALMIOPSIS shall procure and maintain an honesty bond to cover all employees and volunteers of KALMIOPSIS. Limits are to be determined by KALMIOPSIS governing board, but no less than \$25,000. Coverage shall include faithful performance and loss of moneys and securities.

16.8 Policy Requirements. The insurance policies required by this Agreement (i) with respect only to the commercial general policy under Section 2 and the business auto liability policy under Section 4, shall name the District as an additional insured; (ii) shall be issued for periods of not less than one year; (iii) shall be issued by insurance companies admitted to do business in the State of Oregon; and shall contain a provision that they cannot be cancelled, reduced in amount, substantially modified, or not renewed without thirty (30) days prior written notice to the other party.

16.9 Indemnification.

16.9.1 KALMIOPSIS Indemnifies District. To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, KALMIOPSIS 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 the possession, occupancy or use of property of KALMIOPSIS (including after school use of buildings by outside groups), its faculty, students, patrons, employees, guests or agents; (2) civil rights violations, including Section 504 of the Rehabilitation Act of 1973, 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 KALMIOPSIS's operations. This indemnification shall not apply to any liability claims or

demands resulting from the negligence or wrongful act or omission of the District, its Board member, officer, agent, or employee. KALMIOPSIS agrees to indemnify, hold harmless and defend the District from all contract claims in which KALMIOPSIS has obligated the District without the District's prior written approval. This indemnification shall not apply to any damages incurred regarding any act or omission of KALMIOPSIS that is later determined to be required by law or this Agreement. 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.

16.9.2 District Indemnifies KALMIOPSIS. 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 KALMIOPSIS, 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 civil rights and "IDEA" violation, 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 KALMIOPSIS 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 KALMIOPSIS whose negligent or wrongful act or omission is caused or directed by KALMIOPSIS. 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 Agreement. 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.

16.9.3 Survival of Indemnification. This indemnification, defense and hold harmless obligation on behalf of KALMIOPSIS and the District shall survive the termination of this Agreement. 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.

17. Relationship between District and KALMIOPSIS.

17.1 Full Faith and Credit. KALMIOPSIS agrees that it will not extend the faith and credit of the District to any third person or entity. KALMIOPSIS acknowledges and agrees that it has no authority to enter into a contract that would bind the District. KALMIOPSIS's governing board has the authority to approve contracts to which KALMIOPSIS is a party, subject to the requirements and limitations of the Oregon Constitution, state law, and the provisions of this Agreement.

17.2 District Disclaimer of Liability. The parties to this Agreement expressly acknowledge that KALMIOPSIS is not operating as the agent, or under the direction and control, of the District Board except as required by law or this Agreement, and except for any liability claims or demands resulting from the negligence or wrongful act or omission of the District, its Board members, officer, agent, or employee, that the District Board assumes no liability for any loss or injury resulting from:

17.2.1 The acts or omissions of KALMIOPSIS, its directors, trustees, agents or employees;

17.2.2 The use and occupancy of the building occupied by KALMIOPSIS or any matter in connection with the condition of such building except as may be provided otherwise in a lease between the District and KALMIOPSIS; or

17.2.3 Any debt or contractual obligation incurred by KALMIOPSIS.

18. Termination.

18.1 Grounds for Termination. As provided in ORS 338.105(1), the grounds for termination of this Agreement by the District are as follows:

- (a) Failure to meet the terms of the Agreement or ORS Chapter 338.
- (b) Failure to meet the requirements for student performance stated in the Agreement.
- (c) Failure to correct a violation of a federal or state law that is described in ORS 338.115.
- (d) Failure to maintain insurance as described in this Agreement.
- (e) Failure to maintain financial stability.
- (f) Failure to maintain, for one or more consecutive years, a sound financial management system.

18.2 Notice of Breach; Opportunity to Cure; Dispute Resolution.

18.2.1 The parties recognize that the grounds for termination in Section 18.1 may involve subjective judgment and may involve disputes between the parties as to whether proper grounds for termination exist, and therefore the following process is agreed to as a means for dealing with alleged breaches of this Agreement.

18.2.2 If the District believes that any breach of this Agreement by KALMIOPSIS has occurred, it will give KALMIOPSIS written notice setting forth the alleged breach.

18.2.3 If KALMIOPSIS agrees that a breach has occurred, KALMIOPSIS will cure the breach within thirty (30) days after the District notice was given. If, however, the breach is such that KALMIOPSIS, by acting with due diligence, could not reasonably complete the cure within such time, KALMIOPSIS shall not be in default unless KALMIOPSIS either (a) fails to commence to cure the breach within such 30 day or other specified period, or (b) fails to diligently prosecute to completion all steps necessary to completely remedy the breach as soon as is reasonably practicable after the District gives such notice.

18.2.4 If KALMIOPSIS does not agree that a breach has occurred, KALMIOPSIS will give the District a written explanation of the reasons why it believes no breach has occurred. The parties will then attempt in good faith to resolve their differences, and either party may at any time demand resolution of the dispute under Section 19.8.

18.3 Notice of Intent to Terminate; Hearing; Appeal.

18.3.1 If the breach by KALMIOPSIS has not been timely cured, or if it cannot be cured, and if the matter is not being resolved by mediation, then the District may decide to terminate this Agreement, in which case it will give KALMIOPSIS 60 days prior written notice of its intent to terminate this Agreement. Such notice shall state the grounds for termination.

18.3.2 KALMIOPSIS may appeal the District's decision to terminate this Agreement directly to the District Board. KALMIOPSIS 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. KALMIOPSIS has the burden of proof for any affirmative defense to the allegations by a preponderance of the evidence.

18.3.3 The Board's decision may be appealed to the Oregon Department of Education according to ORS 338. 105(3).

18.4 Prompt Termination for Health and Safety Reasons. As provided in ORS 338.105(4), notwithstanding sections 16.1 - 16.3, the District may terminate this Agreement immediately and close KALMIOPSIS if KALMIOPSIS is endangering the health or safety of its students.

18.4.1 KALMIOPSIS's governing body may request a hearing from the District on the termination of this Agreement under this subsection 18.4. The District shall hold a hearing within 10 days after receiving the request.

18.4.2 KALMIOPSIS's governing body may appeal a decision of the District under this subsection 18.4 to the State Board of Education. The State Board of Education shall hold a hearing within 10 days after receiving the appeal request.

18.4.3 Throughout the appeals process, KALMIOPSIS shall remain closed at the discretion of the District unless the State Board of Education orders the District to open KALMIOPSIS and not terminate this Agreement.

18.5 Termination by KALMIOPSIS; Dissolution.

18.5.1 As provided in ORS 338.105(7), KALMIOPSIS's governing body may only terminate the Agreement or dissolve or close KALMIOPSIS at the end of a semester, unless the District agrees to another date. If KALMIOPSIS intends to terminate this Agreement or dissolve or close KALMIOPSIS, it shall give notice to the District at least 180 days prior to the proposed effective date of the termination, closure or dissolution.

18.5.2 If KALMIOPSIS should cease operations for whatever reason, including, but not limited to, the non renewal or termination of this Agreement, or dissolution of KALMIOPSIS, it is agreed that KALMIOPSIS governing board shall supervise and have authority to conduct the winding up of the business and affairs of KALMIOPSIS; provided, however, that in doing so, the District does not assume any liability incurred by KALMIOPSIS beyond the funds allocated to it by the District under this Agreement. If KALMIOPSIS's governing board fails to conduct such winding up in accordance with applicable laws and standards, the District may take appropriate legal action to do so. Upon dissolution, KALMIOPSIS must transfer all student education records to the District.

18.6 Effects of Termination or Dissolution. Until the effective date of termination of this Agreement, the District shall continue to make the funding payments under Section 12. As provided in ORS 338.105(5), termination of this Agreement shall not abridge KALMIOPSIS's legal authority to operate as a private or non-chartered public school. Upon dissolution or termination, all permanent records connected to this Agreement shall be transferred to the District.

18.7 Assets Currently Owned by KALMIOPSIS; Property Inventory Control. KALMIOPSIS shall maintain records of purchase orders for all assets relating to

KALMIOPSIS that cost \$500.00 or more. These records shall indicate whether the assets were purchased with public funds (as defined in Section 18.8) or non-public funds. No later than October 15 of each year that KALMIOPSIS is in operation, KALMIOPSIS shall provide the District with a copy of this purchase order record for the preceding fiscal year.

18.8 Definition of Public Funds. For purposes of this Contract, public funds shall include any and all funds distributed to KALMIOPSIS:

18.8.1 By the District, pursuant to ORS 338.155 and ORS 338.165, and

18.8.2 By the Oregon Department of Education, including any and all federal grant funds that KALMIOPSIS may apply for and be awarded by the Oregon Department of Education, and

18.8.3 By any agency, division or branch of the United States Government, or any entity created by an agency, division or branch of the United States Government.

18.9 Distribution of Assets upon Termination.

18.9.1 This Section 18.9 will apply if this Contract is terminated, at expiration of the term (including all extensions and renewals), upon dissolution of KALMIOPSIS, or for any other reason that KALMIOPSIS ceases operations as a public charter school under this Contract.

18.9.1.1 If any of the foregoing events in Section 18.9 occurs, all assets purchased with public funds and still owned by KALMIOPSIS shall be given to the state Board of Education in accordance with ORS 338.105(6). KALMIOPSIS will be entitled to retain ownership of any asset that KALMIOPSIS has acquired through the expenditure of non-public funds.

18.9.1.2 The parties acknowledge that assets costing less than \$500 may have little value at the time this Section 18.9 applies. Therefore, KALMIOPSIS will not be held responsible by the District for identifying assets costing less than \$500 and purchased with public funds and giving them to the state Board of Education, but the District does not waive any rights that the state Board of Education may have to enforce ORS 338.105(6). If KALMIOPSIS does not maintain records of purchase orders for all assets, or cannot provide records showing that an asset was purchased with non-public funds, then it shall be assumed that the asset was purchased with public funds, and upon termination the asset in question shall be given to the State Board of Education pursuant to ORS 338.105(6).

19. Miscellaneous Provisions.

- 19.1 Entire Agreement.** This Agreement, with Exhibits and the Application, contains all terms, conditions and provisions of the agreement between the parties relating to creation and operation of KALMIOPSIS and contains the entire understanding and all representations, understandings, and discussions of the parties relating thereto. All prior agreements, representations, drafts, statements, understandings, and discussions are merged herein and superseded and cancelled by this Agreement. Neither party is relying upon any statement or representation not embodied in this Agreement or in any other written agreement made concurrently herewith.
- 19.2 Severability.** If any provision of this Agreement is determined to be unenforceable or invalid by a court of law for any reason, the remainder of the Agreement shall remain in effect, unless otherwise terminated by one or both of the parties in accordance with the terms of this Agreement.
- 19.3 Amendment.** This Agreement may be modified or amended only by written agreement between KALMIOPSIS's Board of Directors and the District Superintendent (or designee) or District Board. If, at any time during the term of this Agreement, either party desires to amend the Agreement, it may send the proposed amendment(s) to the other party, and thereafter the parties will in good faith discuss and negotiate possible amendments. This subsection does not impose on either party any duty to accept any amendment proposed by the other party.
- 19.4 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 agreements expressed herein shall be deemed or be taken to constitute a waiver of any succeeding or other breach.
- 19.5 Governing Law.** This Agreement shall be governed by, subject to and construed under the laws of the State of Oregon without regard to its conflicts of law provisions.
- 19.6 Assignment; Successors and Assigns.** This Agreement may not be assigned by KALMIOPSIS under any circumstances, it being expressly understood that the charter granted by this Agreement runs solely and exclusively to KALMIOPSIS. This does not limit KALMIOPSIS's right to enter into contracts and Agreements to the full extent allowed to charter schools under Oregon law. Except as otherwise expressly provided in this Agreement, the provisions of this Agreement bind and benefit the legal representatives, successors and assigns of the parties.
- 19.7 Notice.** Any notice, statement, demand, request, consent, approval or other communication (collectively referred to in this Section 19.7 as "notices" or

"notice") required or permitted to be given or made by either party, or its agent, to the other, pursuant to this Agreement or pursuant to any applicable law or requirement of public authority, shall be in writing and given by one of the following methods (with the effective date of the notice to be as set forth below):

- (a) By personal delivery to the person indicated on the execution page of this Agreement (to be effective when actually delivered);
- (b) By email;
- (c) By registered or certified mail, postage prepaid, with return receipt requested [to be deemed effective two (2) days after mailing]; or
- (d) By nationally recognized reputable overnight courier, prepaid (to be deemed effective on the date that the courier warrants that delivery will occur).

Notice sent by courier or mail shall be addressed to the other party (to the attention of the person identified on the execution page of this Agreement) at the address set forth on the execution page of this Agreement or such other person or address which may be designated by a party in writing.

19.8 Dispute Resolution; Mediation.

19.8.1 If any dispute arises between the District and KALMIOPSIS concerning this Agreement, including, without limitation, an allegation of any breach or default, either party may request mediation of the matter. The party requesting mediation shall do so by giving written notice to that effect to the other party, specifying in the notice the nature of the dispute. Mediation requires the consent of both parties, and nothing in this section shall be construed to require either party to mediation without that party's consent.

19.8.2 If the parties cannot agree upon a mediator, either party may request the Oregon Department of Education to appoint the mediator.

19.8.3 At any time during the mediation process, or if the parties are unable to reach an agreement through mediation, either party may give notice to the other party and the mediator that it is terminating its participation in the mediation; after that, either party may request a hearing before and decision by the District Board.

19.8.4 The parties shall share equally the fees and expenses of any mediator and each party shall pay its own expenses incurred in any mediation.

19.8.5 As to any dispute that is not being determined through mediation, KALMIOPSIS may request a hearing before and decision by the District Board.

19.8.6 KALMIOPSIS may appeal to the State Board of Education concerning those matters within its jurisdiction under ORS Chapter 338.

19.9 **Delegation by District.** The parties agree and acknowledge that the functions and powers of the District Board may be exercised by the Superintendent of the District and the functions of KALMIOPSIS may be exercised by the Teacher Leaders of KALMIOPSIS, provided that any ultimate decision regarding renewal or termination of the Agreement may be made only by the District Board and the Board of Directors of KALMIOPSIS.

19.10 As a condition precedent to this Agreement becoming effective on the effective date specified above in Section 2.1, KALMIOPSIS shall have taken, completed and satisfied on or before the date specified herein any action or obligation which is required to be completed before such effective date, and failure to do so shall constitute grounds for the District to declare this Agreement null and void.

19.11 KALMIOPSIS expressly affirms that the signatories on its behalf who sign below have the authority to enter into this Agreement on behalf of KALMIOPSIS and that the Board of Directors of KALMIOPSIS has duly approved of this Agreement. At District's request, KALMIOPSIS shall provide to the District a copy of its written resolution authorizing KALMIOPSIS to enter into this Agreement.

19.12 For the purpose of this Agreement, "business day" means a day in which the District administrative offices are open. "Business day" does not include (a) Saturdays, (b) Sundays, (c) official state holidays listed in ORS 336.010, (d) federal holidays, (e) District scheduled spring vacation, (f) any day(s) in which the administrative office is closed due to inclement weather, or any day that the District administrative office is closed due to action taken by, or ordered to be closed by, the District Board of Directors or the Board's designee, or the government of the City or County in which the District is located, or State of Oregon, or the federal government.

19.13 Attached hereto and incorporated herein by this reference is Exhibit B (Goals and Evaluation).

EXECUTED this _____ Day of _____, 2023

KALMIOPSIS COMMUNITY ARTS HIGH SCHOOL

An Oregon nonprofit corporation

P.O. Box 110

O'Brien, OR. 97534

Telephone: 541-630-4KCA (4522)

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Effective July 1, 2023

Kimiko Maglio, Chair

THREE RIVERS SCHOOL DISTRICT

P.O. Box 160

Murphy, OR 97533

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Dave Valenzuela, Superintendent

EXHIBIT 'B' TO CHARTER SCHOOL AGREEMENT

CHARTER SCHOOL GOALS AND EVALUATION GUIDELINES

1. Oregon Statewide and Internal Assessments.

- 1.1. **Administering Assessments.** KALMIOPSIS will administer the Oregon Statewide Assessments to its students in the required grades, administered as required by state laws and regulations. By September 15 of each year, KALMIOPSIS will submit to the District a list of all assessments—including internal assessments—used to measure student achievement.
- 1.2. **Results.** During the term of this Agreement, the average score for each student subgroup in each grade level of KALMIOPSIS's students taking the Oregon Statewide Assessment and/or outcomes for the student groups identified in any state or federal accountability system applying to the District shall be used in part to determine sufficient performance on academic goals.

In addition to required statewide assessments, KALMIOPSIS shall report to the District the results of internal assessments that measure academic growth of students in the same subject areas as required statewide assessments.

1.2.1 For purposes of Section 1.2, the following student subgroups shall be utilized when comparing student assessment scores:

- (i) Students from historically underserved racial or ethnic groups
- (ii) Students with disabilities (disaggregated by students on 504 plans and students on Individualized Education Plans)
- (iii) Students identified as Multilingual Learners (ML)
- (iv) Economically disadvantaged students

1.2.2 For purposes of Section 1.2, student assessment scores shall be compared by student subgroup when there is a statistically significant number of students in the subgroup. The term "statistically significant" shall mean six (6) or more students.

2. Reports of Assessment Results.

- 2.1. **Reports to District.** After KALMIOPSIS receives results of the assessments in Section 1, it will give the District a report of the results. KALMIOPSIS will also include assessment results of Sections 2 and 3 in its annual reports to the District.

3. **Addressing Deficiencies; School Improvement Plan.** Either KALMIOPSIS or the District may identify student performance that has fallen below these achievement goals. If that occurs, KALMIOPSIS, with any assistance the District is able and willing to provide, will develop school improvement plans (and include such plans as part of the annual reports) to address the identified deficiencies. Such plans shall specify goals for improvement, timelines, and specific

actions different from normal school operations that will be taken to help achieve such goals. KALMIOPSIS's annual reports will also discuss the results of implementation of school improvement plans. The annual evaluation of the charter school program will include progress on such plans. If KALMIOPSIS fails to implement such a plan, the District may issue a written notice to KALMIOPSIS that it must comply with the terms of the plan immediately. If KALMIOPSIS fails to comply with the terms of the plan, the default section of the Charter Agreement will apply.