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**AGENDA ITEM: Surrender Agreement – Graysmark Schools Corporation**

**Issue**

Graysmark Schools Corporation (“Charter Holder”) has submitted a Voluntary Surrender and Charter Termination Agreement (“Surrender Agreement”).

**Background**

The Charter Holder operates Holsteiner Agricultural School serving grades K through 6. On September 5, 2018, the charter representative notified staff that the Charter Holder would be closing the charter school at the end of the 2018-2019 school year due to low enrollment. The Charter Holder’s fiscal year 2019 average daily membership currently is 34.548.

Since the Charter Holder will be reverting back to a private school, the student records will be maintained by the Charter Holder at the school’s address, which is currently 44400 W. Honeycutt Road, Maricopa 85138. By June 30, 2019, the Charter Holder will provide the physical address of the location of the records and the email address and phone number that should be used for requesting student records.

According to information provided by the charter representative, parents have been notified that the charter school will close at the end of the current school year and that the school will revert back to a private school. The charter representative also indicated that this information is being shared with the families of new students when they enroll in the school.

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

## Appendix A

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

This Voluntary Surrender and Charter Termination Agreement (“Agreement”) is made by and between Graysmark Schools Corporation (“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 operates Holsteiner Agricultural School (“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 February 23, 2011 between the Charter Operator and the Board.
3. Tanya Graysmark is the Charter Representative and person authorized to execute documents on behalf of the Charter Operator.
4. On September 5, 2018, the Charter Operator notified the Board of its intent to close the School at the end of the 2018-2019 school year due to low enrollment.

### **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, 2019 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 11:59 p.m. on June 30, 2019 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, 2019 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. No later than June 30, 2019, the Charter Operator shall deliver a complete copy of each student's educational record to the student's parent or legal guardian for each student enrolled in the School in the 2018-2019 school year.

7. By June 30, 2019, the Charter Operator shall identify and notify the Board of the custodian of all student records of the School. The notification shall include the physical address of the location of the records and the email address and phone number that should be used for requesting student records. All student records shall be maintained in accordance with the Student Records Retention Schedule provided by the Arizona State Library, Archives and Public Records division of the Arizona Secretary of State's Office.

8. The Charter Operator will submit all requisite student level data for its receipt of state equalization funding for the 2018-2019 school year to the Arizona Department of Education ("Department") through the Arizona Education Data Standards ("AzEDS") system in the manner directed by the Department.

9. The Charter Operator is permitted to receive state equalization assistance funds for the 2018-2019 school year to which it is entitled under the school funding formula provided in Arizona law, but no more.

10. 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.

11. The Charter Operator is permitted to receive Classroom Site Funds for the 2018-2019 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.

12. 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.

13. 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.

14. The Charter Operator is permitted to receive Instructional Improvement Funds for the 2018-2019 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.

15. The Charter Operator authorizes the Department to update the School's student level data in the AzEDS system for the purposes of facilitating student enrollment upon closure of the School.

16. 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.


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

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

ARIZONA STATE BOARD FOR CHARTER SCHOOLS

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

GRAYSMARK SCHOOLS CORPORATION

  
\_\_\_\_\_  
By: Tanya Graysmark  
Charter Representative, Graysmark Schools Corporation  
Date: 9/11/18

COPY mailed this  
19 day of Sept, 2018 to: Ashley Berg, Andrea Uder

Tanya Graysmark  
Graysmark Schools Corporation  
[t.graysmark@me.com](mailto:t.graysmark@me.com)

By \_\_\_\_\_