

CHARTER SCHOOL CONTRACT

THIS CONTRACT, dated this 13th day of April, 2015, is made and entered into by and between the Silver Falls School District #4J (District) and Community Roots School, an Oregon nonprofit corporation.

RECITALS

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

WHEREAS, on November 10, 2008, an application was submitted by Community Roots developer Sarah Miller ("charter developer") to the District for a public charter school to operate within the District; and

WHEREAS, the District has determined that the application submitted by the charter developers complies with the purposes and requirements of ORS Chapter 338; and

WHEREAS, the Board held a public hearing on [date] on the provisions of the application in accordance with ORS Chapter 338 and evaluated the criteria set forth in ORS Chapter 338;

WHEREAS, by Board action on December 8, 2008, the District Board approved the application contingent upon the negotiation and execution of a contract acceptable to Community Roots and the District;

WHEREAS, the Board held a public hearing on January 12, 2015 on the proposed renewal and revision of the contract between Silver Falls School District and Community Roots School and the Silver Falls School District and Community Roots School are currently parties to an extended Charter School contract dated January 12, 2009;

WHEREAS, the parties desire that Community Roots 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:

CHARTER SCHOOL CONTRACT

1. Grant of Charter

Community Roots is granted a charter in accordance with ORS Chapter 338 and the terms and conditions of this contract to operate a charter school as described herein.

2. Effective Date

This contract shall commence on July 1, 2015, and shall expire at midnight on June 30, 2020.

3. Philosophy and Mission

The philosophy and mission of Community Roots as set forth in its application is hereby accepted by the District to the extent it is consistent with the purposes set forth in ORS Chapter 338. Rooted in our local community, students learn in an authentic Montessori environment, growing as conscientious and joyful learners, inspired to lead in the world community.

4. Goals and Objectives

Goal 1: We have an expanded and improved program that exemplifies Montessori principles and practices:

Goal 2: Our facility supports the culture and experience that is described by our educational mission.

Goal 3: We have strong leadership and broad support from our community.

Goal 4: Our organizational and financial stability is guided by clear, strategic, financial plans.

Goal 5: We serve the ages of students according to community need and responsible stewardship of the school.

The goals and objectives of the application and of this contract are hereby accepted by the District, subject to the conditions set forth in this contract.

5. Educational Program, Student Performance Standards and Curriculum

A. Age and Grade Range

Community Roots may provide instruction to students in grades KG through 8th, not to exceed 90 students.

Silver Falls School District acknowledges Community Roots right to request amendment of these enrollment numbers up to 135 students.

B. Curriculum

Community Roots shall follow the State of Oregon and Federal curricular requirements. Community Roots is allowed the flexibility granted by the charter school laws to develop and/or adapt various curriculums available to suit those requirements. Community Roots shall be allowed flexibility in instructional strategies and teaching methods, to the degree consistent with the information set forth in its application and this contract.

C. Records

(i) Community Roots shall comply with all record keeping and confidentiality requirements of the District policy and federal and state law and shall provide any reports, as necessary, to meet the District's reporting obligations to the Oregon Department of Education. Student records include, without limitation, immunization records, class schedules, records of academic performance, disciplinary actions, attendance, and documents required pursuant to the statewide assessment system under ORS 329.485(1) and any documentation required under federal and state laws regarding the education of students with disabilities.

(ii) Community Roots shall comply with all District policies and regulations, and applicable federal and state laws, concerning the maintenance, retention and disclosure of student records, including, without limitation, the Oregon Public Records Law.

D. Nonreligious and Nondiscrimination

The educational program of Community Roots shall not be religious or sectarian. Community Roots 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.

E. Open Enrollment

- (i) Enrollment shall be open to any child who resides within the District in the grades served each school year, as described above, but shall not exclude Community Roots from enrolling students from outside the District. Students enrolling in Community Roots are subject to the District's open enrollment policy and regulations.
- (ii) The Community Roots board will set school and classroom capacity numbers, consistent with the provisions of 5(A) above. This shall be reviewed on a yearly basis in February and may be modified upon joint agreement between Community Roots and the District. The minimum enrollment for each year of this contract will be 25 students. The District may terminate this charter if student enrollment in Community Roots falls under 25 students during any school year for more than sixty (60) consecutive days.
- (iii) Community Roots will set enrollment dates each year. If there are more eligible applicants for enrollment in Community Roots than there are spaces available, successful applicants shall be selected by lottery which shall be open to all applicants. This lottery shall take place in accordance with federal and state law. Priority for enrollment shall be given to founder's children, employee children, siblings of students enrolled in Community Roots and to students who were enrolled the previous school year, unless expelled.
- (iv) Using the lottery process, Community Roots shall establish a waiting list of students who shall be offered the opportunity to enroll at Community Roots if additional space later becomes available. Community Roots shall not knowingly permit dual enrollment of any student at both Community Roots and another public school or non-public school.
- (v) Community Roots will maintain documentation from the lottery process and will make available documentation at the request of the District.

F. Admission

Admission of students to Community Roots shall be determined in accordance with the application, except as amended in this contract. Community Roots will follow the admission and lottery policies contained in ORS Chapter 338. "Admission" means that the student has (1) enrolled with Community Roots; (2) successfully completed the lottery, if necessary; and (3) been formally accepted as a Community Roots student by Community Roots.

- (i) Admission of nonresident students is subject to the availability of space. Nonresident students may only be accepted by

Community Roots if District resident student enrollment is insufficient to fill the available spaces.

- (ii) Beginning with the 2010-11 school year, nonresident students who attended Community Roots during the previous school year will receive preference for attendance over new resident student applicants.
- (iii)a. For a nonresident charter student eligible under IDEA, pursuant to ORS Chapter 338, the District shall be considered the resident district for all legal, financial, and other purposes, unless and until the nonresident student's IEP team determines that the IEP cannot be implemented at Community Roots and selects another placement. If the student is an out-of-district resident and the IEP team determines that the student cannot be placed at Community Roots, the student will return to his/her home district and the District will have no further obligation to serve the student pursuant to the IDEA.
- b. Community Roots will admit students without regard to their status as special education students, if the student's IEP team determines that the school is the appropriate placement. The parties intend by this process to ensure that Community Roots does not unintentionally discriminate against enrolling special education students or otherwise violate applicable laws. If the IEP team determines that Community Roots is not an appropriate placement, then Community Roots will not enroll student and will honor the placement selected by the IEP team.
- c. Childfind, referral, evaluation, eligibility, and service delivery for special education students pursuant to the IDEA will be in accordance with state and federal law.
- d. For a special education student who is not a resident of the District, ORS 338.165 shall apply, and Community Roots and the resident school district of such student shall be responsible for the provision of special education service to the student.

G. Student Attendance, Conduct and Discipline

Community Roots shall implement a system of uniform student discipline consistent with State law and District policies and rules concerning conduct and discipline. Community Roots shall comply with all State laws and District policies and rules concerning student attendance, standards of conduct and discipline. Community Roots shall notify its students of the student rights and responsibilities in the same manner that the District notifies its students. Community Roots shall maintain accurate enrollment data and daily records of student attendance and shall provide this data to the District as requested. Community Roots shall maintain

enrollment and attendance data on the District's student information system. The District shall provide Community Roots with required software and training to allow Community Roots personnel to input such enrollment data, or will make other arrangements that are mutually agreeable.

- (i) Student attendance at Community Roots shall be in compliance with Oregon's compulsory attendance laws.
- (ii) Discipline involving suspension and expulsion shall be achieved according to Oregon law.
- (iii) The Community Roots administrator may recommend to the Community Roots School Board that a student be expelled. Expulsion of a student shall not extend beyond one calendar year. No student may be expelled without a hearing unless the student's parents, or the student if 18 years of age, waive the right to a hearing, either in writing or by failure to appear at a scheduled hearing. By waiving the right to a hearing, the student and parent agree to abide by the findings of a hearings officer.

Upon determining that initiation of expulsion proceedings is warranted, the Community Roots board chair or designee shall serve as the hearings officer. The hearings officer's decision is final. However, this decision may be appealed to the Community Roots School Board. At its next regular or special meeting the Community Roots School Board will review the hearings officer's decision and will affirm, modify or reverse the decision. Parents of students who wish to appeal the hearings officer's decision will have the opportunity to be heard at the time the Community Roots School Board reviews the decision.

Prior to expulsion, Community Roots will work with the Silver Falls School District to propose alternative programs of instruction or instruction combined with counseling to a student expelled for reasons other than a weapons policy violation. Community Roots must document to the parent of the student that proposals of alternative programs have been made.

Community Roots will deny admission to non-resident students who are under expulsion from another school district for a weapons policy violation. Community Roots will deny admission to non-resident students who are under expulsion from another district for reasons other than a weapons policy violation.

H. Education of Students With Disabilities

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

- (i) Community Roots will comply with all District policies regarding discipline of special education students.
- (ii) The IEP (Individual Education Program) team is determined by state and federal law. Community Roots IEP teams must have a District representative, or designee, in attendance, as well as appropriate teaching staff.
- (iii) The student's IEP team will determine the appropriate educational program and placement for the Community Roots student. Community Roots shall abide by the IEP team's decision on program and placement.
- (iv) Community Roots employees will comply with training required by an IEP team for delivery of services to a Community Roots student.
- (v) The funds from the Oregon Department of Education representing the ADMw for special education for Community Roots special education students shall be retained by the District.
- (vi) The District has the discretion to determine which specialized programs will be offered on-site at the Community Roots site. The District is responsible for the provision of special education and related services to any Community Roots student being served pursuant to an IEP. Community Roots is responsible for implementing the supplementary aids and services on a student's IEP that constitute accommodations or modifications made to the general education classroom. Any cost related to the implementation of supplementary aids and services (e.g., materials, equipment, staffing) shall be borne by the District.
- (vii)
- (viii) Community Roots shall not change the student's program without IEP team action.
- (ix) Special education transportation will only be provided to a Community Roots special education student if it is a related service on a Community Roots student's IEP and the student lives in the Silver Falls School District attendance area.
- (x) Community Roots shall provide substitutes for Community Roots staff who are required to attend IEP meetings or other

meetings related to a Community Roots special education student during the instructional day at Community Roots 's expense.

- (xi) Community Roots will notify the District Director of Special Education if a student may need an evaluation to determine special education eligibility.

I. Academically Low Achieving Students

Community Roots shall identify academically low achieving students and shall provide its educational program to these students in a manner that best serves their needs.

J. Tuition

Community Roots will not charge tuition to students who reside within the District or nonresident students for whom the District receives state school support funds. Community Roots may charge such other reasonable fees as allowed by state law. Accounting for and management of these funds will be in accordance with Section 7 of this contract and the same as that of other District Schools.

Tuition for kindergarten programs shall be allowable to the extent it is allowed by state law.

K. Student Welfare and Safety

Community Roots shall comply with all District-approved policies and regulations, and applicable federal and state 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.

Community Roots shall provide counseling services to students in a manner consistent with the delivery of counseling services at other like sized District elementary schools. The District may provide counseling services to selected Community Roots students through resolution services provided by the Willamette ESD Behavioral Specialists Program.

L. English as a Second Language

Community Roots will provide English literacy assistance to the extent required by law. The District will forward to Community Roots the funds it receives from the State School Fund for ELL students who are enrolled at Community Roots. If the funds are insufficient to provide the District or State required level of

instruction, the District will work with Community Roots to ensure that the required level of instruction is available.

M. Health, Nutrition, and Social Services

Community Roots may contract with the District for the delivery of health and social services for students as set forth in Exhibit B to this contract.

- (i) Community Roots employees are responsible for the reporting of child abuse and neglect in accordance with state mandatory reporting laws.
- (ii) Community Roots employees shall immediately inform the District Superintendent's office of any incident regarding child abuse and neglect using District provided forms.
- (iii) Community Roots may identify and refer students in need of psychological and social services to outside agencies in accordance with District policy and state law.
- (iv) Community Roots shall comply with state and federal law relating to drug administration to students.

N. School Year, School Day, Hours of Operation

Instruction for Community Roots school years shall closely follow the District's school calendar; however Community Roots reserves the right to modify the school calendar as long as all students participate in the annual number of instructional hours required by the state. Community Roots will have regular school attendance Monday through Friday each week of the school year.

O. Participation in District K-8 Extracurricular Activities

Community Roots students are permitted to participate in any District wide K-8 extracurricular activities at the same cost, if any, that is charged to District students. All Community Roots students must comply with District policies and regulations concerning health examinations and insurance before being allowed to participate in any District sponsored extra-curricular activity. The District shall not be responsible for providing transportation for a Community Roots student to and from an extracurricular activity, but a Community Roots student may travel with the Robert Frost team on a school bus, if one is provided.

6. Evaluation of Student Performance and Procedures for Corrective Action

Community Roots shall pursue and make reasonable progress toward the achievement of the goals, objectives and student performance standards consistent with those set forth in its application and this contract, provided that such goals, objectives and student performance standards shall at all times remain in compliance with Oregon law. Reasonable progress shall be demonstrated by (1) Oregon Statewide Assessment Results, (2) District testing, and (3) the Oregon Report Cards. Community Roots may also rely on other indices of student performance to evaluate student progress.

- A. Community Roots will submit an annual report to the District summarizing its progress towards meeting the goals stated in its application and set forth in this contract.
- B. Informal meetings, if desired by one or both parties, will be held between Community Roots and the District on a quarterly basis to address issues associated with student performance.

7. Economic Plan; Budget and Annual Audit

A. Funding

- (i) The District shall provide funding to Community Roots in an amount per weighted average daily membership (ADMw) of CRS that is equal to 80% of the amount of the District's general purpose grant per ADMw as calculated under ORS 327.013. Funding shall be initially determined based on enrollment as of the date by which the District must submit its Fall Report to the Oregon Department of Education and shall be modified in the same manner as the District's enrollment projections are adjusted. So long as Community Roots is not in breach of this contract, this funding will be made available to Community Roots, commencing on the dates set forth and according to the schedule set forth in paragraph 7.C.(ii) below. Funds may be made available prior to these dates at the sole discretion of the District. To the extent the District experiences any reduction or increase in its state ADMw funding, proportionate reductions or increases will be made to Community Roots by adjustment or setoff in subsequent months. In addition, the District will provide the school building and ground to Community Roots as set forth in the Lease Agreement attached hereto as Exhibit C and incorporated herein.
- (ii) Inadequate funding for Community Roots is grounds for the District to terminate this charter. Any financial commitment on the part of the District contained in this contract is subject to annual appropriation by the District and the parties agree that the District has no obligation to fund Community Roots operations except as expressly provided herein.

B. Budget

- (i) Budget and Cash Flow. Community Roots shall prepare and provide to the Board a copy of its final, approved annual budget and monthly cash flow projections for each fiscal year by no later than April 1 immediately preceding such fiscal year. The budget account code structure will conform to the Program Budgetary and Accounting Manual for School Districts approved by the Oregon Department of Education.
- (ii) Community Roots shall be responsible for all costs associated with school operations, including the costs of subcontracting for goods and services, except as expressly provided in this contract. Exhibit B is attached and incorporated into this contract and sets forth those contracted services that Community Roots shall or may purchase from the District.
- (iii) The cost of those services set forth in Exhibit B to this contract shall be charged against and deducted from the funding provided to Community Roots from the District in paragraph 7.A. above. The District agrees to provide Community Roots with a monthly statement of charges made as allowed by this section.
- (iv) The fiscal year of the Community Roots shall begin on July 1 of each year and end on June 30 of the subsequent year.

C. Financial Records, Audits and Accounting Reports

Community Roots agrees that it will establish, maintain and retain appropriate financial records in accordance with all applicable federal, state and local laws, rules and regulations and to make such records available to the District, as requested, from time to time. Community Roots shall have an annual audit of its accounts in accordance with the Municipal Audit Law, ORS 297.405 to 297.555 and 297.998.

- (i) Financial Management. Community Roots shall operate in accordance with GAAP (Generally Accepted Accounting Principles) or other generally accepted standards of fiscal management, provided that Community Roots' accounting method shall comply in all instances with applicable governmental accounting requirements on the modified accrual basis.

Informal meetings, if desired by one or both parties, will be held between Community Roots and the District on a quarterly

basis to address issues associated with financial management and accountability.

- (ii) Availability of Funds. The District shall make available the school year (both ADMw and additional operational funds) Community Roots funds as determined in paragraph 7.A., in the following amounts and on the following dates, in conformance with ORS 327.095:

August 15	16.67%
October 15	8.33%
November 15	8.33%
December 15	8.33%
January 15	8.33%
February 15	8.33%
March 15	8.33%
April 15	8.33%
May 15	Balance

-- subject to any amendment to the schedule set forth in said statute.

The District shall establish a schedule consistent with ORS 327.095, as it may be amended during the term of this contract, for each year of this contract and provide written notification to Community Roots of the schedule.

- (iii) Refund of Unspent Funds. In the event that this contract is revoked or is not renewed by the District, Community Roots shall transfer all assets purchased with public funds as provided in ORS Chapter 338. Community Roots shall be entitled to retain the use of any and all privately solicited funds, provided such retention is in compliance with state and federal law.

- (iv) Other Sources of Fund for Community Roots. The parties acknowledge that Community Roots is or may be entitled to other state and federal sources of funds for schools which are not included in the per student amounts described in this contract.

- (v) Outside Funding. Community Roots 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 to the terms of this contract. In the event that Community Roots solicits funding from sources other than the District, it shall comply with all applicable state

and federal laws regarding reporting of such charitable solicitations. Management and accounting of these funds is the sole responsibility of Community Roots, and will be in accordance with applicable laws and subject to an annual audit.

- (vi) Community Roots shall provide the District with copies of all letters from its auditor to the Community Roots Board.

D. Building

Community Roots shall be located at 330 N. James, Silverton, Oregon 97381. The use of the schoolhouse and grounds by Community Roots shall be subject to the terms of the Lease Agreement attached hereto as Exhibit C.

8. Governance and Operation

Community Roots 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. Governing Board

The governing board of Community Roots shall consist of a minimum of 5 members, or an amount consistent with its Articles of Incorporation.

B. Corporate Status

Community Roots will obtain and maintain status as an Oregon nonprofit corporation. Community Roots agrees to notify the District of any changes in its Bylaws or Articles of Incorporation. Community Roots' Articles of Incorporation and/or Bylaws will include a provision specifying that upon dissolution, voluntary or otherwise, assets not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and obligations of Community Roots or required to be turned over to the Oregon Department of Education pursuant to ORS 338(6) shall be returned to the District. Unless a donor or grantor specifically provides otherwise, all gifts, donations and grants are assumed to be to Community Roots, and shall be returned to the District upon dissolution.

Community Roots shall provide updates of all Community Roots corporate documents within 30 days of the change to the documents.

C. Nonreligious, Nonsectarian Status

Community Roots agrees that it shall operate, in all respects, as a nonsectarian, nonreligious public school. Community Roots shall not be affiliated with any nonpublic sectarian school or religious organization.

D. Nondiscrimination

Community Roots shall comply with all applicable federal, state and local laws, rules and regulations 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, sexual orientation, political beliefs and/or affiliations.

E. Accountability

Community Roots shall be allowed to establish its own policies. Should a situation arise where Community Roots does not have a policy of its own already in place for, Community Roots will utilize the District's policy for the duration of situation. Subsequent to such a situation Community Roots is allowed to evaluate, and if decided by the Community Roots Board, to develop its own policy. All records established and maintained in accordance with the provisions of this contract, Board policy, and federal and state law shall be open to inspection by the District. Community Roots shall participate in the statewide assessment system developed by the Department of Education under ORS 329.485(1). Community Roots is obligated to collect and provide such data regarding staffing, student enrollment, student records, and school operations, upon request by the District.

F. Public Meetings

Community Roots and its Board of Directors are subject to the provisions of the Oregon Public Meetings Law, ORS 192.610 to 192.690.

G. Indigent Students

Community Roots shall waive all fees for indigent students in accordance with District policy and applicable federal and state law. Community Roots shall survey its student population for eligibility for free and reduced lunches under federal and state law.

H. Operational Powers

- (i) Community Roots Powers: Subject to the conditions and provisions of this contract, Community Roots through its Board of Directors shall be fiscally responsible for its own operations within the limitations of any funding provided by the District and other revenues derived by Community Roots consistent with law. Community Roots shall have authority to exercise independently, also consistent with federal and state law, the following powers (including such other powers as provided for elsewhere in this contract): contract for goods and services necessary for the operation of Community Roots; prepare a budget; procure liability insurance; 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 donor as are consistent with law and not contrary to any of the terms of this contract. Community Roots has sole authority to hire, fire and discipline teachers, personnel and staff who are Community Roots employees.

I. Purchasing

Community Roots is allowed the flexibility of purchasing supplies, materials and equipment either through the District or through their own contract with suppliers. Community Roots will follow competitive bidding rules as required by state law.

J. Third-Party Contracts

Community Roots 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, unless Community Roots has first submitted such contract to the District for approval and executed a contract services rider with the District acceptable to the District.

K. Annual Report and Review

Community Roots will submit an annual report by October 31 to the District which will include, without limitation, the following:

- (i) Summary data on the progress toward meeting its goals and objectives.
- (ii) Policy development issues.
- (iii) Student attendance and student discipline information.

- (iv) Any other information the District deems necessary to demonstrate that Community Roots is in compliance with state and federal law and the terms of this contract.
- (v) The Superintendent and Business Manager of the District shall be the contract administrator of this contract and shall be responsible for evaluating compliance for the District.

L. Term

The Community Roots charter and this contract are to be effective as of the date this contract is signed by both parties and approved by the District Board, and will last for a period of five school years (2015-2020). This contract may be renewed by joint agreement between the District and Community Roots.

In the event the contract is not renewed prior to the expiration of the contract, this contract shall terminate at midnight on June 30, 2020.

M. Termination

- (i) Grounds for Termination: The District may revoke the charter and terminate this contract on any of the following grounds:
 - a) Violation of or failure to meet and sustain any terms of this contract or ORS Chapter 338.
 - b) Failure to meet the requirements for student performance stated in this contract.
 - c) Failure to correct a violation of federal or state law that is described in ORS 338.115.
 - d) Failure to maintain insurance as described in this contract.
 - e) Failure to maintain financial stability. Failure to maintain financial stability as used in this contract shall mean the continued inability of Community Roots to meet its financial obligations when due.
 - f) Termination of the Lease attached as Exhibit C.

The District shall provide Community Roots written notice of the existence of any of the grounds set forth above and Community Roots shall have a reasonable opportunity to cure any deficiency before the District takes any action to terminate this contract.

- (ii) Notice and Appeal: The District shall provide 60 days prior written notice of its intent to terminate the charter agreement. Community Roots may appeal the District's decision to terminate the charter agreement directly to District Board. Community Roots may respond to the allegations in the District's written notification by offering documentary evidence. The District Board may, at its discretion, allow oral argument. The Board's decision may only be appealed to the Oregon Department of Education according to ORS 338.105.
- (iii) Community Roots Decision to Terminate: Should Community Roots choose to terminate this contract and revoke its charter before the end of the contract term; it may do so with the Board's approval upon 180 days advance written notice. Pursuant to ORS 338.105(7), Community Roots' governing board may only terminate this charter, dissolve or close a public charter school at the end of a semester. In the event of termination, all assets not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and operations of Community Roots or required to be given to the State Board of Education pursuant to ORS 338.105(6) shall be returned to the District.

N. Dissolution

In the event Community Roots should cease operations for whatever reason, including, but not limited to, the nonrenewal or revocation of its charter, or dissolution of the nonprofit corporation, it is agreed that the Board shall supervise and have authority to conduct the winding up of the business and affairs of Community Roots provided, however, that in doing so, the District does not assume any liability incurred by Community Roots beyond the funds allocated to it by the District under this contract. The District's authority hereunder shall include, but not be limited to, the return and/or disposition of any assets acquired by purchase or donation by Community Roots during the time of its existence. All assets not requiring return or transfer to donors or grantors or required for discharge of existing liabilities and obligations of Community Roots or required to be given to the State Board of Education pursuant to ORS 338.105(6) shall be returned to the District.

O. Conflict of Interest

The governing board and any employees of Community Roots shall comply with District policies and regulations and state law regarding public employee and board member ethics and conflicts of interest.

9. Employment Matters

A. Employees of Community Roots

The Community Roots School Administrator will make all decisions regarding compensation, promotion, discipline, hiring, and termination of Community Roots employees. Community Roots Board and Administrator will set salary and benefits for its employees.

B. Payroll and Medical Insurance

Community Roots School employees shall be paid through the payroll department of the District. The District will use the same payroll procedures as it uses for other district employees. Community Roots School may enroll its eligible employees in the OEGB medical insurance provided by Silver Falls School District for its non-represented employee group, or may provide alternate employee group coverage that excludes participation in OEGB. The amount of the insurance contribution made by Community Roots School on behalf of its eligible employees will be determined annually by the Community Roots School Board. If the amount paid by Community Roots School for each eligible employee is less than the actual cost of insurance, then each affected employee shall pay the difference through payroll deduction.

C. Supervision and Evaluation

The Community Roots Board will be responsible for the supervision and evaluation of Administrator. The Administrator will be responsible for the supervision of all other Community Roots employees. Community Roots will observe its own policies, applicable collective bargaining agreements, and state and federal law with regard to methods for evaluating staff performance and the resolution of employee-related problems, including complaint and grievance procedures.

D. PERS

Pursuant to ORS Chapter 338, the licensed and classified staff at Community Roots shall participate in the Public Employees Retirement System (PERS) and/or Oregon Public Service Retirement Program (OPSRP).

E. Employee Welfare and Safety

Community Roots shall comply with all applicable federal and state laws concerning employee welfare, safety and health issues.

F. Employee Records

Community Roots shall be responsible for establishing and maintaining personnel records for Community Roots employees in compliance with all applicable federal and state laws concerning the maintenance, retention and disclosure of employee records.

G. Employee Conduct

Community Roots shall ensure that its licensed and classified staffs comply with all applicable state laws concerning employee conduct.

H. Substitutes

Community Roots will establish its own substitute pool and arrange for its own substitutes whenever necessary. The District will share its substitute list with Community Roots and will support Community Roots requests for restricted substitute licensure at the request of the Community Roots School Board Chair or designees.

I. Licensure

Community Roots shall abide by the licensure requirements of ORS Chapter 338. All required licensed and classified employees shall meet Highly Qualified requirements as defined by the current Elementary Secondary Education Act and State of Oregon laws and regulations.

J. Professional Development

Community Roots shall provide professional development opportunities to its employees as provided for in state law. Community Roots teachers and classified staff may participate in Districtwide in-services and training programs.

Community Roots shall train its teachers in its educational program.

K. TSPC Obligation

The Community Roots Administrator is responsible for all reporting obligations to TSPC regarding Community Roots employees.

L. Criminal Background Checks

Community Roots shall not knowingly employ any individual for whom a criminal background investigation has not been initiated or who has been convicted of one or more offenses as described in state law that prohibit employment in a public school. No later than August 25 of each school year, the Community Roots Administrator or designee shall provide the District with a list

containing the names, job positions, and Social Security numbers of all of Community Roots employees. The list shall also indicate:

- (i) For each employee the date of initiation of the criminal background investigation required by ORS 342.223.
- (ii) For any individual hired in an instructional position after the start of the current academic year, Community Roots shall provide the District with such evidence of certification or other qualification no later than 30 days after the individual's initial date of hire.

10. Insurance and Legal Liabilities

A. Insurance

- (i) Provided by Community Roots: Community Roots shall, at its own expense, secure and retain and provide proof of the following insurance and in the amounts set forth in Exhibit A: directors and officers liability insurance, Commercial General Liability, and personal property insurance . Community Roots will also obtain, at its own expense, any further insurance that the District deems necessary to protect the interests of the District or Community Roots.
- (ii) Provided by District: The District will provide property insurance for the James Street School building.
- (iii) Required Proof of Insurance: No later than August 1, 2012, and at any time thereafter upon the request of the District's business manager, Community Roots 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, nonrenewal or termination to the attention of the business manager, Silver Falls School District.
- (iv) Coordination of Risk Management Activities: Community Roots agrees that it will coordinate all risk management activities through the District's business manager, personnel director and safety officer. This will include the prompt reporting of any and all pending or threatened claims, filing of timely notices of claims, and cooperating fully with the District in the defense of any claims. Community Roots shall not compromise, settle, negotiate or otherwise effect any disposition of potential claims asserted against it without the District's prior written approval.

B. Legal Liabilities

- (i) Non-Exemption: Community Roots shall not be exempt from the following federal and state laws and District policies governing school districts:

- (a) Federal law;
- (b) ORS 30.260 to 30.300 (tort claims);
- (c) ORS 192.410 to 192.505 (public records law);
- (d) ORS 192.610 to 192.690 (public meetings law);
- (e) ORS chapters 279A, 279B and 279C (Public Contracting Code);
- (f) ORS 297.405 to 297.555 and 297.990 (Municipal Audit Law);
- (g) ORS 326.565, 326.575 and 326.580 (student records);
- (h) ORS 181.534, 326.603, 326.607, 342.223 and 342.232 (criminal records checks);
- (i) ORS 329.045 (academic content standards and instruction);
- (j) ORS 329.451 (high school diploma, modified diploma, extended diploma and alternative certificate);
- (k) The statewide assessment system developed by the Department of Education for mathematics, science and English under ORS 329.485 (2);
- (l) ORS 337.150 (textbooks);
- (m) ORS 339.119 (consideration for educational services);
- (n) ORS 339.141, 339.147 and 339.155 (tuition and fees);
- (o) ORS 339.250 (9) (prohibition on infliction of corporal punishment);
- (p) ORS 339.326 (notice concerning students subject to juvenile court petitions);
- (q) ORS 339.370, 339.372, 339.388 and 339.400 (reporting of abuse and sexual conduct and training on prevention and identification of abuse and sexual conduct);
- (r) ORS chapter 657 (Employment Department Law);
- (s) ORS 659.850, 659.855 and 659.860 (discrimination);
- (t) Any statute or rule that establishes requirements for instructional time provided by a school during each day or during a year;
- (u) Statutes and rules that expressly apply to public charter schools;
- (v) Statutes and rules that apply to a special government body, as defined in ORS 174.117, or a public body, as defined in ORS 174.109;
- (w) Health and safety statutes and rules;
- (x) Any statute or rule that is listed in the charter;
- (y) ORS 336.840 (use of personal electronic devices); and
- (z) This chapter.

- (ii) Compliance with District Policy/Rule: Except where otherwise specified in this agreement, Community Roots will comply with all Silver Falls School District policies and administrative rules.

- (iii) Community Roots shall furnish to the District within 30 days of approval copies of any written policies or procedures it may develop with respect to any matter relating to its operations and educational program upon adoption of such policies by Community Roots' governing board for District review. The District will notify Community Roots of any submitted policy

that the District believes is beyond Community Roots' powers under this contract or is otherwise inconsistent with the terms of this contract so that appropriate remediation can occur.

C. Waiver

Community Roots may request waivers from specific Board policies or regulations and/or state law by submitting the request, in writing, to the District's Superintendent. Community Roots agrees that no waivers of the District and State academic standards shall be requested.

- (i) The request shall include the reasons why Community Roots is in need of or desires the waiver. The Superintendent shall have 10 working days to review the request and arrive at a recommendation. Thereafter, the Superintendent will present the matter before the Board at its next regular meeting. Waivers of District policies and regulations may be granted only to the extent permitted by state law.
- (ii) In the event the District policy or regulation from which Community Roots seeks a waiver is required by state law, or where Community Roots otherwise requests a waiver from a state law or regulation, Community Roots agrees to jointly request such a waiver from the State Board of Education, pursuant to ORS Chapter 338.

D. Full Faith and Credit

Community Roots agrees that it will not extend the faith and credit of the District to any third person or entity. Community Roots acknowledges and agrees that it has no authority to enter into a contract that would bind the District and that Community Roots' authority to contract is limited by the same provisions in law or District policies that apply to the District itself. Community Roots also is limited in its authority to contract by the amount of funds obtained by the District, as provided in this contract, or from other independent sources. The Community Roots Board has the authority to approve contracts to which Community Roots is a party, subject to the requirements and limitations of the Oregon Constitution, state law, District policies and the provisions of this contract.

E. Indemnification

- (i) Community Roots Indemnifies District: To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, Community Roots 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 of property of Community Roots, its faculty, students, patrons, employees, 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 or are in any manner connected with Community Roots' operations. Community Roots agrees to indemnify, hold harmless and defend the District from all contract claims in which the Community Roots 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) District Indemnifies Community Roots: To the extent not covered by insurance or otherwise barred by the Oregon Tort Claims Act in ORS Chapter 30, District agrees to indemnify and hold Community Roots, 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) 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 or are in any manner connected with District's operations. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act or omission of any Community Roots Board member, officer, employee or volunteer. This indemnification shall not apply to any liability claims or demands resulting from the negligence or wrongful act of any Community Roots employee whose negligent or wrongful act or omission is caused or directed by Community Roots. 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) Survival of Indemnification: This indemnification, defense and hold harmless obligation on behalf of Community Roots and the District shall survive the termination of this contract. Any indemnified party shall have the right, at its own expense, to participate in the defense of any suit, without relieving the indemnifying party of any of its obligations hereunder.

F. District Disclaimer of Liability

The parties to this contract expressly acknowledge that the Community Roots is not operating as the agent, or under the

direction and control, of the District Board except as required by law or this contract, and that the District Board assumes no liability for any loss or injury resulting from:

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

G. ADA/504 Obligations

Community Roots 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 659 with respect to its students, staff and patrons. Community Roots will indemnify and hold harmless the District from all claims under these statutes. Community Roots will be responsible for the identification, evaluation, drafting of 504 plans, and implementation of 504 plans for all Community Roots students eligible under Section 504. Community Roots may contract with the District for services to meet Community Roots' legal obligation under these statutes as set forth in Exhibit B to this contract.

If major modifications are necessary in order to comply with the ADA and accommodate a student enrolled in Community Roots, the District and Community Roots will make efforts to work together to make program and/or structural changes to allow the student access or, if such would constitute an undue burden on Community Roots and/or the District, to locate an alternative location for the student's educational program that complies with the ADA.

11. Transportation

Community Roots students may obtain transportation through the student's parent/guardian or existing public school bus lines.

- A. The District is responsible for providing transportation to Community Roots students along existing public school bus lines.
- B. Nonresident students attending Community Roots may access on a space available basis existing public school bus line.

12. Miscellaneous Provisions

A. Entire Agreement

This contract, with attachments, 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 cancelled 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 conflicts of law provisions. The parties intend that where this contract references federal or state law that they be bound by any amendment to such laws, upon the effective date of such amendments.

C. Assignment

This contract may not be assigned or delegated by Community Roots under any circumstances, it being expressly understood that the charter granted by this contract runs solely and exclusively to Community Roots.

D. Amendment

This contract may be modified or amended only by written agreement between the Community Roots School Board Chair and the District Superintendent or their designees.

E. 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 days after mailing when sent by certified mail, postage prepaid, to the Community Roots Board of Directors at 330 N. James Street, Silverton, Oregon 97381, or the office of the Superintendent of the District.

F. 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 be taken to constitute a waiver of any succeeding or other breach.

G. Dispute Resolution

In the event any dispute arises between the District and Community Roots 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 Superintendent of the District for review. If the District and Community Roots are unable to resolve the dispute, either party may submit the matter to the District's Board for its consideration. The decision of the Board shall be final and binding on the parties; provided, however, Community Roots may appeal to the State Board of Education concerning those matters within its jurisdiction under ORS Chapter 338.

H. Severability

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

I. Delegation

The parties agree and acknowledge that the functions and powers of the District Board may be exercised by Superintendent of the District, provided that any ultimate decision regarding renewal, nonrenewal or revocation of this contract may be made only by the District Board.

J. 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 paragraph 2, Community Roots 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.

K. Community Roots Authority to Enter Into Contract

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

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

**SILVER FALLS SCHOOL
DISTRICT #4J**

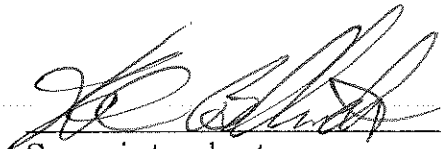
Silver Falls School District #4J
Board of Directors

COMMUNITY ROOTS SCHOOL

Community Roots Board of
Directors

By: 
School Board Chairperson

By: 
Community Roots Board
Chairperson

By: 
Superintendent

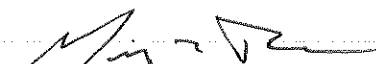
By: 
Charter School Administrator

EXHIBIT A

INSURANCE REQUIREMENTS

Community Roots

1. Liability Insurance for Directors and Officers in an amount not less than \$1,000,000 each loss/\$1,000,000 each policy year covering the public charter school, the governing board, employees and volunteers against liability arising out of wrongful acts and employment practices. Continuous "claims made" coverage will be acceptable, provided the retroactive date is on the effective date of the charter.
2. Commercial General Liability Insurance in an amount of not less than \$1,000,000 combined single limit per occurrence/\$3,000,000 general annual aggregate covering the public charter school, the governing board, employees and volunteers against liability for damages because of personal injury, bodily injury, death or damage to property including the loss of use thereof. Coverage to include, but not limited to, contractual liability, advertisers' liability, employee benefits liability, professional liability and teachers' liability.
3. Personal Property Insurance in an amount sufficient to cover the materials, supplies and equipment purchased and owned by Community Roots.
4. Honesty Bond to cover all employees and volunteers. Limits to be determined by the governing board, but no less than \$25,000. Coverage shall include faithful performance and loss of moneys and securities.
5. Automobile Liability Insurance in an amount not less than \$1,000,000 combined single limit covering the public charter school, the governing board, employees and volunteers against liability for damages because of bodily injury, death or damage to property, including the loss of use thereof arising out of the ownership, operation, maintenance or use of any automobile by Community Roots. The policy will include underinsured and uninsured motorist coverage at the limits equal to bodily injury limits.

6. Workers' Compensation Insurance shall also be maintained pursuant to Oregon laws (ORS Chapter 656) on all staff who are employed by Community Roots School but not by the District.
7. Unemployment insurance or self-insurance will be provided by Community Roots for all Community Roots employees. Community Roots will be responsible for all unemployment claims for Community Roots employees.

District

1. Property Insurance on all owned or leased buildings or equipment purchased and/or owned by the Silver Falls School District. The insurance shall be written to cover the full replacement cost of the building and/or equipment on an "all risk of direct physical loss basis."
2. Silver Falls School District will allow eligible employees of Community Roots School to enroll in OEGB medical insurance programs with the non-represented group of employees of Silver Falls School District as long as this is permitted by OEGB.

EXHIBIT B

CONTRACTED SERVICES

Community Roots may purchase District services in excess of those provided to a comparably sized District elementary school at a rate to be negotiated between Community Roots and the District.

Community Roots will receive the following at no additional charge from the District consistent with those same services provided to a District K-8 elementary school of comparable size:

1. Payroll and fiscal services.
2. Special Education Services
3. Bus transportation from home to school along current public school bus transportation routes.
4. Technology and networking services consistent with those services provided District Schools of comparable enrollment.

Other

1. Health, Nutrition and Social Services to Community Roots Students: Community Roots may contract with the District for Health, Nutrition and Social Services for Community Roots students, including but not limited to student counseling and nursing services, at the District's actual cost of providing those services.
2. School Food Services or Milk Program: Community Roots students may participate in the School Food Services or Milk program operated through the District. Community Roots will collect all monies for the Food Services Program or School Milk Program and remit the monies to the District or its designated agent.

EXHIBIT C

LEASE

This agreement is made and entered into by and between SILVER FALLS SCHOOL DISTRICT #4J, a political subdivision of the State of Oregon, hereinafter referred to as "Lessor" and COMMUNITY ROOTS CHARTER SCHOOL, an Oregon non-profit corporation, hereinafter referred to as "Lessee." Lessor hereby leases to Lessee and Lessee hereby accepts the premises described herein according to the following terms and conditions:

1. The premises which are the subject of this lease are described as the former Silverton High School located at 330 James Street, Silverton, Marion County, Oregon. Community Roots shall occupy four classrooms and the former athletic director office area beginning July 1, 2015 through the end of this lease. Student enrollment shall not exceed 90 students. Community Roots shall also have use of the courtyard, playfields, bathrooms and gymnasium upon which said school is situated.
2. Unless earlier terminated as provided herein, the term of this lease shall be for a period beginning as of July 1, 2015 and ending June 30, 2016 or at such earlier time as the Charter School Contract entered into on this date between the parties hereto is terminated. Lessor agrees to extend this Lease Agreement beyond 2016 on the same campus. The area to be used on the campus and specifications of the lease will be determined following additional planning by the Lessor, its architect and planning committee (to include Lessee) as the campus will be converted to a multi-use facility – Middle School, Community Roots School and high school athletic facility.
3. Lessee shall pay rent to Lessor in advance on the first day of each month during the term of this lease. Rental shall be the sum of \$20,000 annually. The first rental payment shall be due on the first day of September. There shall be 10 equal monthly payments each school year.
4. Lessee shall use the premises for the purpose of conducting a charter school and activities related thereto, within the scope of its non-profit tax exempt purposes, and as set forth in said Charter School Agreement.

5. The parties agree that Lessee will remain in its current location throughout the period of this lease. Lessee acknowledges that it has been informed of the potential disruption that may occur as a result of the building remodel and renovation, including but not limited to noise, installation of fencing, construction traffic, temporary closure of portions of the building, temporary disruption to one or more utilities, etc." Lessor shall provide lessee with scheduling and related information regarding potential disruptions to the best of its ability and in a timely fashion.
6. Lessor shall maintain fire and extended casualty insurance covering the buildings and improvements on the premises, naming Lessor as the insured thereunder, to the full insurable value thereof. Lessee shall obtain and maintain separate insurance in such amount as the parties may agree, covering personal property, premises liability and general and professional liability, in which case Lessor shall be named as an additional insured thereunder. Lessee shall provide proof of such insurance to Lessor prior to August 1, 2015 and from time to time, to Lessor's satisfaction, upon its request.
7. Lessor shall pay for all utilities and services to the premises, including, but not limited to heat, water, electricity, garbage, janitorial and telephone service and building security. Lessee shall maintain the classroom(s) and wall space it occupies in good condition and repair, at its sole cost and expense, during the term of this lease. Lessor's obligations shall apply to the remainder of the building and grounds, including but not limited to, cleaning, mowing and care of grounds, interior painting, minor building maintenance and repair, such as leaky faucets, broken windows, furnace filters, etc. Lessor will also be responsible for roof repairs, exterior painting, the parking area, repairing windows and doors, major building maintenance, heating, electrical and plumbing facility repairs and maintenance.
8. Lessee will make no unlawful, improper or offensive use of the premises. At the expiration of this lease, Lessee will quit and deliver up the premises, and all additions and improvements thereto to the Lessor or Lessor's successor, peaceably and in as good condition and repair (reasonable use and wear, fire and other unavoidable casualties excepted) as the premises are now in or may be put in by the Lessor. Lessee will not suffer or commit any strip or waste of the premises. Lessee may not assign this lease or sublet or permit any other person or persons to occupy the premises without the Lessor's prior written consent. Lessor shall have the right, at reasonable times, to enter into and upon the premises to examine the condition thereof.
9. Lessee may construct minor alterations or improvements to or upon the premises only upon the prior written approval of Lessor. As a condition

of such approval, Lessee shall submit to Lessor such plans, diagrams, cost estimates and other documents and information as Lessor may require. All permanent building alterations or improvements made by Lessee shall become the property of the landlord as part of the premises and shall not be removed by Lessee.

10. Failure by the Lessor at any time to require performance by the Lessee of any of the provisions hereof shall in no way affect the Lessor's rights to enforce them, nor shall any waiver by the Lessor of any breach be held to be a waiver of any succeeding breach or a waiver of this non-waiver clause.
11. Lessee shall indemnify and hold Lessor harmless from and against any and all claims, liabilities, actions, demands, and damages, including costs and attorney fees incurred in the defense thereof, arising from or relating to Lessee's occupancy of and activities upon the premises.
12. In the event of a default by Lessee under the terms of this lease, the Silver Falls School District shall have the right to terminate this lease and remove Lessee from possession and occupancy of the premises. A default by Lessee of its obligations under that said Charter School Contract shall likewise be deemed a default under the terms of this Lease, in which case Lessor shall have all rights available to it in the event of a default hereunder.
13. In the event of suit or action arising out of or relating to the terms of this agreement, the prevailing party shall be entitled to recover its reasonable attorney fees as may be awarded by the court in which such suit or action is tried, heard or decided and on any appeal therefrom.

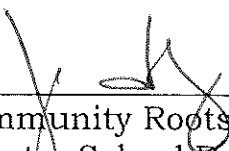
DATED: 4/13, 2015

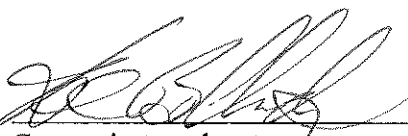
DATED: 4/14, 2015

**SILVER FALLS SCHOOL
DISTRICT #4J**

**COMMUNITY ROOTS CHARTER
SCHOOL**

By: 
School Board Chair

By: 
Community Roots
Charter School Board Chair

By: 
Superintendent