

AGENDA ITEM: Surrender Agreement – Grandview Associates, Inc.

Issue

Grandview Associates, Inc. has submitted a Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract (“Surrender Agreement”).

Background

Grandview Associates, Inc. was granted a charter contract on January 13, 2014 to operate Sierra Preparatory Academy serving grades 6 through 9. On August 5, 2015, the charter representative notified staff that due to low enrollment, the school would not be opening for the 2015-2016 school year, its first year of operation.

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

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 Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for Grandview Associates, Inc.

Appendix A

**CONSENT AGREEMENT FOR THE VOLUNTARY SURRENDER AND
TERMINATION OF THE CHARTER CONTRACT**

This Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract (“Agreement”) is made by and between Grandview Associates, Inc. (“Charter Operator”), a nonprofit corporation organized under the laws of the state of Arizona and authorized to operate Sierra Preparatory Academy, a charter school, and the Arizona State Board for Charter Schools (“Board”) collectively referred to herein as the “Parties.”

JURISDICTION

The Board is charged by Arizona Revised Statutes (“A.R.S.”) §§ 15-182(E)(1) and (2) and 15-183(R) with granting charter status to qualifying applicants for charter schools and exercising general supervision over the charter schools it sponsors. An approved plan to establish a charter school is effective for fifteen years. A.R.S. § 15-183(I). The charter may be amended at the request of the governing body of the charter school and on approval of the Board. A.R.S. § 15-183(G). The Board may revoke a charter of a school it sponsors at any time if the charter school breaches one or more provisions of its charter. A.R.S. § 15-183(I)(3). The charter may be renewed for successive period of twenty years. A.R.S. § 15-183(I)(1).

RECITALS

1. The Charter Operator is authorized to operate Sierra Preparatory Academy (“the School”), a charter school established pursuant to A.R.S. § 15-181 *et seq.*
2. The School operates pursuant to a charter contract (“Charter”) executed on January 7, 2015 between the Charter Operator and the Board.
3. Pursuant to A.R.S. § 15-183 and the Charter, the Board sponsors the Charter Operator to operate one school site to serve students in grades six through nine.

4. Edward Denny is the Charter Representative and person authorized to execute documents on behalf of the Charter Operator.

5. On August 5, 2015, the Charter Operator notified the Board that the School would not be opening for the 2015-2016 school year, its first year of operation, due to low enrollment numbers and that it was “winding down [its] operations.”

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 August 6, 2015 for the purpose of further performance.

2. The Board accepts the surrender of the Charter for the operation of the School.

3. The Charter between the Charter Operator and the Board for the operation of the School is terminated effective August 6, 2015 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 immediately 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 Charter Operator shall maintain, in accordance with the records retention schedules provided by the Arizona Library and Archives division of the Arizona Secretary of State’s Office, any records created or received related to the operation of the School or the Charter Operator’s responsibilities under its Charter.

7. Since the Charter Operator is not operating the School for the 2015-2016 school year, the Charter Operator is not entitled to receive and did not receive state equalization assistance funds for the 2015-2016 school year.

8. The Charter Operator shall submit any outstanding grant reports 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.

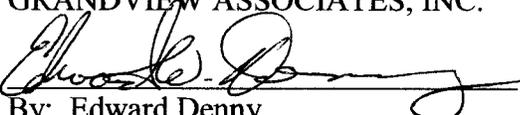
9. Nothing in this Agreement is intended to prevent the Charter Operator from exercising its rights under statutes or regulations to contest amounts determined by the Department to be owed by the Charter Operator.

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

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

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

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

GRANDVIEW ASSOCIATES, INC.

By: Edward Denny
Charter Representative, Grandview Associates, Inc.
Date: 11/6/15

COPY mailed this
_____ day of _____, 2015 to:

Grandview Associates, Inc.

Attention: Edward Denny, Charter Representative
9307 East Grandview Street
Mesa, AZ 85207

By _____

**Grandview Associates, Inc.
Governing Body of
Sierra Preparatory Academy
Board of Directors Regular Meeting**

Date: November 5, 2015

Time: 7:30 a.m.

1. Call to Order The regular meeting of the Board of Directors was called to order at 7:30 a.m. by Edward Denny, President.

2. Roll Call

Board Members Present: Edward Denny, President; Yuliya Yatsyshina, Secretary and Treasurer. No members were absent

3. Approval of Minutes from September 24, 2015.

Edward Denny moved the approval of the minutes. Yuliya Yatsyshina seconded. Motion passed unanimously.

4. Discussion and consideration of resolution of lawsuit by landlord.

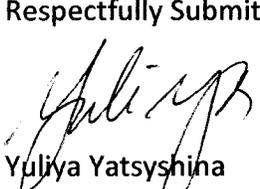
The Board reviewed the lawsuit filed by the Mansoor Alyeshmerni Trust, landlord for Sierra Prep, and the associated lease guarantee signed by Grandview Associates, Inc. After noting the current bank balance of approximately \$4,171, the Board authorized Edward Denny to enter a stipulated judgment for the landlord with payment up to \$4,000.00.

5. Acceptance of Charter surrender Agreement.

After reviewing the surrender agreement emailed by representatives of the Charter Board, Edward Denny moved to approve the agreement. Yuliya Yatsyshina seconded. The motion passed unanimously.

5. Adjourn Edward Denny made a motion to adjourn. Motion was unanimously approved and meeting was adjourned at 7:45 a.m.

Respectfully Submitted


Yuliya Yatsyshina
Secretary/Treasurer

