

**CHARTER CONTRACT
BETWEEN
ARIZONA STATE UNIVERSITY
AND**

This Charter Contract (this “Charter”) is effective as of _____, 201__ (the “Effective Date”) by and between the Arizona Board of Regents for and on behalf of Arizona State University, a university under the jurisdiction of the Arizona Board of Regents (“ASU”) and _____, a(n) _____ (the “Charter Holder”).

WHEREAS, pursuant to A.R.S. §§ 15-181 and 15-183, ASU is authorized as a university under the jurisdiction of the Arizona Board of Regents to execute this Charter for the purpose of authorizing the establishment of a charter school that provides a learning environment to improve pupil achievement and provides additional academic choices for parents and pupils;

WHEREAS, ASU is a premier university whose commitment to the P-20 Pipeline initiative is furthered by authorizing excellent college preparatory charter schools that exist to minimize students’ time to degree by preparing them for the rigors of being both accepted to and graduating from a four-year university;

WHEREAS, ASU endeavors to maintain an efficient regulatory environment that holds the Charter Holder accountable to the highest expectations for student achievement and operational integrity, while respecting the Charter Holder’s autonomy and freedom to deliver on its core learning philosophy;

WHEREAS, ASU has adopted a performance framework, set forth on Exhibit B and incorporated herein by reference, that establishes the academic and operational performance expectations to which ASU will hold the Charter Holder accountable to (the “Performance Framework”);

WHEREAS, the Charter Holder has submitted a new charter application to ASU and desires to establish and operate a charter school authorized by ASU at the School Site(s) defined in Exhibit A of this Charter (the “School Site(s)”); and

WHEREAS, with the authority of ASU’s President or President’s designee, ASU has reviewed the Charter Holder’s new charter application and, having found the new charter application meets or exceeds ASU’s expectations for a charter school, in its sole discretion, ASU desires to authorize the Charter Holder to operate a charter school at the School Site(s).

NOW THEREFORE, in consideration of the mutual representations, warranties, covenants, and agreements set forth, and other good and valuable consideration, the receipt and adequacy of which are acknowledged and accepted, the parties, intending to be legally bound, agree as follows:

AGREEMENT

1. **Grant.** ASU hereby authorizes the Charter Holder to operate one or more Arizona charter schools pursuant to the terms of this Charter at the School Site(s) (the “Charter School(s)”).

2. **Term.** This Charter is effective as of the Effective Date for a term of fifteen (15) years commencing on July 1, 20____ and lapsing on June 30, 20____ (the “Term”). Pursuant to the waiver in Section 8 below, this Charter may only be renewed pursuant to the terms and conditions of the renewal process adopted by ASU, and as amended from time to time and made available to the Charter Holder in writing

3. **Representations and Warranties of the Parties.**

3.1 **Charter Holder.** The Charter Holder hereby represents, warrants, and covenants the following to ASU:

- (a) The Charter Holder shall be and remain a business entity in good standing with, and authorized to conduct business in the State of Arizona for the Term of this Charter.
- (b) The Charter Holder, or its parent company, has either applied for or received recognition as a tax-exempt entity under Section 501(c)(3) of the 1986 Internal Revenue Code. The Charter Holder, or its parent company, shall maintain tax-exempt status under Section 501(c)(3) of the 1986 Internal Revenue Code for the duration of the Term.
- (c) The performance of this Charter by the Charter Holder and the execution and delivery of this Charter by the undersigned (“Charter Representative”) has been duly authorized by the Charter Holder in accordance with all necessary laws, resolutions, or corporate action, and this Charter constitutes the valid and enforceable obligations of the Charter Holder in accordance with its terms.
- (d) The Charter Holder shall provide ASU representatives with timely access to any School Site and shall cooperate with ASU during any review, inspection, or audit of each Charter School and the Charter Holder’s activities, including financial, program, academic, and compliance.
- (e) The Charter Holder agrees that the Performance Framework, as amended from time to time by ASU, sets reasonable and appropriate expectations for the Charter Holder’s academic, operational, and financial performance and further agrees that the manner, methods, evidence, and calculations ASU uses to measure

the Charter Holder's academic, operational, and financial performance are sound and appropriate.

- (f) The Charter Holder shall comply with all federal, state, and local laws, regulations, and rules applicable to its obligations under this Charter and the operation of each Charter School.

3.2 ASU. ASU hereby represents, warrants, and covenants the following to the Charter Holder:

- (a) ASU shall meet its administrative and oversight responsibilities with respect to the Charter School(s) incumbent upon it as an authorizer of charter schools in the State of Arizona.
- (b) ASU shall maintain and provide public access to materials and processes relating to this Charter in the form and manner required by law.

4. Charter Holder's Operation of the Charter School.

4.1 Comprehensive Program of Instruction. With respect to its operation of the Charter School(s), the Charter Holder shall provide a comprehensive program of instruction pursuant to A.R.S. §15-183 and with an emphasis, if any, on the specific learning philosophy, style, or subject area (the "Core Education Model") as set forth in **Exhibit A** attached hereto.

4.2 School Profile. The Charter Holder shall provide educational services, including the delivery of instruction, to students of the Charter School(s) in accordance with the Mission, Core Education Model, School Site, Grade Level, and Enrollment Caps as set forth in **Exhibit A** attached hereto.

4.3 Governing Body. The Charter Holder shall maintain a charter school governing body responsible for making school policy decisions with respect to the Charter School(s) pursuant to A.R.S. §15-183 (the "Governing Body"). The Charter Holder shall cause its Governing Body to comply with both Arizona's Open Meeting Law and the following:

- (a) Number. The Charter Holder shall ensure the Governing Body is composed of at least three (3) qualified members who satisfy the requirements of all applicable laws, rules, and regulations; and
- (b) Qualifications. The Charter Holder may only appoint individuals to the Governing Body who meet the qualification requirements adopted by ASU.

4.4 Nonsectarian. Pursuant to A.R.S. §15-183, the Charter Holder shall be nonsectarian in all of its operations, including its charter school programs, admission policies, and employment practices.

4.5 Special Education and English Language Learners. The Charter Holder shall comply with all federal and State laws relating to the education of children with disabilities and children identified as English language learners in the same manner as a school district. As used herein, the term “school district” shall have the meaning given in A.R.S. §15-101.

4.6 Measurement of Student Achievement. Pursuant to A.R.S. §15-183, the Charter Holder shall design, adopt, and implement one or more methods to measure Charter School student progress toward the pupil outcomes adopted by the Arizona State Board of Education. The method or methods designed under this Section 4.6 shall include participation in AzMERIT or whatever nationally standardized norm-referenced achievement test as may be designated by the Arizona State Board of Education, as well as the completion and distribution of an annual report card as prescribed in Title 15, Chapter 7, Article 3 of the Arizona Revised Statutes.

4.7 Health, Safety, Civil Rights, and Insurance. Pursuant to A.R.S. §15-183, the Charter Holder shall at all times comply with all federal, State, and local rules, regulations, and statutes relating to health, safety, civil rights, and insurance.

4.8 Instructional Days and Hours. The Charter Holder shall offer at least 180 instructional days before June 30th of each fiscal year at each Charter School. Pursuant to Section 6 of this Charter, the Charter Holder shall receive ASU’s prior written approval to offer an alternative calendar pursuant to A.R.S. §15-183. The Charter Holder shall meet Arizona’s instructional hour requirements for each of the grades served at each Charter School.

4.9 Financial and Data Submission Requirements. Pursuant to A.R.S. §15-183, the Charter Holder is subject to the same financial and electronic data submission requirements as a school district. ASU only exempts the Charter Holder from the Uniform System of Financial Records (“USFRCS”) and Arizona’s procurement rules. The Charter Holder shall:

- (a) Follow Generally Accepted Accounting Principles (“GAAP”);
- (b) Use an accounting system that provides for the proper recording and reporting of financial data;
- (c) Follow standard internal control procedures; and
- (d) Contract for at least an annual financial statement audit that
 - (i) is conducted by an independent certified public accountant;
 - (ii) is conducted in accordance with generally accepted governmental auditing standards; and
 - (iii) complies with policies adopted by the Arizona Board of Regents and ASU.

4.10 Records. The Charter Holder shall retain all records relating to this Charter to the extent required by the Arizona State Library, Archives and Public Records Retention Schedules. The Charter Holder shall make those records available at all reasonable times for inspection and audit by ASU or the Auditor General of the State of Arizona during the term of this Charter and for a period of five years after the completion of this Charter. The records will be provided at Arizona State University, Tempe, Arizona, or another location designated by ASU on reasonable notice to Charter Holder.

4.11 School District Statutes and Rules. Unless otherwise required by Arizona law or this Charter, the Charter Holder is exempt from Arizona statutes and rules applicable only to schools, governing boards and school districts.

4.12 Insurance. Throughout the Term of this Charter, the Charter Holder shall maintain insurance in accordance with the laws of the State of Arizona and the Insurance Requirements set forth on Exhibit C hereto.

4.13 Non-Discrimination. The Charter Holder shall comply with State Executive Order No. 99-4, mandating all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities and all other applicable federal and state laws, rules, regulations and executive orders governing equal employment opportunity, immigration, and nondiscrimination, including the American with Disabilities Act and the Individuals with Disabilities Education Act. **If applicable, the parties will abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.**

4.14 Fingerprint Clearance Cards. The Charter Holder shall comply with Arizona laws requiring fingerprint clearance cards and background checks for agents of the Charter Holder, including Governing Body members, staff, and independent contractors.

5. Evaluation of Charter Holder Performance

5.1 Five Year Interval Review. Unless otherwise required by Arizona law, ASU shall use the Performance Framework to conduct a review of the Charter Holder's performance at least every five (5) years. The Charter Holder shall fully cooperate with ASU during any review, including providing supplemental evidence as requested by ASU.

5.2 Improvement Plan. As provided in Section 6.2 below or if at any time ASU determines the Charter Holder is not meeting the academic and/or operational performance expectations set forth in the Performance Framework, ASU may, but is not

required to place the Charter Holder on a plan that sets forth the expectations, strategies, and deadlines ASU deems appropriate for the Charter Holder to become compliant with the terms of the Performance Framework (the “Improvement Plan”). The Charter Holder understands and agrees that its failure to satisfy any terms of an Improvement Plan is sufficient grounds for ASU’s termination of this Charter, in ASU’s sole discretion.

6. Authorized Changes, Amendments, and Assignment.

6.1 Authorized Changes. In the manner required by ASU, the Charter Holder shall seek prior written authorization from ASU whenever the Charter Holder seeks to make any of the changes listed in this Section. Any such authorization will be in ASU’s sole discretion and will be subject to ASU’s request for any and all background documentation supporting the Charter Holder’s request. The change requested by the Charter Holder will be effective upon written approval of ASU’s President.

- (a) Changing the name of the Charter Holder’s business entity;
- (b) Adding or removing a Governing Body member;
- (c) Adding or removing a director, member, or manager of the Charter Holder’s business entity;
- (d) Adding, removing, or replacing the Charter Representative;
- (e) Changing a Charter School’s name;
- (f) Changing a Charter School’s phone number, fax number, or mailing address; or
- (g) Changing the methods used to measure student outcomes as required by Section 4.6 of this Charter.

Charter Holder represents and warrants any notification submitted to ASU under this Section 6.1 is not effectively a change considered under either Section 6.2 or 6.3 below.

6.2 Amendments. Any change to this Charter, except those explicitly defined in Sections 6.1 or 6.3, is an amendment to this Charter and only effective upon ASU’s prior written approval. The Charter Holder shall request ASU’s prior written approval under this Section in the manner prescribed by ASU. ASU shall list the evidence required and form prescribed for it to consider and approve an amendment. Changes requiring an amendment request under this Section 6.2, include but are not limited to:

- (a) Changing the Charter Holder’s Core Education Model or Mission, except this Charter may not be amended to reflect a Mission that does not commit the Charter Holder to preparing Charter School students for acceptance to and graduation from a four-year university;

- (b) A merger, acquisition, asset purchase, dissolution, or other change to the corporate form or identity of the Charter Holder or any change of control of the Charter Holder;
- (c) Changing any School Site's physical address;
- (d) Changing the number of instructional days or calendar type offered by the Charter Holder;
- (e) Changing the Charter Holder's enrollment capacity;
- (f) Changing the grade levels served by the Charter Holder;
- (g) Changing the USFRCS exception; or
- (h) Changing the procurement laws exception.

ASU may assign the Charter Holder an Improvement Plan if ASU determines the Charter Holder's academic and/or operational performance declines subsequent to an amendment approved under this Section 6.2.

6.3 Assignment and Waiver. Neither party may transfer, assign, or delegate any rights, duties, or interest in this Charter without the prior written consent of the other party. The failure of either party to act on a breach of this Charter by the other shall not be deemed a waiver of such breach or a waiver of future breaches, unless such waiver shall be in writing and signed by the party against whom enforcement is sought.

7. **Administrative Fee.** The Charter Holder shall pay ASU an administrative fee representing the full value of ASU's technical, administrative, and other supports and services provided to the Charter Holder. ASU shall annually invoice the Charter Holder, but this fee may not exceed one and one-half percent (1.5%) of the Charter Holder's operating budget in years one (1), five (5), and fifteen (15), and may not exceed one-half percent (.5%) during all other years.

8. **Waiver by Charter Holder.** The Charter Holder expressly waives any and all rights, remedies, and procedural protections provided by any statute, code, rule, or regulation now or hereafter in effect, including A.R.S. §15-183(I), that relates to any renewal, non-renewal, revocation, or other decision resulting in the termination or discontinuance of this Charter. In lieu of the above, the Charter Holder agrees to be bound by the terms and conditions of this Charter, the Performance Framework, the revocation process, and the renewal process adopted by ASU, as amended from time to time and made available to the Charter Holder in writing.

9. **Termination; Surrender.**

9.1 By ASU. ASU may terminate this Charter for-cause, as determined solely by ASU, at any time pursuant to the terms and conditions of the revocation process

adopted by ASU, and as amended from time to time and made available to the Charter Holder in writing. Cause under this Section 9.1 shall mean any of the following:

- (a) Any breach of this Charter Contract;
- (b) Any violation of applicable State, Federal, or local law; or
- (c) Failure to meet any academic or operational performance expectation as measured by the Performance Framework.

9.2 By Charter Holder. The Charter Holder may voluntarily terminate this Charter upon ninety (90) days written notice to ASU. The Charter Holder agrees to comply with the requirements of ASU's school closure policy, as amended from time to time and made available to the Charter Holder in writing, upon any termination or discontinuance of this Charter as well as any closure of a School Site.

10. Indemnification and Acknowledgements. The Charter Holder shall defend, indemnify, and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities, and its and their officials, agents and employees (collectively, "Indemnitee") for, from and against any and all claims, liabilities, demands, suits, actions, proceedings, losses, costs, and damages of every kind and description (including court costs, attorneys' fees, and costs of claim processing, investigation, and litigation), for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property to the extent caused, or alleged to be caused, by (i) the negligence, acts or omissions of Charter Holder or any of its owners, officers, directors, members, managers, agents, employees or subcontractors; (ii) a breach of this Charter; or (iii) failure to comply with any applicable law. The provisions or limits of insurance required under this Charter shall not limit the liability of the Charter Holder.

10.1 Under no circumstances will ASU, the Arizona Board of Regents, the State of Arizona, or any of its agencies, boards, commissions, or divisions be liable for the debts or obligations of the Charter Holder or persons or entities who operate any Charter School.

10.2 The parties acknowledge that, pursuant to Arizona law, ASU and the Arizona Board of Regents, and their respective members, officers, and employees are immune from personal liability for all acts done and actions taken in good faith within the scope of their authority.

10.3 Survival. Sections 2, 6.3, 8, 9.1, 9.2, 9.4, 9.5 and 9.7 shall survive the termination of this Charter.

11. Miscellaneous

11.1 Non-Availability of Funds. In accordance with A.R.S. §35-154, if ASU's performance under this Charter depends on the appropriation of funds by the Arizona Legislature, and if the Legislature fails to appropriate the funds necessary for performance, then ASU may provide written notice of this to Charter Holder and cancel

this Charter without further obligation of ASU. In no event is ASU liable for any damages, future payments, or any other remedy if ASU terminates the Charter under this Section 11.1.

11.2 Waiver of Rights. The Charter Holder and its insurers waive all rights of recovery against ASU, its agents, assigns, employees, directors, and officers.

11.3 Notice. All notices or other communications permitted or required under this Charter shall be in writing and personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or if by facsimile transmission, so long as the sender has received back written acknowledgement of receipt or other written verification that the recipient received its facsimile transmission, addressed as follows:

If to Charter Holder:

If to ASU:

James Rund
State University
P.O. Box 876705
Tempe, AZ 85287-6405

11.4 Severability. All rights and restrictions contained herein may be exercised and shall be applicable and binding only to the extent they do not violate any applicable laws and are intended to the extent necessary to render this Charter legal, valid, and enforceable. If any provision of this Charter shall for any reason be found invalid, illegal, unenforceable, or in conflict with any valid controlling law: (a) such provision will be separated from this Charter; (b) such invalidity, illegality, unenforceability, or conflict will not affect any other provision hereof; and (c) this Charter will be interpreted and construed as if such provision, to the extent the same shall have been held invalid, illegal, unenforceable, or in conflict, had never been contained herein.

11.5 Successors and Assigns; No Third Party Beneficiaries. This Charter is binding upon and inures to the benefit of the parties to this Charter and their respective successors and permitted assigns. The parties may only assign or transfer this Charter pursuant to Section 6.3 of this Charter. Nothing in this Charter, express or implied, is intended or will be construed to confer upon any person or entity, other than the parties and their respective successors and assigns permitted by this Charter, any right, remedy or claim under or by reason of this Charter.

11.6 Governing Law and Venue. This Charter shall be governed and construed in all respects in accordance with the substantive laws of the State of Arizona. ASU's obligations hereunder are subject to the regulations/policies of the Arizona Board of Regents. Any proceeding arising out of or relating to this Charter will be conducted in Maricopa County, Arizona. Each party waives any objection it may now or hereafter have to venue or to convenience of forum.

11.7 Entire Agreement. This Charter constitutes the entire agreement of the parties hereto and supersedes all prior representations, proposals, discussions, and

communications, whether oral or in writing with respect to the subject matter of this Charter.

11.8 Captions. The captions appearing in this Charter are inserted only as a matter of convenience and as a reference and in no way define, limit, or describe the scope or intent of this Charter or any of the provisions hereof.

11.9 Conflict of Interest. If within three (3) years after the execution of this Charter, Charter Holder hires as an employee or agent any ASU representative who was significantly involved in negotiating, securing, drafting, or creating this Charter, then ASU may cancel this Charter as provided in A.R.S. § 38-511. Notice is also given of A.R.S. §§ 41-2517 and 41-753.

11.10 Arbitration in Superior Court. As required by A.R.S. § 12-1518, the parties agree to make use of arbitration in disputes that are subject to mandatory arbitration pursuant to A.R.S. § 12-133.

11.11 Weapons, Explosive Devices and Fireworks; Tobacco. ASU prohibits the use, possession, display or storage of any weapon, explosive device or fireworks on all land and buildings owned, leased, or under the control of ASU or its affiliated or related entities, in all ASU residential facilities (whether managed by ASU or another entity), in all ASU vehicles, and at all ASU or ASU affiliate sponsored events and activities, except as provided in A.R.S. § 12-781, or unless written permission is given by the Chief of the ASU Police Department or a designated representative. Notification by Charter Holder to all persons or entities who are employees, officers, subcontractors, consultants, agents, guests, invitees or licensees of Charter Holder (“Notification Parties”) of this policy is a condition and requirement of this Charter. Charter Holder further agrees to enforce this contractual requirement against all Notification Parties. ASU’s policy may be accessed through the following web page: <http://www.asu.edu/aad/manuals/pdp/pdp201-05.html>. ASU is tobacco-free. For details visit www.asu.edu/tobaccofree.

11.12 ASU Names and Marks. Charter Holder will not use any names, service marks, trademarks, trade names, logos, or other identifying names, domain names, or identifying marks of ASU (“ASU Marks”), without in each case, the prior written consent of ASU. Charter Holder’s use of any ASU Marks must comply with ASU’s requirements including using the ® indication of a registered trademark where applicable.

11.13 Student Educational Records. Student educational records are protected by the federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g (“FERPA”). Charter Holder will comply with FERPA and will not access or make any disclosures of student educational records to third parties without prior notice to and consent from ASU or as otherwise provided by law.

11.14 Authorized Presence Requirements. As required by A.R.S. § 41-4401, ASU is prohibited from awarding a contract to any contractor or subcontractor that fails to comply with A.R.S. § 23-214(A) (verification of employee eligibility through the e-verify program). Charter Holder warrants that it and its subcontractors comply fully with

all applicable federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. § 23-214(A). A breach of this warranty will be a material breach of this Charter that is subject to penalties up to and including termination of this Charter. ASU retains the legal right to inspect the papers of any contractor or subcontractor employee who works hereunder to ensure that the contractor or subcontractor is complying with the above warranty.

11.15 Independent Contractor. Each party is an independent contractor and is independent of the other party. Under no circumstances will any employees of one party be deemed the employees of the other party for any purpose. This Charter does not create a partnership, joint venture or agency relationship between the parties of any kind or nature. Neither party will have any right, power, or authority under this Charter to act as a legal representative of the other party, and neither party will have any power to obligate or bind the other or to make any representations, express or implied, on behalf of or in the name of the other in any manner or for any purpose whatsoever contrary to the provisions of this Charter

11.16 Recitals and Exhibits. All recitals herein, and all exhibits attached hereto and referred to herein, are integral and material parts of this Charter.

11.17 Counterparts. This Charter may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument, and photocopy, facsimile, electronic and other copies will have the same effect for all purposes as an ink-signed original.

IN WITNESS WHEREOF, the parties have caused this Charter to be executed by their duly authorized representatives, as of the Effective Date.

ARIZONA STATE UNIVERSITY,
a university under the jurisdiction of
the Arizona Board of Regents

By: _____
Name: _____
Title: President or President's
Designee

[Name of Charter Holder], a(n)

By: _____
Name: _____
Title: _____

EXHIBIT A
CHARTER HOLDER'S
AUTHORIZED
SCHOOL PROFILE

Mission	<i>To prepare all students for success to and through graduation from a four-year university.</i>		
Enrollment Cap	<i>1,000 Students</i>		
School Site	Grades Authorized	Grade Level Enrollment Caps	Core Education Model
<i>School Site 1</i> <i>Address</i>	<i>6th Grade</i>	<i>100</i>	<i>Blended Learning, STEM, Direct Instruction, etc.</i>
	<i>7th Grade</i>	<i>100</i>	<i>Blended Learning, STEM, Direct Instruction, etc.</i>
	<i>8th Grade</i>	<i>100</i>	<i>Blended Learning, STEM, Direct Instruction, etc.</i>
<i>School Site 2</i> <i>Address</i>	<i>9th Grade</i>	<i>150</i>	<i>Blended Learning, STEM, Direct Instruction, etc.</i>
	<i>10th Grade</i>	<i>150</i>	<i>Blended Learning, STEM, Direct Instruction, etc.</i>
	<i>11th Grade</i>	<i>150</i>	<i>Blended Learning, STEM, Direct Instruction, etc.</i>
	<i>12th Grade</i>	<i>150</i>	<i>Blended Learning, STEM, Direct Instruction, etc.</i>

EXHIBIT B

PERFORMANCE FRAMEWORK

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting any liabilities or any other obligation of Charter Holder, Charter Holder will purchase and maintain (and cause its subcontractors to purchase and maintain), until all of their obligations have been discharged, including any warranty periods under this Charter, or are satisfied, insurance against claims for injury to persons or damage to property that may arise from or in connection with the performance of the work hereunder by Charter Holder, its agents, representatives, employees or subcontractors.

These insurance requirements are minimum requirements for this Charter and in no way limit any indemnity covenants in this Charter. ASU does not warrant that these minimum limits are sufficient to protect Charter Holder from liabilities that might arise out of the performance of the work under this Charter by Charter Holder, its agents, representatives, employees, or subcontractors.

A. Minimum Scope and Limits of Insurance: Charter Holder will provide coverage with limits of liability not less than those stated below:

1. Commercial General Liability – Occurrence Form. Policy will include bodily injury, property damage, personal injury, and broad form contractual liability and child molestation liability coverage.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Blanket Contractual Liability – Written and Oral	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Each Occurrence	\$1,000,000
• Child molestation liability associated limit	\$1,000,000

a. The policy will be endorsed to include the following additional insured language: “The State of Arizona, its departments, agencies, boards, commissions, universities, and its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of Charter Holder.”

b. The policy will contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities, and its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of Charter Holder.

2. Automobile Liability. Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Charter.

• Combined Single Limit (CSL)	\$1,000,000
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- a. The policy will be endorsed to include the following additional insured language: “The State of Arizona, its departments, agencies, boards, commissions, universities, and its officers, officials, agents, and employees, will be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of Charter Holder, involving vehicles owned, leased, hired, or borrowed by Charter Holder.”
- b. Policy will contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities, and its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of Charter Holder.
- c. Policy will contain a severability of interest provision.

3. Worker’s Compensation and Employers’ Liability. Statutory limits, as amended from time to time, and in each case no less than the amounts specified below:

Workers Compensation	Statutory
Employers Liability	
• Each Accident	\$1,000,000
• Disease – Each Employee	\$1,000,000
• Disease – Policy Limit	\$1,000,000

- a. The policy will contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities, and its officers, officials, agents, and employees, for losses arising from work performed by or on behalf of Charter Holder.
- b. This requirement will not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor signs the appropriate waiver (Sole Proprietor/ Independent Contractor) form.

4. Professional Liability (Errors and Omissions Liability).

• Each Claim	\$1,000,000
• Annual Aggregate	\$2,000,000

- a. If the professional liability insurance required by this Charter is written on a claims-made basis, Charter Holder warrants that any retroactive date under the policy will precede the effective date of this Charter; and that either continuous coverage will be maintained or an extended discovery period will be exercised for 2 years beginning at the time work under this Charter is completed.
- b. The policy will cover professional misconduct or lack of ordinary skill for those positions defined in the scope of work of this Charter.

B. Additional Insurance Requirements: All policies will include, or be endorsed to include, the following provisions (blanket endorsements are not acceptable):

- 1. The State of Arizona, its departments, agencies, boards, commissions,

universities, and its officers, officials, agents, and employees, wherever additional insured status is required such additional insured will be covered to the full limits of liability purchased by Charter Holder, even if those limits of liability are in excess of those required by this Charter.

2. Charter Holder's insurance coverage will be primary insurance with respect to all other available sources.
3. Coverage provided by Charter Holder will not be limited to the liability assumed under the indemnification provisions of this Charter.

C. Notice of Cancellation: With the exception of 10 day prior written notice of cancellation for non-payment of premium, any changes material to compliance with this Charter in the insurance policies above will require 30 days prior written notice sent directly to Director of Risk Management, Arizona State University, PO Box 876512, Tempe, AZ, 85287-6512 and will be sent by United States certified mail, return receipt requested.

D. Acceptability of Insurers: Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above required minimum insurer rating is sufficient to protect Charter Holder from potential insurer insolvency.

E. Verification of Coverage: Charter Holder will furnish ASU with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Charter. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by ASU before work commences. Each insurance policy required by this Charter must be in effect at or prior to commencement of work under this Charter and remain in effect for the duration of this Charter. Failure to maintain the insurance policies as required by this Charter, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Charter must be sent directly to Director of Risk Management, Arizona State University, PO Box 876512, Tempe, AZ, 85287-6512. ASU's project or purchase order number and project description will be noted on each certificate of insurance. The State of Arizona and/or ASU reserve the right to require complete, certified copies of all insurance policies required by this Charter at any time.

F. Subcontractors: Charter Holder's certificate(s) will include all subcontractors as insureds under its policies or Charter Holder will furnish to ASU separate certificates and endorsements for each subcontractor. All coverages for subcontractors will be subject to the minimum requirements identified above.

G. Approval. These insurance requirements are the standard insurance requirements of ASU. Any modification or variation from the insurance requirements in this Charter will require the approval of the Arizona Department of Administration Risk Management Section.