

AGENDA ITEM: Surrender Agreement

Pinnacle Education – Mesa, Inc.

Pinnacle Education – Mesa, Inc., the charter holder, operates Pinnacle High School –Mesa serving grades 9 through 12. On November 25, 2014, the charter representative notified staff that it would be closing the F rated school on December 19, 2014.

A copy of the proposed terms of the 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 Pinnacle Education – Mesa, 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 Pinnacle Education - Mesa, Inc. (“Charter Operator”), a for-profit corporation organized under the laws of the state of Arizona and operating Pinnacle High School-Mesa, 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 operates Pinnacle High School-Mesa (“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 May 30, 2003 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 9 through 12.

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

5. On October 2, 2014, the Board was notified by the Arizona Department of Education the School earned an F letter grade for the Arizona Department of Education's A-F Letter Grade State Accountability System.

6. On October 15, 2014, the Charter Operator was notified of the process for the Board to determine whether to restore or revoke the charter.

7. On November 25, 2014, the Charter Operator notified the Board that the School was ceasing its operations and provision of instruction to students effective December 19, 2014.

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 January 5, 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 January 5, 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 mail 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 2014-2015 school year.

7. The Charter Operator shall maintain the School's student records in accordance with the Arizona Library and Archives records retention schedule at the following location: Pinnacle Education – Tempe, 2224 W Southern Avenue, Suite 1, Tempe, Arizona 85282. Telephone number 480-755-8222.

8. The Charter Operator has submitted all requisite student level data for its receipt of state equalization funding for the 2014-2015 school year to the Arizona Department of Education through the Student Accountability Information System ("SAIS").

9. The Charter Operator is entitled to receive state equalization assistance funds for the 2014-2015 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 Arizona Department of Education ("Department") in the manner directed by the Department.

11. The Charter Operator is entitled to receive Classroom Site Funds for the 2014-2015 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 its 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 shall expend the Instructional Improvement Funds for the 2014-2015 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 its intent as specified in A.R.S. § 15-979.

15. 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.

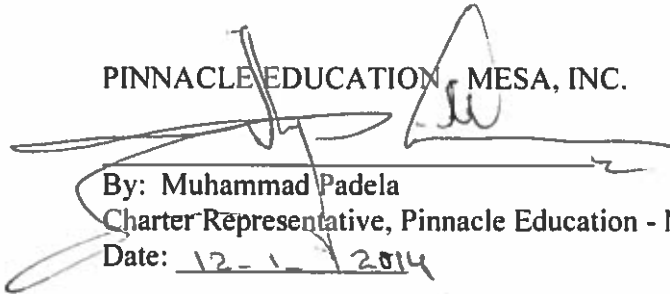
16. The Charter Operator understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

17. 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: _____

PINNACLE EDUCATION - MESA, INC.



By: Muhammad Padela
Charter Representative, Pinnacle Education - Mesa, Inc.
Date: 12-1-2014

COPY mailed this
_____ day of _____, 2014 to:

Pinnacle Education - Mesa, Inc.

Attention: Muhammad Padela, Charter Representative
2224 W. Southern Ave., Suite 1
Tempe, AZ 85282

By _____

MINUTES OF THE GOVERNING BOARD

OF

PINNACLE EDUCATION MESA Inc

Date: November 13, 2014

Location: 2224 W Southern Avenue
Tempe, Arizona

Present: Muhammad Padela, Chairman
Teh-yuan Wan, Board Member
Jim Knoll,
Alok Gupta,

Absent: None

Others Present: None

Call to Order: The meeting was called to order at 7:17 a.m. EST on November 13, 2014 by the Board Chair, Muhammad Padela.

Public Comment:

Mr. Padela asked if there were any public comments. With no comments and presentation from Public the Board moved on:

Business:

Agenda of the meeting were approved on a motion by Muhammad Padela. The motion was seconded and passed.

Reading and Approval of Minutes: Minutes of the October 10, 2014 Board meeting, accepted and approved by unanimous consent.

Mr Jim Knoll and MrAlok Gupta name were presented as new board members by Muhammad Padela. The motion was seconded and passed.



The motion was presented by Muhammad Padela that all Board Members and Chair should seek re-appointment from Board every year on or before June 30, for the upcoming new financial year. It was unanimously approved by Board.

The audited Financial Statements, regulatory compliance and internal Controls reports for the year ended June 30, 2014 were presented by Muhammad Padela, after detail review by Board Members, these were accepted and passed with unanimous consent

Mr. Padela informed the Board that an email was received from Dr. Matwick regarding his resignation from the Board and from the position as School Charter holder effective October 30, 2014. Mr. Padela and all Board Members thanked Dr. Matwick for his continued support since the inception of the Board and the guidance and support he provided during all these years.

Mr. Muhammad Padela was nominated for the position and appointment as new Charter Holder of all Pinnacle Schools. The motion was presented and it was accepted and passed with unanimous consent retroactively effective October 30, 2014.

After discussion and reviewed the motion to surrender the School Charter License of Pinnacle Education Mesa Inc. was proposed by Muhammad Padela. It was approved and passed with unanimous consent.

Mr. Alok Gupta was presented for the appointment as a secretary of board. It was approved and passed with unanimous consent.

No other matters were presented, meeting adjourned.



11/20/2014