

APPENDIX A

AMENDMENT REQUEST AND SUPPORT MATERIALS

1. CHARTER HOLDER STATUS AMENDMENT REQUEST FORM
2. AMENDMENT REQUEST DOCUMENTS



Arizona State Board for Charter Schools



- [Dashboard](#)
- [Alerts](#)
- [Bulletin Board](#)
- [Charter Holder](#)
- [DMS](#)
- [Email](#)
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Charter Holder Status Amendment Request

Charterholder Info

Charter Holder

Name:
Benjamin Franklin Charter School, LTD.

CTDS:
07-87-54-000

Mailing Address:
Benjamin Franklin Charter School
690 E Warner Rd, Ste 141
Gilbert, AZ 85296
[View detailed info](#)

Representative

Name:
Eddie Farnsworth

Phone Number:
480-497-8822

Fax Number:
480-497-0444

Downloads

[Download all files](#)

Status Type

Type of status change

- Change in legal status of the Charter Holder
- Other (please use supporting materials)

- Eddie Farnsworth

New Officers, Directors, Members, or Partners

Christopher Eltiste
Email: cseltiste@gmail.com
SSN: [REDACTED]
DOB: [REDACTED]
Files:
[Fingerprint Clearance Card](#)
[Affidavit](#)
[Resume](#)

James Candland
Email: Unknown@fake.com
[REDACTED]
Files:
[Fingerprint Clearance Card](#)
[Affidavit](#)
[Resume](#)

Kevin O'Malley
Email: Unknown@fake.com
[REDACTED]
Files:
[Fingerprint Clearance Card](#)

-  [Fingerprint Clearance Card](#)
-  [Affidavit](#)
-  [Resume](#)

Remove Officers, Directors, Members, or Partners

- [Eddie Farnsworth](#)

Description of Changes

Change From:

Ben Franklin Charter School, a for-profit entity

Change To:

Ben Franklin Charter School - Queen Creek, a non-profit entity

Will the charter contract be held by the entity of the receiving charter holder?*

Yes, the entity of the receiving charter holder will hold the charter contract.

Attachments

Board Minutes

 [Download File](#) – Board Consents

Narrative –  [Download File](#)

Copy of amendment to Articles of Incorporation filed with the Arizona Corporation Commission –  [Download File](#)

Provide information regarding any payment, benefit or consideration received or to be received by any party in the transition –  [Download File](#)

Additional Supporting Materials –  [Download File](#)

Additional Information*

No documents were uploaded.

Signature

Charter Representative Signature

Eddie Farnsworth 09/05/2018



Benjamin Franklin Charter School

Statement regarding transfer

Benjamin Franklin Charter School (“BFCS”) was one of Arizona’s first charter schools. BFCS applied for and was granted its charter by the State Board for Charter Schools on June 12, 1995 for the Mesa campus. The Crismon campus received its original charter from the Ganado Unified School District on May 13, 1996. A year later, BFCS added the Gilbert campus and consolidated its three campuses under the original charter, making the Arizona State Board for Charter Schools its sponsor for all sites. In the fall of 2006, BFCS added a fourth campus to the Franklin family with the opening of its Power campus. In the fall of 2013, BFCS opened its first high school, combining it with the existing junior high, to create a 7-12 college preparatory secondary school.

The philosophy, curriculum, and strong parental involvement that define the BFCS are based on many years of experience with similar programs that resulted from the “Back-to-Basics” movement during the 1970s. In the same spirit of parental involvement that gave birth to those earlier programs, BFCS is the result of parents getting involved in their children’s education to form parent operated and governed schools.

Since its founding, BFCS has experienced significant growth and sustained success. To date, BFCS has been operated as a for-profit entity. Now it seeks to transfer its charter and assets to a newly formed, nonprofit entity. By so doing, BFCS will ensure that it can continue its commitment to excellence and the quality education that it provides to students. Transitioning to a nonprofit corporation will also allow BFCS to access grants and other sources of funding to enrich its students’ educational experience in ways that are not currently possible.

The current entity is owned solely by Edwin Farnsworth. The new nonprofit corporation will be governed by a three-person board that currently does not include Mr. Farnsworth. This new governance model is consistent with the intent of the transfer, which is to focus on the school and larger communities. For day-to-day operations, the new nonprofit will operate much like the current entity, as described on the contemporaneously submitted organizational chart.

BFCS has a remarkable group of teachers, administrators, and staff who make the program possible. Together, with our parents and students, we are excited about the new opportunities that change in ownership will bring. We look forward to extending our legacy of excellence in Arizona.

ARTICLES OF INCORPORATION
OF
BENJAMIN FRANKLIN CHARTER SCHOOL – QUEEN CREEK

The undersigned incorporator, desiring to form a nonprofit corporation under laws of the State of Arizona, hereby adopts the following Articles of Incorporation.

I.

Name and Place of Business

The name of the corporation shall be Benjamin Franklin Charter School – Queen Creek (referred to herein as the “Corporation”). The initial place of business and address for the Corporation will be 690 E. Warner Road, Suite 141, Gilbert, Arizona 85296.

II.

Purpose and Activities

This Corporation is a nonprofit organization organized and operated exclusively for charitable, educational, literary, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), or corresponding provision of any future federal tax laws. Within the meaning of Section 501(c)(3), the Corporation will operate a group of public charter schools that provide is a well-rounded education with proven superior academics, exceptional programs, time-honored values, and a high level of parental participation. Except as otherwise provided in these Articles, the Corporation also may transact any and all lawful business for which nonprofit corporations may be organized under the laws of Arizona, as amended from time to time.

III.

Limitation on Activities

(a) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. No substantial part of the Corporation's activities shall be the carrying on of propaganda or otherwise attempting to influence legislation. The Corporation shall not participate in or intervene in (including the publishing or distribution of statements with respect to) any political campaign on behalf of or in opposition to any candidate for public office.

(b) It is intended that this Corporation shall have the status of a corporation which is exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3). These Articles shall be construed accordingly, and all powers and activities of the Corporation shall be limited accordingly.

(c) Notwithstanding any other provision of these Articles, the Corporation shall not carry on any activities not permitted to be carried on by a corporation: (1) exempt from income tax under Section 501(c)(3) of the Code or corresponding provision of any future federal tax laws; (2) contributions to which are deductible for income tax purposes under Section 170(c)(2) of the Code or corresponding provision of any future federal tax laws; (3) bequests, legacies, devises, and transfers to which are deductible for estate tax purposes under Section 2055(a)(2) of the Code or corresponding provision of any future federal tax laws; or (4) gifts to which are deductible for gift tax purposes under Section 2522(a)(2) of the Code or corresponding provision of any future federal tax laws.

(d) During any period that the Corporation is a private foundation as that term is defined in Section 509 of the Code, the Corporation's powers will be restricted specifically as follows: (i) the Corporation will distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (ii) the Corporation will not engage in any act of self-dealing as defined in Section 4942(d) of the Code; (iii) the Corporation will not retain any excess business holdings as defined in Section 4943(c) of the Code; (iv) the Corporation will not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (v) the Corporation will not make any taxable expenditures as defined in Section 4945(d) of the Code. Notwithstanding the restrictions imposed by this subparagraph, if the Code is amended to remove the requirement, that any or all of such restrictions be complied with by private foundations, then those of the foregoing restrictions which no longer apply will be deemed deleted and will have no further force or effect.

IV. Board of Directors

The initial Board of Directors shall consist of three (3) directors. The number of directors and their manner of election will be governed by the Bylaws. The following persons who are to serve as the initial directors until the first election of directors or until their successors are elected and qualify are:

<u>Name</u>	<u>Address</u>
James Candland	305 N. 159th St. Gilbert, Arizona 85234
Kevin O'Malley	6116 N. 38 th Place Paradise Valley, Arizona 85253
Chris Eltiste	690 E. Warner Road, Suite 141 Gilbert, Arizona 85296

V.
Members

The Corporation shall have no members.

VI.
Limitation of Liability

The personal liability of a director of the Corporation, or of a person who serves on a board or council of the Corporation in an advisory capacity to the Corporation for money damages for any action taken or any failure to take action as a director is hereby eliminated to the fullest extent permitted by Arizona law as it now exists or hereafter may be amended. Any repeal or modification of this provision shall be prospective only, and shall not affect adversely any limitation on the personal liability of such person with respect to any act or omission occurring prior to the time of such repeal or modification.

VII.
Indemnification

To the fullest extent permitted by Arizona law as it now exists or hereafter may be amended, the Corporation shall indemnify every director, officer or agent of the Corporation against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, formal or informal, to which he or she is or was a party or is threatened to be made a party by reason of the fact that he or she is or was a director, officer, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, member or agent of another corporation or other entity. The foregoing rights of indemnification are limited as required by Arizona law, but shall be in addition to and not exclusive of all of the rights to which such persons may be entitled at law or otherwise. Any repeal or modification of this Article shall be prospective only and shall not adversely affect any indemnification rights of a director, officer or agent of the Corporation existing at the time of such repeal or modification.

VIII.
Dissolution

Upon dissolution of the Corporation, the Board of Directors, after making provision for the payment of all of the liabilities of the Corporation, shall arrange for the distribution of all of the assets of the Corporation exclusively for the tax-exempt purposes of the Corporation, by distribution to one or more organizations organized and operated exclusively for charitable, educational, literary, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code or corresponding provision of any future federal tax laws, as the Board of Directors shall determine. Notwithstanding the foregoing, the Bylaws of the Corporation may provide for more specific direction for distribution upon dissolution by identifying entities to which remaining assets should be distributed following payment of all liabilities. Any such assets not so disposed of shall be disposed of by the Superior Court of the County in which the principal

office of the Corporation is then located, exclusively for the tax-exempt purposes of the Corporation or to such organization or organizations, as such Court shall determine, which are organized and operated exclusively for such purposes.

**IX.
Incorporator**

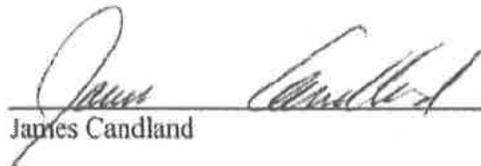
The name and address of the incorporator is:

James Candland
305 N. 159th St.
Gilbert, Arizona 85234

**X.
Statutory Agent**

Edwin W. Farnsworth whose address is 690 E. Warner Road, Suite 141, Gilbert, Arizona 85296, is hereby appointed the initial statutory agent for the Corporation for the State of Arizona.

IN WITNESS WHEREOF, the undersigned incorporator has hereunto affixed his signature this 23 day of May 2018.



James Candland

DO NOT WRITE ABOVE THIS LINE; RESERVED FOR ACC USE ONLY.

CERTIFICATE OF DISCLOSURE*Read the Instructions C003i***1. ENTITY NAME** - give the exact name of the corporation in Arizona:

Benjamin Franklin Charter School - Queen Creek

2. A.C.C. FILE NUMBER (if already incorporated or registered in AZ): _____Find the A.C.C. file number on the upper corner of filed documents OR on our website at: <http://www.azcc.gov/Divisions/Corporations>**3. Check only one of the following to indicate the type of Certificate:**

- Initial (accompanies formation or registration documents)
- Annual (credit unions and loan companies only)
- Supplemental to COD filed _____ (supplements a previously-filed Certificate of Disclosure)

4. FELONY/JUDGMENT QUESTIONS:

Has any person (a) who is currently an officer, director, trustee, or incorporator, or (b) who controls or holds over ten per cent of the issued and outstanding common shares or ten per cent of any other proprietary, beneficial or membership interest in the corporation been:

4.1	Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the five-year period immediately preceding the signing of this certificate?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4.2	Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the five-year period immediately preceding the signing of this certificate?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4.3	Subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the five-year period immediately preceding the signing of this certificate, involving any of the following: a. The violation of fraud or registration provisions of the securities laws of that jurisdiction; b. The violation of the consumer fraud laws of that jurisdiction; c. The violation of the antitrust or restraint of trade laws of that jurisdiction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4.4	If any of the answers to numbers 4.1, 4.2, or 4.3 are YES , you MUST complete and attach a Certificate of Disclosure Felony/Judgment Attachment form C004.		

5. BANKRUPTCY QUESTION:		
5.1 Has any person (a) who is currently an officer, director, trustee, incorporator, or (b) who controls or holds over twenty per cent of the issued and outstanding common shares or twenty per cent of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a twenty per cent interest in any other corporation (not the one filing this Certificate) on the bankruptcy or receivership of the other corporation ?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
5.2 If the answer to number 5.1 is YES , you MUST complete and attach a Certificate of Disclosure Bankruptcy Attachment form C005.		

IMPORTANT: If within 60 days of the delivery of this Certificate to the A.C.C. any person not included in this Certificate becomes an officer, director, trustee or person controlling or holding over ten per cent of the issued and outstanding shares or ten per cent of any other proprietary, beneficial or membership interest in the corporation, the corporation must submit a SUPPLEMENTAL Certificate providing information about that person, signed by all incorporators or by a duly elected and authorized officer.

SIGNATURE REQUIREMENTS:	
Initial Certificate of Disclosure:	This Certificate must be signed by all incorporators. If more space is needed, complete and attach an Incorporator Attachment form C084.
Foreign corporations:	This Certificate may be signed by a duly authorized officer or by the Chairman of the Board of Directors.
Credit Unions and Loan Companies:	This Certificate must be signed by any 2 officers or directors.

James Candland
Name

305 N. 159th St.
Address 1

Address 2

Gilbert	AZ	85234
City	State	Zip
Country UNITED STATES		

Name

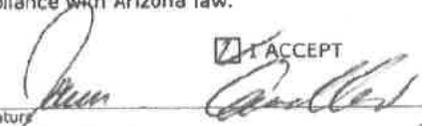
Address 1

Address 2

City	State	Zip
Country		

SIGNATURE - see Instructions C003i:

By typing or entering my name and checking the box marked "I accept" below, I acknowledge under penalty of perjury that this document together with any attachments is submitted in compliance with Arizona law.


Signature

I ACCEPT

James Candland
Printed Name

5/23/18
Date

REQUIRED - check only one:

- Incorporator** - I am an incorporator of the corporation submitting this Certificate.
- Officer** - I am an officer of the corporation submitting this Certificate
- Chairman of the Board of Directors** - I am the Chairman of the Board of Directors of the corporation submitting this Certificate.
- Director** - I am a Director of the credit union or loan company submitting this Certificate.

SIGNATURE - see Instructions C003i:

By typing or entering my name and checking the box marked "I accept" below, I acknowledge under penalty of perjury that this document together with any attachments is submitted in compliance with Arizona law.

I ACCEPT

Signature

Printed Name

Date

REQUIRED - check only one:

- Incorporator** - I am an incorporator of the corporation submitting this Certificate.
- Officer** - I am an officer of the corporation submitting this Certificate
- Chairman of the Board of Directors** - I am the Chairman of the Board of Directors of the corporation submitting this Certificate.
- Director** - I am a Director of the credit union or loan company submitting this Certificate.

Filing Fee: None All fees are nonrefundable - see Instructions.	Mail: Arizona Corporation Commission - Corporate Filings Section 1300 W. Washington St., Phoenix, Arizona 85007 Fax: 602-542-4100
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Please be advised that A.C.C. forms reflect only the minimum provisions required by statute. You should seek private legal counsel for those matters that may pertain to the individual needs of your business.

All documents filed with the Arizona Corporation Commission are public record and are open for public inspection. If you have questions after reading the Instructions, please call 602-542-3026 or (within Arizona only) 800-345-5819.

DO NOT WRITE ABOVE THIS LINE; RESERVED FOR ACC USE ONLY.

STATUTORY AGENT ACCEPTANCE*Please read Instructions M002i*

1. **ENTITY NAME** – give the **exact** name in Arizona of the corporation or LLC that has appointed the Statutory Agent (this must match exactly the name as listed on the document appointing the statutory agent, e.g., Articles of Organization or Article of Incorporation):

Benjamin Franklin Charter School - Queen Creek

2. **STATUTORY AGENT NAME** – give the exact name of the Statutory Agent appointed by the entity listed in number 1 above (this will be *either* an individual or an entity). **NOTE** - the name must match **exactly** the statutory agent name as listed in the document that appoints the statutory agent (e.g. Articles of Incorporation or Articles of Organization), including any middle initial or suffix:

Edwin W. Farnsworth

3. STATUTORY AGENT SIGNATURE:

By the signature appearing below, the individual or entity named in number 2 above accepts the appointment as statutory agent for the entity named in number 1 above, and acknowledges that the appointment is effective until the appointing entity replaces the statutory agent or the statutory agent resigns, whichever occurs first.

The person signing below declares and certifies *under penalty of perjury* that the information contained within this document together with any attachments is true and correct, and is submitted in compliance with Arizona law.



Edwin W. Farnsworth

05/23/2018

Signature

Printed Name

Date

REQUIRED – check only one:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Individual as statutory agent: I am signing on behalf of myself as the individual (natural person) named as statutory agent. | <input type="checkbox"/> Entity as statutory agent: I am signing on behalf of the entity named as statutory agent, and I am authorized to act for that entity. |
|---|---|

Filing Fee: none (regular processing)
Expedited processing – not applicable.
All fees are nonrefundable - see Instructions.

Mail: Arizona Corporation Commission - Corporate Filings Section
1300 W. Washington St., Phoenix, Arizona 85007
Fax: 602-542-4100

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All documents filed with the Arizona Corporation Commission are public record and are open for public inspection.
If you have questions after reading the Instructions, please call 602-542-3026 or (within Arizona only) 800-345-5819.

**BYLAWS
OF
BENJAMIN FRANKLIN CHARTER SCHOOL – QUEEN CREEK
(August 2018)**

**ARTICLE I
Name, Offices, and Purposes**

1. Name. The name of this corporation is the “Benjamin Franklin Charter School – Queen Creek” (the “Organization”).
2. Offices. The principal office of the Organization shall be in Maricopa County, Arizona. The Organization may also have offices at such other places as the Board of Directors may from time to time appoint or the purposes of the Organization may require.
3. Purposes. This Organization is a nonprofit organization organized and operated exclusively for charitable, educational, literary, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Organization initially intends to operate a group of public charter schools that provides a well-rounded education with proven superior academics, exceptional programs, time-honored values, and a high level of parental participation.

**ARTICLE II
Memberships**

The Organization shall not be authorized to issue memberships.

**ARTICLE III
Board of Directors**

1. Powers. The property, affairs and business of the Organization shall be managed by a board of directors to be known as the “Board of Directors” or the “Board.” The Board of Directors shall have, and may exercise, all of the powers of the Organization, subject to the provisions of these Bylaws, the Articles of Incorporation, and applicable law.
2. Number. The number of directors shall be no less than one (1) and no more than seven (7). The number of directors may be increased (or decreased) by a majority vote of the full Board of Directors at any annual or special meeting called for that purpose. If the number of directors is decreased by the Board of Directors, each director in office shall serve until his term expires or until his or her resignation or removal as herein provided. If the number of directors is increased by the Board of Directors, each new position on the Board shall be treated as a vacancy.
3. Appointment or Election of Successor Directors.
 - a. While the Organization Does Not Have Its IRS Determination Letter. For so long as the Organization has not yet received an IRS Determination Letter recognizing it as

exempt from tax as an organization described in Sections 501(c)(3) and either 170(b)(1)(A) or 509(a)(2) of the Internal Revenue Code, the Arizona State Board for Charter Schools, an agency of the State of Arizona, shall have the power to appoint the directors of the Organization. The Arizona State Board for Charter Schools shall fill vacancies on the Board during the time it is responsible for the appointment of successor directors.

b. When the Organization Received Its IRS Determination Letter; Notice.

Upon receipt of its IRS Determination Letter recognizing the Organization as exempt from tax as an organization described in Sections 501(c)(3) and either 170(b)(1)(A) or 509(a)(2) of the Internal Revenue Code, the Organization shall promptly give written notice to the President of Arizona State Board for Charter Schools of receipt of such letter together with a copy of the IRS Determination Letter (“Notice”). The effect of the Notice shall be to terminate immediately the power of the Arizona State Board for Charter Schools’ authority to appoint successor directors to the Board. Thereafter, following the date Notice is delivered to the President of the Arizona State Board for Charter Schools and for so long thereafter as the Organization is an organization described in Sections 501(c)(3) and either 170(b)(1)(A) or 509(a)(2) of the Internal Revenue Code, the Organization’s Board of Directors shall elect successor directors and the Board will be “self-perpetuating” with the directors elected by the affirmative vote of a majority of the directors then in office at the annual meeting of the Board in the year a vacancy will occur. No incumbent director may cast more than one (1) vote in favor of his or her own reelection.

c. Term of Office.

Each director shall hold office for a term of three (3) years and until his or her successor is duly elected and qualifies, subject to his or her earlier resignation or removal. A director’s term shall begin at the close of the annual meeting at which the directors is elected and qualifies and shall end as of the end of the annual meeting at which the director’s successor is duly elected and qualifies. There is no limit on how many terms an individual may serve.

d. Staggered Terms.

In order to stagger the Board for future appointment purposes, at the date the Board becomes self-perpetuating under this Article III, subsection 3.b., the Board of Directors shall be split into three groups as designated by the Chair beginning at the next annual meeting, with one group to serve for an initial term of one year, another group to serve for an initial term of two years, and the final group to serve for an initial term of three years, with three-year terms for all directors appointed after these initial terms expire.

4. Resignation. Any director may resign at any time by giving written notice of such resignation to the Board of Directors.

5. Removal. Until such time as Notice is given pursuant to subsection 3.b. of this Article III, the Arizona State Board for Charter Schools may remove for reasonable cause any director then serving on the Board; provided, however, following the deliverance of the Notice, any director may be removed from office, with or without cause, by a vote of the other directors at any annual or special meeting called for that purpose. Reasonable cause shall include such things as convictions for fraud or embezzlement, or other activities deemed inappropriate and unsuitable for a member of the board of directors of an organization operating an Arizona charter school.

6. Vacancies. Any vacancy in the Board not filled by the provisions in subsection 3.a., or subsection 3.b., above, including a vacancy created by an increase in the number of directors, may be filled by a majority vote of the remaining directors, though less than a quorum, or by the sole remaining director. Any director so elected shall hold office until the next annual meeting of the Board of Directors or until the election and qualification of his or her successor. In the event of the simultaneous death or resignation of all of the directors or in the event of the death or resignation of the sole remaining director, directors to fill all the vacancies shall be appointed by the Statutory Agent of the Organization who shall appoint three (3) directors then those directors may then fill remaining vacancies.

7. Annual Meetings. The annual meetings of the Board of Directors shall be held in the fourth quarter of the year at such time and location as to be specified by the President or Secretary, as set forth in the notice given, or waiver signed, with respect to such meeting. If for any reason any annual meeting is not held during the time period set forth above, a deferred annual meeting may thereafter be called and held in lieu thereof, at which the same proceedings (including the election of directors and officers) may be conducted. Any director elected at any annual meeting, deferred annual meeting, or special meeting shall continue in office until the election of his or her successor, subject to his or her earlier resignation or removal.

8. Special Meetings. Special meetings of the Board of Directors may be called by the President or the Secretary and must be called by either of them on the written request of any member of the Board.

9. Notices of Meetings. Written notice of the date, time and place of each meeting of the directors shall be given to each director by the Secretary or the person or persons calling the meeting not more than sixty (60) days nor less than three (3) days before such meeting. Such notice need not specify the purposes of the meeting and may be given by any reasonable means. Notice of any meeting shall be considered given if mailed (either by U.S. Postal Service or electronically), faxed or otherwise sent or delivered in writing to the director at his or her address or fax number specified in the records of the Organization. The giving of notice shall be deemed to be waived by any director who shall attend and participate in such meeting without protesting, prior to or at the commencement of such meeting, the lack of proper notice and may be waived, in a writing, by any director either before, at or after such meeting.

10. Waiver of Notice. Any director may waive call or notice of any annual or special meeting (and any adjournment thereof) at any time before, during which, or after it is held. Attendance of a director at any such meeting in person shall automatically evidence his or her waiver of call and notice of such meeting (and any adjournment thereof) unless he or she is attending the meeting for the express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed. No call or notice of a meeting of the Board of Directors shall be necessary if each director waives the same in writing or by attendance.

11. Conduct of Meetings. Unless otherwise prohibited by statute or by resolution of the Board, meetings of the Board, whether annual or special, may be held by means of conference telephone or similar communications equipment that allows all persons participating in the meeting to hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

12. Quorum and Action at a Meeting. At all meetings of the Board of Directors, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the Articles of Incorporation, or these Bylaws. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time without further notice to any absent director.

13. Action Without a Meeting. Except when a meeting is subject to the Open Meeting Law, any action which might be taken at any meeting of the directors or of any committee thereof may be taken without such meeting by a writing or writings signed by all of the directors or all of the members of such committee, as the case may be. The writing or writings evidencing such action taken without a meeting shall be filed with the Secretary of the Organization and inserted in the permanent records relating to meetings of the directors.

14. Proxies and Voting. At any meeting of the directors, every director entitled to vote may vote in person. Each director shall have one vote. No proxies are allowed.

15. Compensation and Reimbursements. Directors of the Organization shall not receive compensation for serving as directors. Any compensation paid to a director for personal services rendered to the Organization shall be paid only after compliance with the Organization's policy governing conflicts of interest. However, so long as such reimbursement does not constitute self-dealing, directors may receive reimbursement for reasonable expenses incurred in connection with Organization matters, provided that such reimbursement is authorized by the Board of Directors in compliance with the Organization's Conflict of Interest policy.

16. Reimbursement by Directors. Any payments made to a director, including those for reimbursements of expenses, which shall be disallowed in whole or in part as a proper or deductible expense by the Internal Revenue Service, shall be reimbursed by such director to the Organization to the full extent of such disallowance. In lieu of payment by the director from whom reimbursement is sought, subject to a determination made by the remainder of the directors, amounts may be withheld from his or her future reimbursement payments until the amount owed to the Organization has been recovered.

17. Chair. The Chair shall preside over meetings of the Board of Directors and set the agenda for such meetings in consultation with the President and others. The Chair may perform such other duties as assigned by the Board from time to time. Unless the Board elects a different Chair from among its number, at all meetings of the Board, the President, or in his or her absence the Vice President, or in their absence a chair chosen by a majority of the directors present, shall preside.

18. Agenda. The Chair shall preside over meetings of the Board and set the agenda, with input from the President and others. If for any reason the Secretary is not present, the Chair (or, if the Chair is not present, the directors who are present at the meeting) shall select a director to serve as recording secretary for the meeting.

ARTICLE IV
Officers

1. Number. The officers of the Organization shall be the President, Secretary, and Treasurer, a Vice President if the Board so elects, and such other officers with such powers and duties not inconsistent with these Bylaws as may be elected and determined by the Board of Directors.

2. Election, Term, and Qualifications. The officers of the Organization shall be elected annually by the Board of Directors at its annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. The officers shall be elected from among such persons as the Board may see fit. Each officer shall hold office from the close of the annual meeting for a term of one year, or until a qualified successor is elected upon expiration of the term of that officer, or until that officer's death, or until that officer shall resign or shall have been removed in the manner hereinafter provided.

3. Removal. Any officer may be removed from office by a majority vote of the full Board of Directors at any annual or special meeting called for that purpose whenever in the judgment of the directors the best interests of the Organization will be served by the removal.

4. Vacancies. In case any office of the Organization becomes vacant for any reason, the vacancy may be filled by a majority vote of the directors then in office, although less than a quorum, or by the sole remaining director. Any officer so elected shall hold office until the next annual meeting of the Board of Directors when his or her successor is elected and qualifies.

5. President. The President shall be the chief executive officer of the Organization, responsible for all day to day operations of the Organization. In general, the President shall perform all duties incident to that office, and such other duties as may be prescribed by the Board of Directors from time to time.

6. Vice President. The Vice President, if any, shall, in the absence of the President, or in the event of the President's death, inability or refusal to act, the Vice President perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board. Vice President may by their election have charge and supervision of designated portions of the Organization's affairs.

7. Secretary. The Secretary shall have charge of such books, documents, and papers as the Board of Directors may determine. The Secretary shall attend and keep the minutes of all the meetings of the Board of Directors of the Organization, may sign with the President in the name and on behalf of the Organization, any contracts or agreements authorized by the Board of Directors, and when so authorized or ordered by the Board of Directors, may affix the seal of the Organization, if any. The Secretary shall, in general, perform all the duties incident to the office of secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned to him by the Board of Directors. One or more assistant secretaries may be appointed by the Board of Directors to perform such duties as the Board of Directors may determine.

8. Treasurer. The Treasurer shall have the custody of all funds, property, and securities of the Organization, subject to such direction and regulations as may be imposed by the Board of Directors. When necessary or proper, he may endorse on behalf of the Organization for collection, checks, notes, and other obligations, and shall deposit the same to the credit of the Organization at such bank or banks or other depositories as the Board of Directors may designate. The Treasurer shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the Board of Directors, as well as sign all checks of the Organization and all bills of exchange and promissory notes issued by the Organization, except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these Bylaws to some other officer or agent of the Organization. The Treasurer shall: make such payments as may be necessary or proper to be made on behalf of the Organization, keep the books of the Organization, maintain a full and accurate account of all moneys and obligations received and paid or incurred by or on account of the Organization, and shall exhibit such books at all reasonable times to any director on request at the offices of the Organization. The Treasurer shall, in general, perform all the duties incident to the office of treasurer, subject to the control of the Board of Directors. One or more assistant treasurers or agents may be appointed by the Board of Directors to perform such duties as the Board of Directors may determine.

9. Compensation and Reimbursements. Officers of the Organization may receive reasonable compensation for serving as officers. Any compensation paid to an officer for personal services rendered to the Organization shall be paid only after compliance with the Organization's policy governing Conflict of Interest.

10. Reimbursement by Officers. Any payments made to an officer, including those for reimbursements of expenses, which shall be disallowed in whole or in part as a proper or deductible expense by the Internal Revenue Service, shall be reimbursed by such officer to the Organization to the full extent of such disallowance. In lieu of payment by the officer from whom reimbursement is sought, subject to a determination made by the Board of Directors, amounts may be withheld from the officer's future reimbursement payments until the amount owed to the Organization has been recovered.

ARTICLE V Governing Board

1. Powers. The individual charter school operations shall be managed by a board of individuals to be known as the "Governing Board" and the Governing Board does not have authority over the Organization generally. The Governing Board has a limited delegation of authority to establish charter school policies and operational budgets, oversight of school personnel, compensation and agreements, and school related operations and procedures.

2. Number. The number of Governing Board members shall be no less than three (3) and no more than seven (7). The number of Governing Board members may be increased (or decreased) by the Board of Directors. If the number of Governing Board members is decreased by the Board of Directors, each member in office shall serve until his term expires or until his or her resignation or removal as herein provided. If the number of Governing Board

members is increased by the Board of Directors, each new position on the Governing Board shall be treated as a vacancy.

3. Appointment of Successor Governing Board Members. The Board of Directors shall appoint successor Governing Board members prior to the annual meeting of the Governing Board in the year a vacancy will occur.

4. Term of Office.

(a) Each Governing Board member shall hold office for a term of three (3) years and until his or her successor is duly appointed, subject to his or her earlier resignation or removal. A Governing Board member's term shall begin at the close of the annual meeting at which the Governing Board member is appointed and shall end as of the end of the annual meeting at which the Governing Board member's successor is duly appointed. There is no limit on how many terms an individual may serve.

(b) Staggered Terms. In order to stagger the Board for future appointment purposes, at the time of appointment of the initial Governing Board the Board of Directors shall split the Governing Board into three groups as designated by the President acting as Chair. One group of members shall serve for an initial term of one year, another group shall serve for an initial term of two years, and the final group shall serve for an initial term of three years, with three-year terms for all Governing Board members appointed after these initial terms expire.

5. Resignation. Any Governing Board members may resign at any time by giving written notice of such resignation to the Board of Directors.

6. Removal. The Board of Directors, at any annual or special meeting called for that purpose, has the power to remove a Governing Board member from office, with or without cause, at any time.

7. Vacancies. Any vacancy on the Governing Board shall be filled by the Board of Directors at a regular or special meeting call for that purpose.

8. Meetings.

(a) Annual and Regular Meetings. The annual meetings of the Governing Board shall be for the purposes of setting the budget for the charter schools and conducting such other business as properly before the Board. Such meeting shall be held in June or within the first two weeks of July at such time and location as specified by the Chair of the Governing Board, and as set forth in the published notice given, or waiver signed, with respect to such meeting. If for any reason any annual meeting is not held during the time period set forth above, a deferred annual meeting may thereafter be called and held in lieu thereof, at which the same proceedings may be conducted. Regular meetings of the Governing Board may be set, and notice of such regular meeting schedule published, at the outset of each fiscal year.

(b) Special Meetings. Special meetings of the Governing Board may be called by the Chair of the Governing Board, the Chair of the Board of Directors, the President or

the Secretary and must be called by the Chair of the Governing Board or the Chair of the Board of Directors on the written request of any member of the Governing Board.

(c) Notices of Meetings. The Governing Board shall comply with the Open Meeting Laws of Arizona for so long as charter schools are subject to such laws.

(1) Notice To Governing Board Members. Unless the meeting is a regular meeting where notice was previously given by publishing the schedule at the outset of the fiscal year, written notice of the date, time and place of each meeting of the Governing Board shall be given to each member not more than twenty-one (21) days nor less than twenty-four (24) hours before such meeting, together with an agenda that contains information reasonably necessary to inform the public of the matters to be discussed or decided at the meeting. Notice of any meeting shall be considered given if mailed (either by U.S. Postal Service or electronically), faxed or otherwise sent or delivered in writing to the Governing Board member at his or her address or fax number specified in the records of the Organization. The giving of notice shall be deemed to be waived by any member who shall attend and participate in such meeting without protesting, prior to or at the commencement of such meeting, the lack of proper notice and may be waived, in a writing, by any member either before, at or after such meeting.

(2) Posting of Public Notice of Meetings. Posting of Notice of Governing Board meetings is prescribed by Arizona statutes and the Governing Board shall comply with Notice provisions as provided for by statute. At a minimum, and as required by law, Notice of the Governing Body's meetings shall be posted prior to the Governing Body's meeting on the Organization's website, and at any other required electronic or physical locations, and given to the Governing Board members as noted above in subsection 8(c)(1) by giving additional notice as is reasonable and practicable. If an executive session is planned for the Governing Board's meeting, it should be noted on the agenda posted with the meeting notice. Members of the general public have the right to attend, but not speak at or disrupt, the Governing Board's meetings.

(d) Executive Sessions. Should the Governing Body need an executive session during a meeting, it may hold such session as prescribed by statute.

(e) Minutes of Meetings. The Governing Board must keep meeting minutes of all meetings, including executive sessions. The minutes should be preserved permanently in paper form. All minutes must include the following:

- Date, time and place of meeting;
- Names of members of the public body present or absent; and
- A general description of matters considered.

In addition to the above items, public session meeting minutes must also include an accurate description of all legal actions proposed, discussed or taken, and the names of members who propose each motion. The minutes shall also include the names of the persons, as given, making statements or presenting material to the public body and a reference to the legal action about which they made statements or presented materials. The minutes or a recording of the public session of the Governing Board must be open for public inspection no later than three (3) working days after the meeting. With respect to executive session minutes, such minutes must

include the three bullet pointed items listed above plus an accurate description of all instructions given during the session, and such other matters as may be deemed appropriate by the Governing Board. Minutes of executive sessions must be kept confidential.

9. Conduct of Meetings. Unless otherwise prohibited by statute or by resolution of the Board, meetings of the Board, whether annual or special, may be held by means of conference telephone or similar communications equipment that allows all persons participating in the meeting to hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

10. Quorum and Action at a Meeting. At all meetings of the Governing Board, a majority of the members shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Governing Board, except as may be otherwise specifically provided by statute, the Articles of Incorporation, or these Bylaws. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time and cause a new notice to be posted of the date and time of the new meeting. At any time a quorum of Governing Board members are together such gathering constitutes a meeting subject to the public meeting notice and minutes provisions set forth in this Article.

11. Executive Director. The Board of Directors may also hire an Executive Director, who shall serve as the chief operating officer of the Organization and be a paid employee, reporting to the President of the Organization and the Governing Board. The Executive Director shall have general supervision, direction, and control of the activities of the charter schools so long as actions taken are consistent with the instructions of the Board and Governing Board.

ARTICLE VI Committees

1. Committees of the Board. The Board may, from time to time, create such committees of the Board as it deems necessary. The Board may delegate to any such committee which consists solely of directors any of the authority of the Board, except in reference to the following matters: (a) filling vacancies on the Board or on any committee of the Board; (b) adoption, amendment or repeal of Bylaws; or (c) fixing compensation of directors. Any such committee to which authority is delegated shall consist of at least three (3) directors. Each such committee shall serve at the pleasure of the Board, shall act only in the intervals between meetings of the Board, and shall be subject to the control and direction of the Board; provided however that any third party shall not be adversely affected by relying upon any act by any such committee within the authority delegated to it. Each such committee shall act by not less than a majority of the whole authorized number of its members.

2. Advisory Committees. The Board of Directors may appoint from its number, or from among such persons as the Board may see fit, one or more advisory committees, and at any time may appoint additional members thereto. The members of any such committee shall serve at the pleasure of the Board of Directors. Such advisory committees shall advise with and aid the officers of the Organization in all matters designated by the Board of Directors. Each such

committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

ARTICLE VII
Fiscal Year

The fiscal year of the Organization shall commence on July 1 of each year and end on June 30.

ARTICLE VIII
Contracts And Funds

1. Authorization. The Board may authorize any officer, employee, or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Organization, and such authority may be general or confined to a specific instance; provided, however, that unless authorized by the Board, no officer, employee, or agent shall have any power or authority to bind the Organization by any contract.

2. Representatives, Independent Contractors, Ventures. The Board may appoint such agents and representatives of the Organization with such powers and to perform such acts or duties on behalf of the Organization as the Board may see fit, so far as may be consistent with these Bylaws, to the extent authorized or permitted by law. The Board may further its tax-exempt purposes through the engagement of independent contractors and/or the establishment and participation in joint ventures, partnerships or other arrangements.

3. Contributions. Contributions may be made to this Organization by organizations and individuals. The Board may accept on behalf of the Organization any contribution for the general purposes of the Organization or for any specific purpose consistent with the purposes of the Organization. A separate accounting may, by resolution of the Board, be kept of all funds received and designated by the donor for a specific purpose. The Board may reject any contribution not consistent with the Organization's purposes.

4. Records. The directors shall establish such permanent record of each contribution as may be necessary to make a memorial thereof and to substantiate tax records of the Organization. A permanent record shall be kept of all transactions of funds received and spent by the Organization.

ARTICLE IX
Prohibition Against Private Inurement

1. Net Earnings. No director, officer, employee of the Organization, member of a committee of the Organization, or any other private individual shall receive at any time any of the net earnings or pecuniary profit of the Organization, except that the Organization can pay reasonable compensation for services rendered; provided, however, that compensation shall not be paid if such payment would constitute an act of self-dealing or would result in the termination of the tax exempt status of the Organization.

2. Dissolution. No director, officer, employee of the Organization, member of a committee of the Organization, or any other private individual shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Organization. All directors of the Organization shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Organization, whether voluntary or involuntary, all of the assets of the Organization remaining after all debts have been satisfied shall be distributed exclusively for the tax-exempt purposes of the Organization as provided in the Articles of Incorporation.

ARTICLE X
Amendments

These Bylaws may be altered, amended, supplemented, repealed, or temporarily or permanently suspended, in whole or in part, or new bylaws may be adopted, by the Board of Directors at any duly constituted meeting of the Board of Directors or, alternatively, by the written consent of the Board of Directors to corporate action without a meeting of the Board of Directors.

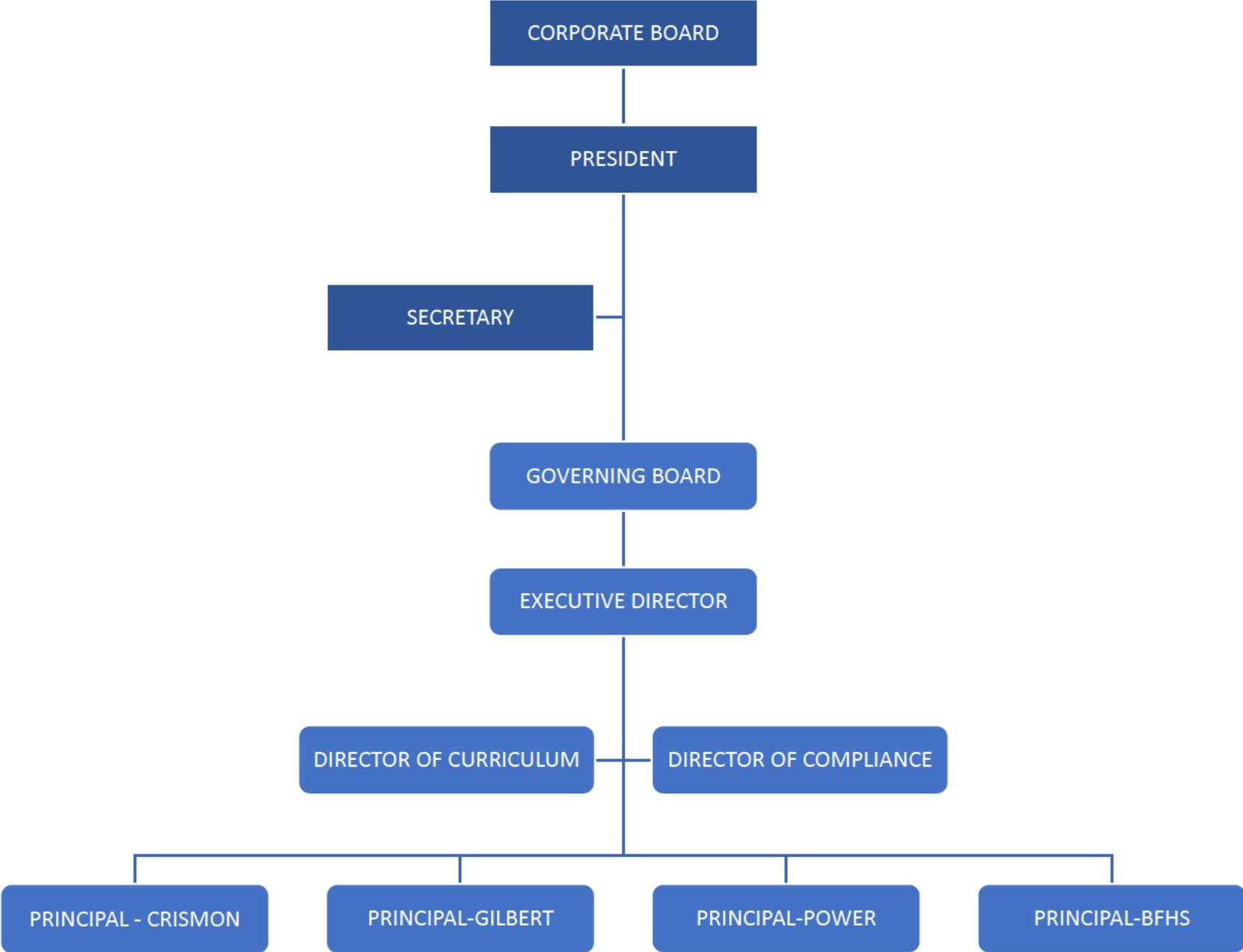
CERTIFICATE OF ADOPTION

We certify that the foregoing Bylaws were duly adopted by the Board of Directors of the pursuant to a resolution of the Board, effective August 3, 2018.

Benjamin Franklin Charter School – Queen Creek
an Arizona nonprofit corporation

By _____
Chris Eltiste, Secretary

Benjamin Franklin Charter School-Queen Creek
An Arizona Non-profit Corporation



SERVICES AGREEMENT

This SERVICES AGREEMENT (“Agreement”) is entered into on the ____ day of September, 2018, by and between BENJAMIN FRANKLIN CHARTER SCHOOL, LTD, a for-profit Arizona corporation (“BFCS”) and BENJAMIN FRANKLIN CHARTER SCHOOL-QUEEN CREEK, an Arizona non-profit corporation (“BFCS-QC”).

RECITALS:

WHEREAS, BFCS is in the process of applying for a transfer of charter (“Charter”) from BFCS to BFCS-QC through the Arizona State Board for Charter Schools (the “ASBCS”).

WHEREAS, the Board of Directors of BFCS-QC (the “BFCS-QC Board”) may carry out any act and ensure the performance of any function by BFCS-QC that is in compliance with the Charter and other federal, state or local statutes and regulations, orders and rulings applicable to Arizona nonprofit schools recognized as Internal Revenue Code (“Code”) 501(c)(3) public charities (collectively, “Applicable Law”);

WHEREAS, BFCS has knowledge, experience and expertise in operating charter schools, including with respect to finance, strategy, special education, information technology, and general charter school management;

WHEREAS, BFCS-QC desires to “outsource” certain services;

WHEREAS, the BFCS-QC Board has determined that it is in BFCS-QC’s best interest to enter into this Agreement with BFCS in order to obtain the skilled services of BFCS employees at a fixed rate, for a stated time period, that would otherwise have to be provided by BFCS-QC;

WHEREAS, the BFCS-QC Board has determined that the amounts payable under this Agreement likely will be less than BFCS-QC would otherwise pay to obtain the same or similar services directly or through another provider;

WHEREAS, BFCS is willing to provide certain services to BFCS-QC as an independent contractor;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt, sufficiency and reasonableness of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1
RETENTION OF BFCS; DUTIES & AUTHORITY OF BFCS

1.1 Retention of BFCS. BFCS-QC, effective immediately as of, and contingent upon, the Closing (as that term is defined in that certain Asset Purchase Agreement entered into between the parties hereto dated as of September ___, 2018) (“Effective Date”), hereby engages and retains BFCS, as an independent contractor, to provide the services identified in Section 1.2(b) (“Services”), for the term of this Agreement. The Services shall be provided from such location(s) as BFCS and BFCS-QC mutually approve in writing. BFCS agrees to provide such Services in consideration of the prompt payment of the Service Fee, as defined in Section 2.1.

1.2 BFCS Duty and Authority.

(a) General. All individuals used by BFCS to provide Services shall be BFCS employees or independent contractors and shall not be BFCS-QC employees. BFCS shall hire, train, license (to the extent required by Applicable Law), supervise, manage, direct and discharge its employees as necessary, and in its discretion, for the purpose of providing Services to BFCS-QC under this Agreement. BFCS shall be the sole judge of the fitness and qualifications of such employees and is vested with absolute discretion in hiring, supervising, directing, discharging, and determining the compensation and other terms of its employees’ employment. BFCS shall maintain all appropriate records as required by BFCS-QC, Applicable Law, and sound business management practices. Such records shall be available for review by BFCS-QC upon reasonable notice. BFCS shall provide the BFCS-QC Board with a written report each semester that identifies BFCS’s progress and provision of Services in accordance with this Agreement, either over time or since the last report, as applicable.

(b) Services to be Provided by BFCS. BFCS will be responsible for providing the following “Services” to BFCS-QC, with final approval for actions to be taken by BFCS-QC coming from BFCS-QC’s Board or President, as determined appropriate by BFCS-QC:

(i) *Academic*:

1) Work with and assist BFCS-QC with academic development, including, implementation of the school mission, curriculum development, professional development and training, implementation of curriculum delivery, testing and accountability;

2) Developing and monitoring programs and otherwise assisting BFCS-QC in complying with the state and federal requirements necessary to keep BFCS-QC’s Charter in place as well as to maintain its intended status as a Code Section 501(c)(3) tax-exempt organization;

3) Assisting with BFCS-QC’s student admissions process; provided, however, that BFCS-QC will have the ultimate authority to decide whether any given student will be enrolled in BFCS-QC at any time during the school year;

4) Monitoring state budget and reporting requirements to assist in BFCS-QC’s compliance with such requirements;

5) Assisting BFCS-QC in preparing for audits conducted by Arizona or federal education agencies;

6) If BFCS-QC decides to accept federal funding, assisting BFCS-QC in researching and drafting the necessary documents to attempt to secure state, federal or other funding for special education under the Individuals with Disabilities Education Act (IDEA) or other programs;

7) If BFCS-QC decides to accept federal funding, assisting BFCS-QC in engaging in the necessary research and writing processes to attempt to secure entitlement funds Title I, Title IIA Title IID, Title IV, Title V, and any other federal programs;

8) If BFCS-QC decides to accept federal funding, assisting BFCS-QC in aligning its curricula standards with applicable Arizona state academic standards and any federal program standards;

(ii) *Exceptional Student Services:* Work with and assist BFCS-QC in all aspects of special education services including, identifying students in need of special services and in developing, implementing and providing a continuum of services to eligible students, training and managing special education personnel, maintaining and managing records, and maintaining compliance with special education laws and regulations.

(iii) *Complaint Resolution:* Work with and assist BFCS-QC in addressing any formal complaints.

(iv) *School Branding and Marketing:* Work with and assist BFCS-QC in developing branding, marketing, web site development and maintenance.

(v) *Enrollment:* Work with and assist BFCS-QC in developing and maintaining enrollment policies and processes that are compliant with applicable federal, state, and local law, as approved by BFCS-QC. Assist in training in relation to policies, including enrollment policies, processes, and retention of student related records.

(vi) *Financial Services:* Work with and assist BFCS-QC with financial services, including payroll, accounting and record keeping, accounts payable, accounts receivable, preparing financial statements, overseeing independent audits, overseeing preparation of taxes, and obtaining financing.

(vii) *Human Resources:* Work with and assist BFCS-QC in human resources, including interviewing and hiring employees, employee benefits, and training and management of employees, all according to processes approved by BFCS-QC and with final approval of employee hiring and termination being made by BFCS-QC, as stated above.

(viii) *Information Systems and Technology Support:* Work with and assist BFCS-QC with information systems and technology support, including networking, computers, software, student information systems, phones and all other technology support needs.

(ix) *Facilities*: Work with and assist BFCS-QC in: (i) identifying and hiring qualified personnel in the areas of custodial, grounds keeping, facility maintenance and service; and (ii) training, oversight and management of facilities management personnel, all according to processes approved by BFCS-QC and with final approval of employee hiring and termination being made by BFCS-QC, as stated above. BFCS will employ a Facilities Manager and will oversee the employees hired by BFCS-QC.

(x) *Professional Services*: Work with and assist BFCS-QC in identifying, retaining and providing cooperation and oversight of competent professionals, such as, attorneys, auditors, and insurance providers.

(xi) *Board of Directors*: Work with the BFCS-QC Board in establishing policies and procedures for BFCS-QC, as approved by the BFCS-QC Board. Attend periodic board meetings as directed by the Board.

(xii) *Other*: Providing other administrative services, as requested and approved by BFCS-QC and BFCS.

(c) Authority and Responsibility Limitations. BFCS agrees that it will obtain prior written approval from BFCS-QC before engaging in any action outside of BFCS-QC's ordinary course of business. Additionally, BFCS shall not have discretion to incur expenses outside of a BFCS-QC Board approved budget on BFCS-QC's behalf without the BFCS-QC Board's prior approval. Consistent with Section 1.2(b), BFCS shall not enter into a contract or other binding agreement on BFCS-QC's behalf, or make any statements that would create a material obligation or undertaking for BFCS-QC, absent prior BFCS-QC approval. BFCS-QC has sole discretion to determine whether and which additional matters require BFCS-QC approval. Specific circumstances in which BFCS must receive prior written BFCS-QC approval include, but are not limited to, decisions regarding: (i) BFCS-QC's location; (ii) BFCS-QC's curricula; (iii) BFCS-QC's policies and procedures (as further set forth in Section 1.3); (iv) the structure and/or content of any outreach program(s) entered into or participated in on BFCS-QC's behalf; (v) the content of information disclosed to students, any future employees or the public on BFCS-QC's behalf; (vi) BFCS-QC's budget or matters involving BFCS-QC's fiscal health, including borrowing; (vii) hiring, compensation, non-renewal, discipline, assignment, transfer, or firing decisions or policies regarding any BFCS-QC officer, director or employee; (viii) the submission of forms for government or other funding; and (ix) any contract or agreement entered into on BFCS-QC's behalf.

1.3 Policies. The parties acknowledge and agree that BFCS, in its provision of the Services, will recommend various policies and administrative regulations, but BFCS-QC retains ultimate responsibility for adopting any policies and regulations and for overseeing such policies. By way of example, and without limiting the foregoing, BFCS-QC shall determine whether to approve policies (and may approve administrative regulations) relating to curricula, admissions procedures, student conduct, school calendars, and dispute resolution procedures. BFCS-QC will provide BFCS written copies of all adopted policies related to BFCS-QC and agrees to notify BFCS promptly in writing of any changes to such policies and to provide BFCS with updated copies of all policies.

1.4 Actions in Accordance with BFCS-QC's Exempt Status and Charter. BFCS agrees that it will provide Services in accordance with this Agreement and will not act in any manner that it knows will terminate or threaten to terminate either BFCS-QC's status as an organization described in Code Section 501(c)(3) and exempt from federal income tax under Code Section 501(a), or BFCS-QC's Charter under Arizona law.

1.5 BFCS's Intended Method of Providing Services. BFCS will designate a person to oversee BFCS's responsibilities with BFCS-QC. BFCS further intends to initially designate Edwin Farnsworth as such person. BFCS, however, maintains the right to select, at BFCS' discretion, any other individual(s) of comparable ability to perform the functions and maintain the responsibilities BFCS has contracted to provide under this Agreement. Any one or more of these employees may perform any or all Services, at BFCS's discretion. BFCS need not obtain prior BFCS-QC approval in selecting the person(s) to serve in each position or in determining what functions each person performs under this Agreement. If BFCS-QC does not agree with BFCS's selection of a particular person for a particular task, after discussing such issue with BFCS, BFCS-QC may invoke the provisions of Section 6.5.

1.6 Use of Title. BFCS grants BFCS-QC permission to name a BFCS employee as "Executive Director" of BFCS-QC. Such designation does not make BFCS or the Executive Director an officer or employee of BFCS-QC. The Executive Director will remain an officer or employee of BFCS only. Additionally, no compensation will be paid by BFCS-QC to BFCS or the Executive Director solely by reason of the use of such title. The Executive Director's compensation shall be paid by BFCS.

ARTICLE 2 SERVICE FEE

2.1 Reasonable Service Fee to be Rendered by BFCS-QC.

(a) BFCS-QC agrees to pay BFCS a fee of [\$_____] (_____ dollars) per student enrolled, per semester ("Service Fee"). BFCS will be paid one-sixth of the Service Fee on a monthly basis for each semester on the 15th day of each month. The "Fall semester" shall run from July 1 through December 31 and the "Spring semester" shall run from January 1 through June 30. The Service Fee will initially be calculated based on enrollment figures as of June 30 for the following Fall Semester and as of December 30 for the following Spring semester. A final reconciliation calculation will then be performed by BFCS-QC within thirty (30) days of the end of each semester, using final average enrollment totals. If the reconciliation results in any reduction of the Service Fee payable to BFCS for a particular semester, BFCS will return the excess payment amount to BFCS-QC within thirty (30) days of both parties receiving the information necessary to make a determination that an excess amount was paid; except that, if BFCS-QC has any outstanding balance due to BFCS for reimbursements or otherwise pursuant to this Agreement, then such excess amount may instead be applied first against such outstanding balance due to BFCS from BFCS-QC pursuant to this Agreement. Conversely, if the reconciliation results in an addition to the Service Fee payable to BFCS, then BFCS-QC will make the required additional payment to BFCS within thirty (30) days of the final reconciliation calculation. Additionally, BFCS understands that BFCS-QC's funding may be delayed by the State of Arizona and that such delay would be beyond BFCS-QC's control. In all events, BFCS

will be paid within thirty (30) days of when BFCS-QC receives funding from the State of Arizona.

(b) By paying the Service Fee, BFCS-QC will receive the benefits of the contracted Services and, through the Service Fee, avoid larger expenses that BFCS-QC would otherwise likely incur. The Service Fee does not include reimbursement for direct expenses, as provided in Section 2.2 below. Should there be any disagreement regarding payments or adjustments to such payments that cannot be resolved between the parties, either party may invoke the provisions of Section 6.5.

2.2 Reimbursement for Expenses. BFCS-QC will reimburse BFCS for any and all BFCS-QC-approved expenses, whether or not budgeted, which are incurred by BFCS (including for BFCS-QC equipment, supplies, materials, professional services and/or other expenses). Reimbursement shall be made to BFCS within sixty (60) days of BFCS incurring such expense and providing proper documentation to BFCS-QC to support such expense.

2.3 Fees and Reimbursements Subject to Charter School Budget Limitations. Both parties agree that it is essential to maintain the good standing of the BFCS-QC Charter. The criteria for maintaining good standing include, but are not limited to, prudent financial management of BFCS-QC by the BFCS-QC Board. Although the parties have negotiated fees in good faith, that they believe represent a fair market value for the Services being provided, due to the uncertainties related to enrollment projections, State funding rates and State apportionment payment deferrals, both parties agree that, notwithstanding any other provision of this Agreement, the Service Fee and reimbursements sought by BFCS shall never cause BFCS-QC to:

- a) Have an unbalanced budget in any fiscal year; and/or
- b) Have inadequate cash flow to meet all of its actual and necessary expenses pursuant to State and federal law and the Charter.

In any year in which BFCS-QC cannot reach the aforementioned criteria, both parties intend that this provision will cause a reduction in the Service Fee to an amount necessary to allow BFCS-QC to meet these criteria. In the event of a State apportionment deferral that defers revenue to a future fiscal year, the parties agree that accrued revenues shall not be included for purposes of determining whether BFCS-QC has a balanced budget. Should BFCS-QC need to invoke the provisions of this Section 2.3, BFCS shall have the right to terminate this Agreement without causing a breach, as further detailed in Section 3.7.

2.4 Change in Service Fee. Except as provided in Sections 2.3 and 3.3, during the term of this Agreement, and absent a material breach by BFCS or BFCS-QC, the Service Fee designated in Section 2.1(a) shall not be varied without the prior written consent of both parties.

2.5 Tax Responsibility. Any taxes based upon or emanating from this Agreement assessed against BFCS-QC or caused by BFCS-QC's direction of BFCS (except income taxes and any federal excise taxes assessed to BFCS) shall be paid by BFCS-QC.

ARTICLE 3

AGREEMENT TERM AND TERMINATION

3.1 Initial Term. The initial term of this Agreement shall be for a term of three (3) years from the Effective Date.

3.2 Termination for Cause/Material Breach. If a material breach of this Agreement occurs and such breach is not corrected within ninety (90) days after the breaching party receives written notice describing such breach, then the non-breaching party shall have the right to terminate this Agreement with the breaching party. If the breaching party does not agree that there has been an occurrence of breach or believes that the breach was corrected within ninety (90) days after receipt of written notice of such breach, and if the breaching party provides written notice to the other party regarding such position, then the matter shall be addressed pursuant to Section 6.5.

3.3 Delay in Providing Services. If BFCS does not provide the Services in a timely manner and such delay does not constitute a material breach, BFCS and BFCS-QC agree to negotiate, in good faith, a reduction in the Service Fee payable to BFCS to reasonably compensate BFCS-QC for BFCS's failure to provide prompt Services.

3.4 Delay in Providing Payment or Reimbursement. If BFCS-QC does not provide payment of the Service Fee or reimbursements on the date when such payment or reimbursement is due, interest will accrue at the rate per annum equal to *The Wall Street Journal* prime rate of interest as quoted in the Money Rates section of *The Wall Street Journal*; provided that accrual of such interest shall be waived if the delay is caused by deferrals in State funding to BFCS-QC for the period of time that such State funding payments to BFCS-QC are deferred.

3.5 Insolvency. Either party may terminate this Agreement upon thirty (30) days written notice, without being in breach of this Agreement, if the other party admits insolvency, makes an assignment for the benefit of creditors, or has a trustee or receiver appointed over all or any substantial part of such party's assets.

3.6 Threat to BFCS-QC's Tax-Exempt Status. If BFCS-QC provides a reasonable written determination from tax counsel setting forth the rationale to support that one or more terms of this Agreement threaten either: (i) BFCS-QC's status as an organization described in Code Section 501(c)(3) and exempt from federal income tax under Code Section 501(a); or (ii) BFCS-QC's Charter under Arizona law, then the parties agree to consider and renegotiate, as necessary, the problematic terms of this Agreement. If agreeable renegotiated terms cannot be reached within thirty (30) days of BFCS-QC providing BFCS with notice and an explanation of its determination pursuant to this Section 3.6, then either party may terminate this Agreement without breach.

3.7 Termination Upon Revocation or Nonrenewal of Charter or Pursuant to Section 2.3. If BFCS-QC's Charter is not renewed, this Agreement shall terminate at the end of the Charter term. If BFCS-QC's Charter is revoked, this Agreement shall terminate as of the effective date of the revocation without breach by BFCS. If the fees or reimbursements paid by BFCS-QC to BFCS are adjusted pursuant to Section 2.3, BFCS shall have the right to cancel this Agreement with sixty (60) days' notice to BFCS-QC without being in breach of this Agreement.

Notwithstanding any other provision(s) of this Agreement, in the case of termination of this Agreement due to either revocation or nonrenewal of BFCS-QC's Charter, BFCS-QC shall owe no further fees or reimbursements to BFCS under this Agreement unless BFCS-QC has funds in excess of the amounts necessary to effectuate the school closure process and to dissolve the nonprofit corporation. Any funds available after reasonably accounting for school closure and dissolution expenses shall be used to satisfy outstanding BFCS invoices up through, and including, the date of termination of this Agreement, unless BFCS-QC is then party to bankruptcy proceedings, in which case BFCS may submit a claim for all fees and reimbursements due and payable through the bankruptcy proceedings.

3.8 Rights and Obligations after Termination. No termination of this Agreement shall affect the rights, obligations or claims of any party arising prior to the termination of such Agreement, including compensation due BFCS for Services provided under this Agreement prior to the termination date.

ARTICLE 4 CONFIDENTIALITY

4.1 Definition of Confidential Information. As used herein, "Confidential Information" shall mean:

(a) information disclosed by or on behalf of BFCS-QC to BFCS or to BFCS's representative(s) concerning disciplinary, academic, health and other student records, including but not limited to those covered by the Family Education Rights and Privacy Act ("FERPA"); and

(b) information and materials disclosed by or on behalf of BFCS-QC to BFCS or to BFCS's representative(s) relating in any manner to BFCS-QC or BFCS-QC's affiliates, which information and/or materials are not available to the general public or any information and/or materials disclosed by or on behalf of BFCS to BFCS-QC or BFCS-QC's representatives relating in any manner to BFCS or BFCS's affiliates which information and/or materials are not available to the general public; including, but not limited to, all diagrams, reports, methods, techniques, processes, future plans, financial information, cost and pricing information, computer programs, formulas and equations, the names of any of BFCS-QC's or BFCS's suppliers or vendors, or the costs of such supplies or materials, the prices at which BFCS-QC or BFCS obtains or has obtained, or at which BFCS-QC sells or has sold, its products and services, written business records, specifications and budgets. Confidential Information shall include information learned or furnished either orally or in writing prior to or during the term of this Agreement.

4.2 Agreements Concerning Confidentiality. To protect against improper disclosure of Confidential Information, BFCS and BFCS-QC agree that:

(a) all Confidential Information of the other party shall be and remain the exclusive property of such other party;

(b) except for disclosure required by law, each party shall limit access to Confidential Information of the other party to individuals employed or retained by the first party

who have a need to know the Confidential Information in order to comply with the terms of this Agreement or other valid agreements between such parties. If either party is subject to a subpoena requiring the disclosure of Confidential Information, the party receiving the subpoena agrees to notify the other party prior to disclosing any Confidential Information in response to the subpoena; and

(c) the use of Confidential Information will be limited only to purposes of complying with each party's obligations hereunder and for such other purposes as shall be agreed upon by the other party in writing.

(d) the parties may require any individual receiving confidential information to sign a non-disclosure or confidentiality agreement that is mutually agreeable to the parties.

4.3 Exceptions to Confidentiality. The obligations of the parties contained in this Article 4 shall not apply to any Confidential Information which:

(a) was legally in a party's possession on a non-confidential basis prior to receipt from or receipt on behalf of the other party;

(b) was received in good faith on a non-confidential basis from a third party who is not subject to any confidentiality obligations;

(c) is now or later becomes publicly known through no breach of any obligations imposed by this Article 4 or other provision(s) of this Agreement; or

(d) was developed without the developing person(s) using any Confidential Information.

ARTICLE 5 WARRANTIES AND INDEMNITIES

5.1 Warranties. Each party represents and warrants that it:

(a) is an organization duly organized, validly existing and in good standing under the laws of the state in which it is formed;

(b) has all requisite power and authority and the legal right to enter into this Agreement and to perform its obligations under this Agreement;

(c) has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement;

(d) has duly executed and delivered this Agreement and (assuming due authorization, execution and delivery by each party) constitutes a legal, valid, binding obligation, enforceable against such party in accordance with its terms; and

(e) has approved this Agreement by its board of directors or other authorized persons who do not have a conflict of interest in approving this Agreement.

5.2 Indemnities.

(a) Indemnification by BFCS-QC. Except to the extent caused by BFCS' negligence, BFCS-QC hereby agrees to indemnify and hold harmless BFCS, and its shareholders, officers, directors, employees, affiliates and representatives from any and all claims, demands, suits, damages, costs, expenses or any other liability, including attorneys' fees and costs of investigation, arising out of or under or related to the breach by BFCS-QC, or any of its employees, affiliates and representatives, of any of its agreements, representations, warranties, or covenants contained herein; provided that, in no event, shall BFCS-QC be liable to BFCS for any special, indirect, consequential or punitive damages, whether as a result of a claim based in contract, tort or otherwise.

(b) Indemnification by BFCS. Except to the extent caused by BFCS-QC's negligence, BFCS hereby agrees to indemnify and hold harmless BFCS-QC, and its officers, directors, employees and representatives from any and all claims, demands, suits, damages, costs, expenses or any other liability, including attorneys' fees and costs of investigation, arising out of or under or related to the breach by BFCS, or any of its employees, affiliates and representatives, of any of its agreements, representations, warranties, or covenants contained herein; provided that, in no event, shall BFCS be liable to BFCS-QC for any special, indirect, consequential or punitive damages, whether as a result of a claim based in contract, tort or otherwise.

**ARTICLE 6
GENERAL PROVISIONS**

6.1 Notices.

Any notice, demand, or communication required or permitted to be given to a party by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if: (i) delivered personally; (ii) sent by facsimile or electronic mail; or (iii) sent by registered or certified mail, postage prepaid, addressed to the party at the address set forth below. Except as otherwise provided herein, any such notice shall be deemed to be given on the date on which the same was personally delivered; on the date on which the notice was transmitted by facsimile or electronic mail if confirmation thereof is obtained; or, if sent by registered or certified mail, three days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid. The inability to deliver any such notice because of a changed mailing address or facsimile or electronic mail address, of which no notice was given, or because of the rejection or refusal to accept such notice, shall be deemed to be the effective receipt of the notice as of the date of such inability to deliver, rejection, or refusal to accept. Notice may be given by counsel or an agent for a party.

If to BFCS:

BENJAMIN FRANKLIN CHARTER SCHOOL
690 E. Warner Rd., Ste 141
Gilbert, AZ 85296

Attention: Edwin Farnsworth
Fax:
Email:

If to BFCS-QC:

BENJAMIN FRANKLIN CHARTER SCHOOL-QUEEN CREEK
690 E. Warner Rd., Ste 141
Gilbert, AZ 85296
Attention: James Candland
Fax:
Email:

6.2 Waiver. No waiver of any breach of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or subsequent breach.

6.3 Severability. If any term, provision or section of this Agreement shall be found to be unenforceable, that term, provision, or section shall be stricken from this Agreement and shall not affect the validity or enforceability of the remaining terms, provisions and sections of this Agreement. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as enforceable.

6.4 Further Assurances. Each party shall execute such documents and shall give such further assurances as shall be reasonably necessary or desirable to perform its obligations hereunder.

6.5 Governing Law; Dispute Resolution.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, without applying any choice of law provisions of the State of Arizona, or any other jurisdiction.

(b) If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation, administered under the supervision of a mutually agreed upon mediator. The mediation shall be held in Phoenix, Arizona.

(c) Should mediation not successfully resolve the dispute(s), the parties agree to proceed to nonbinding arbitration before a single arbitrator, pursuant to existing rules of the American Arbitration Association. The arbitration shall take place in Phoenix, Arizona. The arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the State of Arizona, in accordance with Section 6.5(a), in deciding the issues to be heard. Any party may

cause to be prepared, at its expense, a written transcription or electronic recollection of such arbitration. The award of the arbitrator shall be supported by written findings of fact and conclusions of law.

(d) Irrespective of the mediation and arbitration provisions set forth herein, each party understands and agrees that a breach of this Agreement may result in the other party suffering irreparable harm in which the full extent of damages may be impossible to ascertain and monetary damages may not be an adequate remedy. As such, in its sole discretion, either party may seek immediate judicial relief as available in law or equity, and the initiation of any judicial proceeding will suspend the dispute resolution procedures set forth above.

(e) Except as may be required by law, no party, mediator or arbitrator may disclose the existence, content, or results of any mediation or arbitration hereunder without the prior written consent of both parties.

(f) Each party will bear its own costs and expenses associated with the mediation and/or arbitration procedures set forth in this Section 6.5, except that the parties will share equally any fees payable to a professional mediator and/or arbitrator.

(g) With respect to any matter not subject to mediation or arbitration, each of the parties hereby irrevocably and unconditionally consents to submit to the jurisdiction of the federal courts of the United States of America (located in Phoenix, Arizona) or, if such federal courts do not have jurisdiction, to the courts of the State of Arizona (located in the City of Phoenix) for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the United States of America or the State of Arizona, in each case located in the City of Phoenix, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim that any such litigation brought in any such court has been brought in an inconvenient forum.

(h) Each of the parties irrevocably agrees and acknowledges that any judgment (whether issued by a court, arbitrator or other person or entity) which one party may have against the other party, and all other monetary claims which one party may have against the other party, may be enforced in any jurisdiction in which the party subject to the monetary obligation has assets.

6.6 Entire Agreement; Amendment. Except as may be expressly set forth to the contrary herein, this Agreement, together with the applicable terms in the Purchase Agreement, constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, whether oral or written, between the parties (and their affiliates) with respect to the subject matter hereof. This Agreement may be amended only in writing signed by the parties.

6.7 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and permitted assigns. Except as provided herein, this Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

6.8 No Benefit to Others. Except as may be expressly set forth to the contrary herein, the representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the parties hereto and their successors and permitted assigns, and the Agreement will not be construed as conferring, and is not intended to confer, any rights on any other persons or entities.

6.9 Public Statements. The parties will coordinate with one another on all public statements regarding BFCS or BFCS-QC, including, without limitation, statements regarding the contractual relationship set forth in this Agreement, and statements regarding the performance by either party regarding the obligations hereunder. Except as required by Applicable Law, neither party will disseminate, publish or release any such statements or materials without the prior written consent of the other party, which consent will not be unreasonably withheld, conditioned or delayed.

6.10 Rights and Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. These rights and remedies are given in addition to any other rights that the parties may have by law, statute, ordinance or otherwise.

6.11 Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to define or limit the scope, extent or intent of this Agreement or any provision herein.

6.12 Recitals. The Recitals to this Agreement are hereby incorporated into this Agreement by reference.

6.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

6.14 Facsimile and Pdf Signatures. The parties agree that, if a duly authorized representative of one party signs this Agreement and transmits such Agreement to the other party via facsimile or electronic mail transmission, and a duly authorized representative of the other party then signs such transmission, then this Agreement shall have been validly executed by both parties. In such case, the fully signed document and the facsimile or pdf of such document (bearing all signatures and transmitted to the party that originally signed such document), shall be deemed original documents.

6.15 Relationship of Parties. The parties to this Agreement are not partners or joint venturers. BFCS is an independent contractor of BFCS-QC. This Agreement shall not constitute any party as the legal representative or agent of the other, nor shall any party or any affiliate of any party have the right or authority to assume, create or incur any liability or obligation, express or implied, against, in the name of, or on behalf of the other party.

6.16 Independent Counsel.

(a) Joint Preparation. This Agreement shall be considered, for all purposes, as having been prepared through the joint efforts of the parties to this Agreement. No presumption shall apply in favor of or against any party in the interpretation of this Agreement or any such other agreement or instrument, or in the resolution of any ambiguity of any provision hereof or thereof, based on the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof or thereof.

(b) Independent Counsel. Each party to this Agreement understands and acknowledges that each of them is entitled to and has been afforded the opportunity to consult legal and tax counsel of its choice regarding the terms, conditions and legal effects of this Agreement as well as the advisability and propriety thereof. Each party to this Agreement further understands and acknowledges that having so consulted with legal and tax counsel of its choosing, such party hereby waives any right to raise or rely upon the lack of representation or effective representation in any future proceedings or in connection with any future claim resulting from this Agreement.

6.17 Legal Fees. BFCS and BFCS-QC shall each pay their own respective legal fees incurred in negotiating and preparing this Agreement.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this ____ day of _____, 2018, effective as of the Effective Date.

**BENJAMIN FRANKLIN CHARTER SCHOOL,
an Arizona Corporation**

Edwin W. Farnsworth, President

**BENJAMIN FRANKLIN CHARTER
SCHOOL-QUEEN CREEK, an Arizona non-
profit corporation**

James Candland, President

Approved by BENJAMIN FRANKLIN CHARTER SCHOOL-QUEEN CREEK's Board of Directors at a meeting held on the ____ of _____, 2018.