

# **CHARTER SCHOOL CONTRACT**

**CORVALLIS SCHOOL DISTRICT 509J**



**AND**

**INVALE COMMUNITY PARTNERS  
INCORPORATED  
DBA**

**MUDDY CREEK CHARTER SCHOOL**



**August 26, 2024 - June 30, 2029**

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# CHARTER SCHOOL CONTRACT

THIS CONTRACT, dated this 13th day of June, 2024, is made and entered into by and between the **CORVALLIS SCHOOL DISTRICT 509J** (“District”) and **INAVALE COMMUNITY PARTNERS INCORPORATED dba MUDDY CREEK CHARTER SCHOOL (MCCS)**, an Oregon nonprofit corporation (“Corporation” or “Charter School”).

## RECITALS

WHEREAS, ORS Chapter 338 provides for the creation and operation of charter schools for certain purposes enumerated in that chapter; and

WHEREAS, the District and the Charter School entered into a contract to allow the Muddy Creek Charter School to operate as a charter school in the District on November 5, 2007; and

WHEREAS, the Charter School requested in writing by the dates required in the charter school contract to renew the charter school contract; and

WHEREAS, the District held a public hearing on the renewal of the Charter School on February 22, 2024; and

WHEREAS, this contract between the Charter School and the District will constitute the full and complete agreement between the parties regarding the governance and operation of the Charter School; and

WHEREAS, the parties desire that the Corporation be authorized to operate the Charter School and conduct its affairs in accordance with the terms of this Contract, District Board Policy LBE, applicable Oregon Administrative Rules 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:

## AGREEMENT

1. **Grant of the Charter.**

The Corporation is granted, in accordance with ORS Chapter 338 and the terms and conditions of this Contract, a charter to operate the Charter School as described herein.

2. **Effective Date.**

This contract becomes effective July 1, 2024 and expires on June 30, 2029.

3. **Renewal.**

During the fifth year of the term of this contract, the Charter School may request a renewal of the charter for a minimum of five years and no more than ten years (ORS 338.065(4)(c)). The request for a renewal may be submitted to the District at any time after October 1, 2028. The request will state the requested length of the renewal term as well as any substantive changes to

the contract requested by the charter school. Both parties may explore additional topics during charter negotiations.

**4. Grade Range, Educational Program, Curriculum, and Student Assessment.**

**4.1 Age and Grade Range.**

The Charter School shall provide instruction to students in grades K through five (5). The age requirements for students in any grade shall be the same as applicable state law, if any.

**4.2 Student Population Cap.**

The total number of full-time students enrolled at the Charter School while it serves K-5 shall be no greater than 125 students. Beginning in the 2020-2021 school year, the cap shall be increased to 130 students. At no time during the term of this contract shall the Charter School's student population exceed 130 full-time equivalent students without written approval from the district.

**4.3 Curriculum.**

**4.3.1** The District agrees to waive its curricular requirements, to the extent permitted by state law, but subject to the implementation of the Charter School's instructional programs outlined in its application, and as amended herein. The Charter School shall have the authority and responsibility of designing and implementing its educational program, subject to the conditions of this Contract, in a manner that is consistent with state law, unless the law is inapplicable to charter schools.

**4.3.2** The educational program, pupil performance standards and curriculum designed and implemented by the Charter School shall meet or exceed any content standards adopted by the State of Oregon and shall be designed to enable each pupil to achieve such standards. The Charter School agrees to comply with all state requirements concerning academic content areas as defined in ORS 329.045.

**4.3.3** The Charter School agrees to obtain prior approval from the District before making a fundamental change to the educational program outlined in its application. A fundamental change is defined as a change to the mission or academic focus of the Charter School including alignment with Oregon State Standards

**4.4 Student Assessment.**

All students enrolled and attending the Charter School shall participate and take part in all statewide assessments developed by the Oregon Department of Education under ORS 329.485.

**4.5 Records.**

The Charter School shall comply with all applicable federal and state laws concerning the maintenance, retention, disclosure and security of student records, including, without

limitation, the Oregon Public Records Law and the Family Educational Rights and Privacy Act. The Charter School shall cooperate with the District by providing any reports or records to the District that the parties mutually agree are necessary to meet the District's reporting obligations to the Oregon Department of Education or the U.S. Department of Education. The District shall provide the Charter School with a list of records and information it believes are required for the District to meet its state reporting requirements, and the parties will agree on the scope and form of such records and information and when to provide it. The Charter School will work with the District to meet the District's requirements, and the Charter School recognizes that it has the responsibility for the input of such data into District or state computer systems, subject to termination for noncompliance as provided in Section 11.6. All records established and maintained in accordance with this Contract shall be open to inspection by the District. The District shall be responsible for training staff in use of District systems and for costs of using District-specified special software for such record keeping.

**4.6 Nonreligious and Nondiscrimination.**

In compliance with ORS 338.035(8), the Charter School shall not be affiliated with a nonpublic sectarian school or a religious institution. In compliance with ORS 338.115(4), the Charter School 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. In compliance with ORS 338.115(1)(s) and ORS 659.850, no person of the Charter School shall be subjected to discrimination on the basis of age, citizenship, color, disability, national origin, race, parental or marital status, religion, sex, gender identity, gender expression, or sexual orientation. In compliance with ORS 338.125(2)(c), the Charter School shall not limit student admission based on ethnicity, national origin, disability, gender, income level, proficiency in the English language, or athletic ability, but the Charter School may limit admission to students within a given age group or grade level. The charter school shall post such nondiscrimination notices on all official published materials, including the school's website. (ORS 659.850, 659.855 and 659.860)

**4.7 Open Enrollment.**

**4.7.1 Voluntary Enrollment, Who is Eligible.** Student enrollment in the Charter School will be voluntary. All students who meet age requirements applicable to a particular grade level will be eligible for enrollment subject to the requirement that the Corporation shall give preference to the students who are a resident in the District. Other than the age of a student and the preferences allowed by law, there will be no criteria for selection of students. A student will be deemed admitted to and enrolled in the Charter School when the student's application has been unconditionally accepted by the Charter School 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 will be governed as described in Section 4.7.5.

**4.7.2 Enrollments.** Each year, the Charter School will set deadlines by which such applications must be received for each phase of the enrollment process. These deadlines may change from year to year at the discretion of the Charter School. The Charter School Board will approve any forms and policies that may otherwise be needed to govern the enrollment process, and may change those from time to time as they determine what works best. The Charter School shall conduct the first stage of the enrollment process early enough to provide an estimate to the District of enrollment by the date the District uses in its choice process and monthly thereafter report changes in enrollment through the month of September. Each month for the calendar year prior to September of each year, the Charter School shall furnish the District the name and address of each student who has enrolled in the Charter School for September of that year.

**4.7.3 Application Process, First Phase of Enrollment Process.**

On a date set the Charter School Board, prospective students may apply for admission to the Charter School for the school year that begins the following September. 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 maximum number of students allowed adjusted for Full Time Equivalent (FTE), then all the applications will be accepted (including applications from nonresidents).

If the number of applications from students exceeds the capacity of a program, class, grade level or building, the public charter school shall select students through an equitable lottery selection process. For the purpose of ameliorating the impact of discrimination against historically underserved students, an equitable lottery selection process may include weights that favor historically underserved students. As used in this paragraph, “historically underserved students” are 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.

**4.7.4 Enrollment Preferences.** The Charter School may give admission preference to (1) students who were enrolled in the Charter school in the prior year, and (2) applicants who have siblings who are presently enrolled in the Charter School and who were enrolled in the Charter school in the prior year and (3) the Charter School shall give preference in the lottery to students who reside within the District.

**4.7.5 Special Education Students.**

(a) The Charter School registration form will ask if the applicant has an Individualized Education Program (“IEP”) under the Individual with Disabilities Education Act (“IDEA”), but lottery application forms will not. Any student with an IEP whose application is accepted will be enrolled. Additionally, the Charter School will notify the Charter School’s assigned Special Education teacher within two school days, and a representative from the Charter School will attend the IEP



team meeting after the student enrolls in the Charter School, at which the team will determine whether or not the Charter School is the appropriate placement for the student. Students residing out of district, for whom placement at the Charter School is determined by the IEP team to not be appropriate, may not have access to programs at other District schools.

(b) The Charter School will admit students without regard to their status as students needing special education services. The parties intend by this process to ensure that the Charter School does not unintentionally discriminate against enrolling special education students or otherwise violate applicable laws.

#### **4.8 Education of Students with Disabilities.**

The District shall comply with all federal and state law concerning the education of children under the Individual with Disabilities Education Act. The Charter School shall comply with all District policies and regulations and the requirements of federal and state law concerning the education of children under the Individual with Disabilities Education Act. Compliance by the Charter School includes, but is not limited to, the following:

- 4.8.1** The Charter School shall comply with all District policies regarding discipline of special education students. Including but not limited to obligations to uphold IDEA law for students identified or suspected with a disability.
- 4.8.2** The Individual Education Plan/Program team is determined by federal law. The parties expect that the Charter School will have at least one certified classroom teacher serve on the IEP team for Charter School students.
- 4.8.3** The student's IEP team will determine the appropriate educational program and placement for the student. The Charter School shall abide by the IEP team's decision on program services, and placement. If the Charter School does not follow its obligations related to the provision of services on an IEP as it was determined by the IEP team, a Letter of Expectations and Correction may be issued by the District. Continued failure may result in revocation of the charter.
- 4.8.4** The IEP team, the District, and the Charter School will mutually agree on who will best be suited to deliver services from the IEP. In the case that the Charter School will provide services, under the direction of the Special Education teacher, the Charter School will make its staff available to receive District-provided training if necessary for the delivery of the determined services. Additionally, the Charter will ensure that staff follow through on the committed service delivery, in addition to the oversight from the Special Education teacher and the District's Special Education Director. In the case that the District employees will be providing services, the Charter will make every reasonable effort to work closely with District staff to assist in the effective delivery of the services. In all cases, the District will allow access to Charter School staff for any special education training and professional development offered to District staff.

- 4.8.5 The funds from the Oregon Department of Education representing the Average Daily Membership weighted (ADMw) for special education for Charter School special education students shall be retained by the District. To illustrate, if the District's General Purpose Grant were \$5,000 per ADMw, the District would receive 2.0 times that amount, or \$10,000, for each special education student under the current formula; the amount payable to the Charter School for each special education student (using the 87.5 percent formula under Section 9.2.2(b)) would be \$4,375; the District would retain the remainder of \$5,625.
- 4.8.6 District will solely determine any specialized special education programs that would be offered on site at the Charter School beyond the provision of Special Education services.
- 4.8.7 The student's IEP team may recommend any appropriate placement for the student based on the student's needs, whether in or out of the Charter School. The Charter School shall not change the student's placement or IEP without IEP team approval.
- 4.8.8 Special education transportation will only be provided to a Charter School special education student if it is a related service on the Charter School student's IEP.
- 4.8.9 The Charter School shall provide substitutes for the Charter School staff who are required by law to attend IEP meetings or other meetings related to a Charter School special education student during the instructional day at the Charter School expense.
- 4.8.10 If, after a student is enrolled and attending the Charter School, the staff and employees of the Charter School suspect a student may be eligible for special education and related services under IDEA, the Charter School shall comply with all District practices for RTI, Evaluation planning, and Eligibility. Any student referred for evaluation shall remain enrolled at the Charter School until and unless the IEP team determines that the Charter School is not the appropriate placement for that student.

**4.9 Minimum Enrollment.**

The minimum enrollment for each school year shall be 25 full-time students. The District may terminate this Contract if student enrollment in the Charter School falls under 25 students during any school year, as provided in Board Policy LBE-AR Section V.F., by application of the termination process. For purposes of this Contract full-time student means a student who is receiving more than one-half of his or her instructional program at the Charter School.

**4.10 Dual Enrollment.**

The Charter School shall not permit a Charter School student to attend on a full-time or part-time basis, both the Charter School and another public school, another public Charter School, or non-public school, or enroll as a homeschooled student, without prior approval

of the District. If the Charter School becomes aware that any student at the Charter School is enrolled and attending another public school, another public Charter School, a non-public school on such a full-time basis or part-time basis, or is enrolled as a homeschooled student, the Charter School will notify the District and will request that the parent of such student take appropriate action to change the student's enrollment and attendance to one school.

**4.11 Student Attendance, Conduct, and Discipline.**

The Charter School shall maintain on a monthly basis accurate enrollment data and daily records of student attendance and shall utilize the District computer program, provided by the District, for this purpose. (Refer to Section 9.2 of this Contract for detail.) The Charter School shall implement a system of uniform student discipline consistent with the application and shall notify its students of the students' rights and responsibilities.

The Charter School will report immediately to the District Student Services Department when a student suspected or identified with a disability is suspended for 10 total days. Manifestation Hearings for students suspected or identified with a disability will be facilitated by the Special Education teacher assigned to the Charter School with an expectation that Charter School staff will participate in the Manifestation Hearing. Manifestation Hearings for students who qualify for Section 504 of the Rehabilitation Act of 1973 are the responsibility of the Charter School.

The Charter School will also adopt Board Policies JGAB and JGAB-AR, Use of Restraint and Seclusion, and Board Policy JGA Corporal Punishment. The Charter School Board may amend its policies from time to time as provided in Section 11.3. The Charter School shall notify the District immediately upon the Charter School's determination to expel a student. The Charter School and the District shall extend full faith and credit to the suspension and expulsion of a student of the other, unless both parties agree in writing to a variance from this requirement.

**4.12 Student Welfare and Safety.**

**4.12.1** The Charter School shall be responsible for the health and safety of its students and staff. Professional development opportunities through the district may be available to staff. The Charter School shall comply with all applicable state and federal 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.

**4.12.2** The Charter School is responsible for the reporting of child abuse and neglect in accordance with state law. The Charter School is responsible for the reporting of staff sexual misconduct in accordance with state law. Reports of staff sexual misconduct must also be reported to the District.

- 4.12.3 The Charter School shall immediately inform the District Liaison of any incident regarding child abuse and/or neglect.
- 4.12.4 The Charter School shall comply with state and federal law relating to drug administration to students.
- 4.12.5 The Charter School shall comply with OAR 584-020-0041, the Teacher Standards and Practices Commission requirements that the chief administrator report certain acts of gross neglect of duty by licensed staff.
- 4.12.6 The District shall charge the Charter School for use of district nursing staff at a rate in alignment with their negotiated contract for the provision of nursing services and/or health and safety training to Charter School employees. This includes the writing of student health plans and the training required to delegate medical care to unlicensed personnel at the Charter School as outlined in student health plans. Charter School staff may attend First Aid, CPR, Non-Injectable, and EPI training provided by the District. The District will pay the registration costs for these trainings only.

**4.13 School Year, School Day, Hours of Operation.**

The Charter School may be flexible in its calendar and in the scheduling of its daily activities, provided it conforms to any requirements of state law. However, the Charter School anticipates that its annual calendar will generally match the calendar of the District, and the Charter School may maintain a typical nine-month school year for its regular academic program. The number of instructional hours during each school year will comply with requirements of state law.

**4.14 Alternative Education Model.**

Subject to applicable state law, federal law, and the terms of this Contract, the Charter School shall be allowed to promote and implement learning situations that are flexible with regard to environment, time, structure, and pedagogy and may include the use of online programs to supplement learning. If the Charter School determines to send a student to a fee-based alternative education program, such as online classes or tutoring programs, the Charter School shall pay the full cost of such program.

**4.15 Transportation of Students.**

**4.15.1** The public Charter School shall be responsible for providing transportation for its students who reside within the school district and may negotiate with the District for provision of transportation services. The District reserves the right to deny services if driver resources are not available within our district service contracts. Attempts will be made to find alternate services, but are not guaranteed. As interpreted by ODE, the Charter School can meet this responsibility by posting on a bulletin board for those interested in carpooling or other means of transportation.

**4.15.2** The District shall provide transportation for public Charter School students pursuant to ORS 327.043. Resident public Charter School students will be transported under the same conditions as students attending non-charter public schools located along or near established District bus routes. The District shall not be required to add or extend existing bus routes.

**4.15.3** Public Charter School students who reside outside the District may use existing bus routes and transportation services of the district in which the public Charter School is located.

**4.15.4** Any home to school transportation costs incurred by the District shall be considered approved transportation costs.

**4.16 Education of English Language Learners.**

The Charter School shall require a completed home language survey for each student enrolling in the Charter School. The District shall coordinate support of identified English Language Learners (ELLs). Initial assessments and testing will be completed by the District. The District shall provide specialized training for Charter School staff working with identified ELL students. The District shall provide online language services for student language support. The Charter School shall be responsible for associated paperwork and continued annual assessment of ELL students and monitoring of former ELL students as well as those who have declined services.

**4.17 Education of Homeless Students.**

The District shall provide annual McKinney Vento training for Charter School staff. The District shall provide consultation for services to homeless students and access to the District crisis action team, when necessary.

**4.18 Translation Services.**

The Charter School is responsible for providing translation services for published materials, public meetings, and other needs. The Charter School may negotiate separately with the District for translation or interpretation services based on an overtime rate for District staff.

**4.19 Technology and Library Resources.**

The District shall provide the Charter School access to its Student Information System at no cost to the Charter School. Should the Charter choose to enter into an agreement with the District to provide library inventory services, the District and Charter will meet to negotiate requirements, costs, and a fee schedule. The Charter School shall be responsible for providing all other software, hardware, internet access, and technology services necessary to implement and maintain a secure technological infrastructure. The Charter School will comply with Children's Online Privacy Protection Act (COPPA) Children's Internet Protection Act (CIPA) and any other applicable laws.

**4.20 Technology and Cybersecurity.**

MCCS, at its own expense, agrees to take adequate steps to ensure the security of its technology systems which have connections to the District's technology systems, including but not limited to student information systems, online curriculum, accounting systems, and any other electronic data storage system that may expose the personally identifiable information of District students or staff. MCCS shall annually train its employees, volunteers, and agents who use such systems on cyber safety (in compliance with local, state, federal, and cybersecurity insurance requirements. Documentation of training provided shall be submitted to the District annually or upon request.

**5. Curriculum Alignment.**

The learning targets in all content areas will be aligned to the Oregon Standards. Assessments used by the Charter School to measure and monitor student progress will also be based on Oregon Standards.

**6. Evaluation of Student Performance.**

**6.1** The Charter School shall ensure that its students participating in the statewide assessments achieve at or above student average scores in the same grade level as District students participating in the statewide assessment. (For example, if 80 percent of the District's third grade students meet standards on mathematics, 80 percent or more of the Charter School's third grade students would need to meet standards in mathematics.)

**6.2** If students of the Charter School do not meet or exceed the student achievement standards of student average scores in the same grade level as District students or do not meet expected growth targets as defined by the State, an evaluation of the factors contributing to these results will be undertaken by the District and Charter School personnel with expertise in teaching, learning, assessment, and evaluation to determine the likely causative factors. This determination will utilize principles of evaluation including a review of whether differences between grade level comparison groups as described in Section 8.1 are statistically significant. Should the determination related to grade level comparisons defined in Section 8.1 find that it is likely the factors contributing to the differences are not attributable to teaching and/or curricular programs, no further action will be taken. However, should it be found that the difference in grade level comparisons is likely based on instructional and/or curricular program issues, or the school did not meet expected growth targets then the District and the Charter School shall create a School Improvement Plan, within 90 days of the findings, to address the issues interfering with students achieving at a rate commensurate with other district students in comparable grades and/or failing to meet expected growth targets. The District shall review and provide input to the Charter School on its revised School Improvement Plan to be implemented to ensure student achievement standards of the Charter School students meet or exceed student achievement standards of students in the same grade level as District students on the following year's statewide assessments.

- 6.3 If students of the Charter School do not meet or exceed the achievement standards of students in the same grade level as District students on the following statewide assessment or do not meet expected growth targets for two consecutive years the District and the Charter School shall jointly revise the School Improvement Plan, within 90 days of the findings, to address the issues interfering with students meeting benchmarks or growth targets at a rate commensurate with other district students at the same grade level. The School Improvement Plan will specifically address teaching to the standards, effective teaching strategies, professional development, and leadership practices to focus on the Charter School students achieving at or above the rate at which students in the same grade level as District students achieve and/or meet expected growth targets. If, after a third year, students of the Charter School do not meet or exceed the achievement standards of students in the same grade level as District students on the statewide assessment or do not meet expected growth targets for three consecutive years, the District may terminate the contract with the Charter School.
- 6.4 The Charter School shall report to the District the Charter School's student scores on any of the statewide assessments within 10 business days of receiving the scores.
- 6.5 The District shall report to the Charter School the same state assessment result information as all District schools with disaggregated data for comparison and goal setting purposes as soon as possible but not beyond 30 business days of receiving those scores.
- 6.6 In addition to assuring that students participating in the statewide assessments achieve at or above student average scores in the same grade level as District students as outlined above, the Charter School shall also pursue expected student growth targets as established by the state of Oregon and as measured by participation rates and scores on the Oregon Statewide Assessments, attendance and other criteria used by the state to determine growth targets and levels of performance for all public schools. The Charter School shall be subject to applicable federal and state sanctions for any failure to make performance and/or growth targets and shall review and update its School Improvement Plan.
- 6.7 Each subgroup identified will make performance and growth targets, as established above and measured by the Oregon Statewide Assessments.

7. **Financial Matters, Funding, Annual Budgets, Annual Audit.**

7.1 **No Tuition, Fees.**

The Charter School 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(1)(n), the following laws shall apply to the Charter School: ORS 339.141, ORS 339.147, and ORS 339.155. In accordance with state law, the Charter School may charge reasonable fees for instructional materials (other than standard prescribed textbooks), after-school programs, and student extracurricular activities, those items described in ORS 339.155 and other items where not prohibited by applicable law. The Charter School shall waive all fees for students who meet requirements under ORS 339.147 or applicable federal law.

## **7.2 Annual Funding.**

**7.2.1 Student Enrollment, Attendance Records.** The Charter School shall identify and count, and maintain timely and 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 as a Second Language program under ORS 336.079; 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 327.013.

### **7.2.2 Calculating ADMw and Funding.**

(a) For each school year, the District shall provide funding to the Charter School in accordance with ORS 338.155(1) and (2), as that formula may be changed from time to time, subject to any modifications made by the parties in this Contract. Until the law is changed or the parties otherwise agree by amendment of this Contract, the funding shall be the sum of the following subparagraphs (b) and (c). Timing of payments made from the District to the Charter School will follow the guidelines set in ORS 338.155.

(b) Funding related to Kindergarten through Grade 5 students shall be 87.5 percent of the amount of the District's General Purpose Grant per ADMw as calculated under ORS 327.013, or the minimum under State law, whichever is greater. The District and the Charter will meet following the 2025 legislative session to reevaluate the ADMw percentage.

(c) State School Fund Grant payments will be made to the Charter School by the District based on the following assumptions:

(i) Payments for July and August will be based on the projected enrollment and the ADMw factor for English as a Second Language.

(ii) Subsequent payments that fiscal year will be made based on the ADMw in the Student Information System on the last day of the preceding month.

(iii) An additional amount will be paid to incorporate the District's Poverty Factor adjustment by prorating the District's poverty factor between the Charter School and the District based on the number of ADMr and the most recent State School Fund estimate for the District.

(iv) A school may qualify as a remote small elementary school if the average daily membership is grades one through eight for an elementary school teaching five grades is below 140 ADMr. If an elementary school in a school district qualifies as a remote small elementary school, the district shall have an



additional amount added to the districts ADMw. This additional amount will also be funded at 87.5 percent.

(v) The Charter School will be reimbursed for 50% of the actual audit costs after submitting an invoice to the District and ensuring that all required fiscal reports are submitted on time.

(vi) Adjustments for actual ADMw, poverty factor, and State School Fund Grant will be made in May of the subsequent fiscal year following the release of the final State School Fund Grant estimate by Oregon Department of Education. Reimbursement for overpayments will be withheld from new State School Fund payments.

(d) In accordance with ORS 338.155(8), the District will send State School Fund Grant payments to the Charter School within 10 days after receiving payments from the State School Fund.

(e) In the event that the Charter School dissolves or the District terminates or does not renew the Contract with the Charter School, the final adjustment to the State School Fund payment by the District to the Charter School will be made in the last payment that is required by the terms of this Contract.

### **7.2.3 Title I.**

The District shall provide to Corporation the appropriate Title I funds, if determined eligible by the District, using the same formula and allocation procedures as it does for District schools, which currently do not include middle and high school students.

### **7.2.4 District Fees.**

The District may charge fees to the Corporation to provide administrative and support services that are requested by the Corporation and are in the mutual interest of the District and Corporation on a basis of actual District cost of services. The District shall use the indirect method, of charging the District's grant administration for those grants administered by the District. The Corporation may charge fees to the District to provide administrative and support services that are in the mutual interest of the District and the Corporation as mutually agreed upon on a basis of actual Corporation cost of services. In either case, invoices will offer detail to document the expense and be sent quarterly.

### **7.2.5 Information to District.**

The Charter School shall provide to the District the data set forth in Section 9.2 above through the District's Student Information System for each month on or before the 16<sup>th</sup> day of the subsequent month, for each school year. Nothing in this section shall limit the District's right to require additional relevant reports as necessary for the District to meet its duties imposed by law consistent with Section 5.6.

**7.2.6 State Funding.**

The financial commitment on the part of the District contained in this Contract is subject to annual appropriation by the State of Oregon, and the District has no obligation to fund Charter School operations if State funding does not occur, unless otherwise required by law.

**7.3 Budgets, Financial and Cash Flow Projections, Financial Reporting.**

**7.3.1** In addition to the Annual Report in Section 11.5, the Charter School shall complete and submit to the District a revised budget annually by October 15 beginning in 2019. The revised budget should be based on the latest information available for state funding and enrollment for the year. The Charter School shall be responsible for the review and oversight of its financial records.

**7.3.2** On or before June 1 of each year of the charter contract, the Charter School shall submit to the District its proposed budget for the following school year and three-year financial and cash flow projections, so that the District can review them as part of its consideration of the Charter School's financial stability. The Charter School shall complete and submit to the District a revised budget annually by October 15 beginning in 2019. The revised budget should be based on the most recent ODE estimate for the Corvallis School District and enrollment projections for the year. The Charter School 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.

**7.3.3** The quarterly reports (September, December, March, and June) of each year of the Contract, will be submitted by the 20<sup>th</sup> of the subsequent month. The Charter School must provide to the District a balance sheet, a statement of revenues and expenditures for the quarter ended, a statement of revenues and expenditures year-to-date, and a Budget Projection Summary in a format provided by the District, and an Aged Accounts Payable statement showing any accounts that are 30, 60, 90 or 90+ days past due by the Charter School. Financial reports must reflect all funds, including grants and donations, and provide separate reports for each fund. The District reserves the right to request additional financial reports and projections on an as-needed basis.

**7.3.4** If the Charter School has not submitted the proposed budget, the adopted budget, the required annual audit, or any other financial information the District requests such as management letters, state audits, and bank reconciliations by the date the Charter School is to provide the information to the District, the District shall withhold any and all State School Fund payments to the Charter School until the information is received by the District.

**7.4 Fiscal Agent.**

The Charter School shall act as its own fiscal agent.

**7.5 Fiscal Year.**

The fiscal year of the Charter School shall begin on July 1 of each year and end on June 30 of the subsequent year.

**7.6 Financial Records, Audits, and Accounting Reports.**

The Charter School shall maintain and retain appropriate financial records in accordance with all applicable federal and state laws. The Charter School will maintain a system of internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations. In accordance with ORS 338.095(3), in each year of the charter contract, the Charter School shall have a fiscal year-end audit of the accounts of the Charter School. The audit shall be prepared by the auditor that services the District (in order to provide continuity due to legal reporting requirements) in accordance with the Municipal Audit Law, ORS 297.405 to 297.555 and 297.990 as it may be amended from time to time in the governmental model and conducted by an auditor licensed to perform municipal audits. The Charter School will be reimbursed for 50% of the actual audit costs after submitting an invoice to the District and ensuring that all required fiscal reports are submitted on time and providing the Charter School has made a good faith effort to provide the auditor with financial records in good order. The Charter School shall submit the fiscal year-end audit to the District by October 15 of each year. The fiscal year-end audit shall also be forwarded to the State Board of Education and the Department of Education. The financial reports shall reflect and identify the source of funds and assets that cost \$1,000 or more, as well as their location and disposal, for reporting purposes. The Charter School shall provide to the District the Corporation's Internal Service Form 990 by November 15 of each year.

**7.7 Financial Management.**

The Charter School shall prepare its financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and shall comply in all instances with applicable governmental accounting requirements. Subject to this Contract, the Charter School 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 Charter School. The Charter School is responsible for establishing and maintaining effective internal controls over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

**7.8 Other Sources of Funds for Charter School, Fund Raising.**

In addition to the funding under Section 9.2, the Charter School may accept gifts, donations, grants and loans, including those described in ORS 338.155(9). The District shall also transfer to the Charter School its proportionate share as defined by law 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. The Charter School shall comply with all state and federal laws regarding reporting of charitable

contributions. The Charter School shall record all gifts, donations, loans, and grants in the financial records required in Section 9.6. As provided in ORS 338.125(10), the Charter School may conduct fund-raising activities, but shall not require a student to participate in **fundraising** activities as a condition of admission to the Charter School.

**8. Building and Facilities.**

The Corporation shall have the responsibility to pay the full costs of its buildings and facilities.

**9. Governance and Operation.**

**9.1 Corporate Status, Governing Board.**

**9.1.1** The Charter School will remain an Oregon nonprofit corporation throughout the term of this Contract (including extensions and renewals). The Corporation shall govern and operate the Charter School as set forth in this Contract and in accordance with the Corporation's Bylaws.

**9.1.2** If the Charter School makes any changes to its Articles of Incorporation or Bylaws, within thirty (30) days thereafter it will give copies of the changes to the District. If the District believes that any such changes violate either this Contract or state or federal law, it will so notify the Charter School. If the Charter School agrees, it will make necessary changes to the Articles or Bylaws to conform to this Contract or the applicable law; if the parties do not agree, the matter will be resolved under dispute provisions of this Contract.

**9.1.3** The ICP Board shall consist of a minimum of five members and operate in accordance with the Bylaws and applicable law. If the ICP Board falls below five members, the Board will actively recruit and fill the vacant seat(s) within 90 days. The Board may elect Board members who are parents of Charter School students or members of the community providing support to the Charter School.

**9.2 Public Meetings and Public Records.**

The Charter School and its Board of Directors, when acting as the Governing Body of the Charter School, will be subject to the provisions of the Oregon Public Meetings Law, ORS 192.610 to 192.690, and Oregon Public Records Law, ORS 192.311 to 192.478.

**9.3 Operational Powers and Responsibilities.**

Subject to applicable federal and state laws and any restrictions in this Contract, the Charter School shall have the authority to exercise independently all powers granted to nonprofit corporations and charter schools under Oregon law. The Board will have overall responsibility for the Charter School, including adopting goals and policies, ensuring compliance with applicable laws and this Contract, overseeing financial management, assessing performance, and hiring and overseeing the school's employees. The Charter School may contract with the District or an independent party for program evaluations or to facilitate the evaluation of the charter school's director.

**9.4 Third-Party Contracts, Contracts with District.**

The Charter School shall not enter into any contract for comprehensive school management or teaching services to be performed in substantial part by an entity not a party to this Contract without prior District approval, which approval shall not be unreasonably withheld. The District shall act upon any Charter School request for approval within 30 days of such request. The parties may elect to enter into additional agreements between them including, without limitation, agreements whereby the District will provide certain services to the Charter School.

**9.5 Annual Report and Review.**

See Exhibit A

**9.6 Termination.**

**9.6.1** The public Charter School may be terminated by the District for any of the following reasons:

- (a) Failure to meet the terms of an approved charter agreement or any requirement of ORS Chapter 338 unless waived by the State Board of Education.
- (b) Failure to meet the requirements for student performance as outlined in the charter agreement.
- (c) Failure to correct a violation of federal or State law.
- (d) Failure to maintain insurance.
- (e) Failure to maintain financial stability.
- (f) Failure to maintain the health and safety of the students.
- (g) Failure to maintain, for one or more consecutive years, a sound financial management system incorporated into the written charter under ORS 338.065.

**9.6.2** The District shall give the public Charter School a 30-day written notification in advance of its decision to terminate, if there has been a breach by the Charter School of any material term or condition of the Contract, other than a breach of the statutory minimum enrollment requirements, which continues for more than thirty (30) days after the Charter School receives written notice from the District specifying the nature of the breach, demanding its cure, and stating the decision to terminate will be effective after such date if the breach is not cured. No more than two of such advance notices are required in any contract year, however, the District may choose to give the Charter School one or more additional notices, where appropriate.

**9.6.3** If a charter school is terminated by the Board, the following shall occur:

(a) The District shall give the public Charter School a 60-day written notification of its decision.

(b) The District shall state the grounds for termination and deliver notification to the business office of the public Charter School.

(c) The public Charter School may request a hearing by the District. The request must be made in writing and delivered to the business address of the sponsor.

(d) Within 10 days of receiving the request for a hearing, the sponsor must provide the public Charter School with the opportunity for a hearing on the proposed termination;

(e) The public Charter School may appeal the decision to terminate to the State Board of Education.

(f) If the sponsor reasonably believes that a public Charter School is endangering the health or safety of the students enrolled in the public Charter School, the sponsor may act to immediately terminate the approved charter and close the public Charter School without providing the notice requirements.

(g) A public Charter School closed due to health or safety concerns may request a hearing by the sponsor. Such a request must be made in writing and delivered to the business address of the sponsor. Within ten days of receiving the request for a hearing, the sponsor must provide the public Charter School with the opportunity for a hearing on the termination.

(h) Throughout the appeals process the public Charter School shall remain closed at the discretion of the District per ORS 338.105.4 (d).

(i) If terminated or dissolved, assets of the public Charter School purchased by the public Charter School with public funds, shall be given to the State Board of Education.

**9.6.4** If the public Charter School is terminated, closed, or dissolved by the governing body of the public Charter School, it shall be done only at the end of a semester and with 180 days' notice to the District, unless the health and safety of the students are in jeopardy. Such notice must be made in writing and be delivered to the business address of the sponsor.

**9.6.5** Assets of a terminated, closed, or dissolved public Charter School that were obtained with grant funds will be dispersed according to the terms of the grant. If the grant is absent any reference to ownership or distribution of assets of a

terminated, closed, or dissolved public Charter School, all assets will be given to the State Board of Education for disposal.

**9.7 Emergency and School Closure/Delay.**

The Charter School may follow recommended District school and emergency closure decisions. School closures, delays, and emergency notifications will be communicated by the District through an electronic notification system to which the Charter School administrator may request access. The Charter School may under extenuating circumstances make the decision to close or open as necessary outside of the District's schedule. Any changes to the school calendar must be reported to the District within five school days in order to adjust state required attendance reports.

**9.8 Communication.**

The Charter School shall be wholly responsible for its own communications services. The Charter School will provide a URL of its school website to be linked from the District's website.

**9.9 Nutrition Program.**

The Charter School shall be responsible for the development and implementation of any nutrition program it operates. The Charter School may negotiate separately with the District for food services.

**10. Employment Matters.**

**10.1 Staff Qualifications.**

At least one-half of the total full-time equivalent (FTE) teaching and administrative staff at the public Charter School shall be licensed by TSPC pursuant to ORS 342.135, 342.136, 342.138 or 342.140. Any teaching or administrative staff not licensed by the Oregon Teacher Standards and Practices Commission (TSPC) will register with TSPC in accordance with ORS 338.135(7)(a)-(c) and OAR 584-023-0005. For any individual hired as a teacher, counselor, or administrator in the Charter School, the Charter School shall provide the District with evidence of certification, if any, or other qualification prior to the individual's start date.

**10.2 Highly Qualified Staff.**

The District shall support Charter School staff development by notifying Charter School staff quarterly of planned professional development and safety training opportunities. The Charter School is responsible for any additional costs that may be required for participation.

**10.3 The Corporation as the Employer.**

The Corporation will be the employer of the staff at Charter School, except for District employed special education staff, which will be assigned to the Charter School at the sole discretion of the District. The Corporation will control the selection of employees. All provisions of this Section 12 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 the Corporation or the Charter School for work done for the Charter School.

#### **10.4 Staff Hiring.**

**10.4.1** The Corporation's governing board, in its sole discretion, has complete authority to hire, evaluate, promote, discipline, supervise, and terminate Charter School employees, and to set all terms and conditions of employment, including all decisions regarding compensation and benefits. The Corporation will be responsible for providing substitutes for all Charter School teachers. Should the Charter choose to enter into an agreement with the District to provide absence management services, the District and Charter will meet to negotiate requirements, costs, and a fee schedule. The Corporation shall be responsible for all payroll and benefits services. The District shall monitor staff qualifications and report Charter employee data to the state. The Charter School shall provide needed data to the district for state reporting requirements. The Charter School may request consultation for human resources questions or concerns, including payroll and benefits questions or concerns.

**10.4.2** For any employee of the District who chooses to work for the Charter School, any leave of absence from the District will be governed by ORS 338.135.

**10.4.3** Licensed and classified staff and other employees of the Charter School 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.

**10.4.4** The Corporation shall participate in the Public Employees Retirement System to the extent required by law.

#### **10.5 Employee Records.**

The Corporation shall be responsible for requiring its subcontractors to establish and maintain 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, and the right of the District to inspect such records. The Corporation and its subcontractors shall meet any and all reporting obligations to the Teacher Standards and Practices Commission (TSPC) regarding its employees.

#### **10.6 Criminal Records Checks.**

ORS 338.115(1)(h), 326.603, 326.607, and 342.232 (relating to criminal records checks), shall apply to the Charter School. The Corporation shall require that its subcontractors not knowingly employ an individual for whom a criminal background investigation has not been initiated or who has been convicted of an offense that would preclude that individual from working in a public school in Oregon. No later than the first day of school of each school year that the Charter School is in operation under this Contract, the Corporation shall provide to the District a list containing the names and job positions of



all employees of the Corporation and its subcontractors whose employees have direct, unsupervised contact with school children as provided in the ORS sections previously set forth in this section. Such list shall also indicate for each employee the date of initiation of the criminal background investigation required by Oregon law.

**10.7 Professional Development and Training.**

The District shall provide access to District-sponsored training events. Payment of substitutes, registration costs (except as otherwise noted in this Contract), travel, and reimbursement expenses will be the sole responsibility of the Charter School.

**11. Insurance and Legal Liabilities.**

**11.1 Insurance.**

**11.1.1** The Corporation shall, at its own expense or the expense of the Charter School, secure and retain and provide proof of the following insurance and in the amounts not less than those set forth below:

(a) Educators Liability Coverage Insurance in an amount of not less than \$2,000,000 combined single limit per occurrence/\$4,000,000 annual aggregate covering the public Charter School, 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, employment practices liability, professional liability, and teachers' liability.

(b) Automobile Liability Insurance in an amount not less than \$2,000,000 combined single limit covering the public Charter School, 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.

(c) Workers' Compensation Insurance shall also be maintained pursuant to Oregon laws (ORS chapter 656). Employers' liability insurance with limits of \$1,000,000 each accident, \$1,000,000 disease each employee, and \$1,000,000 each policy limit.

(d) Crime Coverage to cover all employees and volunteers. Limits are to be determined by the governing board, but no less than \$250,000. Coverage shall include faithful performance and loss of moneys and securities.

(e) Property Insurance shall be required on all owned or leased buildings or equipment. The insurance shall be written to cover the full replacement cost of the

building and/or equipment on an “all risk of direct physical loss basis,” including earthquake and flood perils.

**11.1.2 Additional requirements:**

(a) The District shall be additional insured on commercial general and automobile liability insurance. The policies shall provide for a 90-day written notice of cancellation or material change. A certificate evidencing all of the above insurance shall be furnished to the District.

(b) The public Charter School shall also hold harmless and defend the District from any and all liability, injury, damages, fees or claims arising out of the operations of the public Charter School operations or activities.

(c) The District shall be loss payee on the property insurance if the public Charter School leases any real or personal District property.

(d) The coverage provided and the insurance carriers must be acceptable to the District.

**11.1.3** As part of its annual report under Section 11.5, and at any time thereafter upon request of the District, the Corporation 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 to the attention of the Superintendent of the District.

**11.2 Compliance with Laws, Non-Exemption from Certain Laws.**

The Corporation and the Charter School will 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(1) to the extent required by law.

**11.3 Waiver.**

As provided in ORS 338.025(2), the Charter School may apply to the State Board of Education to grant a waiver of any provision of ORS Chapter 338. The Charter School 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.

**11.4 School and District Policies.**

The Corporation and Charter School shall comply with District Board Policy LBE, as amended June 21, 2018 and corresponding administrative rule LBE-AR, as amended March 10, 2014 and shall adopt policies as may be required by law and may in its discretion adopt other policies governing operation of the Charter School and may amend

its policies from time to time. The Charter School shall make such policies and amendments available for review at the District's request. The District Liaison shall notify the charter of changes to Policy LBE or LBE-AR (Charter Schools Policy and Charter Schools Administrative Regulation).

**11.5 Full Faith and Credit.**

The Corporation agrees that it shall not extend the full faith and credit of the District to any third person or entity. The Corporation acknowledges and agrees that it has no authority to enter into a contract that would bind the District. The Corporation's governing board has the authority to approve contracts to which the Corporation is a party, subject to the requirements and limitations of the Oregon Constitution, state law, and provisions of this Contract.

**11.6 Indemnification.**

**11.6.1** To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, the Charter School 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 by the Charter School of property of the Charter School or its landlord, its faculty, employees, students, patrons, 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 the acts or omissions of the Charter School. This indemnification shall not apply to any liability, claims, or demands resulting from the negligence or wrongful act or omission of any District 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 the Charter School whose negligence or wrongful act or omission is caused in whole or in part, or directed by the District. The Charter School agrees to indemnify, hold harmless and defend the District from all contract claims in which the Charter School 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.

**11.6.2** To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, the District agrees to indemnify and hold the Charter School, its Board, agents and employees harmless from all liability, claims, or demands on account of injury, loss or damage, including, without limitation, claims arising from 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 the District's administration of this Contract. This indemnification shall not apply to any liability, claims, or demand resulting from the negligence or wrongful act or omission or any Charter School 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 the Charter School whose negligent or wrongful act or omission is caused in whole or in part, or directed by the Charter School. 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.

**11.6.3** This indemnification, defense and hold harmless obligation on behalf of the Charter School 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.

**11.7 District Disclaimer of Liability.**

The parties to this Contract expressly acknowledge that the Corporation is not operating as an 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:

**11.7.1** The acts or omissions of the Charter School, its governing Board, trustees, agents, or employees.

**11.7.2** The use and occupancy of the building occupied by the Charter School or any matter in connection with the condition of such building, unless the parties agree otherwise in writing.

**11.7.3** Any debt or contractual obligation incurred by the Charter School.

**11.8 ADA/504 Obligations.**

The Charter School 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 Chapter 659 with respect to its students, staff, and patrons. The Charter School shall indemnify and hold harmless the District from all claims under these statutes.

**12. Miscellaneous Provisions.**

**12.1 Entire Agreement.**

This Contract 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 discussions are merged herein and superseded and canceled by this Contract.

**12.2 Governing Law.**

This Contract shall be governed by, subject to and construed under the laws of the State of Oregon without regard to its conflict of law provisions. The parties intend that where this Contract references federal or state law that they are bound by the laws in effect at the time this Contract is executed.

**12.3 Assignment.**

The Charter School shall not assign its interest in this Contract to any entity.

**12.4 District Liaison.**

The District shall designate for purposes of this Contract the District Superintendent, or their designee, as the official District Liaison between the District and the Corporation. The Charter School shall contact the District Liaison with questions, concerns, and requests; the District Liaison shall either respond directly or request the response from another District department.

**12.5 Amendment.**

This Contract may be modified or amended only by written agreement between the Corporation and the District.

**12.6 Notice.**

Any notice required, or permitted, under this Contract, shall be in writing and shall be effective (a) upon personal delivery (subject to verification of service or acknowledgment of receipt) or (b) three days after mailing when sent by certified mail, postage prepaid, (c) to the person and address designated on the signature page of this Contract for receipt of notices, or (d) courier service with a signed receipt. Should these addresses change, the parties agree to notify the other party within ten days of the address change.

**12.7 No Waiver.**

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

**12.8 Dispute Resolution.**

In the event any dispute arises between the District and the Corporation 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 District Liaison for review. If the District and the Corporation 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's Board shall be final and binding on the parties; provided, however, the Corporation may appeal to the state Board of Education concerning those matters within its jurisdiction under ORS Chapter 338 and seek review of the state Board of Education decision, as provided by law. In addition to the foregoing, either party may seek remedy for breach of this contract or review of a District Board decision relating to this contract in any appropriate forum. Nothing in this contract is intended to create a cause of action that is not otherwise provided by law.

**12.9 Severability.**

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

**12.10 Delegation.**

The parties agree and acknowledge that with regard to this Contract between the District and the Corporation, the functions and powers of the District Board may be exercised by the District Liaison, provided that any ultimate decision regarding renewal, non-renewal, or revocation of this Contract is made only by the District Board.

**12.11 Prior Actions.**

It is expressly agreed and understood that as a condition precedent to this Contract becoming effective on the effective date specified above in Section 2, the Corporation 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 Contract null and void.

**12.12 Attorney Fees.**

If any suit, action or arbitration is commenced or instituted to interpret or enforce the terms of this Contract, to exercise any remedy on account of a default, or otherwise relating to the provisions of this Contract, the prevailing party or non-defaulting party shall be entitled to recover from the losing or defaulting party its reasonable attorney fees and costs, in addition to all other sums provided by law, at trials or arbitration, and any appeals. Such sums shall be determined by the court or arbitrator.

**13. Definitions.**

For purposes of this Contract, “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) any day(s) in which the administrative office is closed due to inclement weather, or (f) 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 their designee, any instrumentality of the City of Corvallis, any instrumentality of Benton County, the State of Oregon, or federal government.

**14. Corporation Authority to Enter into Contract.**

The Corporation expressly affirms that the signatories on its behalf who sign below have the authority to enter into this Contract on behalf of the Corporation and that the Board of Directors of the Corporation has duly approved this Contract. The Corporation shall provide a copy of its written resolution authorizing the Corporation to enter into this Contract.

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

**CORVALLIS SCHOOL DISTRICT 509J**

**By** \_\_\_\_\_ **Date** \_\_\_\_\_

Dr. Luhui Whitebear, Board Chair  
Corvallis School District 509J  
1555 SW 35<sup>th</sup> Street  
Corvallis, OR 97333

**INAVALE COMMUNITY PARTNERS INCORPORATED  
dba MUDDY CREEK CHARTER SCHOOL**

**By** \_\_\_\_\_ **Date** \_\_\_\_\_

Lester Oehler, Board President  
Inavale Community Partners  
30252 Bellfountain Road  
Corvallis, OR 97333

## **Exhibit A - Annual Report**

The annual report shall include:

### **ACADEMIC**

- Oregon report card information:
  - Student performance data per grade reported by:
    - Race/ethnicity
    - Disability status
    - Socioeconomic status
    - ELL status
- School-specific assessment data. This should show growth as well as performance and be reported in the same manner as the data above
  - Non-academic indicators of student success
    - Discipline rates (reported same as above)
    - Attendance rates (reported same as above)
- Action on any corrective action plans and/or recommendations from evaluations (if applicable)
- Results of goals set the previous year

### **FINANCIAL**

- The school's municipal audit
- Cash flow statement
- Budget-to-actual report
- Results of any corrective action plans and/or recommendations from evaluations (if applicable)
- Results of goals set the previous year

### **OPERATIONAL**

- Names and positions of all board members
- Results of any corrective action plans and/or recommendations from evaluations (if applicable)
- Results of any goals set the previous year
- New policies adopted since the last annual report
- Results of any staff or family surveys meant to measure satisfaction or school climate