Renewal Charter Contract
Between
Arizona State Board for Charter Schools
And
Pinnacle Education – Kino, Inc.

1. **Parties:** The Arizona State Board for Charter Schools is authorized, pursuant to Arizona Revised Statutes ("A.R.S."), Title 15, Chapter 1, Article 8, to execute a Charter Contract ("Charter") for the purpose of authorizing the renewal of established charter schools to provide a learning environment to improve pupil achievement and to provide additional academic choices for parents and pupils.

A. This Charter is entered into between Pinnacle Education – Kino, Inc. ("Charter Holder") and the Arizona State Board for Charter Schools for the purpose of continuing the operation of a charter school as approved for renewal by the Arizona State Board for Charter Schools at the site(s) listed in Paragraph 6 of this Charter. This charter supersedes and replaces any and all prior charters between the parties.

B. The person authorized to sign and act on behalf of the Arizona State Board for Charter Schools is the President of the Arizona State Board for Charter Schools or its Executive Director as the President's Designee.

C. The person authorized to sign on behalf of the Charter Holder is Muhammad Padela ("Charter Representative").

D. The Charter Representative affirms as a condition of this Charter, that he/she is the above-described representative of the Charter Holder and has authority to enter into this Charter on behalf of the Charter Holder.

- The Charter Holder must maintain a Charter Representative and provide current contact information to the Arizona State Board for Charter Schools.
- The Arizona State Board for Charter Schools shall direct all communication with regard to this Charter to the Charter Representative.
- The Charter Representative shall respond to written communication from the Arizona State Board for Charter Schools within the timeframe specified in the communication.

E. Neither party to this Charter is the employee or agent of the other party.

F. The Charter Representative further affirms that the Charter Holder is, and will remain, in good standing with the applicable regulatory body (e.g., for an Arizona Corporation, the Arizona Corporation Commission).

2. **Purpose:** The Charter Holder shall operate a charter school consistent with the terms of the Charter and all applicable laws; shall achieve pupil outcomes according to the educational standards established by law and this Charter; and shall be governed and managed in a financially prudent manner.

3. **Governance:**

A. The Charter Holder and its officers, directors, members, and partners have a duty of care for complying with the provisions of this Charter, all applicable laws, regulations, and reporting requirements.

B. The Charter Holder shall establish and maintain a governing body for the charter school that is responsible for the policy decisions of the charter school.

4. Operation:

A. The Charter Holder shall be nonsectarian in its charter school programs, admission policies and employment practices and all other operations.

B. The Charter Holder shall comply with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.

C. The Charter Holder shall comply with applicable federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance.

D. The Charter Holder shall maintain records to document daily pupil attendance and shall make such records available for inspection upon request of the Arizona State Board for Charter Schools and the Arizona Department of Education.

E. The Charter Holder shall maintain student records in accordance with the Arizona State Library, Archives and Public Records Retention Schedules.

F. If the Charter Holder receives federal grants funds, the Charter Holder shall timely submit financial and other reports required by the Arizona Department of Education for the Charter Holder's receipt of such funds.

5. Applicable Law: The material and services provided by this Charter Holder under this Charter shall comply with all applicable federal, state, and local laws and shall conform, in all respects, to the educational standards contained in its application and Charter. This Charter shall be governed and interpreted in accordance with the laws of the State of Arizona.

6. Sites: The Charter Holder shall provide educational services, including the delivery of instruction, at the following location(s):

Pinnacle Charter High School (9-12)
2055 North Grand Avenue
Nogales, Arizona 85621

The Charter Holder shall maintain ownership, a lease, or other suitable agreement covering the use of all facilities, and shall ensure that the facilities comply with all applicable federal, state and local health and safety standards and other applicable laws, regulations and rules.

7. Term of Charter: This Charter is effective upon the signing of both parties for a term of twenty (20) years commencing on July 1, 2015 and ending on June 30, 2035, except as otherwise provided in this Charter and in the Agreement in Attachment 1 which is incorporated as if fully set forth herein and by law. The Charter may be renewed for successive periods of twenty (20) years pursuant to law.

8. Non-Availability of Funds: Every payment obligation of the State of Arizona under this Charter is conditioned upon the availability of funds continuing to be appropriated or allocated for the payment of such obligations. If funds are not allocated and available for the continuance of this Charter, the Arizona State Board for Charter Schools may terminate this Charter at the end of the period for which funds are available. No liability shall accrue to the Arizona State Board for Charter Schools, nor the State of Arizona, or any of its subdivisions, departments or divisions, in the event this provision is exercised, and neither the Arizona State Board for Charter Schools nor the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

9. Charter Interpretation:

A. Merger: This Charter constitutes the entire agreement of the Parties. In the event of a conflict, the provisions of the Renewal Charter Contract control. Arizona Revised Statutes, Arizona State Board for Charter School policies, and administrative rules and regulations, which may be amended from time to time during the course of the Charter, are incorporated into this Charter, along with any amendments which may occur during the term of the Charter, by this reference.

B Waiver: Either party's failure to insist on strict performance of any term or condition of the Charter shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

C Severability: The provisions of this Charter are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Charter.

D. Assignment: Neither party may assign or transfer any right or interest in this Charter unless authorized by law. No assignment, transfer or delegation of any duty of the Charter Holder shall be made without prior written permission of the Arizona State Board for Charter Schools.

10. Amendments to the Charter and Changes to the Charter Holder:

A. This Charter may be amended or modified by mutual agreement, in writing, of the parties. Charter amendments and modifications requiring prior written approval by the Arizona State Board for Charter Schools shall be posted on its website as an Amendment or Notification Request. The Charter Holder shall not take action or implement the modification requested in the amendment or notification until approved by the Arizona State Board for Charter Schools. All amendment and notification requests shall be submitted pursuant to the procedures or rules formulated by the Arizona State Board for Charter Schools. Charter modifications that are not posted on the website may be implemented without the approval of the Arizona State Board for Charter Schools. A technological problem or failure that temporarily prevents the use of all or part of the website does not preclude the Charter Holder from complying with this paragraph.

B. Any change in the ownership of the Charter Holder, change in the name of the Charter Holder, or change in officers, directors, members or partners of the Charter Holder must be submitted to the Arizona State Board for Charter Schools pursuant to the procedures or rules formulated by the Arizona State Board for Charter Schools.

11. Insurance: The Charter Holder shall obtain and maintain insurance in accordance with the laws of the State of Arizona.

Waiver of Rights: The Charter Holder and its insurers providing the required coverage shall waive all rights of recovery against the State of Arizona and the Arizona State Board for Charter Schools and the Department of Education, their agents, officials, assignees and employees.

12. Indemnification and Acknowledgements: The Charter Holder shall indemnify, defend, save and hold harmless the Arizona State Board for Charter Schools, the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees (“Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys’ fees, and costs of claim processing,

investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Charter Holder or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Charter Holder to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree that is applicable to the Charter Holder. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the Charter Holder from and against any and all claims. It is agreed that the Charter Holder will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Charter, the Charter Holder agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Charter Holder for the State of Arizona.

A. The parties acknowledge that neither the Arizona State Board for Charter Schools, the State of Arizona, or its agencies, boards, commissions or divisions are liable for the debts or financial obligations of a charter school or persons or entities that operate charter schools.

B. The parties acknowledge that, pursuant to law, the Arizona State Board for Charter Schools, its members, officers and employees are immune from personal liability for all acts done and actions taken in good faith within the scope of its authority.

13. Academic Performance Indicators and Evaluation: The Charter Holder shall:

A. Provide a comprehensive program of instruction that aligns with the state academic standards prescribed by the Arizona State Board of Education for the grades approved for renewal by the Arizona State Board for Charter Schools.

B. Design a method to measure pupil progress toward pupil outcomes adopted by the Arizona State Board of Education pursuant to A.R.S. §15-741.01, including participation in the State required assessments and the nationally standardized norm-referenced achievement test as designated by the Arizona State Board of Education.

C. Meet or demonstrate sufficient progress toward the academic performance expectations set forth in the performance framework as adopted and modified periodically by the Arizona State Board for Charter Schools.

D. Submit the results and findings from its analysis of student assessment data as required under the terms of the Agreement in Attachment 1 to this Charter.

E. Meet or demonstrate sufficient progress toward the academic performance expectations set forth in the performance framework adopted by the Arizona State Board for Charter Schools.

14. Financial Requirements:

A. The Charter Holder shall comply with the same financial and electronic data submission requirements as a school district, including the Uniform System of Financial Records for Charter Schools (USFRCS) as prescribed in A.R.S. Title 15, chapter 2, article 4, procurement rules as prescribed in A.R.S. §15-213 and audit requirements as prescribed in A.R.S. §15-914 unless specifically excepted by the Arizona State Board for Charter Schools. If the Charter Holder has received an exception to the USFRCS and/or procurement rules, the Charter Holder shall, at a minimum, follow accounting policies and

procedures that comply with Generally Accepted Accounting Principles (GAAP). This includes using an accounting system that provides for the proper recording and reporting of financial data and following standard internal control procedures. In addition, the Charter Holder shall contract for at least an annual financial statement audit that meets the following conditions:

- It is conducted by an independent certified public accountant; and
- It complies with policies adopted by the Arizona State Board for Charter Schools.

B. The Charter Holder shall pay debts as they fall due or in the usual course of business.

C. The Charter Holder shall not commit or engage in gross incompetence or systematic and egregious mismanagement of the school's finances or financial records.

15. Review, Evaluation and Investigative Teams, Audits and Records: The Charter Holder shall allow representatives from the Arizona State Board for Charter Schools, Arizona Department of Education, and/or the Arizona Auditor General to visit each school site at any reasonable time.

The Charter Holder shall allow the representatives to conduct financial, program or compliance audits and shall hold open for inspection all records, documents and files relating to any activity or program provided by the Charter Holder relating to the charter school or by the charter school. Pursuant to A.R.S. § 35-214, all books, accounts, reports, files and other records relating to this Charter shall be subject, at all reasonable times, to inspection and audit by the State for five years after termination of the Charter.

16. Length of School Year: The Charter Holder shall provide instruction for no less than the minimum number of days required by statute and no less than the minimum number of hours of instruction required by statute. The Charter Holder must provide instruction as stated in this paragraph within the State of Arizona's fiscal year that begins July 1st and ends June 30th.

17. Termination or Non-Renewal of the Charter: The Arizona State Board for Charter Schools may revoke or not renew the Charter for any material breach of the Charter and/or violation of state, federal or local laws, ordinances or rules or regulations; for conditions which threaten the health, safety, or welfare of the students or staff of the school or of the general public; or as provided by law.

18. Employees and Contractors: This Charter is not an employment contract. No officer, employee, agent, or subcontractor of the Charter Holder or the School is an officer, employee, or agent of the Arizona State Board for Charter Schools or the State of Arizona.

19. Non-Discrimination: As a required state contract provision, the Charter Holder shall comply with State Executive Order No. 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable federal and state employment laws, rules and regulations, including the Americans with Disabilities Act. The Charter Holder shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

20. Conflict of Interest: Pursuant to A.R.S. §38-511, the State of Arizona ("State"), its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract

in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. A cancellation made pursuant to this provision shall be effective when the Charter Holder receives written notice of the cancellation unless the notice specifies a later time.

21. **Fingerprints:** The Charter Holder shall comply with the requirements of A.R.S. §15-183.

A. The Charter Holder shall fingerprint check its charter school governing body members pursuant to A.R.S. §15-512 and submit all changes in members through the process stated in Paragraph 10. A fingerprint check must be conducted for each new governing body member.

B. The Charter Holder must maintain valid fingerprint clearance cards on all officers, directors, members, and partners of the Charter Holder and submit all changes in officers, directors, members, and partners through the process stated in Paragraph 10.

22. **Notices**: Any notice required, or permitted, under the Charter shall be in writing and shall be effective immediately upon personal delivery, upon receipt of electronic mail, or three (3) days after mailing to the following:

Charter Holder:
Muhammad Padela
Pinnacle Education – Kino, Inc.
2224 West Southern Avenue, Suite 1
Tempe, AZ 85282

Arizona State Board for Charter Schools:
Whitney Chapa
Arizona State Board for Charter Schools
P.O. Box 18328
Phoenix, AZ 85009

The Arizona State Board for Charter Schools may make changes in the address of its contact person by posting the change(s) on its website.

PINNACLE EDUCATION- KINO, INC.

Executed this _____day of_____2015.

By_____
Muhammad Padela, Charter Representative for Pinnacle Education – Kino, Inc.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

Executed this _____day of _____2015.

By_____
Whitney Chapa, Executive Director of the Arizona State Board for Charter Schools.

Please Initial _____