

**AGENDA ITEM:** Surrender Agreement – Ahwatukee Foothills Prep, Inc.

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**Issue**

Ahwatukee Foothills Prep, Inc. has submitted a Voluntary Surrender and Charter Termination Agreement (“Surrender Agreement”).

**Background**

Ahwatukee Foothills Prep, Inc. is approved to operate Mosaica Preparatory Academy of Chandler serving grades K through 9 and Mosaica Online of Arizona serving grades K through 8.

Mosaica Preparatory Academy of Chandler was closed as of June 30, 2015 as the result of the insolvency of Mosaica Education, Inc., which previously managed both schools.

Mosaica Online of Arizona ceased operations as of June 30, 2016. In May 2016, the Board approved adding this site to the Ahwatukee Foothills Prep Early College High School, Inc. charter effective July 1, 2016.

A copy of the proposed terms of the Surrender Agreement is included in Appendix A.

**Board Options**

The Board may adopt the terms of the Surrender Agreement. Staff recommends the following language for consideration: I move that the Board adopt the Voluntary Surrender and Charter Termination Agreement for Ahwatukee Foothills Prep, Inc.

## Appendix A

## **VOLUNTARY SURRENDER AND CHARTER TERMINATION AGREEMENT**

This Voluntary Surrender and Charter Termination Agreement (“Agreement”) is made by and between Ahwatukee Foothills Prep, Inc. (“Charter Operator”), a nonprofit corporation organized under the laws of the state of Arizona, and the Arizona State Board for Charter Schools (“Board”), collectively referred to herein as the “Parties”.

### **RECITALS**

1. The Charter Operator is approved to operate Mosaica Preparatory Academy of Chandler and Mosaica Online of Arizona (collectively, “the Schools”), charter schools established pursuant to A.R.S. § 15-181 et seq.
2. The Schools operate pursuant to a charter contract (“Charter”) executed on June 30, 2004 between the Charter Operator and the Board.
3. Leanne Bowley and Martha Morgan are the Charter Representatives and each are persons authorized to execute documents on behalf of the Charter Operator.
4. Mosaica Preparatory Academy of Chandler was closed as of June 30, 2015 as the result of the insolvency of Mosaica Education, Inc., which previously managed the Schools.
5. Mosaica Online of Arizona’s operations under the Charter ceased as of June 30, 2016.

### **AGREEMENT**

The Parties agree as follows:

1. The Charter Operator voluntarily tenders and surrenders the Charter to its sponsor, the Board, with the intent to voluntarily terminate its Charter effective 11:59 p.m. on June 30, 2016 for the purpose of further performance.
2. The Board accepts the surrender of the Charter for the operation of the Schools.

3. The Charter between the Charter Operator and the Board for the operation of the Schools is terminated effective 11:59 p.m. on June 30, 2016 for the purpose of further performance.

4. This Agreement is not binding on the Parties until both the Board and the Charter Operator's governing board accept it by the number of votes necessary to pass a measure at a public meeting. This Agreement is effective as of 11:59 p.m. on June 30, 2016 upon its approval and execution by the authorized representatives of the Charter Operator and the Board.

5. If the Board rejects this Agreement or any part of it, then this Agreement is null and void, and not binding on the Charter Operator or the Board.

6. The custodian of all student records of the Schools is Phoenix Advantage Charter School located at 3738 N. 16<sup>th</sup> Street, Phoenix, AZ 85016. All student records of the Schools shall be maintained in accordance with the Student Records Retention Schedule provided by the Arizona Library and Archives division of the Arizona Secretary of State's Office.

7. The Charter Operator will submit all requisite student level data pertaining to Mosaica Online of Arizona for its receipt of state equalization funding for the 2015-2016 school year to the Arizona Department of Education ("Department") through AzEDS in the manner directed by the Department.

8. The Charter Operator is permitted to receive state equalization assistance funds pertaining to Mosaica Online of Arizona for the 2015-2016 school year to which it is entitled under the school funding formula provided in Arizona law, but no more.

9. The Charter Operator shall refund any overpayment of state equalization assistance funds in the amount determined by the Department in the manner directed by the Department.

10. The Charter Operator is permitted to receive Classroom Site Funds pertaining to Mosaica Online of Arizona for the 2015-2016 school year to which it is entitled under the provisions of Arizona law, but no more. The Charter Operator shall expend the Classroom Site Funds in a manner consistent with the intent as specified in A.R.S. § 15-977.

11. The Charter Operator shall refund any overpayment of Classroom Site Funds in the amount determined by the Department in the manner directed by the Department.

12. The Charter Operator shall submit any outstanding grant reports pertaining to Mosaica Online of Arizona and shall refund any outstanding grant monies or allocation of education funds in the amount determined by the Department in the manner directed by the Department.

13. The Charter Operator is permitted to receive Instructional Improvement Funds pertaining to Mosaica Online of Arizona for the 2015-2016 school year to which it is entitled under the provisions of Arizona law, but no more. The Charter Operator shall expend the Instructional Improvement Funds in a manner consistent with the intent as specified in A.R.S. § 15-979.

14. Nothing in this Agreement is intended to prevent the Charter Operator from exercising its rights under statutes or regulations to contest amounts determined by the Department to be owed by the Charter Operator.

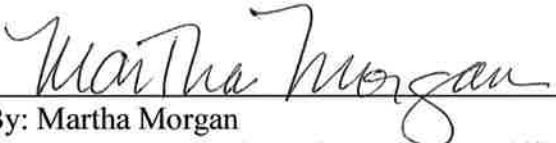
15. The Charter Operator understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

16. The Parties shall be responsible for their own attorneys' fees and costs in this matter.

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

\_\_\_\_\_  
By: Kathy Senseman  
President, Arizona State Board for Charter Schools  
Date: \_\_\_\_\_

AHWATUKEE FOOTHILLS PREP, INC.

  
\_\_\_\_\_  
By: Martha Morgan  
Charter Representative, Ahwatukee Foothills Prep, Inc.  
Date: 7/28/16

COPY mailed this  
\_\_\_\_ day of \_\_\_\_\_, 2016 to:  
Ahwatukee Foothills Prep, Inc.  
Attention: Leanne Bowley and Martha Morgan, Charter Representatives  
10210 S. 50<sup>th</sup> Place  
Phoenix, AZ 85044

By \_\_\_\_\_