



# SHERWOOD SCHOOLS

a great place for all kids

## **CHARTER SCHOOL CONTRACT**

**Between**

**SHERWOOD SCHOOL DISTRICT 88J**

**AND**

**SHERWOOD CHARTER SCHOOL**

## TABLE OF CONTENTS

Recitals.....	Page 4
Contract.....	Page 4
1. Grant of Charter .....	Page 4
2. Conditions Precedent to Operation of Charter School.....	Page 4
3. Effective Date .....	Page 5
4. Education Program, Student Assessment and Curriculum .....	Page 5
A. Age and Gender Range .....	Page 5
B. Curriculum .....	Page 6
C. Student Assessment .....	Page 6
D. Extracurricular Activities.....	Page 6
E. Records .....	Page 7
F. Nonreligious and Nondiscrimination.....	Page 7
G. Open Enrollment.....	Page 7
H. Admission .....	Page 7
I. Student Attendance, Conduct and Discipline .....	Page 8
J. Education of Students with Disabilities.....	Page 8
K. Tuition and Fees.....	Page 9
L. Student Welfare and Safety .....	Page 10
M. School Year; School Day; Hours of Operation.....	Page 10
N. Alternative Education Model .....	Page 10
O. English Language Learners.....	Page 10
P. Access to District Services.....	Page 10
5. Evaluation of Student Performance and Procedures for Corrective Action .....	Page 11
6. Economic Plan, Budget and Annual Audit.....	Page 12
A. Funding .....	Page 12
B. Budget.....	Page 12
C. Financial Records, Audits and Accounting Reports.....	Page 13
7. Building and Facilities .....	Page 15
8. Governance and Operation .....	Page 16
A. Corporate Status.....	Page 16
B. Nonreligious, Nonsectarian Status.....	Page 16
C. Nondiscrimination.....	Page 16
D. Public Meeting and Public Records.....	Page 16
E. Operational Powers.....	Page 16
F. Third Party Contracts.....	Page 16
G. Annual Report and Review.....	Page 17
H. Term.....	Page 17
I. Additional Year of Operation Granted if Conditions Met.....	Page 17
J. Termination.....	Page 17
K. Dissolution.....	Page 18
L. Property Inventory Control .....	Page 18

9.	Employment Matters.....	Page 19
A.	Criminal Background Checks.....	Page 19
B.	Teacher and Administrator registration with the Teachers Standards and Practices Commission (TSPC).....	Page 19
C.	Highly Qualified Staff for Purposes of No Child Left Behind.....	Page 19
10.	Insurance and Legal Liabilities.....	Page 19
A.	Insurance.....	Page 19
B.	Legal Liabilities.....	Page 20
C.	Waiver.....	Page 20
D.	Full Faith and Credit.....	Page 20
E.	Indemnification.....	Page 20
F.	District Disclaimer of Liability.....	Page 21
G.	ADA/§504 Obligations.....	Page 22
H.	Transportation.....	Page 22
11.	Extension of Contract.....	Page 22
12.	Miscellaneous Provisions.....	Page 23
A.	Entire Agreement.....	Page 23
B.	Governing Law.....	Page 23
C.	Assignment.....	Page 23
D.	Terms and Conditions of Application.....	Page 23
E.	Conflict between Application and Contract.....	Page 23
F.	District Liaison.....	Page 23
G.	Amendment.....	Page 24
H.	Notice.....	Page 24
I.	Definition of Business Day.....	Page 24
J.	Address of Parties for Purpose of Written Notices.....	Page 24
K.	No Waiver.....	Page 24
L.	Dispute Resolution.....	Page 24
M.	Severability.....	Page 25
N.	Delegation.....	Page 25
O.	Prior Actions.....	Page 25
P.	Attorney Fees.....	Page 25
Q.	Incorporation of Application and Other Exhibits.....	Page 25
R.	MITCH-Sherwood Authority to Enter Into Contract.....	Page 25
	Execution and Signatures.....	Page 26

# CHARTER SCHOOL CONTRACT

THIS CONTRACT, is made and entered into by and between the Sherwood School District ("District") and the Sherwood Charter School (SCS), an Oregon nonprofit corporation.

## RECITALS

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

WHEREAS, a Contract between the District and SCS (formerly known as MITCH Sherwood) was executed for an initial term that began July 1, 2005 and expired June 30, 2008, which Contract was renewed for a second term beginning July 1, 2008 and expired June 30, 2011, and was renewed for a third term beginning July 1, 2011, which will expire on June 30, 2016 ; and

WHEREAS, the parties desire that the SCS be authorized to operate and conduct its affairs in accordance with the terms of this agreement and ORS Chapter 338, for a fourth renewal term commencing July 1, 2016, and expiring June 30, 2026.

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

## CONTRACT

### 1. Grant of Charter

SCS is granted, in accordance with ORS Chapter 338 and the terms and conditions of this Contract, a charter to operate a single public charter school located within the boundaries of the Sherwood School District as described herein.

### 2. Conditions Precedent to Operation of Charter School

In order for SCS to operate as public charter school sponsored by the Sherwood School District the following conditions shall be met:

SCS shall provide proof to the District that SCS has entered into an agreement to purchase, lease, rent or otherwise secure a facility for the public charter school to operate within the Sherwood School District 88J boundaries by May 1<sup>st</sup> of each year;

In the event that SCS adds or remodels modular facilities or the church facility at its present school location as of the effective date of this Agreement, or in the event that SCS re-locates its school facility to a new location at any time during the Term of this Agreement, SCS shall provide proof to the District that it has secured the appropriate and necessary occupancy and safety permits for the charter school facility and give proof of these permits to the Sherwood School District Board of Directors;

SCS shall provide proof to the District annually that it has insurance in the amounts determined in the Sherwood School District Charter School Policy and Administrative Guideline 7440.5 and that it has delivered proof of insurance to the Sherwood School District Board of Directors by August 15 of each year;

SCS shall annually provide proof that financial stability of the charter school will be maintained and the costs associated with facility maintenance are accounted for in the charter school budget; and

SCS shall annually provide proof to the District of enrollment of at least sixty (60) students in the charter school program by April 1<sup>st</sup> of each year.

3. Effective Date

The term of this Contract shall commence July 1, 2016, and shall expire on June 30, 2026.

4. Educational Program, Student Assessment and Curriculum

A. Age and Grade Range

(i) For the school year beginning September 2016, SCS shall provide instruction to students in Kindergarten through the 8th grade.

(ii) SCS shall only enroll a student in its kindergarten program if the student has reached the age of five (5) on or before September 1 of the year the student is seeking enrollment.

(a) Notwithstanding Section 4, paragraph A, sub-paragraph (ii) above SCS may allow a student to enroll in its kindergarten program that has not reached the age of five (5) on or before September 1 subject to the District's policy governing early entrance, Sherwood School District Policy 5150.

(b) All costs related to the assessment used to determine if a student is eligible for early entrance shall be borne by the student's parents.

(iii) SCS shall only enroll a student in its First-grade program if the student has reached the age of six (6) on or before September 1 of the year the student is seeking enrollment.

(a) Notwithstanding Section 4, paragraph A, sub-paragraph (iii) above SCS may allow a student to enroll in its First-grade program that has not reached the age of six (6) on or before September 1 subject to the District's policy governing early entrance, Sherwood School District Policy 5150.

(b) All costs related to the assessment used to determine if a student is eligible for early entrance shall be borne by the student's parents

B. Curriculum

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

- (i) SCS shall have the authority and responsibility of designing and implementing its educational program, subject to the conditions of this Contract, in a manner which is consistent with state law.
- (ii) The educational program, pupil performance standards and curriculum designed and implemented by SCS 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.
- (iii) SCS agrees to comply with all state requirements concerning academic content areas as defined in ORS 329.045 and federal and state requirements regarding the adoption of instructional materials.
- (iv) SCS 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 changing the core curriculum of SCS, changing the academic focus of SCS or adopting a curriculum that does not meet district or state standards. The District may, at its sole discretion, approve or disapprove fundamental changes in the educational program.
- (v) SCS shall establish a written policy for resolving complaints against SCS, including complaints regarding curriculum.

C. Student Assessment

- (i) All students enrolled and attending Third through Eighth grade at SCS shall participate and take part in the statewide assessment developed by the Oregon Department of Education under ORS 329.485, as well as any assessment developed by the Oregon Department of Education, the United States Department of Education or the Oregon Legislature to implement the Every Student Succeeds Act (ESSA).
- (ii) If any of the assessments described in Section 4, Paragraph C, subparagraph (i) of this Contract are discontinued the parties shall mutually agree on the assessment tool to be used by SCS to determine the student performance standards for SCS's students.

D. Extracurricular Activities

- (i) SCS students that are residents of the Sherwood School District are eligible to participate in extracurricular activities at their neighborhood schools at no charge to SCS. Students of SCS who participate in extracurricular activities of the District shall be subject to same rules regarding fees, eligibility and conduct that District students must meet. SCS students that are not residents of the Sherwood School District shall not be eligible to participate in extracurricular activities of the Sherwood School District.

- (ii) The District shall not be required to provide transportation for a SCS student to and/or from an extracurricular activity. However, if there is space available the District may provide transportation services to a SCS student to and/or from an extracurricular activity. The District is not required to alter or add any additional buses or bus routes to accommodate a SCS student.

E. Records

SCS shall comply with all record keeping requirements of federal law pertaining to student records and shall cooperate with the District by providing any reports or records to the District, as necessary, to meet the District's reporting obligations to the Oregon Department of Education or the U.S. Department of Education.

F. Nonreligious and Nondiscrimination

The educational program of SCS shall be nonreligious and nonsectarian. SCS shall not discriminate against any student or staff on the basis of race, ethnicity, creed, color, sex, national origin, religion, ancestry, disability, terms of an individualized education program, proficiency in the English language, athletic ability, marital status, sexual orientation, or political beliefs and/or affiliations.

G. Open Enrollment

- (i) Enrollment shall be open to any child eligible to attend grades Kindergarten through 8<sup>th</sup> grade.
- (ii) SCS's Maximum enrollment during the term of this agreement year shall be limited to 225 students. If SCS's expands its curriculum to include additional grade levels beyond Kindergarten through 8th grade, the maximum enrollment may be increased, but at no point shall enrollment exceed 25 students per grade level, grades k-5, and a total of 75 students in grade 6-8. During the Term of the Charter, the District shall agree to negotiate, in good faith, with SCS any proposal presented by SCS to increase SCS's maximum enrollment in either, or both, grades K-5 or grades 6-8 provided that SCS must show that SCS has, or intends to, expand current facilities or re-locate to a facility that can reasonably accommodate such increase.
- (iii) The minimum enrollment for each school year shall be 60 full-time students. The District shall terminate this Contract if student enrollment in SCS falls under 60 students during any school year, as provided in ORS Chapter 338. For purposes of this Contract full-time student means a student who is receiving more than one-half of their instructional program at SCS.

H. Admission

Admission of students to SCS shall be determined in accordance with Exhibit A, except as amended by this Contract or federal law. "Admission" means that the student has (1) enrolled with SCS; (2) successfully completed the lottery; and (3) been formally accepted as a SCS student by SCS, and in the case of a student who is eligible for special education and related

service under the Individuals with Disabilities Education Act, the District's Individual Education Plan or Program (IEP) team deems SCS to be a proper placement.

(i) Preferences after First Year

As provided in ORS 338.125(1), in subsequent years of operation SCS may give admissions preference to students who were enrolled in SCS in the prior year and siblings of students enrolled and attending SCS.

I. Student Attendance, Conduct and Discipline

- (i) SCS shall implement a system of uniform student discipline. SCS shall notify its students of the student's rights and responsibilities at the beginning of each school year, or as the student meets the admission requirements as stated in this Contract. SCS shall maintain accurate enrollment data and daily records of student attendance and shall provide these data to the District on a monthly basis by no later than the 5<sup>th</sup> of each month.
- (ii) SCS shall notify the District immediately upon a student being expelled from SCS.
- (iii) SCS 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.

J. Education of Students with Disabilities

SCS 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 ("IDEA"). Compliance by SCS includes, but is not limited to, the following:

- (i) SCS shall comply with all District policies regarding discipline of special education students;
- (ii) The Individual Education Plan/Program (IEP) team is determined by federal law;
- (iii) The student's IEP team will determine the appropriate educational program and placement for the student. SCS shall abide by the IEP team's decision on program and placement;
- (iv) SCS staff shall comply with training required by an IEP team for delivery of services to a SCS student, which training shall be paid for by the District;
- (v) The funds from the Oregon Department of Education representing the Average Daily Membership weighted (ADMw) for special education for SCS special education students shall be retained by the District;
- (vi) The District has the discretion to determine which specialized programs will be offered on site at the SCS site and shall pay for any additional incremental cost incurred by SCS to provide such services;



- (vii) The student's IEP team may recommend any appropriate placement for the student based on the student's needs, whether in or out of SCS. SCS shall not change the student's placement or IEP without IEP team action;
- (viii) Special education transportation will only be provided to a SCS special education student if it is a related service on a SCS student's IEP;
- (ix) SCS shall provide substitutes for SCS staff who are required to attend IEP meetings or other meetings related to a SCS special education student at SCS's expense;
- (x) SCS shall notify the District if a student may need special education services.
- (xi) If, after a student is enrolled and attending SCS, the staff and employees of SCS suspect a student may be eligible for special education and related services under IDEA. SCS shall comply with the District practices and policies for referral of the student for evaluation.
- (xii) Costs of any training required of SCS's staff to accomplish the implementation of an IEP for a resident student of the District shall be paid by the District. This is limited to costs for substitutes, consultants or necessary supplies and materials.
- (xiv) Prior to the opening of school each year staff from SCS and Sherwood School District will meet to discuss the needs of Special Education Services for the upcoming year. No more than thirty (30) days after the end of the school year, staff from SCS and the Sherwood School District will meet to review Special Education Services for the previous school year.
- (xv) The District shall work with SCS staff to deliver on site special education and related services to SCS but the District will have final decision as to when and where services are performed. SCS shall provide class scheduling information for each eligible student to District special education staff as necessary to facilitate such scheduling.
- (xvi) SCS students with an IEP shall receive special education and related services in a manner commensurate, as determined by caseload, with special education and related services received by District students with an IEP unless the IEP team determines a different level of services are required or appropriate provided that at no time shall a student's enrollment at SCS be considered as a factor in determining which special education and related services will be made available to such students.

K. Tuition and Fees

SCS shall not charge tuition to students attending SCS. SCS shall not charge tuition for programs, classes or courses of study that are part of the regular school program. SCS may charge reasonable fees in accordance with Oregon law.

L. Student Welfare and Safety

SCS 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.

- (i) SCS is responsible for the reporting of child abuse and neglect in accordance with state law.
- (ii) SCS shall immediately inform the District Liaison of any incident regarding child abuse and/or neglect.
- (iii) SCS shall comply with state and federal law relating to drug administration to students.
- (iv) SCS shall comply with OAR 548-020-0041, the Teacher Standards and Practices Commission requirements that the chief administrator report certain acts of gross neglect of duty by licensed staff.

M. School Year; School Day; Hours of Operation

SCS shall operate an instructional program in a manner consistent with the instructional program in effect as of the effective date of this Contract. The school calendar shall be similar to the District's school calendar.

N. Alternative Education Model

Subject to applicable state law, federal law, and the terms of this Contract SCS shall be allowed to promote and implement learning situations that are flexible with regard to environment, time, structure and pedagogy.

O. English Language Learners:

SCS's curriculum and educational program shall contain a general plan to address English Language Learners. Instruction of ELL required by law is the responsibility of SCS. The ADMw provided by the state for ELL students shall be apportioned to SCS. SCS may contract with the Sherwood School District or another service provider to provide ELL services.

P. Access to District Services:

The District shall provide SCS with the District's training schedule and registration process, if applicable, excluding Talent ED Perform and Synergy, and allow SCS employees to participate free of charge on a space available basis. This participation is limited to trainings already planned by District staff and it is not intended that District staff shall prepare specialized training for SCS staff. SCS shall pay for any costs incurred related to substitutes or extra pay for its staff.

5. Evaluation of Student Performance and Procedures for Corrective Action

- A. SCS shall pursue and make reasonable progress toward achievement of the goals, objectives and student performance standards consistent with the goals, objectives and student performance standards that SCS has been establishing and working towards in prior years, provided that such goals, objectives and student performance standards shall at all times remain in compliance with Oregon law and the provisions of this Contract.
- B. During the term of this Contract, the average score for each student subgroup in each grade level of SCS's students taking the statewide assessment(s) developed by the Oregon Department of Education under ORS 329.485, or any assessment developed to comply with the federal ESSA law, or other applicable federal law that may be in effect during the term of this Agreement, shall be at or above the average score of the District's students for each student subgroup in each grade level that have taken the statewide assessment.
- C. For purposes of Section 5, paragraph B of this Contract the following student subgroups shall be utilized when comparing student assessment scores:
  - (i) racial/ethnicity
  - (ii) students with disabilities
  - (iii) Limited English Proficient (LEP)
  - (iv) economically disadvantaged
- D. For purposes of Section 5, paragraph B of this Contract 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.
- E. If the average score for any student subgroup in any grade level of SCS is not at or above the average score of the District's students subgroup in that grade level, then SCS shall develop a written Plan of Assistance describing the actions that SCS will undertake to successfully meet the District's average score by subgroup in each grade. The Oregon Growth Model for determining acceptable student progress will also be factored in to chart student performance. Determining acceptable student growth for students not meeting benchmark will be the shared responsibility of SCS and the Sherwood School District.
  - (i) SCS shall deliver the written Plan of Assistance to the District within sixty (60) days of SCS receiving the assessment scores.
  - (ii) If SCS does not develop a written plan of assistance within sixty (60) days of receiving the assessment scores then the District may take action to terminate this Contract under Section 8, paragraph I of this Contract.
- F. If SCS's student assessment scores by subgroup and grade level are not at or above the District's assessment scores by subgroup and grade level for a second year then the District may take action to terminate this Contract under Section 8, paragraph I of this contract.
- G. If SCS fails to follow any of the actions stated in any of the Plans of Assistance as stated above the District shall issue a written notice to SCS that it must comply with the terms of

the written Plan of Assistance immediately. If, after 15 business days, SCS is not in compliance with the written Plan of Assistance the District may begin the process of terminating SCS's operation as a public charter school under Section 8, paragraph I of this Contract.

- H. SCS shall report to the District SCS's student scores on any of the statewide assessments within ten (10) business days of receiving the scores.
- I. The District shall report to SCS the District's average score for its students that have taken the statewide assessment within ten (10) business days of receiving those scores.

6. Economic Plan, Budget and Annual Audit

A. Funding

- (i) For Kindergarten through Eighth -grade students: The District shall provide funding to SCS in an amount per weighted average daily membership (ADMw) of SCS that is equal to 80 percent of the amount of the District's general purpose grant per ADMw as calculated under ORS 327.013 for SCS students in grades Kindergarten through 8<sup>th</sup> grade except as amended by this Contract under Section 4, paragraph J, sub-paragraph (v) for students eligible for special education services under IDEA. Funding shall be determined based on enrollment as of the date by which the District must submit its Fall Report to the Oregon Department of Education. So long as SCS is not in violation of ORS Chapter 338, this funding will be made available to SCS, commencing on the date set forth and according to the distribution schedule set forth in Section 6, paragraph C, sub-paragraph (vi) below. The District, at its sole discretion, may advance funds to SCS upon request. The District will adjust the funding to reflect the actual funded pupil count as of October 1<sup>st</sup>. In addition, to the extent the District experiences any reduction or increase in its state funding "Charter Schools Rate (ORS 338.155)," proportionate reductions or increases will be made to SCS by adjustment or setoff in subsequent months. This amount is calculated by the Oregon Department of Education and provided to the District on the State School Fund District Estimate that the Department of Education periodically provides to school districts.
- (ii) Any financial commitment on the part of the District contained in this Contract is subject to appropriation by the State of Oregon and the parties agree that the District has no obligation to fund SCS operations except as expressly provided herein or in ORS Chapter 338.

B. Budget

- (i) On or before April 15th of each year, SCS shall submit to the District the SCS proposed budget for the upcoming school year.
- (ii) SCS shall be responsible for all costs of subcontracting for goods and services, except as expressly provided in this Contract.

- (iii) The fiscal year of the SCS shall begin on July 1 of each year and end on June 30 of the subsequent to coincide with the District's fiscal year.
- iv) The cost of any service(s) provided to SCS by the District, as may be agreed to in writing from time to time, above and beyond the terms of this Contract shall be deducted from payments due to SCS from the District's payments outlined in Section 6. Paragraph A of this Contract.

C. Financial Records, Audits and Accounting Reports

- (i) SCS agrees to establish, maintain and retain appropriate financial records in accordance with applicable state and federal laws and to make such records available to the District. SCS shall submit quarterly income and expense reports, a quarterly balance sheet showing liabilities and assets and an Aged Accounts Payable statement showing any accounts that are 30, 60, 90 or 90+ days past due to the District by the 15th of each quarter.
- (ii) SCS shall have an annual audit of its accounts in accordance with Municipal Financial Audit Law, ORS 297.405 to 297.555 and 297.998. SCS shall submit this audit to the District by October 15<sup>th</sup> of each year.
- (iii) SCS shall also provide to the District SCS's Internal Revenue Service Form 990 by November 15<sup>th</sup> of each year.
- (iv) SCS shall operate in accordance with generally accepted accounting procedures (GAAP) or other generally accepted standards of fiscal management, provided that SCS's accounting methods shall comply in all instances with applicable governmental accounting requirements.
- (v) SCS shall submit by the 5<sup>th</sup> of each month to the District student enrollment counts for purposes of calculating distribution of ADMw funding to SCS.
- (vi) The District shall distribute to SCS funds as determined in Section 6, paragraph A, sub-paragraph(s) (i) and (ii) of this Contract, in the following amounts on or before the following dates for each school year:
  - July 25 - 16.66 percent
  - August 25 - 8.33 percent
  - September 25 - 8.33 percent
  - October 25 - 8.33 percent
  - November 25 - 8.33 percent
  - December 25 - 8.33 percent
  - January 25 - 8.33 percent

- February 25 - 8.33 percent
- March 25 - 8.33 percent
- April 25 - 8.33 percent
- May 25 - balance

The parties mutually agree that the above payment schedule is intended to follow the disbursement schedule of State School Fund payments to the District under ORS 327.095. The parties further agree that should the disbursement schedule of the State School Fund be modified during the term of this Contract, the disbursement schedule of payments from the District to SCS shall be modified to reflect such changes. The District shall still be required to transfer the payment due SCS under this Contract within ten (10) days of the receipt of such payment from the State School Fund. [For example should the Oregon Legislature amend the State School Fund disbursement schedule and move the May 2017 payment to July 2017, the District shall not be required to transfer the payment to SCS until ten (10) days after the District has its State School Fund disbursement in July 2017.]

- (vii) In the event that this Contract is revoked, terminated or not renewed by the District, SCS shall refund to the State Board of Education all unspent public funds that were given to SCS by the District.
- (viii) The parties acknowledge that under ORS 338.155(9)(b) SCS is entitled to other state sources of funds from the Oregon Department of Education that is available to school districts based solely on the weighted average daily membership (ADMw) of the school district which are not included in this Contract.
- (ix) The parties acknowledge that under ORS 338.155(9)(a) SCS may apply for any grant that is available to school districts or non-chartered public schools from the Oregon Department of Education
- (x) SCS may accept gifts, donations or grants pursuant to ORS Chapter 338, provided that no such gifts, grants or donations may be accepted if contrary to applicable law or the terms of this Contract. In the event that SCS solicits funding from other sources than the District, it shall comply with all applicable state and federal laws regarding reporting of such charitable solicitations. SCS shall annually report all gifts, donations and grants to the District by recording same in the financial records in Section 6, paragraph C above. This does not require reporting the names of, or individual contribution amounts from individual donors, unless SCS is required to disclose this information under law.
- (xi) At all times the SCS shall maintain appropriate governance and managerial procedures and financial controls.

- (xii) SCS shall provide the District with all copies of letters and the audit report from SCS's auditor to the SCS Board or SCS Director.

7. Building and Facilities

- A. At the time of the execution of this Contract, SCS maintains a facility at the Friends Church on Main Street. In the event of any expansion or relocation of SCS, a copy of any rental, lease, or purchase agreement shall be forwarded to the District.
- B. SCS may change its physical location or obtain additional facilities provided that SCS fulfills the obligations and provides the information set forth in this section with respect to such new or additional facilities and provided further that the SCS notifies the District of the proposed change in location or addition of facilities not less than 30 days prior to taking any final action in connection therewith.
- C. Should SCS continue to lease, rent or purchase part of an existing church facility then SCS shall ensure that there will be no visible church signs or symbols within the school entryway, hallways or classrooms. SCS further ensures that the entrance to the charter school building will have a secular appearance. SCS further ensures that the entrance to the charter school will be separate from the church's main entrance. SCS further ensures that students shall have no exposure to religious materials. No church functions will be coordinated jointly with any SCS operation or activity.
- D. If SCS is found to be in violation of this section 7, paragraph C of this Contract the District shall issue a written notice to SCS requesting that SCS cure the issue within ten (10) days of the receipt of such notice.
- E. Upon receiving a written notice to cure from the District under this section SCS shall cure the issue that resulted in the notice being issued by the District within ten (10) days of the date of receipt of such notice, and notify the District in writing that it has cured the issue.
- F. If SCS does not cure the issue that resulted in the District sending a notice under section 7, paragraph D of this Contract within the required ten (10) days the District may take action to terminate this Contract.
- G. Should any individual(s), group(s) or entity bring a legal action against the District asserting that the District is, or was, in violation of the Establishment Clause of the First Amendment to the United States Constitution or Section 5, Article I of the Oregon Constitution due to SCS's operation as a public charter school within the District, SCS shall defend and hold the District harmless from any judgment or order. This shall include SCS holding the District harmless, and reimbursing the District for any and all costs associated with defending such an action. This shall include, but not be limited to, court costs, attorney fees and any funds that were to be distributed to the District under ORS Chapter 327 which were withheld under ORS 327.109.

8. Governance and Operation

SCS shall govern and operate the charter school as set forth in its application to the extent permissible under federal and state law and subject to all conditions of this Contract.

A. Corporate Status

SCS is and shall remain for the term of this Contract an Oregon nonprofit corporation. Within thirty (30) days after making any changes to its Articles of Incorporation or Bylaws, SCS shall notify the District of the changes SCS makes to such documents.

B. Nonreligious, Nonsectarian Status

SCS agrees that it shall operate in all respects, as a nonsectarian, nonreligious public charter school. SCS shall not be affiliated with any nonpublic sectarian school or religious organization. This section shall not preclude SCS from leasing or renting a facility from a church or religious organization.

C. DELETED BY AGREEMENT OF THE PARTIES

D. Public Meeting and Public Records

SCS and its Board of Directors are subject to the provisions of Oregon Public Meetings Law, ORS 192.610 to 192.690 and Oregon Public Records Law, ORS 192.410 to 192.505.

E. Operational Powers

Subject to the conditions and provisions of this Contract, SCS through its Board of Directors shall be fiscally responsible for its own operations within limitations of any funding provided by the District and other revenues derived by SCS consistent with law.

- (i) SCS shall have the authority to exercise independently, also consistent with federal and state law, all powers granted to nonprofit corporations and charter schools so long as such powers are not inconsistent with the terms of this Contract, including without limitations the following powers (and including such other powers as provided for elsewhere in this Contract): making all personnel decisions, including hiring, firing and discipline of all teachers, supervisors, and staff; contract for goods and services necessary for the operation of SCS; prepare a budget; procure insurance and necessary bonds; lease facilities for school purposes; purchase lease or rent furniture, equipment and supplies; retain fees collected from students in accordance with law; organize and carry out fund-raising efforts; and accept and expend gifts, donations or grants of any kind in accordance with such conditions prescribed by the donors as are consistent with law and not contrary to any of the terms of this Contract.

F. Third Party Contracts

SCS shall not enter into any contract for comprehensive school management or operation services to be performed in substantial part by an entity not a party to this Contract.



G. Annual Report and Review

SCS shall submit an annual report by October 15th to the District which will include, without limitation, the following:

- (i) Summary data on the progress toward meeting its academic goals and objectives;
- (ii) The audit required under Section 6 paragraph C of this Contract and including proofs of insurance;
- (iii) Policy development issues;
- (iv) Student discipline information; and
- (v) Any other information the District reasonably deems necessary to demonstrate that SCS is in compliance with state and federal law and the terms of this Contract.

H. DELETED BY AGREEMENT OF THE PARTIES

I. DELETED BY AGREEMENT OF THE PARTIES

J. Termination

- (i) To the extent allowed by ORS Chapter 338 the District may revoke the charter and terminate this Contract on any of the following grounds:
  - (a) Violation of or failure to meet and sustain any terms of this Contract or ORS Chapter 338.
  - (b) Failure to meet the requirements for student performance stated in Section 5 of this Contract.
  - (c) Failure to correct any violation of a federal or state law that is described in ORS 338.115.
  - (d) Failure to maintain insurance as described in Section 10 of this Contract.
  - (e) Failure to maintain financial stability.
- (ii) The District shall provide sixty (60) days prior written notice of its intent to terminate the charter agreement. SCS may appeal the District's decision to terminate the charter agreement directly to the District's Board. SCS 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. SCS has the burden of proof for any affirmative defense to the allegations by a preponderance of the evidence. The District Board's decision may only be appealed to the state Board of Education according to ORS 338.105. Until the effective date of termination of this contract and pending

resolution upon appeal, the District shall continue to make the funding payments under Section 6 of this Contract to SCS.

- (iii) SCS shall only terminate this charter at the end of a semester. SCS shall notify the District in writing at least 180 days prior to the proposed effective date of termination, dissolution or closure of the SCS.
- (iv) In the event of termination of the SCS as a public charter school all assets purchased with public funds shall be given to the state Board of Education in accordance with ORS 338.105(6). SCS is entitled to any assets that were purchased with non-public funds, or was purchased with public funds if less than \$500.00 of public funds were expended on the asset, at the time SCS ceases to operate as a public charter school, and to any other asset that SCS has acquired through the expenditure of non-public funds as described in Section 8, paragraph L of this Contract.

K. Dissolution

In the event SCS should cease operations as a public charter school for whatever reasons, including but not limited to, the non-renewal or revocation of its charter, or dissolution of the nonprofit corporation, it is agreed that SCS's legal authority to operate as a private school shall not be abridged. However the assets of SCS that were purchased with public funds given to SCS by the District under this Contract shall be distributed in the same manner as described in Section 8, paragraph L of this Contract

L. Property Inventory Control

- (i) SCS shall maintain records of purchase orders for all assets over \$2000.00. These records shall indicate whether the assets were purchased with public funds, or non-public funds. SCS shall provide the District with a copy of this purchase order record no later than July 15th of each year that SCS operates as a public charter school in the District. For purposes of this section public funds shall include any and all funds distributed to SCS:
  - (a) By the District, pursuant to ORS 338.155 and ORS 338.165;
  - (b) By the Oregon Department of Education, including any and all federal grant funds that SCS may apply for and be awarded by the Oregon Department of Education; or
  - (c) 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
- (ii) Any asset which was purchased by SCS with public funds in excess of \$500.00 shall be given to the State Board of Education upon termination pursuant to ORS 338.105(6). SCS may retain any asset which was purchased with non-public funds upon termination. If SCS 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).

9. Employment Matters

SCS shall be the employer of all employees of the Sherwood Charter School. Employees of SCS shall not be considered, for any purpose, employees of the District. Employees of SCS shall not be entitled to, or be covered by, any collective bargaining agreement that the District has entered into with any of its respective employees or their exclusive representative for purposes of collective bargaining.

A. Criminal Background checks

- (i) SCS shall 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 October 15th of each school year that SCS operates as a public charter school under this agreement, SCS shall provide to the District with a list containing the names, job positions of all its employees. Such list shall also indicate for each employee the date of initiation of the criminal background investigation required by Oregon law.

B. Teacher and Administrator registration with the Teacher Standards and Practices Commission (TSPC)

- (i) Any teaching or administrative staff not licensed by the Oregon Teacher Standard and Practice Commission (TSPC) will register with TSPC in accordance with ORS 338.135(7)(a)-(c) and OAR 584-023-0005.

C. Highly Qualified Staff for Purposes of Federal Law

- (i) All individuals employed by the SCS that are licensed or registered with TSPC shall also comply with OAR 584-100-0090 or 584-100-0095, whichever is applicable, or successor rules that may be adopted by TSPC from time to time as required under applicable federal law.

10. Insurance and Legal Liabilities

A. Insurance

- (i) SCS shall, at its own expense, secure and retain and provide proof of the following insurance and in the amounts set forth in school district policy and administrative regulation LBE-AR as of the time this Contract is executed: commercial and general liability insurance; errors and omissions insurance; directors and officers liability insurance; automobile liability insurance; workers' compensation insurance; employee dishonesty insurance; property insurance.
- (ii) No later than August 15, SCS 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, Sherwood School District.

B. Legal Liabilities

- (i) SCS shall comply with all applicable federal, state, and local laws and regulations (including lawful Oregon Administrative Rules developed by the Oregon Department of Education regarding charter schools). Specifically, SCS shall comply with the laws listed in ORS 338.115(1) in effect as of the execution of this Agreement. Amendments to ORS 338.115(1) during the term of this Agreement, or the addition of other laws that materially increase the administrative, regulatory or educational burden on SCS, shall only apply to SCS if required by law or if mutually agreed to by the District and SCS in writing.
- (ii) SCS shall furnish to the District copies of any written policies or procedures it may develop with respect to any matter relating to its operation and educational program upon adoption of such policy by SCS's governing board.

C. Waiver

SCS may apply to the State Board of Education for a waiver consistent with ORS 338.025. SCS shall notify the District in writing 30 days prior to requesting a waiver from the State Board of Education. The written notification shall state the waiver being sought, the reasons for the waiver and how the waiver will enhance the educational program at SCS.

D. Full Faith and Credit

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

E. Indemnification

- (i) To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, SCS 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 SCS of property of SCS 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 SCS. 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 SCS whose negligence or wrongful act or omission is caused in whole or in part, or directed by the District. This indemnification shall not apply to

any damages incurred regarding any act or omission of SCS or the SCS Board that is later deemed to be required by law or this Contract. SCS agrees to indemnify, hold harmless and defend the District from all contract claims in which the SCS has obligated the District without the District's prior written approval. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided in the Oregon Tort Claims Act.

- (ii) 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 SCS, 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 (1) civil rights violations, bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever which arise out of the administration of this Contract or are in any manner connected with District's operation; or (2) from any liability arising from claims under the Individuals with Disabilities in Education Act or its state counterpart. SCS will follow the IEP as written. This indemnification shall not apply to any liability, claims, or demands resulting from the negligence or wrongful act or omission of any SCS 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 SCS whose negligent or wrongful act or omission is caused in whole or in part, or directed by SCS. This indemnification shall not apply to any damages incurred regarding any act or omission of the District or District Board that is later determined to be required by law or this Contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided in the Oregon Tort Claims Act.
- (iii) This indemnification, defense and hold harmless obligation on behalf of SCS 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.

F. District Disclaimer of Liability

The parties to this Contract expressly acknowledge that the SCS 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:

- (i) The acts or omissions of the SCS, its governing Board, trustees, agents or employees;
- (ii) The use and occupancy of the building occupied by SCS or any matter in connection with the condition of such building; or
- (iii) Any debt or contractual obligation incurred by the SCS.

G. ADA/§504 Obligations

SCS 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. SCS shall indemnify and hold harmless the District from all claims under these statutes.

H. Transportation

SCS students may obtain transportation through the student's parent/guardian or existing public school bus lines. The District shall not be obligated to alter existing bus routes or add bus routes for purposes of providing transportation to SCS's student. Subject to availability of space, a District bus may stop at the SCS facility to drop-off and pick-up SCS students, if the SCS facility is on a designated District bus route. The District is responsible for providing transportation to SCS students along existing public school bus lines within the District.

11. Extension of Contract

- A. No earlier than December 15, 2025 and no later than February 1, 2026 SCS may request, in writing, that this Contract be extended beyond the 2025 - 2026 school year.
- B. SCS's written request shall indicate which terms, if any, SCS would propose to change from the current Contract. SCS shall also state why it believes the current terms need to be changed in a new Contract.
- C. Within twenty (20) business days of receiving the written request from SCS the District shall indicate in writing what additional information, if any, it will need to make its decision to extend the Contract. However, the District shall not extend this contract if SCS is not in compliance with Section 4, Paragraph B, excluding sub-paragraphs (i) and (ii), of this Contract at the time SCS requests such an extension. The District shall also indicate whether the proposed changes suggested by SCS are acceptable to the District.
- D. Within twenty (20) business days of receiving the District request for additional information SCS shall provide the requested additional information to the District.
- E. Within twenty (20) business days from the date the District receives the additional information from SCS, the District shall inform SCS, in writing, of its decision on extension of the Contract.
- F. If the District determines that it will extend the Contract the two parties shall meet and negotiate a contract. It shall be the goal of the two parties to complete negotiation of the contract within twenty (20) business days of the date the District provides notice to SCS that it will extend the contract. If it is not practically possible to complete the negotiation with twenty (20) business days the parties shall work in good faith, with all due diligence, to complete negotiation of the contract as quickly as possible.
- G. The District may make the extension of this Contract conditional upon the following factor(s):

- (i) SCS remaining to be in compliance with all provisions of this Contract for the remainder of the school year;
  - (ii) SCS remaining to be in compliance with all federal law governing public charter schools for the remainder of the school year;
  - (iii) SCS remaining to be in compliance with all state law governing public charter schools for the remainder of the school year
- H. If the District determines that it will not extend the contract than SCS shall cease to be a charter school sponsored by the District on July 1, 2026.

12. Miscellaneous Provisions

A. Entire Agreement

This Contract, including the Exhibits, 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.

B. Governing Law

This Contract shall be governed by, subject to and construed under the laws of the State of Oregon without regard to its 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.

C. Assignment

SCS shall not, under any circumstances, assign, delegate, or contract with any entity to provide the educational program described in this Contract and the attached Exhibits. It being expressly understood that the charter granted by this Contract to operate the educational program runs solely and exclusively to SCS.

D. DELETED BY AGREEMENT OF THE PARTIES

E. Conflict between Application and Contract

The parties agree and acknowledge that should there be a conflict between any provision of this Contract and the application submitted to the District by SCS, the Contract provision(s) shall supersede any provision contained in the application.

F. District Liaison

The District shall designate, for purposes of this Contract, the District Superintendent, or his/her designee, as the official District liaison between the District and the SCS.

G. Amendment

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

H. Notice

Any notice required, or permitted, under this Contract, shall be in writing and shall be effective upon personal delivery (subject to verification of service or acknowledgment of receipt) or three (3) days after mailing when sent by certified mail, postage prepaid, to the office of the Director of SCS, or the office of the District Liaison.

I. Definition of Business Day

For purpose of this Contract "business day" means a day in which the District administrative offices are open. "Business day" does not include Saturdays, Sundays, official state holidays listed in ORS 336.010, federal holidays, District scheduled spring vacation, 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 their designee, any instrumentality of the City of Sherwood, any instrumentality of Washington County, the State of Oregon or federal government.

J. Address of Parties for Purpose of Written Notice

The following addresses are the addresses to be used when sending a written notice required by law or this Contract:

Sherwood School District  
Attn. Superintendent  
23295 S.W Main St..  
Sherwood, Oregon 97140-9104

Sherwood Charter School  
P.O. Box 1342  
Sherwood, Oregon 97140

Should these addresses change the parties agree to notify the other party within ten (10) days of the address changing.

K. 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.

L. Dispute Resolution

In the event any dispute arises between the District and SCS 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 SCS are unable to resolve the dispute, either party may submit the matter to the District's Board for its consideration and the District Board shall conduct a hearing and render a decision on the matter., SCS may appeal such decision to the state Board of



Education concerning those matters within its jurisdiction under ORS Chapter 338. For matters not within the jurisdiction of the State Board of Education, either party shall have all rights and remedies available to that party under Oregon law for breach or threatened breach of contract, including the remedy of specific performance.

M. 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.

N. Delegation

The parties agree and acknowledge that with regard to this charter agreement between the District and SCS, 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 be made only by the District Board.

O. 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, SCS 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.

P. 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 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 trial or arbitration. Such sums shall be determined by the court or arbitrator.

Q. Incorporation of Application and Other Exhibits

The following Exhibits are attached and incorporated by reference: Exhibit A [SCS charter school application], Exhibit B [District Resolution adopted on May 11, 2004], and Exhibit C [List of SCS assets referred to in Section 7, paragraph I, subparagraph (iv) of this Contract].

R. SCS Authority to Enter Into Contract

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

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

**SHERWOOD SCHOOL DISTRICT**

**CHARTER SCHOOL**

Sherwood School Board

SCS Board of Directors

By:   
Authorized Representative

By:   
Authorized Representative Brian Crocker

~~Approved as to form:~~

~~District Legal Counsel~~