
AGENDA ITEM: Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for Arizona Upgrade Academy, Inc.

Background Information

Arizona Upgrade Academy, Inc., an Arizona non-profit corporation, operates Arizona Upgrade Academy in Cottonwood, Arizona, and serves approximately 13 students in grades 5-8. The Board entered into a contract with Arizona Upgrade Academy, Inc. on May 21, 2004.

On July 2, 2010, staff received the Voluntary Surrender and Termination of the Charter Contract for Arizona Upgrade Academy, Inc. to be effective June 30, 2010 due to low enrollment and budget cuts. The Charter Holder provided minutes approving the terms of the Consent Agreement for the Voluntary Surrender and Termination of the Charter.

Board Options

1. Accept the terms of the Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for Arizona Upgrade Academy, Inc.;
2. Reject the terms of the Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for Arizona Upgrade Academy, Inc.

Staff Recommendation:

Option 1: Accept the terms of the Consent Agreement for the Voluntary Surrender and Termination of the Charter Contract for Arizona Upgrade Academy, Inc.

Arizona UpGrade Academy

327 S. 15th Street
Cottonwood, AZ 86326

Phone (928) 634-3722
Fax (928) 634-3695
allensmithson@gmail.com

Arizona State Board for Charter Schools
Attn: Heather Kelley
Contracts & Administrative Services Manager
1700 W. Washington St. #164


Dear Ms. Kelley,

This letter is to inform you that the Arizona Upgrade Academy Inc. board voted to surrender its charter as of June 30, 2010 due to budget cuts and low student enrollment for the school year 2010-2011. We therefore agree to the consent agreement for voluntary surrender and termination of the charter contract. All items mentioned in the agreement which are my responsibility will be fulfilled by July 15, 2010.

My home address is 638 S. 3rd Drive, Cottonwood, AZ 86326. My cell phone number is (928)274-2084.

I greatly appreciate the work done by Arizona State Board for Charter Schools in our behalf. Particularly, I appreciate the help of the ASBCS staff during our 6 years as a charter school.

Sincerely,



Allen Smithson
Director

**BEFORE THE ARIZONA STATE BOARD
FOR CHARTER SCHOOLS**

In the matter of:

**ARIZONA UPGRADE ACADEMY,
INC.**
(a non-profit corporation)

and

ARIZONA UPGRADE ACADEMY
(a charter school)

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

This Agreement is entered into by Arizona Upgrade Academy, Inc., by and through its authorized agent, and the Arizona State Board for Charter Schools, by and through its authorized representatives, and provides the following terms and agreement:

1. Arizona Upgrade Academy ("School") is a charter school established pursuant to Arizona Revised Statutes ("A.R.S.") § 15-181 *et seq.*
2. The Charter for the School is held by Arizona Upgrade Academy, Inc. ("Charter Operator"), a non-profit corporation, organized under the laws of the state of Arizona. The Arizona State Board for Charter Schools ("Board") is the Charter Operator's sponsor.
3. The charter contract was signed by Allen Smithson, as the person authorized to sign for the Charter Operator.
4. Pursuant to A.R.S. § 15-183 and the Charter Contract, the Board sponsors the Charter Operator to operate one School site to serve students in grades five through eight.
5. The Charter Contract was executed on May 21, 2004.
6. The Charter Operator voluntarily tenders and surrenders its Charter Contract to its sponsor, the Board, with the intent to voluntarily terminate its Charter Contract effective June 30, 2010 for the purpose of further performance.
8. The Charter Operator shall mail a complete copy of each student's educational record to the student's parent or legal guardian.

9. The Charter Operator shall notify the Board of the location of the student records of the School no later than July 16, 2010.
10. The Charter Operator agrees that all necessary student level data has been submitted to the Arizona Department of Education through the Student Accountability Information System ("SAIS").
11. The Charter Operator is entitled to receive state equalization assistance funds for the 2009-2010 school year to which it is entitled under the school funding formula provided in Arizona law, but no more.
12. The Charter Operator is entitled to receive Classroom Site Funds for the 2009-2010 school year to which it is entitled under the provisions of Arizona law, but no more.
13. The Charter Operator agrees to refund any overpayment of state equalization assistance funds in the amount determined by the Arizona Department of Education in the manner directed by the Arizona Department of Education.
14. The Charter Operator agrees to refund any overpayment of Classroom Site Funds monies in the amount determined by the Arizona Department of Education in the manner directed by the Arizona Department of Education.
15. The Charter Operator agrees to submit any outstanding grant reports and to refund any outstanding grant monies or allocation of education funds to the Arizona Department of Education in the manner directed by the Arizona Department of Education.
16. The Charter Operator shall expend the Classroom Site Funds in a manner consistent with its intent as specified in A.R.S. § 15-977.
17. The Charter Operator shall expend the Instructional Improvement Funds in a manner consistent with its intent as specified in A.R.S. § 15-979.
18. The Board accepts the surrender of the Charter Contract of Arizona Upgrade Academy, Inc. for the operation of Arizona Upgrade Academy.
19. The Charter Contract between the Board and Arizona Upgrade Academy, Inc. for the operation of Arizona Upgrade Academy is terminated effective June 30, 2010 for the purposes of further performance.
20. This Agreement is not binding on either party until both the Board and the Charter Operator's Governing Board accept it by a majority vote at a public meeting. This Agreement is effective immediately upon its approval and execution by the authorized representatives of the Board for Arizona Upgrade Academy, Inc. and the Board.

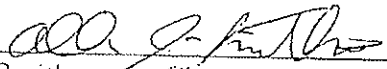
21. If the Board rejects this Agreement or any part of it, then this Agreement is null and void, and not binding on the Charter Operator or the Board.

22. Arizona Upgrade Academy, Inc. understands that it has the legal right to consult with an attorney prior to entering into this Agreement.

23. Each party shall be responsible for its own attorneys' fees and costs in this matter.

Arizona Upgrade Academy, Inc.

Executed this First day of July 2010.

By 
Allen Smithson, as Charter Representative and authorized signer for Arizona Upgrade Academy, Inc.

The Arizona State Board for Charter Schools

Executed this _____ day of _____ 2010.

By _____
Norm Butler, President of the Arizona State Board for Charter Schools

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Arizona Upgrade Academy Inc. Meeting Minutes

Meeting minutes for the Arizona Upgrade Academy Inc. board meeting on Thursday July 1, 2010. This meeting started at 9:00am and adjourned at 9:05am. This meeting was tape recorded. The agenda for this meeting was posted in the front window at 327 S. 15th St. on Wednesday June 30, 2010 at 8:00am. Roll call: Allen Smithson, Richard Pettersson. Note that Allen Smithson and Richard Pettersson are the only board members of Arizona Upgrade Academy Inc. (The charter holder). Mr. Smithson called roll, read the agenda aloud, and asked for discussion of any of the agenda items. Mr. Smithson asked for discussion of agenda items. There was none. Mr. Pettersson made a motion to approve the agreement with ASBCS to surrender the charter. Mr. Smithson seconded the motion. It passed unanimously. Mr. Smithson made a motion to adjourn. Mr Pettersson seconded the motion and the meeting was adjourned at 9:05 Below is a copy of the meeting agenda.

Agenda

Date Thursday July 1, 2010 Time: 9:00AM

Location: 327 S. 15th Street Cottonwood, AZ

Call in number 1-866-482-6958 Pass Code = 1468492


Call to Order:

Roll Call:

Public Comments: (Speakers are limited to three minutes and a total time set aside for comments is 12 minutes. Those who wish to speak are asked to fill out a public comment card and give it to a board member. Please note: Board members may not respond during the meeting to topics not on the agenda.)

1. Approval the agreement with ASBCS to surrender charter.

Minutes approved by:



Allen Smithson (Director)



Date