

Charter Contract

Between

Madrone Trail Initiative

&

Medford School District 549C

July 1, 2018 - June 30, 2023

Table of Contents

C O N T R A C T6

1. Grant of Renewed Charter 6

2. Conditions Precedent to Renewal of Charter 6

3. Effective Date 6

4. Educational Program..... 6

 A. Age and Grade Range6

 B. Curriculum7

 C. Student Assessment/Graduation Requirements8

 D. Access to District Programs/Extracurricular Activities8

 E. Records.....9

 F. Non-religious and Non-discrimination 10

 G. Open Enrollment 10

 H. Notices for Enrollment and Withdrawal of Non-Resident Students 11

 I. Student Attendance, Conduct and Discipline 12

 K. Tuition and Fees 15

 L. Student Welfare and Safety 16

 M. School Year; School Day; Hours of Operation 16

 N. Alternative Education Model 16

5. Evaluation of Student Performance and Procedures for Corrective Action 17

6. Economic Plan, Budget and Annual Audit 18

 A. Funding..... 18

 B. Budget 19

 C. Financial Records, Audits and Accounting Reports 20

7. Building and Facilities..... 22

8. Governance and Operation 23

 A. Corporate Status 23

 B. Non-religious, Non-sectarian Status 23

 C. Non-discrimination..... 23

 D. Public Meeting and Public Records 23

 E. Operational Powers 24

 F. Third Party Contracts 24

- G. Annual Report and Review25
- H. Term26
- I. Termination.....26
- J. Dissolution.....27
- K. Property Inventory Control28
- 9. Employment Matters..... 28
 - A. Criminal Background checks, Sexual Misconduct Clearance, and Pre-employment Drug Screen.....29
 - B. Teacher and Administrator Licensure/Registration Requirements.29
 - C. Madrone Trail Responsibilities30
- 10. Insurance and Legal Liabilities 31
 - A. Insurance31
 - B. Legal Liabilities.....31
 - C. Waiver33
 - D. Full Faith and Credit33
 - E. Indemnification33
 - F. District Disclaimer of Liability.....34
 - G. ADA/§504 Obligations34
 - H. Transportation35
- 11. Renewal of Contract..... 35
- 12. Miscellaneous Provisions 37
 - A. Entire Agreement37
 - B. Governing Law.....37
 - C. Assignment.....37
 - D. Terms and Conditions of Application37
 - E. Conflict between Application and Contract.....37
 - F. District Liaison.....38
 - G. Amendment38
 - H. Notice38
 - I. Definition of Business Day38
 - J. Address of Parties for Purpose of Written Notice38
 - K. No Waiver39
 - L. Dispute Resolution39
 - M. Severability.....40

Madrone Trail Charter School Contract

N. Delegation40

O. Prior Actions40

P. Attorney Fees41

Q. Exhibits.....41

R. Madrone Trail Authority to Enter Into Contract41

CHARTER SCHOOL CONTRACT

THIS CONTRACT dated effective as of July 1, 2018 is made and entered into by and between the Medford School District 549C ("District") and Madrone Trail Initiative, an Oregon nonprofit corporation doing business as Madrone Trail Public Charter School ("Madrone Trail").

RECITALS

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

WHEREAS, the District and Madrone Trail are parties to a charter school contract dated July 1, 2013, which contract has a term of July 1, 2013 through June 30, 2018; and

WHEREAS, in December 2017, a renewal request was submitted by Madrone Trail to District for the continuation of Madrone Trail as a charter school to operate within District; and

WHEREAS, the District School Board held a public hearing on February 12, 2018 on the provisions of the proposal in accordance with the ORS Chapter 338 and evaluated the criteria set forth in ORS Chapter 338; and

WHEREAS, THE RESOLUTION ADOPTED by the District Board on February 26, 2018 approved the renewal of the charter contingent upon the negotiation and execution of a contract acceptable to Madrone Trail and District; and

WHEREAS, this contract between Madrone Trail and the District, including the Exhibits, will constitute the full and complete agreement between the parties regarding the governance and operation of Madrone Trail; and

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

WHEREAS, Madrone Trail continues to be an established non-profit organization under the laws of the state of Oregon, exempt under 501(c)(3) of the Internal Revenue Code, and is not associated with a nonpublic sectarian school or a religious institution, or otherwise religious based;

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

CONTRACT

1. Grant of Renewed Charter

Madrone Trail is granted, in accordance with ORS Chapter 338 and the terms and conditions of this contract, a renewed charter to operate a single public charter school located within the boundaries of the District as described herein.

2. Conditions Precedent to Renewal of Charter

In order for Madrone Trail to continue to operate as a public charter school sponsored by the District under a renewed charter contract, the following conditions shall be met:

- A. Madrone Trail shall remain in compliance with all provisions of the existing charter contract and with all state and federal laws governing public charter schools for the remainder of the 2017-2018 school year.

3. Effective Date

Provided that the conditions set forth in Section 2, above, are met, this contract shall commence on July 1, 2018, and shall expire on June 30, 2023, unless sooner terminated pursuant to the provisions herein.

4. Educational Program

A. Age and Grade Range

- (i) Beginning with the commencement of the 2018 - 2019 school year and continuing throughout each school year during the term of this contract, Madrone Trail shall provide instruction to students in kindergarten through the eighth grade.
- (ii) Student placement shall be based on Madrone Trail's assignment process. Students shall turn the appropriate age for the respective grades by June 1 preceding the academic year in which they enroll. Students whose birthday falls between June 1 and September 1 may be placed in a grade level lower than their previous school. Madrone Trail shall only enroll a student in its program if the student has reached the designated age set forth below on or before September 1 of the year the student is seeking enrollment.

Kindergarten – age 5
Grade 1 – age 6

Grade 3 – age 8
Grade 4 – age 9

Grade 6 – age 11
Grade 7 – age 12

Grade 2 – age 7

Grade 5 – age 10

Grade 8 – age 13

- (iii) Madrone Trail shall reserve the right to make exceptions to (ii) above based on individual cases and in accordance with any exceptions allowed by District board policy JEBA -Entrance Age. Madrone Trail shall not make any exception or place any student into a grade if the student will turn the appropriate age for the grade subsequent to September 1 of the academic year in which the student enrolls.

B. Curriculum

District agrees to waive its curricular requirements, to the extent permitted by Oregon law, but subject to the provisions of this Section 4.B.

- (i) Madrone Trail 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 Madrone Trail shall be aligned to, and meet or exceed, any content standards adopted by the State of Oregon and shall be designed to enable each pupil to achieve such standards. In addition, the required school-improvement benchmarks are included as Exhibit A and are hereby incorporated by reference.
- (iii) Madrone Trail agrees to comply with all state requirements concerning academic content areas as defined in ORS 329.045.
- (iv) Madrone Trail's core curriculum materials offered to students/families will meet Oregon State Standards. Madrone Trail will provide to the District an outline of its core curriculum and educational program for the 2018-2019 school year by July 1, 2018, and thereafter on an annual basis by no later than October 31st of each school year.
- (v) Madrone Trail shall adhere to the philosophy and mission, goals and objectives, and curriculum as set forth in its original application, the terms of which are incorporated herein by reference except as may otherwise be amended by the terms of this contract, and any fundamental changes thereto shall require the prior written consent and approval of the District. A "fundamental change" is defined as changing the academic focus of Madrone Trail, its philosophy or mission, or adopting a curriculum that does not meet District or state standards. The District, in its sole discretion, may approve or disapprove of any such fundamental change.

- (vi) Madrone Trail shall maintain and publish to their website a written policy for resolving complaints against Madrone Trail, including complaints regarding curriculum. A current copy of the policy shall be provided to the District prior to July 1, 2018, and revised copies will be provided to the District each time any changes are made to the policy.

C. Student Assessment/Graduation Requirements

- (i) All students enrolled and attending Madrone Trail shall participate and take part in all mandatory 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 and required of public schools to implement the Every Student Succeeds Act (ESSA) assessment requirements. All costs associated with administering and scoring the required assessments, as well as training, shall be paid for by Madrone Trail. If any of the assessments described herein are discontinued, the parties shall mutually agree on the assessment tool to be utilized by Madrone Trail to determine the student performance standards for Madrone Trail's students.
- (ii) Madrone Trail will conduct all iReady reading and math assessments and OAKS testing as conducted by District.
- (iii) All students in kindergarten will participate in the Kindergarten Readiness Assessments as required by Oregon law.
- (iv) Madrone Trail may utilize additional normed measures to gain periodic information on student academic progress and provide those reports to the District at the annual review.

D. Access to District Programs/Interscholastic Activities

- (i) Madrone Trail students are eligible to participate, in compliance with state law, in interscholastic activities that are (a) offered by District, (b) not part of Madrone Trail's comprehensive instructional program, and (c) for which District participates in and is sanctioned by the Oregon School Activities Association ("OSAA"). Madrone Trail shall pay District a fee equal to five percent (5%) of the of District's General Purpose Grant per ADMw, as calculated under ORS 327.013, for each student that participates in a District interscholastic activity during any given school year. An additional 5% of the ADMw will be charged to attend a class required for participation in athletics or activities. The fee is per student, per year, regardless of the number of interscholastic activities the student may participate in during the year and is payable

within sixty (60) days of when the student is added to the roster of an interscholastic activity. In order to be eligible to participate, or continue to participate, in such interscholastic activities, students must adhere to state laws, District Board policies, and all other regulations and rules concerning conduct and discipline, including but not limited to OSAA rules and regulations, District eligibility requirements (such as minimum grade point average, attendance and code of conduct), and must demonstrate the requisite level of skill, as determined by the head coach, to make the team. Madrone Trail will provide information regarding student performance and conduct to District in a timely manner and on a recurring basis to confirm continuing student eligibility. In addition to the fee to be paid by Madrone Trail for its students participating in interscholastic activities under this paragraph, students are also subject to any “pay to play” participation fees charged by District.

- (ii) Upon approval of the District, and provided that space and materials are available, Madrone Trail students will be allowed to participate in District programs within their resident attendance area school, such as physical education, instrumental and vocal music offerings or other selected options. Students must adhere to state laws, Board policies, regulations and rules concerning conduct and discipline and are subject to any fees. District will retain the ADMw for any classroom services described in this paragraph, as allowed by law.
- (iii) District is not responsible for providing any transportation to or from The Madrone Trail for students that may be participating in interscholastic or District programs as provided in this Section 4.D.

E. Records

- i. Madrone Trail shall comply with all record keeping requirements of state and 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. Student records include, without limitation, immunization records, class schedules, records of academic performance, disciplinary actions, attendance, documents required pursuant to the statewide assessment system under ORS 329.485, and any documents required under federal and state laws regarding the education of students with disabilities.
- ii. Madrone Trail shall comply with all applicable federal and state laws concerning the maintenance, retention and disclosure of student

records, including, without limitation, the Oregon Public Records Law.

- iii. Madrone Trail shall maintain up-to-date student records including enrollment, attendance and behavior in the District 549C Student Information System (SIS).

F. Non-religious and Non-discrimination

The educational program of Madrone Trail shall be non-religious and non-sectarian. Madrone Trail shall conform to all state and federal statutory and constitutional provisions prohibiting discrimination and shall not discriminate against any student or staff member 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

- i. Student enrollment in Madrone Trail shall be voluntary. All students, including students with disabilities, who reside in the District and meet legal age requirements applicable to a grade level will be eligible for enrollment if space is available.
- ii. As provided in ORS 338.125(2), if space is available, Madrone Trail may admit students who do not reside in the District. Within each phase of the enrollment process, preference will be given to residents of the District.
- iii. As provided in ORS 338.125(3)(b), Madrone Trail may give admissions preference to 1) students who were enrolled in the prior year, unless expelled and 2) applicants who have siblings who are presently enrolled and who were enrolled in the prior year. Any additional preferences not specifically outlined in laws governing charter school operation in the State of Oregon will require the submission of a waiver approved by the Oregon State Board of Education prior to implementation of said preference for admission status.
- iv. Maximum school enrollment for each school year of this contract will be defined by the maximum enrollment per grade level. Maximum class size for the kindergarten class will not exceed 22 students, and maximum class size for grades 1-8 will not exceed 30 students per class.
- v. If the maximum enrollment set forth in Section 4.G.iv is met, a lottery process will be implemented conforming to ORS Chapter 338. Using the lottery process at the end of each enrollment period (as defined in the enrollment materials), Madrone Trail shall establish a waiting list of students who shall be offered the opportunity to enroll at Madrone Trail if

additional space later becomes available. The waiting list shall carry over to subsequent years.

- vi. Madrone Trail shall not permit concurrent enrollment of any student at both Madrone Trail and another public or non-public school.
- vii. The minimum enrollment for each school year shall be 25 full-time students. Madrone Trail shall only admit full-time students. The District shall have the right to terminate this contract at a semester break if student enrollment in Madrone Trail falls and remains under 25 students for twenty (20) or more days 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 his/her instructional program at Madrone Trail.

H. Notices for Enrollment and Withdrawal of Non-Resident Students

- (i) Madrone Trail shall provide the District with written notice of the enrollment of any student who does not reside within the District. Such notice shall be provided within ten (10) days of the enrollment. Within ten (10) days after receiving such notice, the District shall provide to the student's parent, legal guardian or person in parental relationship written information about:
 - a. The District's responsibility to identify, locate and evaluate students enrolled in Madrone Trail to determine which students may be in need of special education and related services as provided by ORS 338.165; and
 - b. The methods by which the District may be contacted to answer questions or provide information related to special education and related services.
- (ii) Madrone Trail shall provide the District with written notice of the withdrawal from Madrone Trail of any student who does not reside within the District. Such notice shall be provided within five (5) business days of the withdrawal. Within five (5) business days after receiving such notice, the District shall:
 - a. Provide to the school district in which the student resides written notice that the student has withdrawn.
 - b. Provide to the student's parent, legal guardian or person in parental relationship written information about:
 - 1. The responsibility of the school district in which the student resides to identify, locate and evaluate

students who reside in the school district to determine which students may be in need of special education and related services as provided by ORS 338.165; and

2. The methods by which the school district in which the student resides may be contacted to answer questions or provide information related to special education and related services.

I. Student Attendance, Conduct and Discipline

- (i) Madrone Trail shall implement a system of uniform student discipline consistent with Oregon law. A current copy of the adopted discipline policy shall be provided to the District prior to July 1, 2018, and revised copies will be provided to the District each time any changes are made to the policy.
- (ii) Madrone Trail shall notify its students and parents of the student rights and responsibilities at the beginning of each school year, or as the student meets the admission requirements as stated in this contract. Student rights and responsibilities will also be published in the parent handbook.
- (iii) Madrone Trail shall maintain up-to-date enrollment information using District student information system. Enrollment information shall be entered no later than the close of the day the student starts in classes, and attendance information shall be entered on a daily basis.
- (iv) Madrone Trail shall notify the district in which the student resides immediately upon a student being expelled from Madrone Trail and provide a copy of the written expulsion notice. All suspension and expulsion records shall be entered in the District student information system and a detailed written notice of student expulsions provided to the District within 3 business days of the event.
- (v) Madrone Trail 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.
- (vi) Truancy - Student attendance at Madrone Trail will be in compliance with Oregon compulsory attendance laws. Per state law, Madrone Trail shall drop any student who is unaccounted for after 10 consecutive school days. Staff will make every available attempt to locate a student's whereabouts prior to dropping them. The administrator of Madrone Trail shall take any necessary steps, allowed by law, to address the student's truancy.

J. Education of Special Populations

(i) Education of Talented and Gifted Students

Madrone Trail shall comply with ORS 343.391 - 343.413 and administrative rules adopted by the State Board of Education for implementing these statutes. Madrone Trail will provide identified TAG students with instruction commensurate with their rate and level of learning.

(ii) Education of English Language Learners

Madrone Trail shall identify ELL students and provide them with language acquisition by a qualified instructor. The District may be contracted for these services and thus would retain the additional ADM for that service.

(iii) Education of Students with Disabilities

a. Special Education

1. Madrone Trail will include the following notification in the parent/student handbook, website, and other parent materials.

The Medford School District has the responsibility to identify, locate, and evaluate to determine a student's needs for special education and related services and to provide those special education services at the charter school. The Medford School District holds this responsibility for all students enrolled in a district-sponsored charter school, regardless of where the student resides.

If you have questions about special education evaluations and services, please contact the Medford School District's Special Education and Student Services Office at 541.842.3628.

2. Upon application and completion of registration packet by a student with a disability at Madrone Trail, it will notify the resident district of student enrollment by requesting records, including special education records, from the previous school. The District, as the sponsoring district, will convene an Individualized Education Program (IEP) meeting with individuals knowledgeable about the student to evaluate the student's individual needs and to determine an

appropriate placement for the student. The parent, school, and District staff will be included in this meeting.

3. Students with disabilities admitted to Madrone Trail shall be afforded the same opportunities to be appropriately placed as if the student was admitted to a traditional public school in the District.
4. If the IEP team determines the student's educational needs cannot be met at Madrone Trail, an alternate placement will be recommended in a traditional public school with the resident district.
5. Students with disabilities who are enrolled in Madrone Trail shall be provided with programs implemented in accordance with federal and state laws and local policies and procedures, specifically the Individuals with Disabilities Education Improvement Act (IDEIA), Section 504 of the Rehabilitation Act of 1973, Oregon Administrative Rules (OARs), and the District's School Board Policies and procedures related to special education. Copies of the District's policies and procedures will be provided to Madrone Trail.
6. The District Board Policies related to students with disabilities that will be adhered to by Madrone Trail include, but are not limited to

I.GBAE/ I.GBAE-AR—Special Education:
Participation in Regular Education Programs

J.GDA/ J.GDA-AR—Discipline of
Students With Disabilities

7. The District Special Education Procedures related to students with disabilities that will be adhered to by Madrone Trail in collaboration with the District include, but are not limited to:
 1. Child Find,
 2. Pre-Referral Process,
 3. Screenings for Students Not Eligible for Special Education,

4. Request for Special Education Evaluation,
5. Individualized Education Program, and
6. Student Behavior and Discipline

8. The District, as the sponsoring district, is the responsible party to provide a Free Appropriate Public Education (FAPE) to each eligible student with a disability enrolled in Madrone Trail. All special education and related services will be provided on site at Madrone Trail, unless the District, Madrone Trail, and parents agree to other arrangements. Madrone Trail shall be responsible to implement the accommodations and modifications as outlined in the student's IEP.

9. Transportation for special education students will only be provided to a student attending Madrone Trail if it is based on student need and is documented as a related service on the student's IEP.

(iv) Section 504

Madrone Trail will provide reasonable accommodations to students with a physical or mental impairment that substantially limits a major life activity if and to the extent required to enable such students to have an opportunity to be successful in their educational program equal to that of their non-disabled peers. Madrone Trail shall prepare a 504 Accommodation Plan for all such students who do not have an IEP in accordance with Section 504 of the Rehabilitation Act and its implementing regulations.

(v) Training Related to Special Education and Section 504

Madrone Trail may request training related to special education, students with disabilities, and Section 504, at no charge, from District.

K. Tuition and Fees

Madrone Trail shall not charge tuition to students attending Madrone Trail. Madrone Trail shall not charge tuition for programs, classes or courses of study which are part of the regular school program. Madrone Trail may charge reasonable deposits and fees in accordance with ORS 339.155 for optional after-school programs and student activities.

L. Student Welfare and Safety

Madrone Trail 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 and submit to the District a plan for training of staff in these areas as well as documentation of completion.

- (i) Madrone Trail is responsible for the reporting of child abuse and neglect in accordance with state law.
- (ii) Madrone Trail shall immediately inform the District Liaison of any incident regarding child abuse and/or neglect.
- (iii) Madrone Trail shall comply with state and federal law relating to drug administration to students.
- (iv) Madrone Trail 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.
- (v) Madrone Trail shall participate in the safe schools online trainings offered by the District including child abuse reporting, bloodborne pathogens, etc. All staff will be trained by October 31 of each year.

M. School Year; School Day; Hours of Operation

Madrone Trail shall operate an instructional program in accordance with Section 4.B of this contract, unless otherwise stated in this contract. The school calendar shall be similar but may vary from the District's school calendar. Madrone Trail will meet or exceed all instructional hour requirements in OAR 581-022-1620. Madrone Trail will determine and publish its school calendar annually, and will provide a copy to the District and the public no later ten (10) business days after the Medford School District calendar has been approved. Madrone Trail will maintain a typical nine-month school year for its regular academic program. Madrone Trail may also operate summer programs and intersession programs if sufficient funds are available.

N. Alternative Education Model

Subject to applicable state law, federal law, and the terms of this contract, Madrone Trail shall be allowed to promote and implement learning situations

that are flexible with regard to environment, time, structure and pedagogy.

5. Evaluation of Student Performance and Procedures for Corrective Action

- A. Madrone Trail shall pursue and make reasonable progress toward achievement of the goals, objectives and student performance standards consistent with those set forth in this section and in the required improvement benchmarks in Exhibit 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. Madrone Trail shall summarize its progress toward meeting these academic goals in the annual report to the District in January and an additional review of the required improvement benchmarks by March 15th of each year.
- B. Madrone Trail will assure the District that it will produce similar results in core subjects of students meeting or exceeding state and District academic performance standards for their like age group schools (ESSA requirements, Oregon State grade-level benchmark assessments, Oregon Report Card data) and that all Madrone Trail students will participate in the standard District-wide assessments per Oregon assessment procedures.
- C. For purposes of Section 5, paragraph B of this contract, the following student groups shall be utilized when comparing student assessment scores:
 - (i) racial/ethnicity
 - (ii) students with disabilities
 - (iii) limited English proficient (LEP)
 - (iv) economically disadvantaged
 - (v) grade level

For purposes of this contract, student assessment scores shall be compared by student group when there are a statistically significant number of students in the subgroup. The term “statistically significant” shall mean six (6) or more students.

- D. Madrone Trail will provide a School Improvement Plan (SIP) subject to District timelines and guidelines. The SIP shall include baseline data, improvement goals, an action plan and an evaluation of the school’s progress toward meeting its goals. If the percentage of Madrone Trail students meeting or exceeding the standards on the state assessment tests at any grade level is not at or above the percentage of the District’s students who meet or exceed the standards at that grade level for any year, Madrone Trail shall revise, subject to the District’s approval, the SIP, describing the actions that

Madrone Trail will undertake to improve student achievement. The SIP will be updated annually and reviewed as a part of the District's annual review of Madrone Trail.

- E. If, following any revisions under Section 5.D, above, Madrone Trail's student assessment scores by group and grade level are not at or above the District's assessment scores by group and grade level for a second consecutive year, then the District may take action to terminate this contract under Section 8, paragraph I of this contract.
- F. If Madrone Trail fails to follow any of the actions stated in any of the SIP as stated above the District shall issue a written notice to Madrone Trail that it must comply with the terms of the SIP immediately. If, after fifteen (15) business days, Madrone Trail is not in compliance with the SIP, the District may begin the process of terminating Madrone Trail's operation as a public charter school under Section 8, paragraph I of this contract.
- G. Madrone Trail may request the District's average score for its students that have taken the statewide assessment within ten (10) business days of the District receiving those scores.
- H. Madrone Trail will pursue yearly progress measures as established by the State of Oregon under ESSA, and as measured by participation rates and scores on the Oregon Statewide Assessments, attendance and any other criteria used by the state to determine student performance levels for all public schools. Madrone Trail will be subject to applicable District, federal and state sanctions for any failure to demonstrate student achievement.

6. Economic Plan, Budget and Annual Audit

A. Funding

- (i) Except as provided in Section 6.A.(ii) of this contract, the District shall provide funding to Madrone Trail at an amount per weighted average daily membership (ADMw) of Madrone Trail 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 Madrone Trail students in grades kindergarten through eighth. Funding shall be determined based on monthly ADMw reports provided to the District by Madrone Trail, with an annual reconciliation after the District receives the final ADMw report from the Oregon Department of Education. So long as Madrone Trail is not in violation of ORS Chapter 338, this funding will be made available to Madrone Trail, commencing on the date set forth and according to the distribution schedule set forth in Section 6, paragraph

C, subparagraph (vi) below. The District will adjust the funding to reflect the actual funded pupil count as of October 1 of each year. In addition, to the extent the District experiences any reduction or increase in its state funding, proportionate reductions or increases will be made to Madrone Trail 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) Pursuant to ORS 338.165, if a student is enrolled in Madrone Trail and is eligible for special education and related services, an additional amount shall be added to the ADM of Madrone Trail as described in ORS 327.013(1)(c)(A)(i). The payment per ADMw in Madrone Trail that is attributable to the student who is eligible for special education and related services shall equal an amount that is at least equal to 40% of the amount of the General Purpose Grant per ADMw for the District, as calculated under ORS 327.013, for students who are enrolled in kindergarten through eighth grade.
- (iii) The District shall provide funding to Madrone Trail consistent with the requirements of ORS 338.157.
- (iv) 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 Madrone Trail operations except as expressly provided herein or in ORS Chapter 338.

B. Budget

- (i) On or before April 15 of each year, Madrone Trail shall submit to the District Madrone Trail's projected enrollment and proposed budget for the upcoming school year.
- (ii) On or before July 1 of each year, Madrone Trail shall submit to the District Madrone Trail adopted budget for the upcoming school year.
- (iii) Madrone Trail shall be responsible for all costs of subcontracting for goods and services, except as expressly provided in this contract.
- (iv) The fiscal year of Madrone Trail shall begin on July 1 of each year and end on June 30 of the subsequent to coincide with the District's fiscal year.

C. Financial Records, Audits and Accounting Reports

At all times, Madrone Trail shall maintain appropriate governance and managerial procedures and financial controls including, but without limitation, (a) accounting and financial record keeping procedures which reflect Generally Accepted Accounting Principles (GAAP); (b) procedures for cash management, investment practices and financial reporting; (c) balance sheets reflecting assets, expenditures and liabilities; (d) segregation of duties for individuals performing cash management and investment practices; and (e) processes reflecting annual review of such systems by both Madrone Trail and the District. Madrone Trail's accounting methods shall be compatible with the budget and accounting system of the District, and shall comply in all instances with applicable governmental accounting requirements that explicitly apply to charter schools. In addition:

- (i) Madrone Trail 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. Within 60 days of the end of each month Madrone Trail shall submit to the District monthly income and expense reports, as well as a monthly balance sheet showing liabilities and assets. Upon request Madrone Trail will provide an Aged Accounts Payable statement showing any accounts that are 30, 60, 90 or 90+ days past due within 10 days of the District's request to do so.
- (ii) Madrone Trail shall have an annual audit of its accounts in accordance with Municipal Financial Audit Law, ORS 297.405 to 297.555 and 297.998. Madrone Trail shall submit this audit, along with copies of letters from Madrone Trail's auditor to the Madrone Trail board of directors, to the District by October 15 of each year. In addition, Madrone Trail shall provide a copy of the audit report to Oregon Department of Education and the State Board of Education.
- (iii) Madrone Trail shall provide to the District Madrone Trail's Internal Revenue Service Form 990 by November 15 of each year.
- (iv) Madrone Trail shall operate in accordance with generally-accepted accounting procedures (GAAP) or other generally-accepted standards of fiscal management, provided that Madrone Trail's accounting methods shall comply in all instances with applicable governmental accounting requirements.
- (v) Madrone Trail shall maintain up-to-date enrollment using the District SIS.
- (vi) The District shall distribute to Madrone Trail funds as determined in

Section 6, paragraph A 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

1. An annual reconciliation adjustment per ODE final ADMw calculation will occur after the District receives the report.

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 Madrone Trail shall be modified to reflect such changes. The District shall still be required to transfer the payment due Madrone Trail under this contract within ten (10) days of the receipt of such payment from the State School Fund.

- (vii) In the event that this contract is revoked, terminated or not renewed by the District, Madrone Trail shall refund to the District all unspent public funds that were given to Madrone Trail by the District other than the amount sufficient to cover all accrued, but unpaid expenses.
- (viii) The parties acknowledge that under ORS 338.155(9)(b) Madrone Trail is entitled to other state sources of funds, such as grants from the Oregon Department of Education that are available to school districts

based solely on the weighted average daily membership (ADMw) of the school district which are not included in this contract and/or which are not part of the state school fund formula. Madrone Trail will only be eligible to receive grant funds from the District if Madrone Trail students were used in grant application calculations and Madrone Trail is providing the services for students qualifying for funding.

- (ix) The parties acknowledge that under ORS 338.155(9)(a) Madrone Trail may apply for any grant that is available to school districts or non-chartered public schools from the Oregon Department of Education.
 - (x) Madrone Trail 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 Madrone Trail solicits funding from other sources than the District, it shall comply with all applicable state and federal laws regarding reporting of such charitable solicitations. Madrone Trail shall annually report all gifts, donations and grants to the District by recording same in the financial records described in Section 6, paragraph C above.
- D. Notwithstanding Section 6, paragraph A and Section 6, paragraph C, subparagraph (vi) of this contract, if Madrone Trail has not submitted the proposed budget, the adopted budget, the annual audit or any other financial information the District requests by the date Madrone Trail is to provide the information to the District, the District shall withhold any and all State School Fund payments to Madrone Trail until the information is received by the District.

7. Building and Facilities

- A. Madrone Trail will be located at a school facility within the District boundaries. Currently, Madrone Trail's facility is located at 3070 Ross Lane, Central Point OR 97502. Madrone Trail shall take the necessary steps to obtain and maintain in full force and effect throughout the term of this contract the appropriate and necessary occupancy permits and any other health and safety permits and approvals for the operation of a charter school at the facility. Certification of such permits and approvals shall be submitted to the District by September 1 of each year.
- B. Madrone Trail may change its physical location or obtain additional facilities within the District boundaries provided that Madrone Trail fulfills the obligations and provides the information set forth in this section with respect to such new or additional facilities and provided further that Madrone Trail notifies the District of the proposed change in location or addition of facilities not less than thirty (30) calendar days prior to taking any final action in

connection therewith.

8. Governance and Operation

Madrone Trail 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

- (i) Madrone Trail is and shall remain for the term of this contract an Oregon nonprofit corporation. In addition, Madrone Trail is and shall remain for the term of this contract an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Madrone Trail shall not make any changes to its Articles of Incorporation or bylaws which would or could result in a a fundamental change to the educational program or curriculum described in Section 4 of this contract without the prior written approval of the District. Within thirty (30) days after making any changes to its Articles of Incorporation or bylaws, Madrone Trail shall notify the District of any changes Madrone Trail makes to such documents. A current copy of the Articles of Incorporation and Bylaws, as amended, shall be provided to the District prior to July 1, 2018, and revised copies will be provided to the District each time any amendments are made. Madrone Trail shall also provide to the District prior to July 1, 2018 a current organizational chart and revised copies will be provided to the District each time any revisions are made.

B. Non-religious, Non-sectarian Status

Madrone Trail agrees that it shall operate in all respects as a non-sectarian, non-religious public charter school. Madrone Trail shall not be affiliated with any non-public sectarian school or religious organization.

C. Non-discrimination

Madrone Trail shall comply with all federal and state laws regarding non-discrimination, 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

Madrone Trail 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.

Madrone Trail shall submit their School Board minutes to the district within two (2) weeks after each meeting.

E. Operational Powers

Subject to the conditions and provisions of this contract, Madrone Trail 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 Madrone Trail consistent with law.

- (i) Madrone Trail 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 Madrone Trail; 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.
- (ii) Notwithstanding the above, unless purchased through the District, contractual services and purchases of supplies, materials and equipment purchased with public funds in excess of \$10,000.00 shall be procured through a system of competitive bidding as required by state and federal law.

F. Third Party Contracts

Except as may otherwise be prohibited by the terms of this contract or Oregon law, Madrone Trail may contract with third parties to provide personnel and services necessary for or incidental to the operation of Madrone Trail, including but not limited to the recruiting, hiring, and compensation of any such personnel, so long as:

- (i) Madrone Trail's governing board does not control the operations of the third party;

- (ii) Madrone Trail at all times maintains a right of control and final decision making authority over those decisions that involve the governmental function of providing a public education, including but not limited to the authority to develop and modify its curriculum, to ensure that instruction is consistent with the approved curriculum, to make decisions affecting its students' access to education, including but not limited to disciplinary decisions, and to make decisions regarding the hiring, firing and discipline of all teachers, supervisors and staff providing services to Madrone Trail;
- (iii) Madrone Trail at all times maintains and provides procedural safeguards to affected members of the public in relation to those aspects of Madrone Trail's operations that constitute the governmental function of providing a public education, including but not limited to procedures to allow persons to seek redress from Madrone Trail as a result of the contractor's actions; and
- (iv) As provided in Section 10.E of this contract, Madrone Trail agrees to defend, indemnify and hold the District free and harmless from any and all claims and/or liability of any kind or nature arising out of any such third party contracts entered into by Madrone Trail.

G. Annual Report and Review

- (i) By January 1 of each year, Madrone Trail shall prepare and submit to the District and the State Board of Education an annual report which will include, without limitation, the following:
 - (a) Information on the performance of the school overall, including summary enrollment levels, attendance rates, student conduct and discipline data, an analysis of the students' progress toward meeting academic goals and objectives, summary data on the accomplishment of the school's educational program and operational goals, including but not limited to the improvement benchmarks set forth in Exhibit A, an outline of goals for the upcoming year along with an action plan to achieve those goals and evaluation plan to measure attainment of those goals;
 - (b) The audit and financial statements required under Section 6 paragraph C of this contract, including proof of insurance;
 - (c) Policy development issues;
 - (d) Student discipline information; and
 - (e) Any other information the District reasonably deems necessary to

demonstrate that Madrone Trail is in compliance with state and federal law and the terms of this contract.

- (ii) District board and staff members may visit the Madrone Trail charter site at any time during operating hours. Pursuant to state law (currently ORS 338.095), the District or its designee will, at least annually, visit the Madrone Trail site and review Madrone Trail's compliance with the terms and provisions of this charter.

H. Term

- (i) Provided that the conditions set forth in Section 2 have been met, Madrone Trail's charter and this contract become effective on July 1, 2018 and will last for a period of five (5) school years until June 30, 2023, subject to the provisions of Section 8.I, below.

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 terms of this contract, including but not limited to the annual benchmarks for school improvement set forth on attached Exhibit A, 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 consecutive years, a sound financial management system.
- (ii) The District shall provide sixty (60) days prior written notice of its intent to terminate the charter agreement. Madrone Trail may appeal the District's decision to terminate the charter agreement directly to the District's Board and request a hearing prior to the expiration of the 60-day notice period. Madrone Trail 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. Madrone Trail 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 Madrone Trail.

- (iii) Madrone Trail shall only terminate this charter at the end of a semester. Madrone Trail shall notify the District in writing at least one hundred eighty (180) calendar days prior to the proposed effective date of termination, dissolution or closure of Madrone Trail.
- (iv) Notwithstanding anything to the contrary in Sections 8.I(i)-(iii), above, the District may terminate the charter immediately and close the school if Madrone Trail is endangering the health or safety of the students enrolled at Madrone Trail.
- (v) In the event of termination of Madrone Trail as a public charter school, all assets purchased with public funds given to Madrone Trail by the District in accordance with this contract shall be given to the State Board of Education in accordance with ORS 338.105(6). Madrone Trail shall prepare a list of assets that Madrone Trail held prior to becoming a public charter school. That list is hereby incorporated into this agreement as Exhibit B. Madrone Trail is entitled to any asset that appears on Exhibit B that was purchased with non-public funds, or was purchased with public funds if less than \$200.00 of public funds were expended on the asset, at the time Madrone Trail ceases to operate as a public charter school, and to any other asset that Madrone Trail has acquired through the expenditure of non-public funds as described in Section 8, paragraph K of this contract.
- (vi) As provided in ORS 338.105(6), upon termination of this contract for any reason or upon the dissolution of Madrone Trail, all student education records of Madrone Trail shall be delivered to the administrative office of the District.

J. Dissolution

In the event Madrone Trail 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 Madrone Trail's legal authority to operate as a private or non-chartered public school shall not be abridged. However the assets of

Madrone Trail that were purchased with public funds given to Madrone Trail 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) Madrone Trail shall maintain records of purchase orders for all assets over \$200.00. These records shall indicate whether the assets were purchased with public funds, or non-public funds. Madrone Trail shall provide the District with a copy of this purchase order record no later than July 15 of each year that Madrone Trail operates as a public charter school in the District. For purposes of this section public funds shall include any and all funds distributed to Madrone Trail:
 - (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 grants for which Madrone Trail may apply and;
 - (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 Madrone Trail with public funds in excess of \$200.00 shall be given to the State Board of Education upon termination pursuant to ORS 338.105(6). Madrone Trail may retain any asset which was purchased with non-public funds upon termination. If Madrone Trail 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).
- (iii) The parties acknowledge that assets costing less than \$200.00 may have little value at the time of any termination of this contract. Therefore, Madrone Trail will not be held responsible for identifying assets costing less than \$200.00 and purchased with public funds, but the District does not waive any rights that the State Board of Education may have to enforce ORS 338.105(6).

9. Employment Matters

Madrone Trail shall be the employer of all employees of Madrone Trail. Employees of Madrone Trail shall not be considered, for any purpose, employees of the District. Employees of Madrone Trail 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, Sexual Misconduct Clearance, and Pre-employment Drug Screen.
 - (i) Madrone Trail shall comply with ORS 181.539, 326.603, 326.607, 339.370, and 342.232 relating to criminal records checks. Madrone Trail 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.
 - (ii) Madrone Trail shall comply with ORS 339.374 relating to sexual misconduct clearance.
 - (iii) Madrone Trail shall not employ an individual who has not successfully completed a pre-employment drug screen.
 - (iv) No later than ten (10) business days prior to the start of each school each year, Madrone Trail shall provide to the District a list containing the following employee information:
 - 1. Employee names and job positions
 - 2. Proof of valid Oregon teaching license/Charter School Registry with an endorsement appropriate to their position.
 - 3. Date of criminal background investigation results.
 - 4. Date of drug screen results
 - 5. Date of sexual misconduct mailing and receipt of information.
 - 6. Evidence of Highly Qualified status
- B. Teacher and Administrator Licensure/Registration Requirements.
 - (i) Pursuant to ORS 338.135(7), at least one-half of the total full-time equivalent (FTE) teaching and administrative staff at Madrone Trail shall be licensed by TSPC pursuant to ORS 342.135, 342.136, 342.138 or 342.140. Any teaching or administrative staff not licensed by the Oregon Teacher Standards and Practices Commission (TSPC) will register with TSPC in accordance with ORS 338.135(7)(a)-(c) and

OAR 584-023-0005 prior to beginning work.

- (ii) All individuals employed by Madrone Trail who are licensed or registered with TSPC shall also comply with OAR 548-100-0091 or 584-100-0096, whichever is applicable.
- (iii) All licensed and registered elementary and secondary teachers must hold a bachelor's degree and must meet the highly qualified teacher definition. Each educator must demonstrate subject matter competency by passing the appropriate, rigorous, state test(s) or meet the HOUSSE provisions of OAR 584-100-0016 and OAR 584-100-0038.
- (iv) No Madrone Trail licensed and administrative staff may serve students until the verification of their highly qualified status has been submitted to the District and approved.

C. Madrone Trail Responsibilities

- (i) Madrone Trail shall have a licensed/negotiated building level administrator or his/her designee on-site.
- (ii) The administrator for Madrone Trail shall not be assigned to multiple charter schools, but shall be the administrator solely for Madrone Trail.
- (iii) Madrone Trail will make final decisions regarding hiring (other than for services contracted with District for, such as ELL/SPED), compensation, evaluation, promotion, discipline, and termination of employees working at Madrone Trail. Madrone Trail will be responsible for the supervision and evaluation of the teaching staff within Madrone Trail. These services may be a contracted service.
- (iv) Employees shall be paid through the payroll department of Madrone Trail.
- (v) Employees of Madrone Trail will receive benefits in compliance with their respective agreements.
- (vi) Madrone Trail shall comply with all applicable federal and state laws concerning employee welfare, safety, and health issues.
- (vii) Madrone Trail shall be responsible for establishing and maintaining personnel records for employees working at Madrone Trail in compliance with all applicable federal and state laws concerning the maintenance, retention and disclosure of employee records.

- (viii) Madrone Trail shall ensure that its own employees comply with all applicable federal and state law relating to employee conduct as stated in the staff Handbook. Madrone Trail board of directors reserves the right to establish additional standards for conduct as they see fit.
- (ix) Professional development will be at the discretion of Madrone Trail.

10. Insurance and Legal Liabilities

A. Insurance

- (i) Madrone Trail shall, at its own expense, secure, retain, and provide proof of insurance consistent with the amounts set forth in Medford School District policy LBE and LBE-AR as of the time this contract is executed, or as may be revised during the term of this contract: commercial and general liability insurance; errors and omissions insurance; directors' and officers' liability insurance; automobile liability insurance; workers' compensation insurance; and property insurance.
- (ii) No later than August of each year, and at any time thereafter upon request of the District, Madrone Trail shall provide the District with certificates of insurance or other satisfactory proof evidencing coverage in the types and amounts set forth herein. All such insurance policies shall contain a provision requiring notice to the District, at least 30 days in advance, of any material change, non-renewal or termination to the attention of the Superintendent of the District.

B. Legal Liabilities

- (i) Pursuant to ORS 338.115, in addition to any statute or rule that is listed in this charter, the following federal and state laws apply to Madrone Trail and shall be observed by Madrone Trail 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 326.565, 326.575, and 326.580 (student records).

- (f) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks).
 - (g) ORS 337.150 (textbooks).
 - (h) ORS 339.141, 339.147 and 339.155 (tuition and fees)
 - (i) ORS 659.850, 659.855 and 659.860 (discrimination).
 - (j) ORS 30.260 to 30.300 (tort claims).
 - (k) Health and safety statutes and rules.
 - (l) The statewide assessment system developed by the Oregon Department of Education under ORS 329.485.
 - (m) ORS 329.045 (academic content areas).
 - (n) Any statute or rule that establishes requirements for instructional time provided by a school each day or during a year.
 - (o) ORS 339.250 (12) (prohibition on infliction of corporal punishment).
 - (p) ORS 339.326 (notice concerning students subject to to juvenile court petitions).
 - (q) ORS 339.119 (consideration for educational services).
 - (r) ORS Chapter 338.
 - (s) ORS Chapter 657 (Employment Department Law).
 - (t) Any administrative rule adopted by the Oregon state Board of Education or the Oregon Teacher Standards and Practices Commission (TSPC) regarding public charter schools.
 - (u) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of child abuse and training on prevention and identification of child abuse).
- (ii) Madrone Trail 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 Madrone Trail's governing board. Madrone Trail will provide the district with the most recent policy editions by June 30, 2018.

C. Waiver

Madrone Trail may apply to the State Board of Education for a waiver consistent with ORS 338.025. Madrone Trail shall notify the District in writing at least thirty (30) days prior to requesting a waiver and invite district comment on the waiver request. The written notification shall state the waiver being sought, the reasons for the waiver and how the waiver will enhance the educational program at Madrone Trail.

D. Full Faith and Credit

Madrone Trail agrees that it shall not extend the full faith and credit of the District to any third person or entity. Madrone Trail acknowledges and agrees that it has no authority to enter into a contract that would bind the District. Madrone Trail's governing Board has the authority to approve contracts to which Madrone Trail 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, Madrone Trail agrees to defend, indemnify and hold the District, its Board, agents and employees harmless from any and 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 Madrone Trail of property of Madrone Trail 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 Madrone Trail. This indemnification shall not apply to any liability, claims, or demands resulting solely from the wrongful act or omission of any District Board member, officer or employee. This indemnification shall also not apply to any damages incurred regarding any act or omission of Madrone Trail or Madrone Trail's Board that is later deemed to be required by law or this contract. Madrone Trail agrees to indemnify, hold harmless and defend the District from all contract claims in which Madrone Trail 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 defend, indemnify and hold Madrone Trail, 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 Madrone Trail 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 Madrone Trail whose negligent or wrongful act or omission is caused in whole or in part, or directed by Madrone Trail. 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 Madrone Trail 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 Madrone Trail 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 Madrone Trail, its governing Board, trustees, agents or employees;
- (ii) the use and occupancy of any building occupied by Madrone Trail or any matter in connection with the condition of such building; or
- (iii) any debt or contractual obligation incurred by Madrone Trail.

G. ADA/§504 Obligations

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

H. Transportation

In accordance with ORS 338.145, Madrone Trail shall be responsible for providing transportation to students who reside within the school district and who attend Madrone Trail.

Madrone Trail students may obtain transportation through the student's parent/guardian, public transportation 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 Madrone Trail's students. Subject to availability of space, a District bus may stop at Madrone Trail's facility to drop-off and pick-up Madrone Trail students, if Madrone Trail's facility is on a designated District bus route. The District will provide transportation to Madrone Trail students along existing public school bus lines within the District, if space is available.

11. Renewal of Contract

As provided in ORS 338.065, any renewal of this contract shall follow the process set forth in this section.

- A. If Madrone Trail desires to renew its charter, it shall provide written notice to District of its request for renewal. Such notice must be provided, if at all, no earlier than 210 days prior to the expiration of the term of this charter, and no later than 180 days before the expiration of the term of this charter. Madrone Trail's written request shall indicate which terms, if any, Madrone Trail would propose to change from the current contract. Madrone Trail shall also state why it believes the current terms need to be changed in a new contract.
- B. Within fifteen (15) days of receiving the written request from Madrone Trail, the District shall indicate in writing what additional information, if any, it will need to make its decision to renew the contract. The District shall also indicate whether the proposed changes suggested by Madrone Trail are acceptable to the District.
- C. Within fifteen (15) days of receiving the District request for additional information Madrone Trail shall provide the requested additional information to the District.
- D. Within 45 days after receiving a written renewal request from Madrone Trail, the District shall hold a public hearing regarding the request for renewal.
- E. Within 10 days after the public hearing, the District shall notify Madrone Trail

of the District's intent about the renewal of the charter.

- F. Within twenty (20) days after the public hearing, the District shall approve the renewal of the charter or state in writing the reasons for denying the renewal of the charter. The District will base the charter renewal decision on a good faith evaluation of whether Madrone Trail is: (a) in compliance with ORS Chapter 338 and all other applicable state and federal laws; (b) in compliance with the terms of this contract; (c) meeting or working toward meeting the student performance goals and agreements specified in Section 4 of this contract and in any of the attachments incorporated herein; (d) fiscally stable and has used a sound financial management system, as well as an absence of audit findings of material misstatements in the audit report; and (e) otherwise in compliance with any renewal criteria set forth herein. The District shall base its renewal evaluation primarily on a review of Madrone Trail's annual performance reports, annual audit of accounts and annual site visit and review, as well as any other information mutually agreed upon by the boards of Madrone Trail and the District.
- G. If the District determines that it will renew 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 ninety (90) days of the date the District provides notice to Madrone Trail that it will renew the contract. If it is not practically possible to complete the negotiation within ninety (90) days, the parties shall work in good faith, with all due diligence, to complete negotiation of the contract as quickly as possible.
- H. The District may make the renewal of this contract conditional upon the following factor(s):
 - (i) Madrone Trail remaining in compliance with all provisions of this contract for the remainder of the school year;
 - (ii) Madrone Trail remaining in compliance with all federal law governing public charter schools for the remainder of the school year;
 - (i) Madrone Trail remaining in compliance with all state law governing public charter schools for the remainder of the school year
- I. If the District determines that it will not renew the contract, then Madrone Trail's board may address the reasons stated by the District and any remedial measures suggested by the District and submit a revised request for contract renewal to the District. A revised request must be submitted within fifteen (15) days of the notice of contract non-renewal. The District will then reconsider the renewal request and notify Madrone Trail of its decision within fifteen (15) days of receiving the revised request.

- J. If the District determines that it will not renew the contract, then Madrone Trail shall cease to be a charter school sponsored by the District on June 30, 2023; however, Madrone Trail shall retain its right to challenge and appeal the District's nonrenewal in accordance with ORS 338.065(6).
- K. Pursuant to ORS 338.065(5)(h), upon mutual consent at any time during the renewal process, the District and Madrone Trail may agree to a renewal process timeline other than that outlined in this Section 11.

12. Miscellaneous Provisions

A. Entire Agreement

This contract, including the Exhibits and other documents incorporated by reference herein, 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, if the law changes or new laws, rules, regulations or statutes are enacted that may affect any of the terms of this contract, the parties shall review the affected terms of this contract and conform it accordingly.

C. Assignment

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

D. Terms and Conditions of Application

The parties to this contract agree that the application for a charter submitted by Madrone Trail, the terms of which are incorporated by reference except as amended by any specific terms of this contract, sets forth the overall goals, standards and general operational policies of Madrone Trail.

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 Madrone Trail, 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 Madrone Trail.

G. Amendment

This contract may be modified or amended only by written agreement between Madrone Trail and the District. The parties agree to modify or amend this contract in order to conform to any new and/or changed laws applicable to charter schools.

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) business days after mailing when sent by certified mail, postage prepaid, to the party indicated in Section 12 J of this document.

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 designee, any instrumentality of the City of Medford, any instrumentality of Jackson 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:

Medford School District:
Attn. Superintendent Brian Shumate
815 S. Oakdale
Medford, Oregon 97501

Madrone Trail:
Attn: Board President
3070 Ross Lane
Central Point, OR 97502

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

K. No Waiver

The parties agree that no assent, expressed 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

The intent of this dispute resolution process is to (1) resolve disputes within the school pursuant to the school's policies, (2) minimize the oversight burden on the District, (3) ensure a fair and timely resolution to disputes, and (4) frame a charter oversight and renewal process and timeline so as to avoid disputes regarding oversight and renewal matters.

The District and Madrone Trail agree to work together to accomplish all tasks necessary to fully implement this charter, including the submission of any necessary and duly-prepared waiver requests to the State Board of Education.

Dispute Resolution Process: The staff, the Governing Board of Madrone Trail, and the District School Board agree to attempt to resolve all disputes regarding the interpretation of the terms this Charter or other issues which may arise regarding Madrone Trail and which relate to the terms of this Charter pursuant to the terms of this section in a timely, good-faith fashion. Both shall refrain from public commentary regarding any disputes until the matter has progressed through the dispute process.

In the event that Madrone Trail and the District have disputes regarding the interpretation of the terms of this charter or any other issue regarding Madrone Trail and which relates to the terms of this Charter, both parties agree to first frame the issue in written form and provide it to the other party as indicated in 12 J of this document. The Chairman of the Governing Board of Madrone Trail and the Superintendent of the District agree to meet informally and attempt to resolve the dispute. If this joint meeting fails to resolve the dispute, both parties agree to jointly identify a neutral, third party mediator. The format of the mediation session shall be developed jointly by

the superintendent and the chair and shall incorporate informal rules of evidence and procedure unless both parties agree otherwise. The findings or recommendations of the mediator shall be non-binding, unless the governing boards of Madrone Trail and the District jointly agree to bind themselves. Madrone Trail may appeal to the State Board of Education concerning those matters within its jurisdiction under ORS Chapter 338.

Disputes arising from within Madrone Trail, including all disputes among and between students, staff, parents, volunteers, advisors, partner organizations and the Governing Board of Madrone Trail, shall be resolved pursuant to policies and processes developed by Madrone Trail.

The District shall not intervene in any such internal disputes without the consent of the Board of Directors of Madrone Trail and shall refer any complaints or reports regarding such disputes to the Madrone Trail Board for resolution. The District agrees not to intervene or become involved in the dispute unless the dispute has given the District reasonable cause to believe that a violation of this charter or related laws or agreements has occurred, or unless the Governing Board of Madrone Trail has requested the District to intervene in the dispute.

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 Madrone Trail, 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, Madrone Trail 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. Exhibits

Exhibits A and B, which are attached, are hereby incorporated by reference as if the same were fully set forth herein.

R. Madrone Trail Authority to Enter Into Contract

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

IN WITNESS WHEREOF, the parties have executed this contract effective as of the date first set forth above.

MEDFORD SCHOOL DISTRICT

Loren Stachnick
Chair,
Medford School District Board of Directors

Date: 6-11-18

MADRONE TRAIL INITIATIVE

Monica E. Rothjen
Chair,
Madrone Trail Initiative Board of Directors

Date: 6-13-2018

EXHIBITS:

- A --- Required Improvement Benchmarks
- B--- List of Non-Public Assets

Exhibit A

Madrone Trail Required Improvement Benchmarks

Failure to meet any of these benchmarks by September 15, 2018 or March 15, 2019, and each subsequent year of the contract will result in creation of a school improvement plan within 60 days. Failure to implement the school improvement plan or failure to meet any benchmark for two consecutive years will lead to a notice of non-compliance and consequences up to and including termination of the charter contract.

Student Performance:

Madrone Trail is receiving flexibility regarding assessment. Students in the Medford School District take the iReady reading and math when they start reading in Kindergarten and three times in grades 1-8.

After each benchmark window, the Executive Director of Madrone Trail and the District Chief Academic Officer will review the data. Medford School District also expects Madrone Trail's state assessment participation rates to continue improving and reach district averages so that the student performance data is comparable. When ODE releases state assessment results each fall, the Executive Director of Madrone Trail and the District Chief Academic Officer will review the data.

Improvement Measure One:

Madrone Trail students in grades 2-8 will be assessed using the iReady reading and math assessments three times each year in accordance with the Medford School District assessment calendar.

Improvement Measure Two:

On iReady Math and iReady Reading for grades 3-8, Madrone Trail students in each grade level will have a five-percentage point increase of students meeting or exceeding standards in math and reading each year until Madrone Trail students in grades 3-8 perform within five-percentage points of the District average.

Improvement Measure Three:

On state assessments of English Language Arts (ELA) and Math, Madrone Trail will have a five-percentage point increase of students meeting or exceeding standards in Math and ELA each year until Madrone Trail students in grades 3-8 perform within five-percentage points of the District average.

Improvement Measure Four:

Madrone Trail will have a systematic process for informing families of students' academic progress including iReady and state assessment results. This reporting process will be documented and shared with the District as part of the annual report.