

# Charter Agreement

Between

Eddyville Charter School

And

Lincoln County School District

From

Third Renewal  
July 2014 to June 2019

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## CHARTER SCHOOL CONTRACT

THIS CONTRACT is made and entered into by and between the Lincoln County School District ("District") and the Eddyville Charter School ("ECS"), an Oregon nonprofit corporation.

### RECITALS:

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

WHEREAS, in December 2013, a request for the third renewal of the charter was submitted by the ECS for the continuation of ECS as a public charter school to operate within the District; and

WHEREAS, on February 11, 2014 the District's Board of Directors held a public hearing on the provisions of the proposal in accordance with ORS 338.055 and evaluated the criteria set forth in ORS 338.055; and

WHEREAS, the District's Board of Directors has determined that ECS has demonstrated that it has met the requirements of ORS 338.055; and

WHEREAS, this Contract between ECS and the District, including the Exhibits, will constitute the full and complete agreement between the parties regarding the governance and operation of school; and

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

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

#### Section 1. Grant of Charter

ECS 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 Lincoln County School District as described herein.

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

In order for ECS to continue to operate as a public charter school sponsored by the District, the following conditions shall be met by August 30, 2014:

ECS shall provide proof to the District that it has met all requirements to continue to maintain a building site either to purchase, lease, rent or otherwise secure a facility, acceptable to the District, to operate within the District boundaries; and

ECS shall continue to secure the appropriate and necessary occupancy and safety permits for the charter school facility and deliver proof of these permits to the District; and

ECS shall continue to secure insurance in accordance with District Policy LBE and Administrative Rule LBE-AR – Public Charter Schools, and deliver proof of insurance to the District; and

ECS shall prepare and deliver to the District proof that the financial stability of the charter school is being maintained. The applicant shall deliver a budget for the period July 1, 2014– June 30, 2015, reflecting facility and staffing costs to the District; and

ECS shall continue services in upcoming school years according to the District’s calendar.

3. Effective Date

This Contract shall commence on July 1, 2014 and shall expire on June 30, 2019.

4. Educational Program. Student Assessment and Curriculum

The mission of ECS is to continue to provide a grade K-12 charter school per the original proposal

A. Age and Grade Range, and Enrollment

- (i) ECS shall provide instruction, for the term of this Contract, to students in Kindergarten through the twelfth grade or students with a deficit in credits that would place them in the ninth through twelfth grades.
- (ii) Enrollment during this Contract shall not exceed 200 students without the express written consent of the District.

B. Curriculum

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

- (i) ECS 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.
- (ii) The educational program, pupil performance standards and curriculum designed and implemented by ECS 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) ECS agrees to comply with all state requirements concerning academic content areas as defined in ORS 329.045.
- (iv) ECS agrees to obtain prior approval from the District before making a fundamental change to the educational program outlined in its original proposal. A fundamental change is defined as changing the core curriculum of ECS, changing the academic focus of ECS, 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) ECS shall establish a written policy for resolving complaints against ECS, including complaints regarding curriculum. A written copy of this policy shall be forwarded to the District by August 31, 2014.

C. Student Assessment

- (i) All students enrolled and attending Kindergarten through twelfth grade at ECS shall participate and take part in all statewide assessments 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 federal No Child Left Behind (NCLB) assessment requirements.

ECS students will also participate in the same off-year tests as district high school students.

- (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 ECS to determine the student performance standards for 's students.

D. Extracurricular Activities

- (i) ECS students that are residents of the District are eligible to participate in extracurricular activities at their neighborhood schools at no charge to ECS.
- (ii) Students of ECS who participate in extracurricular activities of the District shall be subject to the same rules regarding fees, eligibility and conduct that District students must meet. Students that are not residents of the District shall not be eligible to participate in extracurricular activities of the District.
- (ii) The District shall not be required to provide transportation for an ECS student to and/or from an extracurricular activity. However, if there is space available, the District may provide transportation services to an ECS 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 an ECS student.

E. Records

ECS 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 ECS shall be nonreligious and nonsectarian. ECS shall not discriminate against any student or staff on the basis of race, creed, color, sex, national origin, religion, ancestry, disability, marital status, sexual orientation, or political beliefs and/or affiliations.

G. Open Enrollment

For the term of this Contract, enrollment shall be open to any child eligible to attend Kindergarten through 12<sup>th</sup> grade subject to ORS 338.125(1).

H. Admission

Admission of students to ECS shall be determined in accordance with ECS's original proposal, except as amended by this Contract or federal law. "Admission" means that the student has (1) enrolled with ECS; (2) successfully completed the lottery if necessary; and (3) been formally accepted as an ECS student by ECS and, in the case of a student who is eligible for special education and related service under the Individuals with Disabilities Education Act (IDEA), and the resident District's Individual Education Plan or Program (IEP) team deems to be a proper placement. As provided in ORS 338.125(1), in subsequent years of operation, ECS may give admissions preference to students who were enrolled in ECS the prior year and siblings of students enrolled and attending ECS.

I. Student Attendance. Conduct and Discipline

- (i) ECS shall implement a system of uniform student discipline consistent with District Policy JFC and Administrative Rule JFC/AR. ECS shall forward a copy of the adopted policy implementing the system of uniform student discipline to the District by June 30, 2014. ECS 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. ECS 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> day of each month.

- (ii) ECS shall notify the District immediately upon a student being expelled from the school.
- (iii) ECS 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 Talented and Gifted Students

ECS shall comply with ORS 343.391-343.413, and rules adopted by the State Board of Education for implementing these statutes.

K. Education of Students with Disabilities

ECS shall comply with all District policies and regulations and the requirements of federal and state law concerning the education of children under the Individuals with Disabilities Education Act (IDEA). Compliance by ECS includes, but is not limited to, the following:

- (i) ECS 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) When a special education student is formally accepted, the student's IEP team will determine if ECS is the appropriate educational program and placement for the student. ECS shall abide by the IEP team's decision on program and placement.
- (iv) ECS staff shall comply with training required by an IEP team for delivery of services to a student.
- (v) The funds from the Oregon Department of Education representing the Average Daily Membership weighted (ADMw) for special education for the ECS special education students shall be retained by the District, if the student is a resident of the District.
- (vi) The District has the discretion to determine which specialized programs will be offered on site at the ECS site.
- (vii) For a nonresident student eligible under IDEA, ECS and the resident district may enter into a written agreement for the provision of special education services to the student. The District is in no way responsible for these services or the costs thereof



- (viii) The student's IEP team may recommend any appropriate placement for the student based on the student's needs, whether in or out of ECS. ECS shall not change the student's placement or IEP without IEP team action.
- (ix) Special education transportation will only be provided to an ECS special education student if it is a related service on an ECS student's IEP.
- (x) ECS shall provide substitutes for ECS staff who are required to attend IEP meetings or other meetings related to an ECS special education student at ECS's expense.
- (xi) ECS shall notify the student's resident district if a student may need special education services.
- (xii) If after a student is enrolled and attending, the staff and employees of ECS suspect a student may be eligible for special education and related services under IDEA, ECS shall comply with the District practices and policies for referral of the student for evaluation.
- (xiii) Costs of any training required of ECS'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.

L. Tuition and Fees

ECS shall not charge tuition to students attending ECS. ECS shall not charge tuition for programs, classes, or courses to the students who are part of the regular school program. ECS may charge reasonable fees for textbooks, instructional materials, after-school programs and student activities.

M. Student Welfare and Safety

ECS 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) ECS is responsible for the reporting of child abuse and neglect in accordance with state law.
- (ii) ECS shall immediately inform the District Liaison of any incident regarding child abuse and/or neglect.
- (iii) ECS shall comply with state and federal law relating to drug administration to students.
- (iv) ECS 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.

N. School Year, School Day, Hours of Operation

ECS shall operate an instructional program in accordance with the original proposal except as amended by this contract. The school calendar shall be similar to the District's school calendar. To the extent ECS's calendar varies from the District's and this variance creates additional cost to the District for special education services, ECS shall reimburse this cost out of the payments the District makes to ECS per Section 6, paragraph A.

O. Alternative Education Model

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

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Section 5. Evaluation of Student Performance and Procedures for Corrective Action

- A. ECS shall pursue and make reasonable progress toward achievement of the goals, objectives, and student performance standards consistent with those set forth in Appendix A, 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 percentage of students at each grade level of ECS's students taking the statewide assessment(s) developed by the Oregon Department of Education under ORS 392.485, or any assessment developed to comply with the Federal No Child Left Behind law, shall be at or above the percentage of the District's students who meet or exceed the standard for each grade level that have taken the statewide assessment.
- C. If the percentage of students meeting or exceeding the standard at any grade level of ESC is not at or above the percentage of the District's students who meet or exceed the standards at that grade level, ECS shall develop, subject to the District's approval, a written School Improvement Plan describing the actions that ECS will undertake to successfully meet or exceed the District's percentages in each grade level.

(i) ECS shall deliver the written School Improvement Plan to the District within thirty (30) days of ECS receiving the assessment scores.

(ii) If ECS does not develop a written School Improvement Plan within thirty (30) days of receiving the assessment scores, then the District may take action to terminate this Contract under Section 8, paragraph I of this Contract.

- D. If ECS fails to follow any of the actions stated in any of the School Improvement Plan as stated above the District shall issue a written notice to ECS that it must comply with the terms of the written School Improvement Plan immediately. If, after 15 business days, ECS is not in compliance with the written School Improvement Plan the District may begin the process of terminating ECS's operation as a public charter school under Section 8 paragraph I of this contract.
- E. The ECS shall report to the District the ECS student scores on any of the statewide assessments within ten (10) business days of receiving the scores.
- F. The District shall report to ECS the District's average score for its students that have taken the statewide assessment within twenty (20) business days of receiving those scores.

Section 6. Economic Plan, Budget and Annual Audit

A. Funding

- (i) Kindergarten through Twelfth-Grade Students: The District shall provide funding to ECS in an amount per weighted average daily membership (ADMw) 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 students in Kindergarten through eighth grades and 95 percent of the amount of the District's general purpose grant per ADMw as calculated under ORS 327.013 for students in grades ninth through twelfth, except as amended by this Contract under Section 4, paragraph K, subparagraph (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 ECS is not in violation of ORS Chapter 338, this funding will be made available to ECS, commencing on the date set forth and according to the distribution schedules set forth in Section 6, paragraph C, subparagraph (vi) below. The District, at its sole discretion, may advance funds to ECS upon request. The District will adjust the funding to reflect the actual funded pupil count as of October 1. In addition, to the extent the District experiences any reduction or increase in its state funding "General Purpose Grant SB 100", proportionate reductions or increases will be made to ECS 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 ECS operations except as expressly provided herein or in ORS Chapter 338.

**B. Budget**

- (i) On or before June 15 of each year, ECS shall submit to the District's proposed budget for the upcoming school year.
- (ii) On or before July 15 of each year, ECS shall submit to the District's adopted budget for the upcoming school year.
- (iii) ECS shall be responsible for all costs of subcontracting for goods and services, except as expressly provided in this Contract.
- (iv) The fiscal year of ECS shall begin on July 1 of each year and end on June 30 of the subsequent year to coincide with the District's fiscal year.
- (v) The cost of any service(s) provided to ECS by the District above and beyond the terms of this Contract shall be deducted from payments due to ECS from the District's payments outlined in Section 6, paragraph A of this Contract.

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

- (i) ECS 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. ECS shall submit income and expense reports as requested by the District.
- (ii) ECS shall have an annual audit of its accounts in accordance with Municipal Financial Audit Law, ORS 297.405 to 297.555 and 297.998. ECS shall submit this audit to the District by January 5<sup>th</sup> of each year.
- (iii) ECS shall provide to the District ECS's Internal Revenue Service Form 990 by December 15th of each year.
- (iv) ECS shall operate in accordance with generally accepted accounting procedures (GAAP) or other generally accepted standards of fiscal management, provided that ECS's accounting methods shall comply in all instances with applicable governmental accounting requirements.
- (v) ECS shall provide a Monthly and YTD financial report by Fund that identifies revenues by function and expenditures by object groupings.
- (vi) ECS 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 ECS.

(vii) The District shall distribute to ECS funds as determined in Section 6, paragraph A, subparagraphs (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 OR 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 ECS shall be modified to reflect such changes. The District shall still be required to transfer the payment due ECS 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 payment to July, the District shall not be required to transfer the payment to ECS until ten (10) days after the District has its State School Fund disbursement in July.]

- (viii) In the event that this Contract is revoked, terminated or not renewed by the District, ECS shall refund to the District all unspent public funds that were given to ECS by the District.
- (ix) The parties acknowledge that under ORS 338.155(9)(a) ECS may apply for any grant that is available to school districts or non-chartered public schools from the Oregon Department of Education. The parties further acknowledge that under ORS 338.155(9)(b) ECS 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, including but not limited to School Day Restoration Fund (SDRF) funds. ECS will only be eligible to receive grant funds from the District if ECS students were used in grant application calculations. Grant funds that are restricted in purpose and/or competitive in nature will be paid at 100% less the District's indirect rate cost. All other grants will be paid at the same rate as SSF payments.

- (x) The parties acknowledge that under ORS 338.155(9)(a), ECS may apply for any grant that is available to school districts or non-chartered public schools from the Oregon Department of Education.
- (x) ECS 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 ECS solicits funding from sources other than the District, it shall comply with all applicable state and federal laws regarding reporting of such charitable solicitations. ECS shall annually report all gifts, donations and grants to the District by recording the 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 ECS is required to disclose this information under law.
- (xi) At all times, ECS shall maintain appropriate governance and managerial procedures and financial controls.
- (xii) ECS shall provide the District with all copies of letters and audit reports from ECS's auditor to the Board or ECS's director.

D. District's Contract Services

- (i) It is understood that District's costs of sponsorship of ECS as a public charter school, including all administrative and oversight responsibilities, will be paid from its retention of a portion of the State's general purpose grant, based on the ADMw funding that is received for the students enrolled with ECS, but that non-essential services shall be provided to

ECS only by contract at ECS's request. Appendix B shall be used to describe the services that may be purchased by ECS from District. ECS agrees that the District may amend Appendix B from time to time, without consent of ECS, to add or delete services available to ECS, and District agrees that its fees, charges and rates shall not exceed the amount necessary to reimburse it for its actual cost of providing the services.

E. Penalties

- (i) Notwithstanding Section 6, paragraph A, subparagraph (i) and Section 6, paragraph C, subparagraph (vi) of this Contract, if ECS has not submitted the proposed budget, the adopted budget, the annual audit or any other financial information the District requests by the date ECS is to provide the information to the District, the District shall for each month the audit is late, 5% penalty of that month's SSF allocation to the Charter School. If the opinion of the audit by the audit firm is not "unqualified," the District may cancel the remaining term of the charter, or may choose to non-renew the charter.

**Section 7. Buildings and Facilities**

- A. ECS may change its physical location or obtain additional facilities provided that ECS fulfills the obligations and provides the information set forth in this section with respect to such new or additional facilities and provided further that ECS notifies the District of the proposed change in location or addition of facilities not less than thirty (30) days prior to taking any final action in connection therewith.

**Section 8. Governance and Operation**

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

A. Status

ECS is and shall remain for the term of this Contract an Oregon nonprofit organization. Within thirty (30) days after making any changes to its Articles of Incorporation or Bylaws, ECS shall notify the District of the changes ECS makes to such documents. ECS shall provide a full copy of ECS's Articles of Incorporation and Bylaws documents before the signing of this Contract.

B. Nonreligious. Nonsectarian Status

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

C. Nondiscrimination

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

D. Public Meeting and Public Records

ECS and its Governing Board 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, ECS, through its Governing Board, shall be fiscally responsible for its own operations within limitations of any funding provided by the District and other revenues derived by ECS, consistent with law.

- (i) ECS shall have the authority to exercise independently, also consistent with federal and state law, all powers granted to nonprofit organizations and charter schools so long as such powers are not inconsistent with the terms of this Contract, including, without limitation, 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 members; contract for goods and services necessary for the operation of ; 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 fundraising 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

ECS 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

ECS shall submit a written annual report 10 days prior to the District's June board meeting which will include, without limitation, the following per ORS 338.095:

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



H. Term

ECS's charter and this Contract become effective on July 1, 2014, assuming all conditions precedent enumerated in Section 2 of this Contract have been met, and will last for a period of five (5) school years.

I. 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 term 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.
- f) Failure to maintain for two or more years a sound fiscal management system.

(ii) The District shall provide sixty (60) days prior written notice of its intent to terminate the charter agreement. ECS may appeal the District's decision to terminate the charter agreement directly to the District's Board. ECS 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. ECS 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, as determined by the District, the District shall continue to make the funding payments under Section 6 of this Contract to ECS.

(iii) ECS shall only terminate this charter at the end of a semester. ECS shall notify the District in writing at least 180 days prior to the proposed effective date of termination, dissolution or closure of ECS.

(iv) In the event of termination of ECS as a public charter school, all assets

purchased with public funds given to ECS for the operation of school by the District in accordance with this Contract shall be given to the State Board of Education in accordance with ORS 338.105(6). ECS shall prepare a list of assets that were held prior to becoming a public charter school.

J. Change of Status

In the event ECS 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 ECS's legal authority to operate as a private school shall not be abridged. However, the assets of ECS that were purchased with public funds given to ECS by the District under this Contract, or by any other public entity, shall be distributed in the same manner as described in Section 8, paragraph K of this Contract.

K. Property Inventory Control

- (i) ECS shall maintain records of purchase orders for all fixed assets and non-consumable supplies (with life expectancy of one year or more) over \$500.00. These records shall indicate whether the assets were purchased with public funds, or non-public funds. ECS shall provide the District with a copy of this purchase order record upon request. For purposes of this section, public funds shall include any and all funds distributed to ECS.
  - 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 ECS 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 ECS 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). ECS may retain any asset which was purchased with non-public funds upon termination. If ECS 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).

Section 9. Employment Matters

ECS shall be the employer of all employees. Employees of ECS shall not be considered, for any purpose, employees of the District. Employees of ECS 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

ECS shall not knowingly employ an individual at the school 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 August 31 prior to each school year that ECS operates as a public charter school under this agreement, ECS shall provide to the District a list containing the names and job positions of all its employees at. 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)

Any teaching or administrative staff at ECS 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.

C. Highly Qualified Staff for Purposes of No Child Left Behind

All individuals employed by ECS that are licensed or registered with TSPC shall also comply with OAR 584-100-0090 or OAR 584-100-0095, whichever is applicable.

D. Building Administrator

ECS shall have a building level administrator assigned to the school.

Section 10. Insurance and Legal Liabilities

A. Insurance

- (i) ECS, at its own expense, shall continue to secure and retain and provide proof of the following insurance and in the amounts set forth in School District Policy LBE and Administrative Rule LBE-AR as of the time this Contract is executed: commercial and general liability insurance; errors and omissions insurance; automobile liability insurance; workers' compensation insurance; employee dishonesty insurance; property insurance.

- (ii) With submission of the annual report each year of this contract and at any time upon request of the District, ECS 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 thirty (30) days in advance, of any material change, non-renewal or termination to the attention of the Superintendent, Lincoln County School District.

**B. Legal Liabilities**

- (i) The following federal and state laws apply to ECS in its operation and shall be observed by ECS where applicable:
  - a) Federal law.
  - b) ORS 192.410 to 192.505 (Public Records Law).
  - c) ORS 192.610 to 192.690 (Public Meetings Law).
  - d) ORS 297.405 to 297.555 and 297.990 (Municipal Financial Audit Law).
  - e) ORS 181.534, 181-539, 326.603, 326.607 and 342.232 (criminal records checks).
  - f) ORS 337.150 (textbooks).
  - g) ORS 339.141, 339.147 and 339.155 (tuition and fees).
  - h) ORS 659.150 and 659.155 (discrimination).
  - i) ORS 30.260 to 30.300 (tort claims).
  - j) Health and safety statutes and rules.
  - k) The statewide assessment system developed by the Oregon Department of Education under ORS 329.485.
  - l) ORS 329.045 (academic content areas).
  - m) Any statute or rule that establishes requirement for instructional time provided by a school each day or during a year.
  - n) ORS 339.250(12) (prohibition on infliction of corporal punishment).

- o) ORS 339.370, 339.372 and 339.375 (reporting child abuse)
  - p) ORS Chapter 338.
  - q) OAR 581-020-0359 (renewal)
  - r) Any administrative rule adopted by the Oregon State Board of Education or the Oregon Teacher Standards and Practices Commission (TSPC) regarding public charter schools.
  - s) ORS 326.565, 326.575 and 326.580 (student records)
  - t) ORS Chapter 657 (Employment Department Law)
  - u) ORS 339.119 (consideration for educational services)
  - v) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative certificate)
- (ii) ECS 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 ECS's.

C. Waiver

ECS may apply to the State Board of Education for a waiver consistent with ORS 338.025. ECS shall notify the District in writing thirty (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 ECS.

D. Full Faith and Credit

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

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 ECS 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 ECS Board that is later deemed to be required by law or this Contract. ECS agrees to indemnify, hold harmless and defend the District from all contract claims in which ECS 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 ECS, 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 administration of this Contract or are in any manner connected with the District's operation. This indemnification shall not apply to any liability, claims or demands resulting from the negligence or wrongful act or omission of any ECS 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 whose negligent or wrongful act or omission is caused in whole or in part, or directed by ECS. 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 ECS 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 ECS 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 ECS, trustees, agents or employees;
- (ii) The use and occupancy of the building occupied by ECS or any matter in connection with the condition of such building; or
- (iii) Any debt or contractual obligation incurred by ECS

G. ADA/504 Obligations

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

H. Transportation

ECS 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 ECS students. Subject to availability of space, a District bus may stop at the ECS facility to drop off and pick up ECS students, if the ECS facility is on a designated District bus route. The District is responsible for providing transportation to ECS students along existing public school bus lines within the District, if space is available.

Section 11. Renewal of Contract

- A. ECS must request in writing at least 180 days before expiration of the charter, that this Contract be renewed per the contract renewal process subject to ORS 338.065(3)-(6) and OAR 581-020-0359.
- B. The District shall, upon receipt of the written request to renew from ECS, develop a timeline in agreement with ECS for renewing the Contract as allowed by OAR 581-020-0359, Section 9 that will reflect the calendar of the District Board of Director's meetings.
- C. If the District determines that it will not renew the Contract, then ECS shall cease to operate as a charter school sponsored by the District on August 31, 2019, provided, however that ECS may appeal this decision as permitted by ORS 338.065 and ECS shall remain open until one of the conditions apply as set forth in OAR 581-020-0361.

Section 12. Miscellaneous Provisions

A. Entire Agreement

This Contract, including the original proposal, the previous Contract and any 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, 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

ECS shall not, without the written consent of the District, delegate or contract with any entity to provide the educational program described in this Contract and the attached exhibits and it being expressly understood that the charter granted by this Contract to operate the educational program runs solely and exclusively by ECS.

D. Terms and Conditions of Application

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

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 original application submitted to the District by ECS, the Contract provision(s) shall supersede any provision contained in the original application or previous Contract.



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 ECS.

G. Amendment

This Contract may be modified or amended only by written agreement between ECS 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 acknowledgement of receipt) or three (3) days after mailing when sent by certified mail, postage prepaid, to the office of the Director of ECS or the office of the District superintendent.

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, 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 designate, any instrumentality of the City of Newport, any instrumentality of Lincoln 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:

For the District:

Lincoln County School District  
Steve Boynton, Superintendent  
P.O. Box 1110  
Newport OR 97365

For ECS:

Eddyville Charter School  
Dennis Schultz, Principal  
P.O. Box 68  
Eddyville, OR 97343

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 ECS 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 superintendent for review. If the District and ECS 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, ECS may appeal to the state Board of Education concerning those matters within its jurisdiction under ORS Chapter 338.

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 ECS, 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 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, ECS 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 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. Such sums shall be determined by the court or arbitrator.

Q. Incorporation of Original Application and Other Exhibits

The following exhibits are attached and incorporated by reference: Exhibit A [ECS's Public Charter School original proposal], and Exhibit B contracted Services.

R. ECS' Authority to Enter into Contract

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

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

For the DISTRICT:

By: Liz Martin 6-10-2014  
~~Ren Beck~~, Chairman Vice Chairman Date  
Lincoln County School District Board

By: Steve Boynton 6-10-14  
Steve Boynton, Superintendent Date  
Lincoln County School District

For ECS

By: Kevin McBride 5-26-14  
Kevin McBride, Chairman Date  
Eddyville Charter School Board of Directors

Approved as to form:

By: [Signature] 6/27/14  
District Legal Counsel Date

Exhibit A

ECS's Public Charter School original proposal

Attached

Exhibit B

**CONTRACTED SERVICES**

1. District Hearing Officer for student suspension and expulsion hearings: ECS may contract with the District for a District Hearing Officer in a student suspension or expulsion hearing. ECS shall pay the District's actual hourly cost for the Hearing Officer.
2. Substitute Teachers and Staff ECS may contract with the District for substitutes while an ECS teacher or staff is absent. ECS shall pay the District's actual cost for substitutes at ECS.
3. Special Education and Related Services for Non-resident ECS Students: In the event ECS has a student eligible for special education under the IDEA who is the resident of another school district, ECS may contract for special education and related services -with the District, subject to District approval. ECS shall pay the District's actual cost of providing these services if ECS requests assistance in this area.
4. Health and Social Services to ECS Students: ECS may contract with the District for Health and Social Services for ECS students at a rate to be determined by the District, but during the first year of the contract no more than the per pupil cost to the District of providing similar services to District students. The cost of these services will be reviewed by the District at the conclusion of the first year of the contract and the cost of these services for the second and third year of this contract shall be agreed to by the parties. In the absence of such agreement, the cost of these services for the second and third year shall be the District's actual cost.
5. Payroll Services: ECS may contract with the District for payroll services for non-District ECS employees at the District's actual cost at District's discretion.
6. Human Resources Services: ECS may contract with the District for Human Resource Services at a rate to be determined by the District. These services include, but are not limited to: (a) the application, interview and hiring process; (b) normal disciplinary issues or procedures; (c) TSPC classification or license work; (d) normal consultative work. The cost of these services will be reviewed by the District at the conclusion of the first year of the contract and the cost of these services for the second and third year of this contract shall be agreed to by the parties. In the absence of such agreement, the cost of these services for the second and third year shall be the District's actual cost.
7. Supervision of Staff Services: ECS may contract with the District for Supervision Services for the district employees who will be employed at the ECS site at a rate to be determined by the District. The cost of these services will be reviewed by the District at the conclusion of the first year of the contract and the cost of these services for the second and third year of this contract shall be agreed to by the parties. In the absence of such agreement, the cost of these services for the second and third year shall be the District's actual cost.
8. Risk Management Services: ECS may contract with the District for Risk Management services such as risk management consultation, safety and risk assessment of ECS students and

staff; staff training; environmental and indoor air quality concerns, workplace safety, security, and industrial hygiene. This will be at a rate to be determined by the District. The cost of these services will be reviewed by the District at the conclusion of the first year of the contract and the cost of these services for the second and third year of this contract shall be agreed to by the parties. In the absence of such agreement, the cost of these services for the second and third year shall be the District's actual cost.

9. Section 504 Services for ECS Students - Staff and Patrons: ECS may contract for District services in order to comply with ECS's legal obligations under Section 504 of the Rehabilitation Act, the Americans with Disabilities Act of 1990 and ORS Chapter 659. ECS and the District may mutually agree on the cost of these services to ECS. In the absence of such mutual agreement, ECS shall pay the District's actual cost in providing these services.

10. Miscellaneous Services: The list of services set forth above is not exhaustive, and that ECS may contract with the District for additional services from the District. In the absence of the parties' mutual agreement as to the cost of these additional services, the parties agree that ECS shall pay the District's actual cost of providing these services to ECS.

11. Technology and Instructional Services: ECS may contract for District technology services at a cost to be determined by the District. ECS may also contract with the District for ECS involvement in District instructional programs and courses at a cost to be determined by the District.

12. Free and Reduced Lunch Services: If ECS elects to participate in the free and reduced lunch program, it may contract with Sodexo either through the District's contract or directly with Sodexo. Additionally, ECS agrees to obtain at its cost any software necessary to perform its responsibilities in reporting the students involved in the free and reduced meal program up to the standards of reporting use by the Lincoln County School District. At the present time that includes software called "Mealtime". ECS is responsible for both establishing and paying for a network connection with the District to transfer the needed information that is part of this program or for delivering the required paperwork to the District. ECS agrees that it is responsible for all costs related to this program and that the Lincoln County School District has no financial obligation to assist ECS in developing, promoting or maintaining this program.