SETTLEMENT AGREEMENT

This Settlement Agreement is between the Arizona State Board for Charter Schools ("Board") and Mountain Oak School Inc. ("Mountain Oak") to resolve matters related to the Board's decision to deny Mountain Oak's request to renew its charter for the operation of Mountain Oak Charter School ("School").

Parties

The Board is the state agency required to exercise general supervision over charter schools sponsored by the Board. A.R.S. § 15-182(E) (1).

Mountain Oak operates the School, a charter school that is sponsored by the Board and is subject to the statutory provisions set out in A.R.S. § 15-181 et seq.

Recitals

- 1. When the Board sponsors a charter school, the parties enter into a fifteen (15) year contract ("charter") that governs the responsibilities of each of the parties. A.R.S. § 15-183(I).
- 2. Prior to the expiration of the charter, the charter school may apply for renewal.

 A.R.S. § 15-183(I) (1).
- 3. For charter schools it sponsors, the Board is required to determine if the charter should be renewed based on its judgment whether the charter holder has met the statutorily set out requirements. A.R.S. § 15-183(I) (1).
- 4. The Board may deny the request for renewal if, based on its judgment, the charter school has not met the requirements set out in statute A.R.S. §15-183(I) (1).
 - 5. Mountain Oak was required to submit an application for renewal by May 24, 2013.
- 6. Mountain Oak filed an untimely application on May 30, 2013, which was accepted by the Board at the June 10, 2013 Board meeting.

- 7. At the January 13, 2014 Board meeting, the Board denied Mountain Oak's request for the renewal of its charter because, based on its judgment, the School failed to meet or make sufficient progress toward the academic performance expectations set forth in the Board's academic performance framework and failed to comply with Arizona fingerprinting requirements.
- 8. On February 18, 2014, the School filed a timely Notice of Appeal and Request for Hearing.
- 9. On March 13, 2014, the Board filed its Notice of Hearing on Appeal of the Arizona State Board for Charter Schools' Denial of Request for Renewal of Charter Contract with a hearing date of April 16-18, 2014 at the Office of Administrative Hearings.
- 10. On March 14, 2014, the parties held an informal settlement conference at which a possible settlement agreement was discussed
- 11. The fingerprint compliance issues that were a basis for the Board to deny the request for renewal of the charter contract have been corrected and documents have been submitted to follow a process that will eliminate fingerprint compliance issues.
- 12. In full settlement of all matters relating to the non-renewal of Mountain Oak's charter, the parties have agreed to all the terms and conditions as set out in Attachment A which are incorporated as if fully set forth herein.

General Terms and Conditions

13. This Settlement Agreement may be executed in one or more counterparts, each of which is equally admissible in evidence and each of which shall fully bind each party who has executed it. The persons executing this Settlement Agreement on behalf of the parties hereby represent and guarantee that they have been authorized to do so, on behalf of themselves and the entity they represent.

- 14. This Settlement Agreement is not binding on either party until both the Board and Mountain Oak's governing board accept it by the number of votes necessary to pass a measure at a public meeting. The Settlement Agreement is effective immediately upon its approval and execution by the authorized representatives of the Board and Mountain Oak.
- 15. Both parties agree that a settlement of this issue is in the best interest of the Board and Mountain Oak.
- 16. This Settlement Agreement is binding upon and inures to the benefit of the parties and their respective successors and assignees.
- 17. This Settlement Agreement shall be governed by and construed in accordance with the law of the State of Arizona without regard to its principles of choice of law. Venue for any action to enforce this Settlement Agreement shall be in Maricopa County, Arizona.
- 18. This Settlement Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and may not be modified or amended except by written instrument, signed by each of the parties hereto.
- 19. Should any provision of this Settlement Agreement be held invalid or held unenforceable, such illegality or unenforceability shall not invalidate the whole of this Settlement Agreement, but rather this Settlement Agreement shall be construed as if it did not contain the illegal part, and the rights and obligations of the parties shall be construed and enforced accordingly.

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20. Each party is responsible for its own legal fees and costs in this matter.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

By: Janna Day
President, Arizona State Board for Charter Schools
Date:

MOUNTAIN OAK SCHOOL, INC.

By: [NAME]

Charter Representative, Mountain Oak School, Inc.

ATTACHMENT A

Mountain Oak School, Inc. Settlement Terms

- 1. The Board and Mountain Oak will enter into a charter contract for 20 years pursuant to A.R.S. § 15-183(J).
- 2. The charter contract shall terminate at the end of the then-current school year if for any two out of the next three academic years, beginning with the results of the fiscal year 2014 Academic Dashboard any one of the following occurs:
- a. Mountain Oak does not meet or exceed the Board's Academic Performance standards as determined by the School's Overall Rating in its yearly Academic Dashboard;
- b. Mountain Oak's overall Student Growth Percentile ("SGP") for Math (item 1a of the Dashboard) does not meet or exceed its performance measure for fiscal year 2013;
- c. Mountain Oak's bottom 25% SGP for Math (item 1b of the Dashboard) does not meet or exceed its performance measure for fiscal year 2013.
- 3. If an Academic Dashboard is not available for fiscal year 2015, Mountain Oak's academic performance will be deemed to have met or exceeded the Board's Academic Performance Standards as required by paragraph 2, above, if a comparison of benchmark data collected by Mountain Oak for fiscal year 2015 with such benchmark data from the fiscal year 2014 demonstrates overall student academic improvement across grades and content areas.
- a. For math, Mountain Oak will collect benchmark data for the fall, winter and spring for both fiscal year 2014 and fiscal year 2015.
- b. For reading, Mountain Oak will collect benchmark data for the winter and spring of fiscal year 2014 and the fall, winter and spring of fiscal year 2015.

- 4. Upon compliance with the academic performance terms described in paragraphs 2 and 3 above, Mountain Oak will continue to be monitored in accordance with the Board's Academic Performance Framework and Guidance upon the same terms and conditions as all other charter schools.
- 5. The charter contract will terminate on August 1, 2014 if Mountain Oak does not submit to the Board on or before May 31, 2014 documentation that demonstrates the following:
- a. That discussions regarding curricular alignment with State Board of Education approved academic standards are occurring during weekly team meetings.
- b. That Mountain Oak's administration is verifying alignment between State Board of Education approved academic standards and curriculum taught at the School.
- c. That Mountain Oak is continuing to implement the Danielson teacher evaluation model.
- d. That Mountain Oak has mapped curricular alignment with the State Board of Education approved standards for its English and Language Arts courses (such documentation was already submitted for math).
- e. A plan to improve the academic performance of its bottom 25% students, not including SPED students.

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6. To the extent that the Board believes that the documentation submitted by Mountain

Oak in compliance with paragraph 5 above does not demonstrate the requirement for which it is

submitted, the Board shall provide Mountain Oak with a written statement that indicates what

documentation it deems inadequate and the basis for its belief. Mountain Oak shall have 30 days

after receiving the Board's written statement in which to submit additional or revised documentation

to meet the requirement(s).

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

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By: Janna Day

President, Arizona State Board for Charter Schools

Date:

MOUNTAIN OAK SCHOOL, INC.

By: [NAME]

Charter Representative, Mountain Oak School, Inc.