

**TRANSFER CHARTER CONTRACT
BETWEEN
ARIZONA STATE UNIVERSITY
AND**

This Charter Contract (this “Charter”) is effective as of _____, 201__ (the “Effective Date”) by and between 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 continued operation of an established 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, incorporated herein by reference, that establishes the academic and operational performance expectations ASU will hold the Charter Holder accountable to (the “Performance Frameworks”);

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

WHEREAS, with the authority of ASU’s President or President’s designee, ASU has reviewed the Charter Holder’s transfer charter application and, having found a demonstrated track record of success, in its sole discretion desires to authorize the Charter Holder to operate a charter school at the School Site(s) defined in Exhibit A of this Charter.

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.

2. **Term.** This Charter is effective from the Effective Date and for the remainder of the fifteen (15) year term of the Charter Holder's charter contract with the former charter authorizer, which in this case results in this Charter lapsing on June 30, 2____ (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 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.
- (c) The execution and performance 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 Charter Holder school site and shall cooperate with ASU during any review, inspection, or audit of the Charter Holder's activities, including financial, program, academic, and compliance.
- (e) The Charter Holder agrees the Performance Frameworks, as amended from time to time by ASU, set reasonable and appropriate expectations for its academic, operational, and financial performance and further agrees 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 applicable federal, state, and local laws, regulations, and rules.

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

- (a) ASU shall meet its administrative and oversight responsibilities 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.
- (c) ASU shall comply with all laws and regulations relating to the consideration of this Charter's early-renewal, renewal, and revocation, except those waived by Section 8 below.

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

4.1 Comprehensive Program of Instruction. 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 pursuant to 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 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; 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. 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.

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 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 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. 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. 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.

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 maintain records in accordance with applicable Arizona State Library, Archives and Public Records Retention Schedules. The Charter Holder agrees to make such records available for inspection by ASU upon request.

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

4.12 Insurance. The Charter Holder shall maintain insurance in accordance with the laws of the State of Arizona. Upon ASU's request, the Charter Holder shall timely provide ASU with copies of any or all of its insurance policies and/or endorsements.

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, and regulations, including the American with Disabilities Act and the Individuals with Disabilities Education Act. The Charter Holder shall take affirmative action to ensure that applicants for employment, employees, and persons to whom it provides services are not discriminated against due to race, creed, color, religion, sex, national origin, 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 in any event 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. Notification, Amendments, and Assignment.

6.1 Notifications. In the manner required by ASU, the Charter Holder shall provide written notification to ASU whenever the Charter Holder makes one of the changes listed in this Section 6.1. ASU shall list the evidence required and form prescribed for any written notification considered and approved in this Section 6.1. The change considered in the notification is effective upon ASU's approval of the notification request as evidenced by the President's, or his or her designee's, countersignature.

- (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 School Site's name;
- (f) Changing a School Site's phone number, fax number, or mailing address; or
- (g) Changing the methods used to measure student outcomes considered 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 Contract may not be amended to reflect a Mission that does not commit the Charter Holder to preparing 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;
- (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 declined subsequent to an amendment approved under this Section 6.2.

6.3 Assignment, Modification, and Waiver. Neither party may transfer nor assign any rights, duties, or interest in this Charter unless authorized by law and with 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; Non-Renewal; 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 Arizona Board of Regents, ASU, the State of Arizona, its officers, directors, agents and employees from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including but not limited to attorney's fees and/or litigation expenses which may be brought or made against or incurred by the Arizona Board of Regents, ASU, or the State of Arizona on account of any action of the Charter Holder, its employees, agents or assigns. The provisions or limits of insurance required under this contract shall not limit the liability of the Charter Holder.

10.1 The parties acknowledge that ASU, the Arizona Board of Regents, the State of Arizona, and its agencies, boards, commissions, or divisions are not 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, the Arizona Board of Regents, and its members, officers, and employees are immune from personal liability for all acts done and actions taken in good faith within the scope of its 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. ASU's obligations under this Charter are conditioned upon the availability of funding from the State of Arizona to the Charter Holder. If funds are not allocated or otherwise available for the continuance of this Charter, ASU may terminate this Charter at the end of the period for which funds are available. 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 term of this Charter is not essential to the commercial purpose or this Charter is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, it is the intention of the parties that the remaining terms hereof constitute their agreement with respect to its subject matter and all such remaining terms remain in full force and effect. To the extent legally permissible, any illegal, invalid, or unenforceable provision of this Charter shall be replaced by a valid provision implementing the commercial purpose of the illegal, invalid, or unenforceable provision.

11.5 Successors and Assigns. 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.

11.6 Governing Law. This Charter shall be governed and construed in all respects in accordance with the substantive laws of the State of Arizona.

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 Services.

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.

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 TEMPLATE

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>