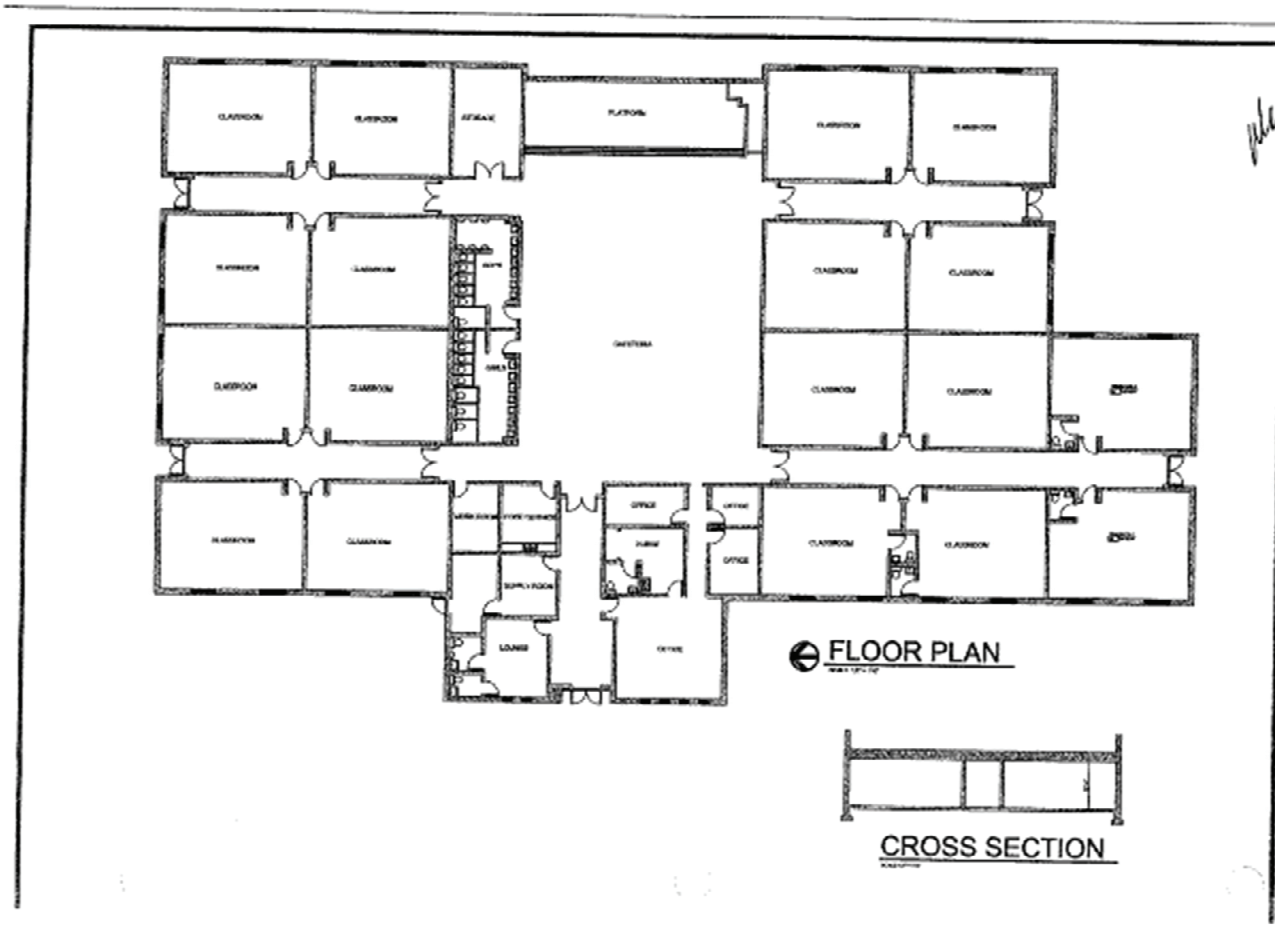
C.1 Facilities Acquisition

The Leona Group has a proven seventeen-year track record of successfully opening and running charter schools in five states. The Leona Group brings expertise in three key arenas: financial, human resources and educational support services.

This school property and the building improvements will be financed by the Leona Group and then leased back to the school. The Leona Group will be financially responsible for land and building purchases and will cover all expenses, including costs associated with identifying potential sites and costs associated with running the school, until the first equalization payment is received. An example of costs associated with the facility acquisition that The Leona Group will be responsible for is environmental studies, asbestos testing, appraisals, broker's fees, etc.The costs associated for the previously mentioned acquisition costs were taken from like purchases by the CMO over the past several years. Once the school begins receiving equalization payments, the school will begin making lease payments to The Leona Group. The lease payments will include all costs associated with the facility acquisition.. In the budget, this expense falls under the line item of 'building rent/lease/loan'. The Leona Group anticipates providing about 2 million in debt in order to secure land and building, renovate the facility, and outfit the facility with student furniture and office furniture and equipment. During the first few years the lease rate is adjustable and will depend on the schools financial viability. The long-term cost to the school consists of the lease payments for the facility. The lease is a year-to-year lease agreement and automatically renews until the lease agreement is terminated. We are expecting the school to open at 225 and build to 325 over the course of the first three years. Please note that no grant or unsecured funds are included in any of our budgets. We will be applying for entitlement funds in subsequent years and they will be used to supplement the instructional program.

The site for Colegio Petite Phoenix will be 3-5 acres, with the building to be a minimum of approximately 25,000 square feet, located within Lincoln Drive and Indian School Road and 7th Street and 32nd Street. Depending upon the building purchased, the school's parking area will be configured to provide a one way traffic flow to allow for efficient student drop-off and pick-up. There will be a large parking lot on the side of the building which serves students, staff and visitors. This parking lot will be large enough to accommodate all needed parking for school activities that involve parents and the community. The school will be a single structure building which contains an entry way with an office area located on the right side. The office area will be sub-divided into a reception area and six administrative offices. These offices will be used by the office manager, school leader, conference room and special education. On the left side of the entry area will be a teacher work area with two staff restrooms, supply room and the main electrical/server room. Central to the building will be a 55 by 76 foot multipurpose room. On the east end of this room will be an additional 22 by 55 foot section of elevated stage. The main student restrooms will be located on the north side of the multipurpose room. Each restroom will have seven sinks. The female restroom will have eight toilets, including one with handicapped access. The male restroom will have six toilets, including one with handicapped access, and 6

urinals. Located on the western side of the multipurpose room will be a 16 by 13 foot food preparation room and a small 16 by 11 foot teacher work room. Located on four wings off of the multipurpose room will be the classrooms and a 25 by 16 foot storage room. There will be a total of eighteen classrooms each approximately measuring 26 feet by 33 feet.



Square footage – Year 1 - 9 classrooms x 750 SF=6,750 SF plus 3,000 for office and 1,200 for multi-purpose room=approximately 11,000 SF, Year 2 = 12,500, Year 3 = 14,000 etc.

Number of classrooms grows each year by two, from 9 classrooms to 11 classrooms to 13 classrooms.

We are in the process of locating an existing structure that can be renovated with the needed acreage within the targeted site for Colegio Petite that would meet our needs. Detailed below is the market analysis of availability and associated pricing of two properties between Lincoln and Indian School and 7th Street and 32nd Street. Currently there a few facilities for lease within this radius, according to loopnet.com. One of these facilities is the Park Lee Shopping Center at 1624 W. Camelback Raod, Phoenix, AZ 85015. This shopping center has 1,500-50,686 SF available for lease. The lease rate is $8.50 - $12.00/SF. Ideally we would lease a smaller portion in year one and then grow in to additional space in subsequent years. This option would fall under our budget and capacity.

Building acquisition is a priority item and it is anticipated that we will have a letter of intent signed by the end of February 2014. With a given time frame of a month thereafter, we should be able to begin renovations by the middle of March. Bids are currently being sought for the construction/renovation of the school. Once underway, there is a four month time frame to completion. During this time, The Leona Group will assume responsibility for monthly meetings to stay apprised of any delays in the project. Once the charter is signed and verification is received that construction/renovation is on a timely course, the school leader will be hired in January 2014. The school leader will at that time assume the responsibility of attending the construction/renovation meetings. It is anticipated that the Certificate of Occupancy will be obtained by July 20, 2014.

List Price	Acres	Building Square Footage	Cost per Square Foot
$1,290,000	1.8	14,903	$86.5
N/A (lease)	2.43	1,500 to 50,686	$8.50 to $12.00 SF

The projected building costs for this Academy are detailed below.

Description of Work	**Contractor Estimate**
Permit & Plan Check	$7,500
Striping & Signage	$2,100
Site Signage	$30,000
Demolition	$33,330
Landscape	$10,000
Building Concrete	$3,868

Metals & Steel	$49,026
Miscellaneous Carpentry	$17,720
Millwork	$5,890
Insulation	$6,000
Roofing	$12,045
Caulking	$4,100
Doors, Frames & Hardware	$30,040
Glass & Glazing	$6,710
Stucco	$1,000
Metal Studs & Drywall	$47,771
Acoustical/Ceilings	$29,800
Floor Covering	$31,061
Painting	$34,500
FRP	$2,328
Partitions & Accessories	$2,050
Fire Extinguishers	$2,000
Metal Buildings	$29,150
Plumbing	$35,000
Fire Sprinklers	$21,000
HVAV	$51,036
Electrical	$83,500
Fire Alarm	$3,500
Final Cleanup/Housekeeping	$8,064
General Conditions	$39,576
Base Contract Subtotals	***$639,165***

Architectural & Engineering	$30,000
Liability Insurance @ .50%	$3,195.83
Profit @ 5%	$31,958.25
Taxes @ 9.8%	$62,638.17
PROJECT TOTALS	**$766,957.25**