

SETTLEMENT AGREEMENT

THIS AGREEMENT is entered into by and between Academy of Moore County (hereinafter, "AMC") and the North Carolina State Board of Education (hereinafter "State Board of Education").

WHEREAS, pursuant to North Carolina General Statutes Chapter 115C, Article 16, Part 6A the State Board of Education is responsible for the approval, renewal and revocation of charters to operate charter schools in North Carolina;

WHEREAS, the State Board of Education granted the Academy of Moore County (AMC) a charter to operate the Academy of Moore County Charter School (AMCCS) for a three-year renewal charter from July 1, 2007 through June 30, 2010;

WHEREAS on March 5, 2010, the State Board of Education voted not to renew the charter based upon unsatisfactory student performance;

WHEREAS AMC filed a petition for contested case in the Office of Administrative Hearings in which it contested the State Board of Education's decision not to renew AMC's charter, *Academy of Moore County v. N.C. State Board of Education*, 10 EDC 2481; and

WHEREAS AMC and the State Board of Education desire to resolve all their disputes on mutually agreeable terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the State Board of Education and AMC hereby agree to the following terms of settlement in full satisfaction of all claims or potential claims which have been, or could be, asserted by AMC against the State Board of Education and the Department of Public Instruction, their officers, agents or employees arising out of the State Board of Education's March 5, 2010 vote not to renew AMC's charter or the allegations contained in AMC's Petition for Contested Case Hearing:

I. WARRANTIES

- A. Each party warrants and represents to the other that it has been fully informed and has full knowledge of the terms, conditions and effects of this Agreement.
- B. Each party warrants and represents to the other that no promise or inducement has been offered or made except as herein set forth, and that this Agreement is executed without reliance upon any statement or representation by any other party or its agents.

II. OBLIGATIONS

- A. The State Board of Education agrees to:
 - 1. Renew the AMC charter effective July 1, 2010 through June 30, 2011; and
 - 2. Upon a determination by the Division of Accountability Services at the Department of Public Instruction (DPI) during June 2011 that AMC has either achieved 70% proficiency on the state tests or made at least Expected Growth, the charter will be extended through June 30, 2015, provided AMC is otherwise in compliance with the terms and conditions

of its charter.

B. AMC agrees to:

1. Dismiss with prejudice its petition for contested case hearing *Academy of Moore County v. N.C. State Board of Education*, 10 EDC 2481;
2. Be bound by the terms of all applicable statutes, State Board of Education policies, and the terms and conditions of the one-year charter and any extension of that charter, if granted; and
3. In the event AMC fails to achieve either 70% proficiency or Expected Growth as determined by the Division of Accountability Services at the Department of Public Instruction during June 2011, AMC agrees to voluntarily surrender its charter on or before June 30, 2011.

III. RELEASES

AMC hereby releases, acquits and forever discharges the State Board of Education and DPI and all their current and former officers, agents and employees (in both their official and individual capacities); and all successors of the above-named entities from all claims, actions, causes of action, demands, rights, damages, costs, sums of money, accounts, covenants, contracts, promises, attorney fees and all liabilities of any kind or nature whatsoever at law, in equity, or otherwise, which AMC ever had, arising out of the State Board of Education's March 5, 2010 vote not to renew AMC's charter or the allegations contained in AMC's Petition for Contested Case Hearing. .

The State Board of Education, and DPI and all their current and former officers, agents and employees (in both their official and individual capacities); and all successors of the State Board of Education, hereby releases, acquits and forever discharges AMC and all its current and former officers, agents and employees (in both their official and individual capacities); and all successors of AMC from all claims, actions, causes of action, demands, rights, damages, costs, sums of money, accounts, covenants, contracts, promises, attorney fees and all liabilities of any kind or nature whatsoever at law, in equity, or otherwise, which the State Board of Education ever had arising out of AMC's application for renewal of its charter, the State Board of Education's March 5, 2010 vote not to renew AMC's charter, or the allegations contained in AMC's Petition for Contested Case Hearing.

IV. COMPROMISE OF DISPUTED CLAIMS

Each party understands and agrees that this settlement is in compromise of doubtful and disputed claims; that no covenant herein is to be construed as an admission of liability on the part of any party hereby released; that each party hereby released denies any liability for such claims; and that each party intends merely to avoid dispute resolution processes and buy peace.

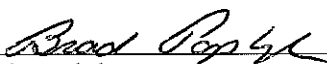
V. EFFECT OF AGREEMENT

This Agreement shall be binding upon and inure to the benefit of the parties of their agents, officers, employees, successors, assigns, heirs, executors, and administrators. This Agreement supersedes and replaces all prior and contemporaneous negotiations, agreements and proposed agreements, written or oral, related to the claims described herein. This Agreement may be modified only by a writing signed by each and all of the parties.

EXECUTED this the ___ day of _____ 2010.

[SIGNATURE OF EXECUTIVE REPRESENTATIVES OF PARTIES]

William C. Harrison
Chairman NC State Board of Education



Brad Poplyk
Chairman AMC Board of Directors