



## AFFILIATE SCHOOL AGREEMENT

THIS AFFILIATE SCHOOL AGREEMENT is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_ 20\_\_ by and between \_\_\_\_\_ (“NS”), whose address is \_\_\_\_\_ and TEAMCFA FOUNDATION, an Oregon nonprofit corporation (“TeamCFA”), whose address is 817 East Todd Drive, Tempe, Arizona 85283.

### RECITALS:

A. TeamCFA is a nonprofit organization that supports a growing national network of affiliated public charter schools dedicated to the mission of student achievement, academic excellence, measurable results and bringing school choice to more students and their families. TeamCFA employs proven academic, business and governance practices and leverages the free market to support the development and success of Challenge Foundation Academies (as defined below).

B. TeamCFA's stated mission is to: “support the development of academically rigorous, financially sustainable TeamCFA charter schools by employing proven academic, business and governance practices and leveraging the free market to support the broader school choice movement.” TeamCFA’s motto is “*Together Each Achieves More*,” a belief that the success of each student takes the active participation, communication and commitment of teachers, students and parents working in collaboration. TeamCFA further believes that by fostering a continuous partnership among all the stakeholders, the “TEAM” can build a strong culture of expectation, achievement and results.

C. The schools that affiliate with TeamCFA are called “Challenge Foundation Academies” or “CFAs.” CFAs offer structured and rigorous academic programs that include a committed partnership among students, teachers and parents. CFAs follow the Core Knowledge Foundation’s Core Knowledge Sequence designed to encourage steady academic progress as students build their knowledge and skills from one year to the next, developing students as capable and motivated learners.

D. NS operates one or more charter school(s) in the State (as defined below) pursuant to its Charter Contract (as defined below).

F. NS wishes to affiliate itself with the TeamCFA national network of CFAs and to accept certain support assistance that TeamCFA provides to CFAs and TeamCFA wishes to accept NS as an affiliate TeamCFA school and to provide the support assistance identified below to NS, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions and premises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### AGREEMENTS:

#### 1. Definitions.

- 1.1. “AAA” means the American Arbitration Association.
- 1.2. “Agreement” means this Affiliate School Agreement by and between NS and TeamCFA.
- 1.3. “Annual Budget” means the annual charter school budget or budgets for each fiscal year.
- 1.4. “Authorizer” means the \_\_\_\_\_, which is the charter school authorizing authority for NS.

- 1.5. “Board” means the corporate Board of Directors of NS.
- 1.6. “CFAs” or “Challenge Foundation Academies” mean TeamCFA affiliated schools.
- 1.7. “Charter Contract” means, if NS has only one charter contract, the charter contract by and between NS and the Authorizer, or, if NS has more than one charter contract, now or in the future, collectively all of the charter contracts by and between NS and the Authorizer.
- 1.8. “Charter School Laws” means the State’s statutes, and the regulations, rules and policies established thereunder, that establish the State’s charter schools, and all other State laws, regulations, rules and policies that apply to charter schools in the State.
- 1.9. “Default” means the failure by a Party to observe, comply with or perform any of the terms, covenants or conditions applicable to such Party under this Agreement, where such Party fails to cure such Default within the applicable grace period specified in Section 14.
- 1.10. “Dispute” means any disagreement, claim, dispute, controversy or other matter in question between the Parties (including the question of what issues can be mediated or arbitrated and the validity of the dispute resolution provision in Section 13) arising out of, or relating to this Agreement, or any breach of this Agreement.
- 1.11. “Effective Date.” Whether such date is before or after the date the Parties sign this Agreement, the Parties agree that the Effective Date for this Agreement is \_\_\_\_\_, 20\_\_.
- 1.12. “NS” means New School.
- 1.13. “Party” means either NS or TeamCFA and “Parties” means, collectively, NS and TeamCFA.
- 1.14. “Revenue” means, to the extent permitted by applicable law, all revenues, rentals, fees, third-party payments, receipts or other income of NS, all as calculated in accordance with Generally Accepted Accounting Principles, including, without limitation, State per-pupil and other funding, federal funding, local funding, and operational and activities revenues, but expressly excluding any gifts, grants, bequests, donations or contributions.
- 1.15. “State” means the State of \_\_\_\_\_.
- 1.16. “Support Assistance” means the assistance provided to NS by TeamCFA in support of NS’ educational program, as set forth on Exhibit “A” attached to this Agreement and incorporated herein by this reference.
- 1.17. “TeamCFA’s Materials” means any curriculum, testing, analysis, reports, programs, policies, procedures, forms or other information or materials developed by or proprietary to TeamCFA and provided to NS.

## 2. Board Authority; Relationship.

- 2.1. Board Authority. Notwithstanding any provision contained herein, TeamCFA acknowledges and agrees that NS is and shall be governed by its Board, which is responsible for overseeing all NS’ operations, as well as this Agreement. TeamCFA shall provide Support Assistance to NS subject to the Board’s direction, oversight, policies, the requirements of this Agreement, Charter School Laws and other applicable law. Nothing in this Agreement shall be construed to interfere with the Board’s authority and duty to exercise its statutory, contractual and fiduciary responsibilities governing all NS’ operations. The Board has, and shall retain, the right to exercise its judgment in accepting or rejecting TeamCFA’s recommendations related to Support Assistance.
- 2.2. TeamCFA Representatives. Within 45 days after signing this Agreement, NS agrees to appoint or elect as voting directors on its Board, consistent with its Articles of Incorporation and Bylaws, two individuals designated by TeamCFA. NS further agrees that such TeamCFA-designated individuals, or their TeamCFA-designated successors,

shall remain as directors on the Board throughout the term of this Agreement and any extensions hereof. TeamCFA agrees that the individuals it designates will comply with all State and Authorizer requirements for board membership.

### 2.3. Relationship of the Parties.

2.3.1. Cooperation. The Parties agree that, subject to Charter School Laws and other applicable laws, regulations, duties and obligations of the Parties, NS and TeamCFA shall carry out their respective rights, duties and obligations under this Agreement in a cooperative manner to maximize the effectiveness of the educational process.

2.3.2. Charter Contract Changes. NS agrees to provide TeamCFA 10 days' prior written notice of any change or amendment to the Charter Contract.

2.3.3. Corporate Changes. NS agrees to provide TeamCFA with copies of NS' governance documents, including Articles of Incorporation and any amendments, Bylaws and amendments, and other policies and procedures used by the NS to the TeamCFA representatives on the Board of NS within 10 days of any request. NS further agrees to provide TeamCFA with 10 days' prior written notice of any change or amendment to NS' governance documents.

2.3.4. Relationship. The relationship between NS and TeamCFA is based solely upon the terms of this Agreement and any other written agreements between TeamCFA and NS. This Agreement shall create only an independent contract relationship and shall not be construed or interpreted to create an agency, employer-employee, partnership, joint venture or other legal relationship or entity. While performing under this Agreement, neither Party shall represent the other Party in any dealings or transactions except as expressly authorized herein and neither Party shall represent any relationship excepting the relationship specified herein. Neither Party may enter into, bind or attempt to bind the other Party to any contractual obligation or duty and each Party shall be solely responsible for its acts and omissions and for the acts and omissions of its directors, officers, employees, agents and contractors.

3. Affiliation. NS hereby affiliates with TeamCFA, for the term set forth herein, for the purposes of: (i) obtaining Support Assistance; (ii) working with TeamCFA to promote and grow the TeamCFA network of schools; and (iii) granting TeamCFA the right, power and authority to carry out TeamCFA's duties and obligations under this Agreement upon the terms and conditions set forth herein, to the extent permitted by the Charter School Laws and other applicable law. TeamCFA hereby affiliates with NS, for the term set forth herein, to: (a) work with NS to promote and grow the TeamCFA network of schools; and (b) assist NS for the purposes set forth herein with such authority as delegated to TeamCFA by this Agreement or by subsequent Board resolutions, subject to the terms and conditions of this Agreement, the Charter Contract, Charter School Laws and other applicable law.

3.1. CFA's Name. Consistent with such affiliation, NS agrees that, if its legal or trade name is not already in such form, it will, within 45 days of signing this Agreement, change its legal or trade name to the following form:  
“\_\_\_\_\_ : *A Challenge Foundation Academy.*” Further, NS agrees to accept all of the rights and to perform all of the duties and obligations associated with such affiliation, as specified in this Agreement.

4. Term. Unless otherwise restricted by State law or earlier terminated as provided herein, the initial term of this Agreement shall commence on the Effective Date and continue until the earlier to occur of: (i) the termination of the Charter Contract; or (ii) the last day of NS' fiscal year during 202\_ and, in such event, the term shall automatically renew for an additional 10-year period (until the last day of NS' fiscal year during 203\_), unless either Party shall have provided the other Party with a minimum of 90 days prior written notice that such noticing Party does not wish to extend the term hereof. TeamCFA's Support Assistance shall cease upon the termination of this Agreement. As required by Subsection 15.6, time is of the essence with respect to this provision.

### 5. Responsibilities of NS and the Board.

5.1. Communication. The Board shall, in good faith, communicate and cooperate with TeamCFA with regard to NS' programs, operations and activities including, without limitation, policies, rules, regulations, procedures, curriculum and

budgets, subject to the constraints of the Charter School Laws, other applicable law and the requirements of the Charter Contract. Furthermore, the Board shall disclose to TeamCFA any and all information it receives from regulatory authorities regarding current practices, contracts, agreements, policies, procedures, business arrangements or performance shortcomings that could reasonably be construed as placing the charter contract in jeopardy of suspension or revocation. Nonetheless, the Board shall retain full discretion for all programs, operations and activities of NS and has discretion in affiliating with TeamCFA to provide Support Assistance. However, if NS consistently, repeatedly or in the whole (taking into consideration all of NS' programs, operations and activities) operates in a manner inconsistent with the mission, goals and principles of TeamCFA, in TeamCFA's sole discretion, then TeamCFA retains the right to terminate this Agreement as provided by Sections 12 and 14.

5.2. Facilities. Although, at NS' written request, TeamCFA may assist NS with facilities, NS is, and remains, responsible for the acquisition or lease, and continuing ownership or tenancy, of school facilities that provide an adequate learning environment for its students and comply with all of the requirements of the Charter Contract, Charter School Laws and other applicable law.

5.3. Cooperation. NS shall cooperate with TeamCFA in promptly furnishing all information and documents and submitting all forms and reports that may be necessary for either Party to properly perform its duties and obligations under this Agreement. Further, NS shall cooperate in scheduling and related matters, including providing timely written notice of all Board meetings.

5.4. Charter Contract and Compliance. NS and the Board agree to comply with the terms and provisions of the Charter Contract, Charter School Laws and other federal and state laws applicable to charter schools and agree not to act, or fail to act, in any manner that may cause NS to breach its Charter Contract

5.5. Evaluation. NS agrees to undergo an annual evaluation of its performance under this Agreement with the purpose of evaluating and improving NS' operations and the affiliate relationship. The annual evaluation of NS shall be conducted by TeamCFA, with the cooperation of NS, pursuant to evaluation criteria established by TeamCFA in its sole discretion.

5.6. Charter School Budget. NS is responsible for adopting the Annual Budget for each fiscal year in a timely manner and as required by State law, demonstrating that NS has adequate resources to fulfill its obligations under the Charter Contract and this Agreement, including, without limitation, the operations and activities of the charter school(s) operated by NS, payment of employee costs (if any), equipment, insurance, annual financial audits and other expenses. To that end, each fiscal year, the Board will take appropriate action under its Bylaws to adopt and approve an Annual Budget as and when required by State law. In addition, NS is responsible for approving revisions and amendments to such Annual Budget to reflect necessary deviations from the adopted Annual Budget.

5.7. Participation. NS agrees to actively participate in the continuing development of TeamCFA and to help promote TeamCFA's goals.

5.8. Specific Responsibilities. NS agrees to comply with the academic, business and governance requirements set forth on Exhibit "B" as may be modified from time to time by TeamCFA, in its sole discretion, attached hereto and incorporated herein by reference. Notwithstanding the prior written notice provisions set forth in Section 12.4, NS shall have 60 days following notice of modification of Exhibit "B" to consider the modifications and terminate this Agreement. If NS does not terminate this Agreement within 60 days following notice of the modifications, NS will be deemed to have acknowledged and agreed to the modified requirements.

## 6. Responsibilities of TeamCFA.

6.1. Support Assistance. TeamCFA shall, subject to the Board's authority, provide NS with Support Assistance as expressly delineated and defined on Exhibit A.

6.2. Communication. TeamCFA shall, in good faith, communicate and cooperate with NS with regard to TeamCFA's programs, operations and activities as are relevant to NS or NS' operations. Furthermore, TeamCFA shall disclose to the Board any and all information it receives from regulatory authorities and other TeamCFA affiliate

schools regarding current practices, contracts, agreements, policies, procedures, business arrangements or performance shortcomings that could reasonably be construed as placing the charter contract in jeopardy of suspension or revocation. In the event TeamCFA consistently, repeatedly or in the whole operates in a manner inconsistent with the mission and goals of NS, in NS' sole discretion, then NS, subject to Subsection 12.5, retains the right to terminate this Agreement as provided by Subsection 14.1.2.

6.3. Cooperation. TeamCFA shall cooperate with NS in promptly furnishing all information and documents and submitting all forms and reports that may be necessary for either Party to properly perform its duties and obligations under this Agreement. Further, TeamCFA shall cooperate in scheduling and related matters.

6.4. Charter Contract. TeamCFA agrees not to act, or fail to act, in any manner that may cause a breach of NS' Charter Contract.

6.5. Participation. TeamCFA agrees to actively participate in the continuing development of NS and to help promote NS' growth and improvement.

6.6. Compliance. TeamCFA acknowledges that this Agreement is subject to the terms of the Charter Contract, Charter School Laws and other federal and State laws applicable to charter schools. TeamCFA agrees to comply with the terms and provisions of the Charter Contract, Charter School Laws and other federal and state laws applicable to charter schools in performing its duties and obligations hereunder. If NS is, at any time, determined to be out of compliance because of any Support Assistance, TeamCFA shall cooperate to correct such deficiency and shall participate in any corrective action plan approved by the Authorizer to remedy such noncompliance.

6.7. Contracting. Except as expressly prohibited by the Charter Contract or Charter School Laws, TeamCFA may contract or subcontract all or any part of Support Assistance required by this Agreement, delegating the performance of, but not the responsibility for, any duties and obligations of TeamCFA hereunder to a qualified independent contractor, expert or professional advisor.

6.8. Acquisitions. In the event that TeamCFA assists with any acquisitions using NS' funds, all such purchased items or assets shall be owned by and remain the property of NS. TeamCFA shall not add any administrative charges or fees to the cost of such acquisitions. All property or assets acquired by TeamCFA with its own funds shall, at TeamCFA's option, be owned by and remain the property of TeamCFA or donated to NS by an express written letter of donation.

6.9. TeamCFA Offices. TeamCFA may or may not maintain offices within the State and TeamCFA may provide Support Assistance from any location at TeamCFA's discretion.

6.10. Other Support Assistance. Support Assistance to be provided by TeamCFA to NS under this Agreement comprise only those duties, responsibilities and obligations of TeamCFA expressly stated herein. TeamCFA shall not be obligated to provide any additional or other Support Assistance to NS except as may be mutually agreed in writing between TeamCFA and the Board in compliance with Subsection 15.15.

7. TeamCFA Loan. In furtherance of TeamCFA's mission, as amended from time to time, TeamCFA makes loans to CFAs in the amount of up to \$300,000, funding \$100,000 per year for a three-year period. The specific terms of the Loan will be memorialized in a promissory note between TeamCFA and NS. Notwithstanding such terms, TeamCFA will not release the first installment of the loan prior to NS' substantial compliance with this Agreement and the Academic, Business and Governance requirements set forth on Exhibit B. "Substantial compliance," as referred to in this Section 7, shall include only those requirements identified in writing by TeamCFA at the time this Agreement is signed by both parties.

## 8. Representations and Warranties.

8.1. NS' Representations and Warranties. NS hereby represents and warrants to TeamCFA that:

8.1.1. it is duly organized and existing as a State nonprofit corporation and an educational institution or organization established under Charter School Laws and is in good standing under the laws of the State; it will maintain, extend and renew its corporate existence under the laws of the State, and it will not do, suffer or

permit any act or thing to be done whereby its right to transact its functions might or could be terminated, its activities restricted or its nonprofit, 501(c)(3) status rescinded;

8.1.2. it has full authority and power to enter into this Agreement and it has been duly authorized to execute and perform this Agreement;

8.1.3. the execution, delivery, and performance of this Agreement will not conflict with or constitute a breach of or default by NS under any other instrument or agreement to which NS is a party or by which its property is bound and will not constitute a violation of any order, rule, or regulation of any court or governmental agency having jurisdiction over NS;

8.1.4. it is not in breach or default under any instrument or agreement, including, without limitation: (i) loans or other financial obligations; (ii) wage or salary obligations and related benefits and payroll taxes; and (iii) leases for real and personal property, where such breach or default may adversely affect NS' required performance under this Agreement;

8.1.5. there are no pending actions, claims, suits or proceedings filed or, to its knowledge, threatened or reasonably anticipated against or affecting it, which, if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement; and

8.1.6. prior to the Board's approval and NS' execution and delivery of this Agreement, each member of the Board and NS' legal counsel were given ample opportunity to review and discuss this Agreement.

## 8.2. TeamCFA's Representations and Warranties. TeamCFA hereby represents and warrants to NS that:

8.2.1. it is duly organized and existing as an Oregon nonprofit corporation and is in good standing under the laws of the State of Oregon; it will maintain, extend and renew its corporate existence under the laws of the State of Oregon, and it will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated, its activities restricted or its nonprofit, 501(c)(3) status rescinded;

8.2.2. it has full authority and power to enter into this Agreement and it has been duly authorized to execute and perform this Agreement;

8.2.3. the execution, delivery, and performance of this Agreement will not conflict with or constitute a breach of or default by TeamCFA under any other instrument or agreement to which TeamCFA is a party or by which its property is bound and will not constitute a violation of any order, rule, or regulation of any court or governmental agency having jurisdiction over TeamCFA;

8.2.4. it is not in breach or default under any instrument or agreement, including, without limitation: (i) loans or other financial obligations; (ii) wage or salary obligations and related benefits and payroll taxes; and (iii) leases for real and personal property, where such breach or default may adversely affect TeamCFA's required performance under this Agreement;

8.2.5. there are no pending actions, claims, suits or proceedings filed or, to its knowledge, threatened or reasonably anticipated against or affecting it, which, if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement; and

8.2.6. prior to TeamCFA's execution and delivery of this Agreement, TeamCFA and its legal counsel were given ample opportunity to review and discuss this Agreement.

8.3. Disclaimer of Warranty. TeamCFA makes no expressed or implied warranties as to any matter whatsoever with regard to any equipment, materials or supplies purchased on behalf of or for use at NS, including without limitation the condition of any such item, its merchantability or fitness for any particular purpose. No defect or unfitness of any equipment, materials or supplies shall relieve NS of its obligations to pay for use of the item or of any other obligation

under this Agreement. Notwithstanding the foregoing, TeamCFA shall enforce any existing manufacturer warranties on all equipment, materials or supplies purchased on behalf of or for use at NS.

## 9. Insurance.

9.1. General Liability Insurance. Each Party shall, at its own expense, maintain general liability insurance, including, without limitation, bodily injury and property damage insuring itself with a minimum of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate limit of liability coverage. Each Party shall provide the other Party with a certificate evidencing such insurance and showing the other Party as an additional insured.

9.2. Workers' Compensation Insurance. Each Party shall, at its own expense, maintain workers' compensation insurance as required by law to cover their respective employees (if any) and shall provide the other Party with a certificate or certificates of such insurance.

9.3. Automobile Insurance. If a Party owns or operates any automobiles within the State, such Party shall, at its own expense, maintain comprehensive automobile insurance, insuring itself with a minimum of \$1,000,000.00 combined single limit. Each such Party shall provide the other Party with a certificate evidencing such insurance and showing the other Party as an additional insured.

9.4. Cancellation; Subrogation. Each insurance policy required herein shall provide for not less than 10 days written notice to the other Party in the event of cancellation or material change of coverage. To the maximum extent permitted by its insurance policies, each Party, for the benefit of the other Party, waives any and all rights of subrogation which might otherwise exist (and the certificate required herein shall indicate such waiver of subrogation).

10. Indemnification. NS agrees to indemnify, defend, save and hold TeamCFA, and its directors, officers, employees, agents and other representatives harmless from and against any and all manner of loss, cost, expense (including attorneys' fees and other costs and expenses of litigation, defense and appeal), damage, injury, liability, claims, actions and causes of action whatsoever arising from or in any way related to NS': (i) own negligent or willful acts or omissions; (ii) breach of this Agreement; or (iii) operation of its own business.

## 11. Intellectual Property Rights.

11.1. In connection with its Support Assistance, TeamCFA may furnish NS with TeamCFA's Materials. The Parties agree that all TeamCFA's Materials have been authored, originated, discovered and invented by TeamCFA and that TeamCFA shall be deemed to be the author and originator of all TeamCFA's Materials. TeamCFA shall have and retain all right, title and interest in and to TeamCFA's Materials, all rights to sell, assign or otherwise transfer any right, title or interest in TeamCFA's Materials and all rights to apply for, register, obtain and own any and all copyrights, trademarks, service marks, trade names, patents and/or other exclusive or proprietary registrations or forms of ownership. During the term of this Agreement, TeamCFA hereby grants NS a revocable license to use TeamCFA's Materials; provided, however, that NS shall have no right to sell or otherwise transfer any of TeamCFA's Materials. In the event NS is held, for any reason, to have any right, title or interest to any of TeamCFA's Materials, regardless of the media and whether or not copyrighted or copyrightable, trademarked or registerable, patented or patentable, NS hereby unconditionally and irrevocably transfers and assigns such right, title and interest to TeamCFA as an essential part of the consideration for this Agreement. NS further agrees that it shall, within five days after receipt of a written request from TeamCFA, execute a written instrument for the purpose of waiving its rights, if any, to attribution for any of TeamCFA's Materials under Section 106A(a) of The Copyright Act of 1976 (17 U.S.C. Sec. 101, 1976) or any succeeding law.

## 12. Termination.

12.1. Without further notice and without further liability to either Party, this Agreement shall terminate if:

12.1.1. the State legislature or any other source of public funding fails to appropriate funds for the operation of charter schools in the State. In such an event, this Agreement shall terminate on the last date that funds are appropriated for the operation of charter schools; or

12.1.2. NS' Charter Contract is revoked or not renewed by the State. In such an event, this Agreement shall terminate on the date the Charter Contract expires or on the date of revocation, as applicable;

12.2. In the event NS Defaults, as specified in Section 14, TeamCFA shall have the right to terminate this Agreement upon providing NS proper written notice as required by Section 14.

12.3. In the event TeamCFA Defaults, as specified in Section 14, NS shall have the right to terminate this Agreement upon providing TeamCFA proper written notice as required by Section 14.

12.4. In addition to NS' right to terminate this Agreement upon a Default, subject to Section 12.5, NS shall have the right to terminate this Agreement, with or without cause, on the last day of each of NS' fiscal years during the term of this Agreement, but only if NS has provided TeamCFA a minimum of 90 days prior written notice of such termination. In the event NS fails to provide such prior written notice in a timely manner, NS irrevocably waives the right to terminate for such fiscal year and must wait until the last day of the next fiscal year if it wishes to terminate. As required by Subsection 15.6, time is of the essence with respect to this provision.

12.5. Upon termination of this Agreement, whether due to expiration of the term or earlier termination as provided herein, TeamCFA shall have the right to discontinue all Support Assistance immediately and without further notice. In such event and without further notice, TeamCFA will cancel, terminate, disconnect and discontinue all: (i) marketing programs; (ii) professional training programs and events; (iii) right to collaborate with the TeamCFA network; (iv) board training or recruiting programs and events; (v) board/staff gatherings, programs and events; (vi) access to or renewal of any national or regional contracts or programs to which NS has access or is a party by reason of this Agreement; (vii) other assistance; and (viii) revoke the right to use the "Challenge Foundation Academy" name in conjunction with NS' name. Moreover, TeamCFA and TeamCFA shall cause all Loan funding to cease as of the date of termination. Further, upon termination, NS shall, within 60 days, discontinue using the "Challenge Foundation Academy" name in conjunction with NS' name and discontinue the use of the immediately surrender all TeamCFA Materials, including all copies of TeamCFA Materials, in whatever form, to TeamCFA.

13. Dispute Resolution. In the event of any Dispute between the Parties, the Parties agree to submit the Dispute first to non-binding mediation and then to binding arbitration.

13.1. Mediation. Any Dispute shall be subject to mediation as a condition precedent to binding arbitration. Unless the Parties mutually agree otherwise, such mediation shall be in accordance with the mediation rules of the AAA currently in effect. Request for mediation shall be filed in writing with the other Party and with a mutually-acceptable private mediator or mediation service. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration, which shall be stayed pending mediation for a period of 30 days from the date of filing, unless stayed for a longer period by agreement of the Parties. The Parties shall share the mediator's fee and any filing fee equally. The mediation shall be held in the State, within 25 miles of NS' primary location, unless such location is impracticable for both Parties, in which event the Parties shall mutually agree upon an alternate location. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

13.2. Arbitration. In the event such Dispute is not resolved through mediation, the Parties agree to submit the Dispute to binding arbitration. The foregoing agreement to arbitrate shall be specifically enforceable under prevailing arbitration law.

13.2.1. Rules; Confidentiality. The Dispute shall be arbitrated in accordance with the Commercial Arbitration Rules of the AAA as then existing, to the extent such rules are not inconsistent with the provisions of this Section 13, but shall not be arbitrated by an AAA tribunal, or administered by the AAA, unless specifically agreed to, in writing, by the Parties. Each of the Parties shall keep all Disputes and arbitration proceedings strictly confidential, except for disclosures of information required by applicable law or regulation.

13.2.2. Procedure. Notice of the demand for arbitration shall be given in writing to the other Party in the manner provided for notice by Subsection 15.8. The demand for arbitration shall be made within a reasonable time after the Dispute has arisen, and in no event shall it be made after the date when institution of legal or



equitable proceedings based on such Dispute would be barred by the applicable statute of limitations. Unless otherwise agreed in writing by the Parties, either the Parties or their legal counsel shall, within 30 days following notification of the arbitration, mutually agree upon, qualify and select an arbiter. In the event the Parties cannot mutually agree on one arbiter, an arbitration panel, composed of three arbiters, shall be selected in the following manner: each of the Parties, or their respective legal counsel, as the case may be, shall, within 40 days after one Party notifies the other of his, her or its intent to arbitrate a Dispute, each select an arbiter and the two arbiters shall, within 15 days following notification of their selection, select a third arbiter. In the event either Party fails to timely select an arbiter, the arbiter selected by the other Party shall be the sole arbiter and shall hear the Dispute. In the event each Party selects an arbiter, and the selected arbiters cannot decide upon a third arbiter for the panel, the third arbiter shall be qualified and selected by the then presiding judge of the State court system from a list of five arbiters provided by the AAA. To qualify to arbitrate any Dispute under this Section 13, the arbiter must be a licensed attorney in the State, must have practiced law in such jurisdiction for a minimum of 10 years and must have a minimum of five years' experience in the area of the law primarily implicated by the Dispute. If the Parties cannot agree on the "primary" area of law implicated, they shall select arbiters with a minimum of five years' experience in business and contract law. Once qualified and notified of his or her selection, the arbiter (or arbitration panel, as applicable) shall hear the Dispute within 60 days and render a written legal opinion and decision, specifying the factual and legal basis for the decision, within 20 days thereafter (or as soon thereafter as is practicable and justified under the circumstances). In the case of an arbitration panel, the opinion of the majority of the arbiters shall be adopted as the panel's opinion.

13.2.3. Discovery; Decision; Award. Discovery may be conducted either upon mutual consent of the Parties, or by order of the arbiter upon good cause being shown. In ruling on motions pertaining to discovery, the arbiter shall consider that the purpose of arbitration is to provide for the efficient and inexpensive resolution of Disputes, and the arbiter shall limit, expedite or order discovery whenever appropriate to insure that this purpose is preserved. The decision and award rendered by the arbiter shall be based upon applicable law and judicial precedent and shall be final, conclusive and binding upon each of the Parties. Judgment may be entered upon the arbiter's decision in accordance with applicable law in a court having jurisdiction thereof. Any such award by the arbiter shall include recovery by the prevailing Party of the costs and expenses of the proceeding, including reasonable attorneys' fees; provided that, if neither Party prevails, the expenses of arbitration (other than attorneys' fees) shall be borne equally between the Parties. Any such award by the arbiter shall not include the award of punitive damages in excess of an amount equal to the compensatory damages awarded in the proceeding.

#### 14. Default; Remedies.

14.1. Default. A Default shall entitle the non-defaulting Party to pursue the remedies set forth in Subsection 14.2. Specific Defaults and cure periods are set forth below:

14.1.1. The failure by either Party to observe, comply with or perform any obligation under this Agreement (expressly including, without limitation, either Party's failure to operate in a manner consistent with the mission, goals or principles of the other Party as required by Subsection 5.1 and 6.2, as applicable) where such Default continues for a period of 60 days after written notice thereof by or on behalf of the non-defaulting Party to the defaulting Party; provided, however, that if the nature of the Default is such that more than 60 days are reasonably required for its cure, then it shall not be deemed to be a Default if the defaulting Party commences such cure within said 60-day period and thereafter diligently prosecutes such cure to completion;

14.1.2. The occurrence of any of the following events: (i) the making by a Party of any general arrangement or assignment for the benefit of creditors; (ii) a Party becomes a "debtor" as defined in 11 U.S. Code Section 101 or any successor statute thereto (unless, in the case of a petition filed against such Party, the same is dismissed within 90 days); (iii) the appointment of a trustee or the judicial appointment of a receiver to take possession of substantially all of a Party's assets, where possession is not restored to such Party within 90 days; or (iv) the attachment, execution or other judicial seizure of substantially all of a Party's assets, where such seizure is not discharged within 90 days; or

14.1.3. The failure by NS to comply with the requirements set forth on Exhibit B of this Agreement.

14.2. Remedies. In the event of a Default by either Party (which is not timely cured), with or without further notice or demand, the non-defaulting Party may pursue any remedy now or hereafter available to such Party under the laws or judicial decisions of the State.

## 15. General Provisions.

15.1. Incorporation of Recitals. Recitals “A” through “F” above are acknowledged by the Parties to be true and correct and are incorporated herein as a material part of this Agreement.

15.2. No Delegation of Authority. Nothing in this Agreement shall be construed as: (i) delegating to TeamCFA any of the powers or authority of the Board which are not subject to delegation by the Board under Charter School Laws or other applicable law; or (ii) interfering with the Board’s duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of NS. Furthermore, notwithstanding any contrary provision contained herein, no provision of this Agreement shall be construed to prohibit the Board from acting as an independent, corporate governing body.

15.3. Statutory Requirements.

15.3.1. TeamCFA acknowledges that NS must comply with all the financial requirements for its charter schools under applicable State law. TeamCFA agrees to provide such details and documentation as are reasonably necessary for NS to meet its accounting and reporting obligations. Upon reasonable, written notice, NS and its designees shall have the right to review and audit TeamCFA’s books and records as they relate to this Agreement, including the right to make copies.

15.3.2. Pursuant to applicable state laws, no indebtedness of any kind incurred or created by NS shall constitute any indebtedness of the state or its political subdivisions, and no indebtedness of NS shall involve or be secured by the faith, credit or taxing power of the state or its political subdivision.

15.4. Force Majeure. If performance by TeamCFA or NS of any of their respective obligations under the terms of this Agreement is interrupted or delayed by an act of God, by acts of war, riot, terrorism or civil commotion, by an act of the State, by fire or flood, or by the occurrence of any other event beyond the reasonable control of the Parties, then Parties shall be excused from such performance for the same amount of time as such occurrence lasts or such period of time as is reasonably necessary after such occurrence abates for the effect of the occurrence to have dissipated. The Parties agree to act diligently to remedy the cause of any delay subject to this Subsection 15.4. Each Party shall notify the other Party promptly after any occurrence subject to this Subsection 15.4 that may affect the Party’s performance of its obligations under this Agreement.

15.5. Assignment. Neither Party may assign any of its rights, duties or obligations under this Agreement without the other Party’s prior written consent.

15.6. Time of Essence; Time Periods. Time is of the essence of this Agreement and every provision of this Agreement. Any extension of time granted for the performance of any duty under this Agreement shall not be considered an extension of time for the performance of any other duty under this Agreement. Unless expressly stated otherwise, any computation of time periods permitted or required herein stated in “days” shall mean calendar days. “Business day,” when so identified, shall mean normal working days, excluding Saturdays, Sundays and federal or State legal holidays. If the time for performance of any obligation due hereunder or the making of any election permitted hereunder is stated in “days” and expires on a Saturday, Sunday or federal or State legal holiday, then the time for performance of such obligation or for the making of any such election shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

15.7. Successors In Interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors and assigns of the Parties.

15.8. Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed received upon personal delivery (by hand delivery or courier), three days after being sent by registered or certified United States

mail, return receipt requested, properly addressed with postage fully prepaid, or one day after being sent by a reputable, overnight express-mail service, addressed to the respective Party at its address as set forth above, or to such other address as each Party shall, from time to time, specify in the manner provided herein.

15.9. Severability. To the full extent possible each provision of this Agreement shall be interpreted in such fashion as to be effective and valid under applicable law. If any provision of this Agreement is declared void or unenforceable with respect to particular circumstances, such provision shall remain in full force and effect in all other circumstances. If any provision of this Agreement is declared entirely void or unenforceable, such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect.

15.10. Governing Law. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by, the internal, substantive laws of the State, without reference to any choice-of-law principles or provisions.

15.11. Indemnities; Survival. Each and every indemnity given herein shall survive the expiration or termination of this Agreement.

15.12. Consents and Approvals. Except as otherwise expressly provided herein, wherever in this Agreement the consent or approval of a Party is required to an act by or for the other Party, such consent or approval shall not be unreasonably withheld or delayed.

15.13. Waivers. No waiver of any term covenant or condition hereof shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent violation of the same or any other term, covenant or condition hereof. A Party's consent to or approval of, any act of the other Party shall not be deemed to render unnecessary the obtaining of the applicable Party's consent to, or approval of, any subsequent or similar act by the other Party, or be construed as the basis of an estoppel to enforce the provision or provisions of this Agreement requiring such consent.

15.14. Amendments. This Agreement may be amended or modified only in writing, signed by the Parties in interest at the time of the modification.

15.15. Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of the executed counterparts shall be deemed an original of this Agreement; provided, however, that this Agreement shall not be effective or enforceable unless and until it is executed by each Party.

15.16. No Third Party Rights. No person or entity who is not a party to this Agreement shall have any right to performance under this Agreement nor shall any person or entity who is not a party to this Agreement have any right to enforce this Agreement.

5.17. Captions; References; Interpretation. Captions and headings are for convenience only and shall not alter the interpretation of any provision or be used in construing this Agreement. Reference to any "section" or "subsection" contained herein is a reference to such section or subsection of this Agreement, unless the reference expressly identifies a section or subsection of another document. If the context requires, the use of the singular or plural (including the use of defined terms) shall also refer to the other. The word "including" is not exclusive; if exclusion is intended, the word "comprising" is used instead. The word "or" shall be construed to mean "and/or" unless the context clearly prohibits that construction. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against any Party. Each Party warrants and represents that they have read this Agreement in its entirety, that they understand each and every term and condition hereof, and that they have had ample time to seek the advice of their own legal counsel and other professional advisors before signing this Agreement. Accordingly, any rule of construction to the effect that ambiguities are to be construed against the drafting Party shall not apply to the interpretation of this Agreement or any amendment or exhibit hereof.

15.18. Representative Signatures. The Parties each represent and warrant that any individual signing in a representative capacity for such Party has been duly authorized to execute and deliver this Agreement and has full authority and power

to bind his or her principal to this Agreement. Each Party shall, upon the execution of this Agreement, deliver to the other Party documents evidencing such authority.

15.19. No Disparagement. During the term of this Agreement and for a period of two years thereafter, TeamCFA agrees that neither it, nor its directors, officers, employees or agents, will defame or disparage NS, nor any of NS' directors, officers, employees, or agents. During the term of this Agreement and for a period of two years thereafter, NS, on behalf of itself and any of its affiliated entities, agrees that neither it, nor its directors, officers, employees or agents, will defame or disparage TeamCFA, or TeamCFA's directors, officers, employees, agents or affiliates, including any TeamCFA-affiliated school.

15.20. Entire Agreement. This Agreement, including any exhibits or schedules referenced herein, contains the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement and all agreements and understandings entered into prior to this Agreement, with respect to the subject matter hereof, are revoked and superseded by this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first written above.

\_\_\_\_\_, a \_\_\_\_\_ nonprofit corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

TEAMCFA FOUNDATION, an Oregon nonprofit corporation

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGMENT OF RECEIPT OF A COPY OF THE AFFILIATION AGREEMENT:

\_\_\_\_\_  
Board President/Chair

\_\_\_\_\_  
Board Vice President/Vice Chair

\_\_\_\_\_  
Board Secretary

\_\_\_\_\_  
Board Treasurer

\_\_\_\_\_  
Board Member

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Board Member

EXHIBIT A  
SUPPORT ASSISTANCE

Pursuant to Section 6.1 of the Affiliate School Agreement (the "Agreement"), dated \_\_\_\_\_ between \_\_\_\_\_ ("NS") and TeamCFA Foundation ("TeamCFA"), TeamCFA agrees to provide support assistance to NS substantially in the following manner:

1. Marketing. This program includes custom school-specific TeamCFA supported website including individual teacher pages, marketing toolkit and promotional materials, the ConnectCFA magazine, logo development, assistance with setting up school e-mails and a print portal to order printed materials.
2. Core Knowledge Foundation Training and Materials. For so long as the Core Knowledge Foundation permits TeamCFA and CFAs such discounts, regular Core Knowledge training at a 10 percent discount and a 15 percent discount on Core Knowledge materials.
3. Loan. Unless this Agreement is terminated before the end of three years from the Effective Date and provided that NS complies with the terms of the Loan set forth in a separate Loan Agreement and/or Promissory Note, TeamCFA will provide a loan to NS in the amount of \$100,000.00 per year for the first three years of the term of this Agreement.
4. National Collaboration. As an integral part of affiliating with TeamCFA, NS will have the right to collaborate with the entire national network of CFAs.
5. Board Training and Recruitment. NS will receive assistance with ongoing board training and board member recruitment as well as the appointment of two TeamCFA representatives to sit on NS' governing board and serve as liaisons between NS and TeamCFA.
6. Board/Staff Gatherings. Periodic sponsored Board Dinners and Staff-Board luncheons for the purpose of furthering the "community" culture of the TeamCFA network.
7. National Conference. Subject to TeamCFA policies and restrictions, NS will receive grant support to attend the TeamCFA National Conference. Subject to State laws and regulations, attendance at the TeamCFA Conference may, but is not guaranteed to, provide Continuing Education Credit.
8. Educational Technology Support. Educational Technology support offers advice, recommendations and help with all aspects of technology such as infrastructure, help with school technology plans, recommendations on hardware and software, integrating technology with Core Knowledge, and Professional Development.
9. Public Relations Support. The public relations program includes assistance in identifying local media markets, press release and announcement support, promotion as a member of the TeamCFA network, both internally and externally, through traditional media outlets as well as social media. Training is provided, upon request, in all aspects of effective public relations.

## EXHIBIT B

### TeamCFA ACADEMIC, BUSINESS AND GOVERNANCE REQUIREMENTS

Pursuant to Section 5.8 of the Affiliate School Agreement (the "Agreement"), dated \_\_\_\_\_ between \_\_\_\_\_ ("NS") and TeamCFA Foundation ("TeamCFA"), NS agrees to perform the following Academic, Business and Governance Requirements.

1. Pursuant to NS' Bylaws or organizational procedures, elect or accept two representatives designated by TeamCFA in TeamCFA's sole discretion, to NS' Board of Directors or Governing Board of the Charter School and, if required, make amendments to NS' Articles of Incorporation or Bylaws to permit such appointment or election;
2. Implement the Core Knowledge Sequence for grades kindergarten through eight and adopt and implement any phonics-based reading instruction for grades kindergarten through two and permit site visitations or other evaluations by the Core Knowledge Foundation or TeamCFA staff to evaluate NS' fidelity to the Core Knowledge Sequence, at a frequency determine by TeamCFA;
3. Change and maintain its name or trade name in accordance with Section 3.1 of the Agreement;
4. Actively maintain and update NS' website in a format prescribed by TeamCFA, in TeamCFA's sole discretion;
5. Adopt a dress code policy which, at a minimum, provides for required student uniforms that include NS's logo;
6. Implement nationally-normed assessments as determined by TeamCFA (at present, the Northwest Evaluation Association's Measures of Academic Progress test in grades kindergarten through eight) at a minimum, during the fall and spring testing periods and provide the test results to TeamCFA upon request;
7. Develop, implement and measure a school-wide model of technology integration that complements the NS' mission and purpose;
8. Implement a coherent, individualized, software-based learning platform for teachers and student to provide customized student instruction and remediation both inside and outside the school that supports NS' academic goals and the Core Knowledge Sequence as determined by TeamCFA (currently CompassLearning Odyssey);
9. Develop a written professional growth program emphasizing implementation of the Core Knowledge Sequence and provide a copy of the plan to TeamCFA;
10. Demonstrate fiscal responsibility by utilizing a recognized, regularly audited accounting system and monitoring all financial transactions;
11. Maintain insurance that adequately covers school and directors;
12. Demonstrate a plan to annually reduce per-student operating costs;
13. Prepare and review financial reports as recommended by TeamCFA, whose current recommendation includes, at a minimum: monthly board review of current and year to date budget to actual reports, monthly finance committee or board review of cash position and voucher/expense reports, quarterly board review of balance sheet, annual board review of statement of cash flows, financial audit and 990;
14. Obtain an annual independent audit and provide a copy of the auditor's report and Form 990 Tax Return to TeamCFA within 30 days of the completion of the report or return;
15. At all times during the term of this Agreement and any extension thereof, maintain a board of directors that has at least five directors (not including the two representatives appointed by TeamCFA), of which a majority of the board of directors are not related parties by family or business relationships;
16. The Board of Directors shall annually conduct a comprehensive evaluation, which shall include a review of NS' academic, business and governance practices, including but not limited to the requirements of this Agreement, of the school director and any other employees that report to the Board of Directors;
17. Maintain an exclusive affiliation with TeamCFA unless TeamCFA and NS otherwise agree in writing;
18. Demonstrate professionalism, collaboration and idea-sharing with TeamCFA and the TeamCFA network of affiliated schools by, at a minimum, providing academic data and test results to TeamCFA upon request; provide usage and progress access to software learning programs on a regular basis (weekly); providing financial data and audit reports to TeamCFA upon request; engage in the annual evaluation required pursuant to Section 5.5 of the Agreement; participate in good faith in TeamCFA events, including the annual conference, board dinners, staff luncheons and community development luncheons, as appropriate; provide ideas and accomplishments to TeamCFA and to other TeamCFA Network Schools on a regular basis; and provide NS' teachers the opportunity to share and collaborate on the TeamCFA website.