

MAY 15, 2017

Expansion

## Amendments Report

Edkey, Inc. - Sequoia School for the Deaf and  
Hard of Hearing

## AGENDA ITEM: New School and Enrollment Cap Amendments—Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing

### Request and Eligibility

Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing (“Charter Holder”) submitted two expansion amendment requests on March 15, 2017 to add a new school, KELLY (Kinetic Educational Learning Labs for Youth), beginning in FY 2018 and to increase the enrollment cap from 100 to 200.

The Charter Holder operates one school: Edkey, Inc. - Sequoia Deaf School. Edkey, Inc. – Sequoia Deaf School has not been designated for school improvement in FY 2017. As a result, the Charter Holder is eligible to submit an expansion request.

### Background

#### *History*

The Charter Holder was granted a charter in 1998, which was renewed in 2013. The Charter Holder is currently approved for grades K-12, and operates one school: Edkey, Inc. - Sequoia Deaf School.

#### *Governance*

The Charter Holder is governed by a corporate board that consists of nine individuals. The corporate principals listed on ASBCS Online and the website of the Arizona Corporation Commission are listed in the table below.

Member Name	Position
Mark Plitzuweit	CEO
Clark Smithson	Director
Patric Greer	Secretary
Thomas Crewse	Director
Mary Gifford	Director
Horacio Huerta	Director
Herald Harrington	Director
Karen Liepmann	Director
Jared Richardson	Director

The school has a separate governing body responsible for the policy decisions of the school. The governing body membership is listed in the chart below.

Member Name	Type
Jevon Lewis	School Staff
Christopher Lalley	School Staff
Mary Strickland	School Staff
Kathy Roadlander	School Staff
Sherri Colins	Community

### *Associated Schools*

Associated schools are defined as a school operated by a charter holder that operates one or more other charter schools that contract with the same Education Service Provider; a school operated by the same charter holder but under different charter contracts; or a school operated by a charter holder with at least fifty (50) percent of corporate board officers, directors, members, or partners in common, as reflected by the charter contract.

Schools Associated with Edkey, Inc. - Sequoia Deaf School	
100% Board Members in Common	
School	Charter Holder
American Heritage Academy (Entity ID: 6366)	Edkey Inc. dba American Heritage Academy
American Heritage Academy (Entity ID: 88201)	Edkey Inc. dba American Heritage Academy
Arizona Conservatory for Arts and Academics	Edkey, Inc. dba Arizona Conservatory for Arts and Academics



Schools Associated with Edkey, Inc. - Sequoia Deaf School	
Arizona Conservatory for Arts and Academics Elementary School	Edkey, Inc. dba Redwood Academy
Arizona Conservatory for Arts and Academics Middle School	Edkey, Inc. dba Arizona Conservatory for Arts and Academics
Edkey, Inc. - Children First Leadership Academy	Edkey, Inc. dba Sequoia Ranch School
Edkey, Inc.- Sequoia Choice Precision School	Edkey, Inc. dba Sequoia Choice Schools
Edkey, Inc.-Pathfinder Academy at Eastmark	Edkey, Inc. dba Pathfinder Academy
Edkey, Inc.-Pathfinder Academy-Sequoia Lehi	Edkey, Inc. dba Pathfinder Academy
George Washington Academy	Edkey, Inc. dba Sequoia Village School
Leman Academy of Excellence, Sierra Vista	Edkey, Inc. dba Pathfinder Academy
Pathfinder Academy	Edkey, Inc. dba Pathfinder Academy
Sequoia Choice School Arizona Distance Learning School	Edkey, Inc. dba Sequoia Choice Schools
Sequoia Elementary School	Edkey, Inc. dba Sequoia Charter School
Sequoia Pathway Academy	Edkey, Inc. dba Sequoia Pathway Academy
Sequoia Secondary School	Edkey, Inc. dba Sequoia Charter School
Sequoia Village School	Edkey, Inc. dba Sequoia Village School

## Compliance

As stated in Board policy, prior to an expansion request being considered by the Board, staff conducts a compliance check. The Charter Holder does not have any compliance issues.

The Charter Holder was last before the Board on April 10, 2017. Changes to the Charter Mission and Program of Instruction were approved as part of the consent agenda items.

## Academic Performance

The Board's Academic Framework uses two measures to calculate overall academic ratings, letter grades and state designations for school improvement. Due to a moratorium on letter grades until FY 2018, based on FY 2017 data, the Board has not calculated overall ratings for FY 2015 and 2016. As it relates to school improvement, Edkey, Inc. - Sequoia Deaf School has not been designated for school improvement in FY 2017.

## Operational Performance

The Operational Performance Framework includes expectations the charter holder and the schools it operates are required to meet through state and federal law, the charter contract, and administrative rule. The Charter Holder currently meets the Board's Operational Performance Expectations set forth in the Performance Framework adopted by the Board.

## Financial Performance

The Financial Performance Framework gauges both near-term financial health and longer term financial sustainability of a charter holder. Six measures are used in the financial framework: Going Concern, Unrestricted Days Liquidity, Default, Net Income, Cash Flow, and Fixed Charge Coverage Ratio.

The Charter Holder was required to submit a Financial Performance Response ("FPR") because it did not meet the Board's Financial Performance Expectations set forth in the Performance Framework adopted by the Board based on the FY 2014 and FY 2015 audits. The following table includes the Charter Holder's financial data and financial performance for the last three audited fiscal years and reflects the 10 charter contracts the Board has with Edkey, Inc. ("Edkey").

Financial Data				
Statement of Financial Position	2016	2015	2014	2013
Cash	\$3,570,157	\$3,238,403	\$2,939,625	\$3,367,275
Unrestricted Cash	\$2,223,064	\$2,138,195	\$1,861,396	
Other Liquidity	\$473,740	\$932,073	\$1,636,993	
Total Assets	\$95,027,364	\$90,842,322	\$93,785,443	
Total Liabilities	\$98,775,026	\$92,316,935	\$93,994,108	
Current Portion of Long-Term Debt & Capital Leases	\$679,676	\$1,190,804	\$524,119	
Net Assets	(\$3,747,662)	(\$1,474,613)	(\$208,665)	
Statement of Activities	2016	2015	2014	
Revenue	\$46,247,590	\$43,338,666	\$39,015,367	
Expenses	\$48,520,639	\$44,604,614	\$40,760,085	
Net Income	(\$2,273,049)	(\$1,265,948)	(\$1,744,718)	
Change in Net Assets	(\$2,273,049)	(\$1,265,948)	(\$1,744,718)	
Financial Statements or Notes	2016	2015	2014	
Depreciation & Amortization Expense	\$3,398,467	\$3,112,301	\$2,573,247	
Interest Expense	\$5,552,039	\$5,051,895	\$3,913,539	
Lease Expense	\$559,723	\$559,723	\$511,710	
Financial Performance				
	2016	2015	2014	3-yr Cumulative
Near-Term Indicators				
Going Concern	No	No	No	N/A
Unrestricted Days Liquidity	20.29	25.12	31.33	N/A
Default	No	No	No	N/A
Sustainability Indicators				
Net Income	(\$2,273,049)	(\$1,265,948)	(\$1,744,718)	N/A
Cash Flow	\$331,754	\$298,778	(\$427,650)	\$202,882
Fixed Charge Coverage Ratio	1.07	1.10	1.06	N/A

Staff's final evaluation of the FPR resulted in two "Acceptable" and zero "Not Acceptable" determinations.<sup>1</sup> The FPR and staff evaluation are provided in Appendix A. Supplemented Financial Response & Evaluation. A "Not Acceptable" means the measure's response did not sufficiently address one or more of the questions identified in Appendix C of the Financial Performance Framework. An analysis of Edkey's financial performance, focusing on those measures where Edkey failed to meet the Board's target and using information from the Charter Holder's FPR and related documents, is provided below.

#### Net Income

Edkey indicated its "net income has been negative or less than \$1 as a result of having a program that was losing money every year, having management staff in excess of necessary, a school that continued to lose and the failure to use existing space completely". For FY 2017, Edkey eliminated five management positions, closed a department thereby eliminating 10 positions, moved its Arizona Online Instruction school from a rented facility to another school site that had additional space, and closed a school and enrolled those students in another Edkey school. For FY 2017, Edkey projects a net loss of \$4,320.

<sup>1</sup> On March 22, 2017, Board staff emailed a copy of staff's initial evaluation and provided a deadline by which the Charter Holder could supplement its FPR to address areas evaluated as "Not Acceptable". By the deadline, the Charter Holder submitted supplemental information.



### Unrestricted Days Liquidity (UDL)

The factors identified above contributed to Edkey's performance on this measure. For 2017, Edkey's performance is projected to improve to approximately 31 days.

### New School Amendment Request

According to the budget narrative submitted with the new school request, no start-up funds will be required for FY 2018 because the KELLY campus opened in FY 2017 under the Edkey, Inc. dba Sequoia Charter School contract. For FY 2018, the budget submitted by the Charter Holder projects positive net income for the KELLY operations.

## Staff Recommendation

At its August 8, 2016 meeting, the Board approved staff recommendation criteria for all expansion requests. A charter holder must meet all criteria for the request to receive a staff recommendation for expansion.

The New School Amendment Request submitted by the Charter Holder **meets 3 of the 4 criteria** required to receive a staff recommendation under the guidelines set forth in the request instructions. Details regarding items that met are provided in Appendix B. Staff Recommendation Criteria Chart – New School. The table below provides an analysis of the information reviewed by staff regarding the 1 criterion the Charter Holder did not meet.

Staff Recommendation Criteria	Analysis
Rating of "Meets" on the Financial Performance Dashboard in the most recent year	The Charter Holder received an Overall Rating of "Does Not Meet Standard" on the Financial Performance Dashboard in FY 2016.

The Enrollment Cap Amendment Request submitted by the Charter Holder **meets 3 of the 6 criteria** required to receive a staff recommendation under the guidelines set forth in the request instructions. Details regarding items that met are provided in Appendix C. Staff Recommendation Criteria Chart – Enrollment Cap. The table below provides an analysis of the information reviewed by staff regarding the three criteria the Charter Holder did not meet.

Staff Recommendation Criteria	Analysis								
Rating of "Meets" on the Financial Performance Dashboard in the most recent year	The Charter Holder received an Overall Rating of "Does Not Meet Standard" on the Financial Performance Dashboard in FY 2016.								
Past enrollment trends indicate need for increase within three years	<p>The Charter Holder's current enrollment trend does not indicate a need.</p> <table border="1"><thead><tr><th>Fiscal Year</th><th>ADM (Average Dailey Membership)</th></tr></thead><tbody><tr><td>FY15</td><td>64.145</td></tr><tr><td>FY16</td><td>61.844</td></tr><tr><td>FY17</td><td>72.524</td></tr></tbody></table> <p>However, this request is being submitted in conjunction with a New School Amendment Request. The Charter Holder has projected enrollment of 61 students at the new school for FY 2018. If the New School Amendment Request is approved, the addition of the KELLY school would put the Charter Holder over its current enrollment cap of 100.</p>	Fiscal Year	ADM (Average Dailey Membership)	FY15	64.145	FY16	61.844	FY17	72.524
Fiscal Year	ADM (Average Dailey Membership)								
FY15	64.145								
FY16	61.844								
FY17	72.524								

**ADM is within 85% of current enrollment cap**

The Charter Holder currently serves 72,524 students, according to Arizona Department of Education (ADE) school finance. The current enrollment cap is 100. The Charter Holder is within 72% of its current enrollment cap.

The projected enrollment provided by the Charter Holder in the Enrollment Matrix for the existing school and the proposed new school indicates an enrollment increase that will exceed the enrollment cap capacity in FY 2018.

**Request Summary and Analysis**

*Summaries of the documentation and narrative provided by the Charter Holder are provided below. Amendment request materials submitted by the Charter Holder are provided in Appendix D.*

**Rationale**

The Charter Holder indicates that it serves a specialized population of students that have been identified as deaf or hard of hearing and has requested to add a new school, KELLY, which serves students who have been identified for Emotionally Disabled Private Placement (“ED-P”). Currently, KELLY is operated under a separate charter contract held by Edkey, Inc. By moving KELLY, from Edkey, Inc. dba Sequoia Charter School to Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing, the Charter Holder plans to “more effectively leverage specialized resources to meet the needs of our student populations.” An Enrollment Cap Amendment Request was also submitted in conjunction with the New School Amendment Request to accommodate the additional students under the charter.

**Board Minutes**

Board minutes from February 16, 2017, indicate that the Governing Board unanimously approved a new school site and an enrollment cap increase.

**Occupancy Documentation**

The Charter Holder provided a Certificate of Occupancy and Fire Alarm Inspection Report for 1648 S. 16<sup>th</sup> St., Phoenix, AZ 85034. Architectural drawings submitted by the Charter Holder indicate capacity for the increase from 100 students to 200 students.

**Lease Agreement, Proof of Purchase, or Builder Contract**

The Charter Holder provided a special warranty deed for the property located at 1648 S. 16<sup>th</sup> St, as well as proof of current Liability Insurance Coverage.

**Staffing Plan**

The Staffing Plan provided by the Charter Holder indicates that based on current and projected enrollment for the School and KELLY, there will be a need to add staff to accommodate the increase in student enrollment. The staff for KELLY is projected to include 1 teacher and at least 1 aide for every classroom in FY 2018, four additional teachers and 3 more aides in FY 2019. The class sizes at both schools are small, 6 students to 1 teacher at KELLY in FY 2018, due to the individualized nature of instruction based on the students’ IEPs.

**Target Population**

Students identified as ED-P are those that are identified for placement in a special program that provides intensive services due to a diagnosis of emotional disability. The Charter Holder states that KELLY serves student K-12 who have been identified as ED-P. Students are designated as ED-P “based on evaluation, analysis of behavioral issues and the decision of the IEP team due to the severity of the issues and the extent of their needs.” Since these students are not found in any specific area, students are recruited from all over the Phoenix area. Students are bussed to KELLY in order to receive the specialized instruction that will help them be successful.

**Unique Program of Instruction**

The Charter Holder states that KELLY “is a unique specialized program serving students with emotional needs.” The program of instruction provides a service that is not offered in any other school in the area. In order to operate a



program or school that serves students identified as ED-P, a Local Education Agency, a district or charter holder, must be approved by the Arizona Department of Education Exceptional Student Services through an application process. Currently the Phoenix Elementary, Phoenix Union High School, Osborn Elementary, and Tempe Union High School Districts are approved to operate ED-P Programs within a five-mile radius of the new school location. Currently the only charter holder in Phoenix approved to operate an ED-P program is Edkey, Inc. – Sequoia Charter School, the charter that currently is operating KELLY.

The Charter Holder has applied to ADE-Exceptional Student Services in order to operate an ED-P program for FY 2018. All Charter Holders and School Districts that intend to operate an ED-P program, even those that are currently approved, are required to complete an annual application in order to continue operating their ED-P programs.

### Instructional Days

According to its narratives submitted with the requests, the Charter Holder will provide 180 days of instruction at both the School and KELLY.

### Enrollment Targets

The Charter Holder is actively marketing both the School and KELLY. An increase in enrollment over the next few years is anticipated with 100 students per school by FY 2020.

**Table 1: Current and Target Student Enrollment by Year**

KELLY Enrollment	FY17	FY18	FY19	FY20	SDS Enrollment	FY17	FY18	FY19	FY20
Kinder	3	3	4	5	Kinder	1	3	3	5
1st	1	3	5	5	1st	3	4	5	7
2nd	2	3	5	8	2nd	1	4	5	7
3rd	3	4	5	8	3rd	1	3	5	7
4th	4	5	6	8	4th	8	3	5	7
5th	8	6	7	8	5th	7	8	3	6
6th	4	8	8	9	6th	7	8	9	6
7th	5	6	9	9	7th	1	8	9	10
8th	4	7	7	10	8th	9	3	8	10
9th	4	6	8	8	9th	9	8	5	9
10th	3	5	7	9	10th	12	9	9	6
11th	0	5	5	8	11th	7	12	9	10
12th	1	0	5	5	12th	8	7	12	10
	42	61	81	100		74	80	87	100

### Market Analysis

“Due to the unique aspects of the population” served by the Charter Holder, deaf and emotionally handicapped students are not located in any one particular area, as indicated by the narrative. The Charter Holder states that the School and KELLY are working with Republic Media to promote both schools in order to meet the enrollment targets. In addition to this partnership, the Charter Holder will be sending notifications to other public schools in the Phoenix metro area, highlighting the programs and services that are available for these specific student populations.

### Concrete Resources

The Charter Holder has stated that additional curriculum resources may be needed to ensure effective instruction is occurring for the students. The Principal/Directors annually budget funds for the purchase of these required materials. Additional assessment licenses will need to be purchased for NWEA Map and Alpine, a data analytics program. These purchases are made annually, based on student enrollment. Other concrete resources in the areas of technology, equipment, and furniture will be allocated to the schools as needed from either the Special Education department or Edkey warehouse.

### Management of Expenses

Charter holders are required to provide a narrative describing how management of expenses will occur prior to receiving their first payment on August 1<sup>st</sup>. Since KELLY is already a fully operational school, under the Edkey, Inc. dba Sequoia Charter School charter, the school is already receiving payments from the ADE. Management of expenses will be as stated in the financial documentation supplied with these requests. The Charter Holder



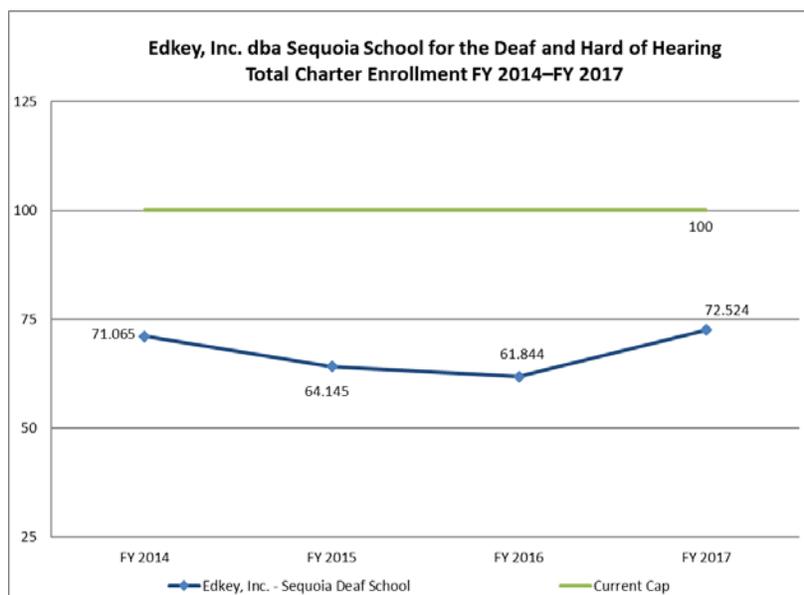
provided a budget for FY 2018 and assumptions narrative describing the line items in the budget. (Appendix E: Amendment Request Materials: New School). The budget allocates funds for the administrative and teaching positions identified in the staffing plan, including occupational therapy and Special Education services.

### Additional School Choices

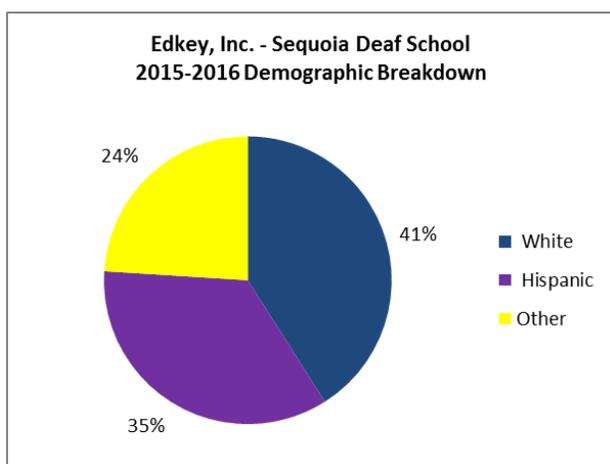
KELLY will be located in Phoenix near S. 16<sup>th</sup> St. and E. Buckeye Rd. Currently the Phoenix Elementary, Phoenix Union High School, Osborn Elementary, and Tempe Union High School Districts are districts within a five-mile radius of the new school location that approved to operate ED-P Programs. Academic data related to these programs is not available. The ED-P programs are not operated as separate schools, but as Special Education programs located within schools, at the discretion of the districts.

### Enrollment and Demographic Data

The enrollment cap for the Charter Holder is 100. The table below shows Average Daily Membership (“ADM”) for the Charter Holder based on 100th day ADM for fiscal years 2014-2017.



The tables below identify the percentage of students in each demographic group and subgroup identifier.



#### 2015-2016 Subgroup Data

Category	Edkey, Inc. - Sequoia Deaf School
<b>Free and Reduced Lunch</b>	58%
<b>English Language Learners</b>	*
<b>Special Education</b>	*

*\*If the percentage of students is 0% or 100% or the group includes less than 10 students, the percentage for that group is redacted.*



## Board Options

**Option 1:** The Board may approve the New School Amendment Request and the Enrollment Cap Amendment Request. The following language is provided for consideration:

I move, based on the information contained in the Board materials and presented today, to approve the request to add a new school to the charter contract of Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing to establish KELLY to serve grades K-12 in FY 2018.

As a separate motion in conjunction with the motion above, I move to approve the request for Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing to increase the enrollment cap to the charter contract from 100 to 200 for implementation in FY 2018.

**Option 2:** The Board may deny the New School Amendment Request and deny the Enrollment Cap Amendment Request. The following language is provided for consideration:

I move, based on the information contained in the Board materials and presented today, to deny the request to add a new school to the charter contract of Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing and deny the request to increase the enrollment cap of Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing, for the reasons that: (Board member must specify reasons the Board found during its consideration.).

**APPENDIX A**

**Supplemented Financial  
Response and Evaluation**

#### Days Cash on hand:

We have attached our computation of days cash on hand as of June 30, 2017. Included is a detailed list of the Class Room site funds on hand by LEA from the June 30, 2016 from the AFR reports filed with the Arizona Department of Education for your information. In addition we are attaching copies of the Bank of Arizona trust statements that reflect the cash we have included in addition to cash in our bank accounts.

We have included the Tax and insurance fund and the bond fund which is used pay interest on our bonds even though they are reserved for specific expenses as the expenses they are reserved for are included in the annual total expenses and thereby in the daily expense. It appears that if they are included in one side of the computation that we should include them in the cash. In addition daily expenses includes depreciation which is not a cash expense and if it was removed from the equation, our days cash on hand would change significantly.

We have attached a copy of our 2016-2017 budget to reflect the adjustment we have made in our organization, with the elimination of positions and moving/closing of sites, and the cash flow projection based upon these closures and consolidations. Based upon our budget and the cash flow projections we will have 44.54 days of cash on hand at June 30, 2017 excluding Class Room Site funds.

Included with the budget is our net income for the six months ended December 31, 2016, which reflect the changes that we have made in our organization, true up to the anticipated results. The net income for the six months ended December 31, 2016 is \$372,586. When compared with the budgeted net loss of (\$4,320) this is a significant improvement on the budget. With these results we should be more than able to reach our projected days of Cash on hand.

#### Net Income

We have included both the Edkey Inc. 2016-2017 budget and net income for the six months ended December 31, 2016. This provides the supporting documentation of the effects of the changes that we submitted in our previous submission. The budget reflects the changes in our revenues and expenses due to the elimination of positions, closure of sites and consolidation of operations. The budgeted net is a loss of (\$4,320), however in the first six months of the budgeted year we have a net income of \$372,586. This reflects that the plan that we have implemented to improve our financial results are having the effect that we anticipated.

Edkey, Inc.  
Net Income 12-31-2016  
Budhget FYE 6-30-2017  
Cash Flow projects Fiscal year ended 6-30-2017

	<u>YTD Actual</u>	<u>Annual Budget</u>
<b>Revenue</b>		
Equalization funds	\$18,884,770	\$42,644,051
CSF	\$1,177,876	\$2,552,217
Instructional Improvement	\$0	\$276,165
Lunch	\$725,470	\$1,480,428
ECA	\$47,817	\$37,000
Donations	\$297,510	\$226,350
Grants	\$1,133,025	\$2,849,633
SFSF	\$34,826	\$0
Revenue from Other Sources	\$140,307	\$1,119,524
Services to provided to other Schools	\$0	\$113,167
<b>Total Revenue</b>	<u>\$22,441,601</u>	<u>\$51,298,533</u>
<b>Expenses</b>		
Employee Compensation	\$10,367,959	\$23,160,125
Employee Benefits and Taxes	\$3,064,399	\$7,208,420
Purchased Professional Services	\$1,651,828	\$4,916,560
Purchased Property Services	\$719,435	\$1,355,368
Other Purchased Services	\$522,513	\$1,520,439
Supplies	\$1,691,214	\$3,578,541
Property and Depreciation	\$1,051,433	\$3,099,979
Interest Expense	\$2,679,447	\$5,513,429
Other Misc Expenses	\$320,786	\$898,162
allocations	\$0	\$51,830
<b>Total Expenses</b>	<u>(\$22,069,015)</u>	<u>\$51,302,853</u>
<b>NET SURPLUS/(DEFICIT)</b>	<u><u>\$372,586</u></u>	<u><u>(\$4,320)</u></u>

Edkey, Inc.  
 Net Income 12-31-2016  
 Budhget FYE 6-30-2017  
 Cash Flow projects Fiscal year ended 6-30-2017

Cash Flow Adjustment		
	Depreciation	\$3,099,979
	Principal Payment	(\$1,100,000)
	Purchase of equipment and buildings	(\$700,000)
	Loan proceeds	\$400,000
	Loan payment	(\$15,000)
Net Cash Flow adjustments		\$1,684,979
Projected net Income(loss)		(\$4,320)
Net Cash flow		\$1,680,660
Cash at June 30, 2016		\$4,580,386
Estimated at June 30, 2017		\$6,261,045

operating expense		\$51,302,853
daily expense	= operating expenses/365	140,555.76
Estimated days cash on hand	=estimated Cash on hand/daily expense	44.54492198

Edkey, Inc.  
Days Cash on hand  
June 30, 2016

Days Cash on Hand

Cash	3,540,059
Operating Reserve	416,471
Insurance and Tax reserve	232,966
Bond Fund	1,695,777
Expense Fund	
Repairs and Replacement Reserve	
MADS Reserve	
Classroom Site Funds	(1,304,888)
	<u>4,580,386</u>

operating expense		48,545,943
daily expense	= Operating Expense/365	133,003
Days Cash on hand	=cash on Hand/Daily expense	34.44

Classroom site fund

Edkey, inc.-Arizona conservatory for Arts and Academics	78,919
Edkey, Inc.-American Heritage Academy	84,205
Edkey, Inc. Sequoia School for the Deaf and hard of Hearing	14,498
Edkey, Inc.-Pathfinder Academy	37,206
Edkey, In.-Sequoia Pathway Academy	200,218
Edkey, Inc. Sequoia Ranch Schools	233,904
Edkey, Inc.-Redwood Academy	95,767
Edkey, Inc. Sequoia Choice Schools	170,407
Edkey, Inc. -Sequoia Village School	136,220
Edkey, Inc.-Sequoia Charter School	253,544
	<u>1,304,888</u>

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

*Administrator*

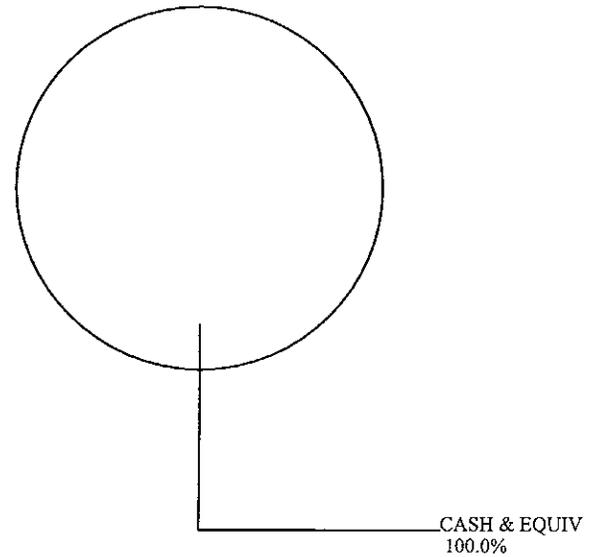
Brenda Black 602-808-3743

EDKEY, INC.  
ATTN: PATRIC GREER  
1460 SOUTH HORNE  
MESA AZ 85204

**Account Review**

<b>Your Beginning Market Value:</b>	<b>\$ 797,133.83</b>
<b>Income Earned :</b>	<b>\$ 154.58</b>
<b>Contributions :</b>	<b>\$ 1,218,802.05</b>
<b>Withdrawals :</b>	<b>\$ -320,320.63</b>
<b>Non-Cash Changes :</b>	<b>\$ 7.00</b>
<b>Your Ending Market Value :</b>	<b>\$ 1,695,776.83</b>

**Portfolio Summary**



**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Earnings Summary**

	<i>This Period</i>	<i>This Year</i>
Interest	154.58	638.93
<b>Total</b>	<b>\$ 154.58</b>	<b>\$ 638.93</b>

**Withdrawal Summary**

	<i>This Period</i>	<i>This Year</i>
Miscellaneous Payment	-320,320.63	-1,921,923.76
<b>Total</b>	<b>\$ -320,320.63</b>	<b>\$ -1,921,923.76</b>

**Gain/Loss Summary**

	<i>This Period</i>	<i>This Year</i>
Realized Gain/(Loss)	0.00	0.00
Appreciation/(Depr.)	0.00	0.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**Contributions Summary**

	<i>This Period</i>	<i>This Year</i>
Receipts	1,218,802.05	3,036,712.52
<b>Total</b>	<b>\$ 1,218,802.05</b>	<b>\$ 3,036,712.52</b>

**Non-Cash Summary**

	<i>This Period</i>	<i>This Year</i>
Asset Changes	7.00	7.00
<b>Total</b>	<b>\$ 7.00</b>	<b>\$ 7.00</b>

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b><i>Cash and Equivalent</i></b>						
Cavanal Hill Govt Sec Mmkt-Admin 001	1,695,760.830	1,695,760.83	1,695,760.83	100.00%	168	0.01%
<b>Total Cash and Equivalent</b>		<b>\$ 1,695,760.83</b>	<b>\$ 1,695,760.83</b>	<b>100.00%</b>	<b>\$ 168</b>	<b>0.01%</b>
<b><i>Miscellaneous</i></b>						
Prom Note \$6,290,000.00 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$1,566,084.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
Prom Note \$3,340,684.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$24,743,317.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$4,059,397.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$4,365,516.00 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$8,530,064.20 Series 2014a Sequoia Pathfinder Academy DTD 01/30/2014	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$7,376,051.94 Series 2014a Pathfinder Academy DTD 1/30/2014	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$2,013,883.86 Series 2014a Aha Camp Verde DTD 1/30/2014	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$8,124,689.43 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$14,539,526.62 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$5,970,268.83 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$2,680,515.12 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$243,974.86 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$3,691,217.89 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$124,204.75 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b>Total Miscellaneous</b>		<b>\$ 16.00</b>	<b>\$ 16.00</b>	<b>0.00%</b>	<b>\$ 0</b>	<b>0.00%</b>
<b>Total Assets</b>		<b>\$ 1,695,776.83</b>	<b>\$ 1,695,776.83</b>	<b>100.00%</b>	<b>\$ 168</b>	<b>0.01%</b>

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Balances At Beginning of Period	\$ 621.34	\$ -621.34	\$ 797,133.83
06/01/16	Int To 05/31/16 Baz Short-Term Cash Fund I	154.58	0.00	0.00
06/01/16	Trnsfr From Edkey Mstr Tr Revenue #828721019 P & I Due Transfer To Bond Fund	0.00	363,507.42	0.00
06/01/16	Payment of Debt Service Interest For Series 2013 Due: 06/01/2016	0.00	-213,671.67	0.00
06/01/16	Payment of Debt Service Interest For Series 2014 Due: 06/01/2016	0.00	-106,648.96	0.00
06/01/16	Purchased 154.58 Units @ 1 Baz Short-Term Cash Fund I	0.00	-154.58	154.58
06/01/16	Purchased 43186.79 Units @ 1 Baz Short-Term Cash Fund I	0.00	-43,186.79	43,186.79

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/07/16	Sold 840466.200 @ \$1.00000 Baz Short-Term Cash Fund I	0.00	840,466.20	-840,466.20
06/07/16	Purchased 840466.20 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-840,466.20	840,466.20
06/14/16	Deposit To Account Proceeds of Series 2016 Bond Closing	0.00	855,294.63	0.00
06/14/16	Purchased 855294.63 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-855,294.63	855,294.63
06/22/16	Received Prom Note \$8,124,689.43 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$14,539,526.62 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$5,970,268.83 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$2,680,515.12 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$243,974.86 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/22/16	Received Prom Note \$3,691,217.89 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$124,204.75 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
<b>06/30/16</b>	<b>Balances At End of Period</b>	<b>\$ 775.92</b>	<b>\$ -775.92</b>	<b>\$ 1,695,776.83</b>

**Edkey Inc 2013, 2014a & 2016 Tax/Ins**  
June 1, 2016 - June 30, 2016

Account Number: XXXXXXXXXX

*Administrator*

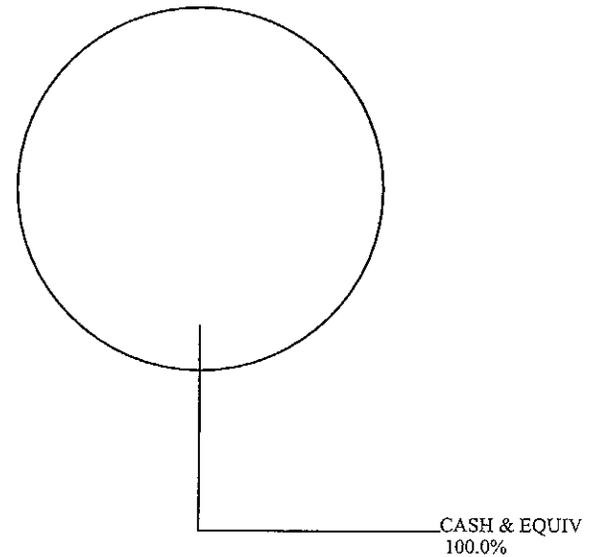
Brenda Black      602-808-3743

EDKEY, INC.  
ATTN: PATRIC GREER  
1460 SOUTH HORNE  
MESA AZ 85204

**Account Review**

<b>Your Beginning Market Value:</b>	<b>\$ 109,545.92</b>
<b>Income Earned :</b>	<b>\$ 21.21</b>
<b>Contributions :</b>	<b>\$ 123,399.09</b>
<b>Your Ending Market Value :</b>	<b>\$ 232,966.22</b>

**Portfolio Summary**



**Edkey Inc 2013, 2014a & 2016 Tax/Ins**  
June 1, 2016 - June 30, 2016

Account Number [REDACTED]

**Earnings Summary**

	<i>This Period</i>	<i>This Year</i>
Interest	21.21	76.71
<b>Total</b>	<b>\$ 21.21</b>	<b>\$ 76.71</b>

**Contributions Summary**

	<i>This Period</i>	<i>This Year</i>
Receipts	123,399.09	183,399.09
<b>Total</b>	<b>\$ 123,399.09</b>	<b>\$ 183,399.09</b>

**Gain/Loss Summary**

	<i>This Period</i>	<i>This Year</i>
Realized Gain/(Loss)	0.00	0.00
Appreciation/(Depr.)	0.00	0.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b>Cash and Equivalent</b>						
Cavanal Hill Govt Sec Mmkt-Admin 001	232,966.220	232,966.22	232,966.22	100.00%	23	0.01%
<b>Total Cash and Equivalent</b>		<b>\$ 232,966.22</b>	<b>\$ 232,966.22</b>	<b>100.00%</b>	<b>\$ 23</b>	<b>0.01%</b>
<b>Total Assets</b>		<b>\$ 232,966.22</b>	<b>\$ 232,966.22</b>	<b>100.00%</b>	<b>\$ 23</b>	<b>0.01%</b>

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Balances At Beginning of Period	\$ 71.60	\$ -71.60	\$ 109,545.92
06/01/16	Int To 05/31/16 Baz Short-Term Cash Fund I	21.21	0.00	0.00

**Edkey Inc 2013, 2014a & 2016 Tax/Ins**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Trnsfr From Edkey Mstr Tr Revenue #828721019 Monthly Transfer To Tax and Insurance Fund	0.00	12,000.00	0.00
06/01/16	Purchased 21.21 Units @ 1 Baz Short-Term Cash Fund I	0.00	-21.21	21.21
06/01/16	Purchased 12000.00 Units @ 1 Baz Short-Term Cash Fund I	0.00	-12,000.00	12,000.00
06/07/16	Sold 121567.130 @ \$1.00000 Baz Short-Term Cash Fund I	0.00	121,567.13	-121,567.13
06/07/16	Purchased 121567.13 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-121,567.13	121,567.13
06/14/16	Transfer of Funds From Choice Education 2006 Tax & Ins Fd 828713040 To Close Account	0.00	111,399.09	0.00
06/14/16	Purchased 111399.09 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-111,399.09	111,399.09
<b>06/30/16</b>	<b>Balances At End of Period</b>	<b>\$ 92.81</b>	<b>\$ -92.81</b>	<b>\$ 232,966.22</b>

**Edkey, Inc. Mstr Trst Ind Oper Res**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

*Administrator*

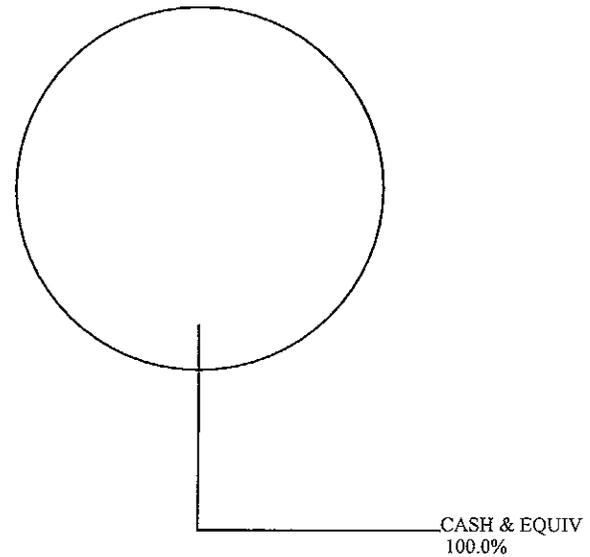
Brenda Black 602-808-3743

EDKEY, INC.  
ATTN: PATRIC GREER  
1460 SOUTH HORNE  
MESA AZ 85204

**Account Review**

<b>Your Beginning Market Value:</b>	<b>\$ 98,095.34</b>
<b>Income Earned :</b>	<b>\$ 18.90</b>
<b>Contributions :</b>	<b>\$ 318,356.84</b>
<b>Your Ending Market Value :</b>	<b>\$ 416,471.08</b>

**Portfolio Summary**



**Edkey, Inc. Mstr Trst Ind Oper Res**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Earnings Summary**

	<i>This Period</i>	<i>This Year</i>
Interest	18.90	108.32
<b>Total</b>	<b>\$ 18.90</b>	<b>\$ 108.32</b>

**Withdrawal Summary**

	<i>This Period</i>	<i>This Year</i>
Miscellaneous Payment	0.00	-390,000.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ -390,000.00</b>

**Contributions Summary**

	<i>This Period</i>	<i>This Year</i>
Receipts	318,356.84	553,356.84
<b>Total</b>	<b>\$ 318,356.84</b>	<b>\$ 553,356.84</b>

**Gain/Loss Summary**

	<i>This Period</i>	<i>This Year</i>
Realized Gain/(Loss)	0.00	0.00
Appreciation/(Depr.)	0.00	0.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b>Cash and Equivalent</b>						
Cavanal Hill Govt Sec Mmkt-Admin 001	416,471.080	416,471.08	416,471.08	100.00%	41	0.01%
<b>Total Cash and Equivalent</b>		<b>\$ 416,471.08</b>	<b>\$ 416,471.08</b>	<b>100.00%</b>	<b>\$ 41</b>	<b>0.01%</b>
<b>Total Assets</b>		<b>\$ 416,471.08</b>	<b>\$ 416,471.08</b>	<b>100.00%</b>	<b>\$ 41</b>	<b>0.01%</b>

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Balances At Beginning of Period	\$ 213.31	\$ -213.31	\$ 98,095.34
06/01/16	Int To 05/31/16 Baz Short-Term Cash Fund I	18.90	0.00	0.00

**Edkey, Inc. Mstr Trst Ind Oper Res**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Trnsfr From Edkey Mstr Tr Revenue #828721019 Monthly Transfer To Operating Reserve Fund	0.00	80,000.00	0.00
06/01/16	Purchased 18.90 Units @ 1 Baz Short-Term Cash Fund I	0.00	-18.90	18.90
06/01/16	Purchased 80000.00 Units @ 1 Baz Short-Term Cash Fund I	0.00	-80,000.00	80,000.00
06/07/16	Sold 178114.240 @ \$1.00000 Baz Short-Term Cash Fund I	0.00	178,114.24	-178,114.24
06/07/16	Purchased 178114.24 Units @ 1 Caval Hill Govt Sec Mmkt-Admin 001	0.00	-178,114.24	178,114.24
06/14/16	Transfer of Funds From Choice 2006 Oper Rsv 828713065	0.00	213,202.99	0.00
06/14/16	Purchased 213202.99 Units @ 1 Caval Hill Govt Sec Mmkt-Admin 001	0.00	-213,202.99	213,202.99
06/15/16	Transfer of Funds From Choice 2006 Bond Fd 828713024 Transfer of Funds Remaining Pursuant To Direction	0.00	25,153.85	0.00
06/16/16	Purchased 25153.85 Units @ 1 Caval Hill Govt Sec Mmkt-Admin 001	0.00	-25,153.85	25,153.85
<b>06/30/16</b>	<b>Balances At End of Period</b>	<b>\$ 232.21</b>	<b>\$ -232.21</b>	<b>\$ 416,471.08</b>

## Day Cash on Hand

As of June 30, 2016 the days cash on hand was 34.87 after eliminating the cash restricted for the classroom site fund. We had added items of cash on hand that are available or used to pay operation items during the year, Tax and Insurance reserve, operating expense fund and the bond fund which is used to pay the interest on the bonds. In addition we have added the operating expense reserve which we can use to fund current year operation when necessary. The following is a summary of our days cash on hand with an explanation of why the funds are included in cash..

Days cash on Hand		
Cash	3,540,059.44	Actual Cash on hand
Operating Reserve	416,471.08	Available to pay operating expenses
Insurance and Tax reserve	232,966.22	Available to pay Insurance and Tax expense
Bond Fund	1,695,776.83	Available to Pay interest expense
Expense Fund	57,269.08	Available to pay Bond expenses
Classroom site Funds	-1,304,832	
Total Available Cash	<u>4,637,711</u>	
operating expense	48,545,943	
daily expense	<u>133,002</u>	
Days Cash on hand	34.87	

## Net Income

The company's net income has been negative or less than \$1 as a result of having a program that was losing money every year, having management staff in excess of necessary, a school that continued to lose and the failure to use existing space completely.

In order to record a positive net income in the 2016-2017 fiscal year we have implemented the following steps. We eliminated 5 management positions, closed a department with 10 positions being eliminated. We also moved the location of our AOI school from a rented facility to another school site that had additional space. We closed the Children First Academy Tempe site and had 100 of the students that were enrolled at that site transfer to the Sequoia Charter School site.

We have attached copies of the notices of termination of the two leases for facilities that we have closed or moved from and a list of the positions and salaries for those positions that we eliminated or departments that we closed.

The net effect of these budgetary changes is \$2,419,537 per the attached schedule.

Edkey, Inc.  
Net Income  
Positions eliminated

Position elimination

Eliminated 5 administrative positions	409,803
Eliminated department 11 positions	<u>422,086</u>
Total positions eliminated	831,889
Benefit cost savings at 30% of Salary	<u>249,567</u>
Total savings for position elimination	<u>1,081,456</u>

Moving Sequoia Choice Distance Learning from 323 N Gilbert Rd to the Lehi campus

Savings	
Rent (15,785 per month)	189,420
Electricity	22,787
Telephone and Internet	<u>66,545</u>
Total annual Savings from moving of SCAZDL	278,752

Closing of Children First Academy Tempe

Net Loss from 2015-2016 fiscal year	369,329
Gross revenues from students that Transferred to Sequoia Charter School (100@\$6,900)	690,000

Gross saving

2,419,537

Edkey, Inc.  
 Net Income  
 Postions Eleminated

Job Title (Employee)	Branch (Employee)	Annual Salary (Salary/Perf ormance)
Instructional Support Teache	INSTRUCTIONAL SUPPORT	44,000
Instructional Support Teache	INSTRUCTIONAL SUPPORT	63,600
ASST SUPERINTENDENT	Administration	103,203
ASST SUPERINTENDENT	Administration	95,000
ASST SUPERINTENDENT	Administration	104,000
		<u>409,803</u>
COUNSELOR	Sequoia Support Services	50,000
DIRECTOR	Sequoia Support Services	76,000
COUNSELOR	Sequoia Support Services	33,280
INTERVENTIONIST	Sequoia Support Services	29,849
COUNSELOR	Sequoia Support Services	50,000
DIRECTOR	Sequoia Support Services	60,000
OFFICE MANAGER	Sequoia Support Services	58,000
INTERVENTIONIST	Sequoia Support Services	17,679
INTERVENTIONIST	Sequoia Support Services	13,331
COUNSELOR	Sequoia Support Services	33,947
		<u>422,086</u>

## Edkey, Inc.

1460 S Horne  
Mesa, Arizona 85204  
480-461-3200  
FAX 480-649-0747

February 23, 2016

Gilbert Square Shopping Center LLC  
MBP Realty Services, Inc.  
1450 E Indian School Road Suite 104  
Phoenix, AZ 85014

RE: Lease 323 North Gilbert Road Suites 104-113  
Mesa, AZ

### NOTICE OF LEASE TERMINATION

We have appreciated the ability to lease the school and after deliberation regarding the renewal of the lease going forward we have made a determination that we will not be renewing the lease. We have enjoyed our relationship with you and the lease of the building. This was not an easy decision to make however we feel that it is in the best interest of our students that we transfer them to an existing school that is closer for a large majority of them than this site.

We will be ending our lease and moving out by June 30, 2016. After we move out we would like to walk through the school with you when you do your move-out inspection. We will be in contact with you to set up the date and time of that walk through close to the termination date. We will arrange for all of the utilities to be TURNED-OFF when we move out. If you would like us to transfer the accounts to your name, please tell the utility companies and let me know. If we do not hear from you about the utilities, we will have them turned-off.

Again thank you for the great relationship which we have had over the last nine years.

Sincerely,



Patric R. Greer CFO/Secretary  
Edkey, Inc.

**SECOND EXTENSION AND MODIFICATION OF LEASE  
AGREEMENT**

THIS EXTENSION OF LEASE AGREEMENT is made this 1st day of March 2013 by and between The McHenry Family Trust, subsequently assumed by the Gilbert Square Shopping Center LLC (hereinafter referred to as "Landlord") and Edkey Management Inc. subsequently modified to Sequoia Choice Schools LLLP (hereinafter referred to as "Tenant").

WHEREAS LANDLORD AND TENANT are working with the Lease Agreement, dated June 18, 2007, extended and modified May 1, 2011, and further modified May 4, 2011 (said Lease Agreement hereinafter referred to as "Lease Agreement"), for the lease of a portion of that certain real property described as 323 North Gilbert Road, Suites 104-112, in Mesa, AZ (hereinafter "Leased Premises"), said Lease Agreement being in full force and effect at this time, and

TENANT AND LANDLORD HEREBY AGREE that said lease shall be modified and extended as outlined below:

Upon the full execution of this documents, the Landlord shall look to Edkey, Inc. as the Tenant, replacing Sequoia Choice Schools LLLP under the Lease Agreement.

The Tenant shall expand their premises to approximately 15,616 square feet. The Tenant's new leased premises shall be 323 North Gilbert Road, Suites 104-113, in Mesa, Arizona.

Possession for the extension premises shall be given upon the full execution of this document. Rental commencement for the extended premises shall be upon written notice from the Landlord. The rental rate shall remain at \$10,723.84 per month plus NNN charges and sales tax through written notice from Landlord that Tenant has occupied additional space as outlined herein and then rent shall increase to \$11,729.00 per month plus NNN charges and sales tax.

The Term of the lease shall be extended twenty two months, now expiring June 30, 2016.

The Landlord grants the Tenant a \$25,000.00 Tenant Improvement allowance. Sequoia will submit invoices to the Landlord for work completed up to the agreed upon Tenant Improvement allocation, with copies of lien waivers.

The Tenant shall obtain insurance for the additional leased premises as soon as possession is given. If the Tenant wishes to fence an area for a playground, the location of which is to be mutually agreed upon between Landlord and Tenant, the Tenant must add an extension of premises clause to their insurance which includes the playground area.

The Tenant shall accept the extension premises in an "as-is" condition.

All other terms of the original lease agreement shall remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this Extension of Lease Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

Landlord:

By: \_\_\_\_\_  
Mike Buekers, as Agent for Landlord  
Tenant: Edkey Inc.

By: [Signature]  
Patricia R. Greer, Secretary/Treasurer

# Edkey, Inc.

1460 S Horne  
Mesa, Arizona 85204  
480-461-3200  
FAX 480-649-0747

January 12, 2016

Earnest Rose, Superintendent  
Elyssa Dear, Business Manager  
Maricopa County Regional School District No 509  
3409 W Whitton Ave  
Phoenix, AZ 85017

RE: Lease 1938 E Apache Blvd.  
Tempe, Arizona  
NOTICE OF LEASE TERMINATION

We have appreciated the ability to lease the school and after deliberation regarding the renewal of the lease going forward we have made a determination that we will not be renewing the lease. We have enjoyed our relationship with the district and the lease of the building. This was not an easy decision to make however we feel that it is in the best interest of our students that we transfer them to an existing school that is closer for a large majority of them than this site.

We will be ending our lease and moving out by June 30, 2016. After we move out we would like to walk through the school with you when you do your move-out inspection. We will be in contact with you to set up the date and time of that walk through close to the termination date. We will arrange for all of the utilities to be TURNED-OFF when we move out. If you would like us to transfer the accounts to your name, please tell the power company and let me know. If we do not hear from you about the utilities, we will have them turned-off.

Again thank you for the great relationship which we have had over the last six years.

Sincerely,



Patric R. Greer CFO/Secretary  
Edkey, Inc.

## Financial Performance Response Evaluation Instrument

Charter Holder Name: Edkey, Inc. dba Sequoia School for the Deaf  
and Hard of Hearing  
Charter Holder Entity ID: 81050

Required for: New School Amendment Request  
Audit Year: 2015

Arizona State Board for Charter Schools (Board) staff completed the Financial Performance Response Evaluation Instrument for the Board in its consideration of applicable requests made by the charter holder. For each measure where the charter holder did not meet the target for the most recent audited fiscal year presented in the dashboard, Appendix C of the Financial Performance Framework requires the charter holder to answer three questions: 1) why did we not meet the measure’s target in the audited fiscal year; 2) what specifically have we done to improve our performance so that it’s possible to meet the measure’s target in the next fiscal year or a subsequent fiscal year; and 3) what can we provide to support our explanations and analysis? A “Not Acceptable” evaluation means the response for that measure did not sufficiently address one or more of these questions. “Not Acceptable” answers may adversely affect the Board’s decision regarding a charter holder’s request.

Measure	Reason(s) for “Not Acceptable” Rating
<b>1a. Going Concern</b> Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	
<b>1b. Unrestricted Days Liquidity</b> Acceptable <input checked="" type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input type="checkbox"/>	While the evaluation for this measure results in an acceptable rating, the charter holder estimates its 2016 and 2017 performance on this measure at approximately 34 days and 44 days, respectively. In its calculations, the charter holder includes as other liquidity, the tax and insurance bond reserve and the bond fund, which the audits indicate is for principal and interest payments. The response states, “We have included the Tax and insurance fund and the bond fund which is used to pay interest on our bonds even though they are reserved for specific expenses as the expenses they are reserved for are included in the annual total expenses and thereby in the daily expenses. It appears that if they are included in one side of the computation that we should include them in the cash. In addition daily expenses includes depreciation which is not a cash expense and if it was removed from the equation, our days cash on hand would change significantly.” <sup>1</sup> Since, as the charter holder states, these funds are reserved for specific expenses, the Board’s financial framework does not include them in the measure’s calculation. Based on the 2016 audit, which was received after the response was submitted, the charter holder’s performance on this measure declined to 20.29 days and remained rated “Does Not Meet”. If the 2017 projections hold true, staff estimates the charter holder’s performance under the Board’s financial framework will improve to approximately 31 days, which would result in a rating of “Meets”.

<sup>1</sup> While depreciation is a non-cash expense, it is used to allocate costs of fixed and other assets over the asset’s life. In addition, depreciation serves as an estimate of the dollars the charter holder needs to spend to maintain its facilities. As such, the Board’s financial framework intentionally does not remove depreciation from the measure’s calculation.



Measure	Reason(s) for “Not Acceptable” Rating
<b>1c. Default</b> Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	
<b>2a. Net Income</b> Acceptable <input checked="" type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input type="checkbox"/>	<p>The following explains the rationale for the charter holder receiving an acceptable rating on this measure. For 2017, the charter holder projects a net loss of \$4,320, which is significantly improved from 2015’s and 2016’s net losses of \$1,265,948 and \$2,273,049, respectively. However, Arizona Department of Education payment reports used for the April payment indicate the charter holder will receive approximately \$5 million less in state equalization in 2017 than budgeted for across all 10 charter contracts. Even with this apparent decline in revenue, it looks like steps taken by the charter holder to reduce expenses may still allow the charter holder to realize its projection. The charter holder’s actual expenses for the first six months of 2017 appear to be approximately \$3 million less than its budgeted expenses for the same time period.</p>
<b>2b. Cash Flow</b> Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	
<b>2c. Fixed Charge Coverage Ratio</b> Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	



**APPENDIX B**

**STAFF RECOMMENDATION**

**CRITERIA CHART:**

**New School**

## Staff Recommendation Criteria Chart New School Site Amendment Request

Staff Recommendation Criteria	Satisfies Criteria	Justification/Summary
In operation for three years	<input checked="" type="checkbox"/>	The Charter Holder has been in operation for 17 years.
Rating of “Meets” on the Operational Performance Dashboard in the most recent year	<input checked="" type="checkbox"/>	The Charter Holder received an Overall Rating of “Meets” on the Operational Performance Dashboard in FY 2016.
Rating of “Meets” on the Financial Performance Dashboard in the most recent year	<input type="checkbox"/>	The Charter Holder received an Overall Rating of “Does Not Meet” on the Financial Performance Dashboard in FY 2016.
Each school operated by the Charter Holder performs at or above the average performance of a majority of schools within a five-mile radius of the school’s location; <b>or</b> the proposed school offers a unique program of instruction within a five-mile radius of the target area.	<input checked="" type="checkbox"/>	KELLY, Kinetic Educational Learning Labs for Youth, serves students who have been identified as being EDP (“Emotionally Disabled Private Placement”). Students who attend a private placement program do so based on evaluation, analysis of behavioral issues and the decision of the IEP team due to the severity of the issues and the extent of their needs.

**APPENDIX C**

**STAFF RECOMMENDATION**

**CRITERIA CHART:**

**Enrollment Cap**

## Staff Recommendation Criteria Chart Enrollment Cap Change to Charter Amendment Request

Staff Recommendation Criteria	Satisfies Criteria	Justification/Summary								
In operation for three years	<input checked="" type="checkbox"/>	The Charter Holder has been in operation for 19 years.								
Rating of "Meets" on the Operational Performance Dashboard in the most recent year	<input checked="" type="checkbox"/>	The Charter Holder received an Overall Rating of "Meets" on the Operational Performance Dashboard in FY 2016.								
Rating of "Meets" on the Financial Performance Dashboard in the most recent year	<input type="checkbox"/>	The Charter Holder received an Overall Rating of "Does Not Meets" on the Financial Performance Dashboard in FY 2016.								
Past enrollment trends indicate need for increase within three years	<input type="checkbox"/>	<p>The Charter Holder's current enrollment trend does not indicate a need; however, this request is being submitted in conjunction with a New School Amendment Request.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Fiscal Year</th> <th>ADM (Average Dailey Membership)</th> </tr> </thead> <tbody> <tr> <td>FY15</td> <td>64.145</td> </tr> <tr> <td>FY16</td> <td>61.844</td> </tr> <tr> <td>FY17</td> <td>72.524</td> </tr> </tbody> </table> <p>The Charter Holder has projected enrollment of 61 students at the new school for FY 2018. If the New School Amendment Request is approved, the addition of the KELLY school would put the Charter Holder over its current enrollment cap of 100.</p>	Fiscal Year	ADM (Average Dailey Membership)	FY15	64.145	FY16	61.844	FY17	72.524
Fiscal Year	ADM (Average Dailey Membership)									
FY15	64.145									
FY16	61.844									
FY17	72.524									
ADM is within 85% of current enrollment cap	<input type="checkbox"/>	<p>The Charter Holder currently serves 72.524 students, according to ADE school finance. The current enrollment cap is 100. The Charter Holder is within 72% of its current enrollment cap.</p> <p>The projected enrollment provided by the Charter Holder in the Enrollment Matrix for the existing school and the proposed new school indicates an enrollment increase that will exceed the enrollment cap capacity in FY 2018.</p>								

<p>Each school operated by the Charter Holder performs at or above the average performance of a majority of schools within a five-mile radius of the school's location; <b>or</b> the proposed school offers a unique program of instruction within a five-mile radius of the target area.</p>	<input checked="" type="checkbox"/>	<p>KELLY, Kinetic Educational Learning Labs for Youth, serves students who have been identified as being EDP ("Emotionally Disabled Private Placement"). Students who attend a private placement program do so based on evaluation, analysis of behavioral issues and the decision of the IEP team due to the severity of the issues and the extent of their needs.</p>
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**APPENDIX D**

**AMENDMENT REQUEST MATERIALS:**

**Enrollment Cap**

# Enrollment Cap Notification Request

## Charterholder Info

### Charter Holder

**Name:**  
Edkey, Inc. dba Sequoia School  
for the Deaf and Hard of  
Hearing

**CTDS:**  
07-87-44-000

**Mailing Address:**  
1460 South Horne  
Mesa, AZ 85204  
> [View detailed info](#)

### Representative

**Name:**  
Mark Plitzuweit

**Phone Number:**

## Downloads

 [Download all files](#)

## Enrollment Cap

**From:**  
100

**To:**  
200

## Attachments

Board Minutes –  [Download File](#)

## Increase to Enrollment Cap Attachments

The following 2 attachments are only required if the enrollment cap is increasing.

Documentation that current facilities can accommodate requested capacity –  [Download File](#)

Narrative describing the staffing changes and recruiting efforts that will be made to reach capacity –  [Download File](#)

### Additional Information

-  [Download File – Enrollment/Staffing for KELLY](#)
-  [Download File – Enrollment/Staffing for SDS](#)
-  [Download File – KELLY Leadership Staffing Chart](#)
-  [Download File – SDS Leadership Staffing Chart](#)

## Signature

Charter Representative Signature  
Mark Plitzuweit 04/06/2017

# New School Site Notification Request

## Charterholder Info

### Charter Holder

**Name:**  
Edkey, Inc. dba Sequoia School  
for the Deaf and Hard of  
Hearing

**CTDS:**  
07-87-44-000

**Mailing Address:**  
1460 South Horne  
Mesa, AZ 85204  
> [View detailed info](#)

### Representative

**Name:**  
Mark Plitzuweit

**Phone Number:**

## Downloads

 [Download all files](#)

## Form Fields

**Name of school**  
KELLY

**Grade levels to be served**

K  
 1st  
 2nd  
 3rd  
 4th  
 5th  
 6th  
 7th  
 8th  
 9th  
 10th  
 11th  
 12th

**First day of Operation**  
07/01/2017

**Physical Address**  
1648 S. 16th Street  
Phoenix, AZ 85034

**Physical Phone Number**  
602-712-0500

**Physical Fax Number**  
602-712-0506

**Mailing Address**  
1648 S. 16th Street  
Phoenix, AZ 85034

**Mailing Phone Number**  
602-712-0500

**Mailing Fax Number**  
602-712-0500

## Attachments

Board Minutes –  [Download File](#)

### Occupancy Documentation

 [Download File](#) — Certificate of Occupancy, Fire Marshall Report, Site Map showing capacity

---

Lease agreement or proof of purchase for facility —  [Download File](#)

---

Copy of Fingerprint Clearance Card for school site administrator —  [Download File](#)

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Copy of liability insurance coverage —  [Download File](#)

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Narrative —  [Download File](#)

### Additional Information

 [Download File](#) — Enrollment/Staffing for KELLY

 [Download File](#) — Enrollment/Staffing for SDS

 [Download File](#) — Financial Response

 [Download File](#) — SDS Leadership Staffing Chart

 [Download File](#) — KELLY Leadership Staffing Chart

 [Download File](#) — Kelly Budget and Assumptions

 [Download File](#) — Updated Enrollment/Staffing Matrix for KELLY

 [Download File](#) — Updated KELLY Budget and Assumptions

## Signature

Charter Representative Signature  
Mark Plitzuweit 04/27/2017

Minutes  
The Governing Board of  
Edkey, Inc. – Sequoia School for the Deaf and Hard of Hearing  
February 16, 2017 11:00 AM  
Location: 1460 South Horne, Mesa, Arizona

- I. Call to Order and Roll Call – **Mary Strickland, Jevon Lewis, and Christopher Lalley (by phone) were present. Sherri Collins and Kathy Roadlander were absent. A quorum was met.**
- II. Accept Agenda – **Mary Strickland made a motion to accept the agenda. Christopher Lalley seconded the motion. Approved by unanimous vote.**
- III. Discussion and possible action relative to the approval of a new site to be known as Kinetic Educational Learning Labs for Youth at 1648 S. 16<sup>th</sup> St. Phoenix, Arizona 85034. **Mary Strickland made a motion to approve a new site to be known as Kinetic Educational Learning Labs for Youth (KELLY) at 1648 S. 16<sup>th</sup> St. Phoenix, Arizona 85034. Jevon Lewis seconded the motion. Approved by unanimous vote.**
- IV. Discussion and possible action relative to the approval of changes to the Edkey, Inc- Sequoia School for the Deaf and Hard of Hearing (SSDHH) LEA Mission Statement to be more inclusive of students with all disabilities.  
Current Mission Statement:  
The mission of Sequoia School for the Deaf and Hard of Hearing is to provide a safe, positive, environment in which students read, write, and compute at or above grade level.  
Proposed Mission Statement:  
To provide high quality individualized educational services to students with wide-ranging social, emotional, and developmental needs, in a safe, engaging, and empowering environment, in preparation for current and future success.  
**Jevon Lewis made a motion to approve the changes made to the SSDHH LEA Mission Statement so it will be more inclusive of students with all disabilities. Mary Strickland seconded the motion. Approved by unanimous vote.**
- V. Discussion and possible action relative to updating the Edkey, Inc. – SSDHH LEA Program of Instruction (proposed update attached to these minutes). **Mary Strickland made a motion to update the Edkey, Inc. – SSDHH LEA Program of Instruction. Jevon Lewis seconded the motion. Approved by unanimous vote.**
- VI. Discussion and possible action relative to increasing the enrollment cap from 100 to 200 students at Edkey, Inc. – SSDHH LEA due to adding the site of KELLY to the SSDHH LEA. **Jevon Lewis made a motion to increase the enrollment cap from 100 to 200 students at Edkey, Inc. – SSDHH LEA due to adding the site KELLY to the SSDHH LEA. Mary Strickland seconded the motion. Approved by unanimous vote.**
- VII. Adjournment – **Meeting adjourned at 11:17 A.M.**

Sequoia Deaf School Governing Board may elect to go into Executive Session at any time.  
Phone: (480) 461-3200 Fax: (480) 649-0747

Minutes Submitted By: Marla Ramos

### Rationale for the Change to the Program of Instruction

SSDHH serves a specialized population of students who are identified as being deaf or hard of hearing. Edkey is requesting to move KELLY, Kinetic Educational Learning Labs for Youth, under this charter. KELLY serves students who have been identified as being emotionally disabled requiring a private placement. To be inclusive of this other specialized group of students the program of instruction needs to be updated.

### Proposed Changes to the Program of Instruction

The program of instruction on file with ASBCS is specific to the deaf and hard of hearing population. The changes to mission, vision, educational philosophy, curriculum, assessment, methods of instruction and graduation requirements will be inclusive of all students requiring specialized instruction based on their individual education plans.

### Mission Statement

To provide high quality individualized educational services to students with wide-ranging social, emotional, and developmental needs, in a safe, engaging, and empowering environment, in preparation for current and future success.

### Vision

To prescriptively address individual areas of academic, social, emotional, and behavioral deficits through the use of data driven, evidence based practices, in sync with an advancing curriculum that focuses on closing learning gaps and consistent student improvement.

### Educational Philosophy

- To create an effective climate for learning.
- To facilitate each student's academic progress and social development by establishing appropriate goals and providing instruction.
- To encourage students to be aware of their strengths and opportunities so that they can become good advocates for themselves in all settings.
- A strong teamwork approach between all stakeholders to increase social, emotional and educational outcomes for all learners.

### Curriculum & Methods of Instruction

Students work at individualized levels of performance based on their IEP's. The goals are aligned to state and local standards and are written using research based assessments. The use of core instructional programs which align to state standards ensure students are receiving access to the general curriculum, despite being placed in a more restrictive learning environment.

Goals are written for the length of one school year and students will be targeted to meet these goals as well as maintain previous goals performance throughout the course of the school year. IEP meetings are held a minimum of once per academic year with the school team, parents and outside support personnel, to establish these individualized goals and determine specific criteria for achieving the identified goals. Progress reports on IEP goals are reported quarterly.

Teachers adapt or modify curricular resources based on the individual needs of each student as outlined in their IEP. Smaller class sizes and low student-teacher ratios help to provide the individualized instruction necessary for student success. All curricular and instructional resources are scientifically based and incorporate teaching strategies that meet the needs of all student learners.

Students are identified at the state level by grade level but classes at both locations focus on grade level bands. Students are leveled based on their performance and IEP goals in order to provide the most appropriate education for every student.

#### Methods of Assessment

Students' progress on standards and IEP goal progress is measured quarterly and tracked frequently by the classroom teacher or specialists. Teachers use specified tools, outlined in the student's IEP to monitor progress on goals. The MAP, Measure of Academic Progress, assessment is administered four times a year to evaluate student progress on grade level standards and performance. Supplemental assessments are used to guide the development of the IEP as well as structure academic frameworks for students.

Formative Assessment include but are not limited to: classroom based assessments, curriculum based assessments, formal and informal observations, pre and posttests.

Summative Assessments include but are not limited to: benchmark assessments, Rigby, AzMERIT or AIMS A.

#### Promotion and Graduation

Graduation with a high school diploma is a goal of students in high schools and their families throughout Arizona. Students earn a high school diploma upon the successful achievement of graduation requirements set by the Arizona State Board of Education or a local governing board, if that board has established graduation requirements that are in addition to or higher than those set by the State Board of Education. Students with disabilities, like their typical peers, can earn a regular high school diploma with their four-year cohort group and some students with (and without) disabilities will require additional time in high school in order to meet graduation requirements. Some students with disabilities will not meet graduation requirements and will instead "age out" of high school (that is, for students with disabilities, leaving school after the school year during which they turn 22).

The IDEA emphasizes that special education must be individually tailored to each child's unique needs, and that includes an individualized determination about whether the child has met graduation requirements. Thoughtful planning by IEP teams is crucial for students with disabilities in order to ensure that they receive a free appropriate public education, including transition services. To that end, the following elements are essential for transition-aged students: 1. At least once a year, the IEP team considers the progress of the student toward graduation and, if necessary, makes adjustments to the student's course of study and services; 2. IEPs specify the academic, support, and transition services the student is to receive during the term of the IEP; 3. Academic courses and services are specifically selected to support the student's postsecondary goal(s), and; 4. Transition services are integrated within the course of study throughout the high school years.

### Alignment between Program of Instruction to the revised Mission Statement

The modifications to program of instruction outline the need for individualized instruction based on the student's identified needs in their individual education plan. The strong emphasis on the student's IEP and meeting their individualized needs will allow us to meet the mission and vision of the charter.

All IEP teams consist of staff, students and parents, which directly aligns with the educational philosophy. Decision making is not an independent task, rather a collective to ensure each student's individual success.

The following amendments have been filed to ensure consistent information is on file with ASBCS:

- Charter mission Amendment Request
- Enrollment Cap Amendment Request
- New School Amendment Request

### Changes to the Program of Instruction work to improve pupil achievement for the target population in the following ways:

The updated program of instruction is more inclusive of different types of disability categories. Using the updated program of instruction allows us to reach and service more students with disabilities and provide an academically, socially and emotionally relevant academic experience for all.

The movement of KELLY under the SSDHH charter will also allow us to effectively leverage our resources across these student populations.

### Transition Plan

Our plan is to move the KELLY program under the SSDHH LEA for the 2017-2018 school year. As the school is currently open under another Edkey charter all required materials including curriculum, instructional planning and assessment tools have already been purchased. During the spring budgeting process, allocations for all resources will be discussed to ensure adequate resources are available for the projected increase in enrollment.

Current staff have been trained in the instructional and behavioral approaches utilized throughout the school. An additional para-professional for the 2017-2018 school year may be required to ensure staffing ratios are maintained in line with program expectations.



City of Phoenix

# CERTIFICATE OF OCCUPANCY

MAIL TO: GABRIEL GAVRILIDIS  
GCON INC  
21436 N 20TH AVE  
PHOENIX, AZ 85027

Issuance of this Certificate of Occupancy indicates the following described building, or portion of a building, has been inspected and been found to be in substantial compliance with applicable city codes and ordinances for the hereby authorized use and occupancy. No change in use, occupancy, or of use is allowed without obtaining a new Certificate of Occupancy. This building shall be maintained in a safe and sanitary condition. All devices, safeguards and exit facilities shall be maintained in good working order. This Certificate of Occupancy shall be void if any requirement, condition or stipulation of Certificate of Occupancy or of the authorizing permits is violated. This Certificate of Occupancy is to be kept on the subject property, and is required to be posted for public information if so ordered by the building official.

SUBJECT ADDRESS: 1648 S 16TH ST  
OWNER: 1648 S 16TH STREET LLC  
2525 E BROADWAY BLVD # 105  
TUCSON, AZ 85716

CERTIFICATE #: 1400096 BUILDING PERMIT: BLD 13003861  
ISSUED: 08-JAN-2014 PERMIT DESC: INTERIOR ADAPTIVE REUSE  
PROJECT: AFP I-0571 - CHILDREN FIRST ACADEMY-AFP

FLOOR AREA: 59,744

AUTHORIZED USE AND OCCUPANCY: E,B,S-1,U

phrp0101 rev 1.1 M

EFFECTIVE BUILDING CODES: 2006 IRC, 2006 IECC, 2006 IBC, 2008 NEC, 2006 IMC, 2006 UPC, 2006 IFC, 2006 IFGC

TYPE OF BUSINESS: CHILDREN FIRST ACADEMY LOG#: LPRR 1203868 PROJECT#: I-571  
SITE INSP (N) SPECIAL EGRESS CONTROL (N) SPRINKLERS (Y) FIRE ALARM (Y) EMERGENCY LIGHTING (Y) ELEVATORS (Y)  
DEFERRED SUBMITTAL (N) SPEC PER PCC SEC. 1704 (Y) STEEL, MASONRY AND EPOXY STR SEC. 1709 (N) ELEC PCC SEC. 2703 (N)  
ELEC OBS PCC SEC. 2704 (N)  
MECH PCC SEC. 2802 (Y); DUCT/SMOKE DETECTORS MECH OBS PCC SEC. 2803 (N)

WATER METERS: EXISTING SECONDARY BACKFLOW (Y)

SCOPE OF WORK: BLDG PLMB MECH ELEC LSC ELEV

ZONING:

REVIEWER: HANS HARABASIC (STRUCT/ARCH 602.501.1140), MIKE BILLINGSLEY (P&M 602.501.1215), TIM PFEIFER (ELEC 602.501.1390)

DESCRIPTION OF WORK: INTERIOR ADAPTIVE REUSE OF FORMER FOOD CITY GROCERY STORE TO NEW CHARTER SCHOOL OPERATED BY SEQUOIA SCHOOLS. COMPLETE INTERIOR DEMO AND NEW WALL LAYOUT WITH MEZZANINE INCLUDED. CONSTRUCTING AN ATTACHED CANOPY ALSO. INSPECTIONS TO BE DONE BY AFP INSPECTORS.

MAR 11 2013

FILE NO. L1778828-9

AMENDMENT  
TO THE  
ARTICLES OF ORGANIZATION OF  
1648 S. 16<sup>TH</sup> STREET, LLC

Pursuant to the provisions of A.R.S. §29-633, the undersigned limited liability company, which filed its initial Articles of Organization on July 30, 2012, hereby adopts the following Amendment to its Articles of Organization:

1. The name of the limited liability company on file with the Arizona Corporation Commission is **1648 S. 16<sup>th</sup> STREET, LLC.**

2. The Articles of Organization of the limited liability company are amended as follows:

Section 2. **Known Place of Business.** The street address of the known place of business of the limited liability company is 1460 S. Horne, Mesa, Arizona 85204.

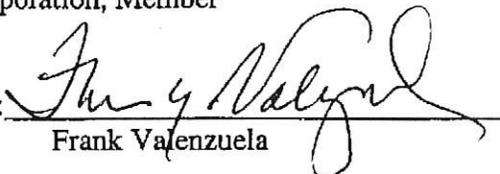
Section 3. **Statutory Agent.** The name and address of the statutory agent of the limited liability company are Patric R. Greer, 1460 S. Horne, Mesa, Arizona 85204.

Section 5. **Management and Member.** Management of the limited liability company is reserved to its Members. **The name and address of the sole member is Edkey, Inc., 1460 S. Horne, Mesa, Arizona 85204.**

DATED this 24th day of January, 2013.

1648 S. 16<sup>TH</sup> STREET, LLC, an Arizona limited liability company

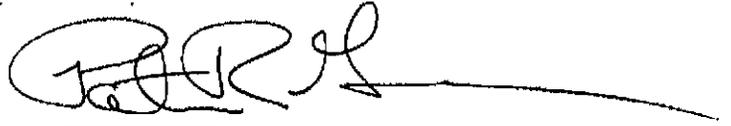
By: COMMUNITY INVESTMENT CORPORATION, an Arizona non-profit corporation, Member

By:   
Frank Valenzuela

**ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT**

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named limited liability company.

DATED: January 24, 2013

A handwritten signature in black ink, appearing to read 'P. R. Greer', is written over a horizontal line. The signature is stylized and cursive.

**PATRIC R. GREER**

FIDELITY NATIONAL TITLE AGENCY INC.  
WHEN RECORDED MAIL TO:

Kutak Rock LLP  
8101 N. Scottsdale Road, Suite 300  
Scottsdale, AZ 85253  
Attention: Dane K. Fernandes, Esq.  
Escrow: FTA12014040

Unofficial  
20 Document

12  
mo:

2/6

## SPECIAL WARRANTY DEED

For the consideration of Ten and 00/100 Dollars, and other valuable considerations, Edkey, Inc., an Arizona non-profit corporation ("Grantors") do hereby convey to 1648 S. 16<sup>th</sup> Street, LLC, an Arizona limited liability company ("Grantee"), the following real property situated in Maricopa County, Arizona, together with all improvements thereon and all rights and privileges appurtenant thereto, to wit:

See attached exhibit "One"

SUBJECT TO current taxes, assessments, reservations in patents and all easements, rights of way, encumbrances, covenants, conditions and restriction as may appear of record.

And the Grantor hereby warrants the title to the property as against all acts of the Grantor herein and no other, subject to all matters set forth above.

Dated this 21<sup>st</sup> day of August, 2012

See attached for signatures and acknowledgements

Signature for Special Warranty Deed

Edkey, Inc.

By: *Ron Neil*  
Ron Neil, President

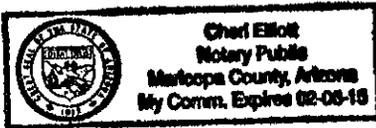
STATE OF ARIZONA)

COUNTY OF MARICOPA)

This instrument was acknowledged before me this 20 day of August, 2012 by Ron Neil,  
President of Edkey, Inc.

*Cheri Elliott*  
Notary Public

My commission expires: Feb. 6, 2015



Unofficial Document

**EXHIBIT ONE**

**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1:

Lot 1, Food City Re-Plat, according to Book 330 of Maps, Page 29, records of Maricopa County, Arizona.

Parcel No. 2:

Lots 2 and 4, Block 1, Evans Griffiths Subdivision, according to Book 29 of Maps, page 9, records of Maricopa County, Arizona.

# 115-39-055-C

1648 S 16TH STREET LLC OWNER

Parcel Type: Commercial

1648 S 16TH ST PHOENIX 85034

## Property Information

MCR #: 2909  
 Address: 1648 S 16TH ST PHOENIX 85034  
 Latitude/Longitude: 33.43178177 | -112.04781295  
 Description: EVAN GRIFFITHS SUB 29/09 LOT 2  
 Lot Size (Sq Ft): 9957  
 Zoning: C-3  
 Section, Township, Range: 16 1N 3E  
 Associated Parcel(s): 115-39-151, 115-39-055C, 115-39-057  
 Market Area/Neighborhood: 22/006  
 Subdivision: EVAN GRIFFITHS SUB  
 Lot #: 2  
 High School District: PHOENIX UNION #210  
 Elementary School District: PHOENIX ELEMENTARY SCHOOL DISTRICT  
 Local Jurisdiction: PHOENIX  
 Owner: 1648 S 16TH STREET LLC  
 Mailing Address: 1460 S HORNE, MESA, AZ 85204  
 Deed #: 120748874  
 Deed Date: August 21, 2012  
 Sale Date: None  
 Sale Price: \$0

## Valuation Data

Tax Year:	2017	2016	2015	2014	2013
Full Cash Value:	\$58,900	\$55,100	\$54,000	\$54,800	\$56,046
Limited Property Value:	\$57,855	\$55,100	\$54,000	\$54,800	\$56,046
Legal Class:	2	2	2	2	2
Description:	AG / VACANT LAND / NON-PROFIT R/P				

Assessment Ratio:	15%	15%	16%	16%	16%
Assessed FCV:	\$0	\$0	\$0	\$8768	\$8968
Assessed LPV:	\$8678	\$8265	\$8640	\$8768	\$8967
Property Use Code:	9374	9374	9374	9374	9121
PU Description:	Exempt	Exempt	Exempt	Exempt	School/Library
Tax Area Code:	011300	011300	011300	011300	011300

**Commercial Characteristics/Improvements**

Description	Number	Model	Quality Rank	Age	Sq Footage
Commercial Yard Improvements		353	1	46	1

Notice: The values displayed on this page may not reflect constitutional or statutory adjustments.

**Property Sketches**

Search Date and Time:  
6/1/2016 8:31:48 AM

File Number:  
L17788289

Corporation Name:  
1648 S. 16TH STREET LLC

Collapse | Expand

Corporate Inquiry

File Number

L17788289

Corporation Name

1648 S. 16TH STREET LLC

Standing

Check Corporate Status

Domestic Address

1460 S HORNE  
MESA, AZ 85204

Statutory Agent Information

**Agent Name:** PATRIC R GREER

**Agent Mailing/Physical Address:**

1460 S HORNE

MESA, AZ 85204

**Agent Status:** APPOINTED 03/11/2013

**Agent Last Updated:** 03/18/2013

Additional Entity Information

**Entity Type:** DOMESTIC L.L.C.

**Incorporation Date:** 7/30/2012

**Domicile:** ARIZONA

**Approval Date:** 8/2/2012

**Business Type:**

**Corporation Life Period:** PERPETUAL

**County:** PIMA

**Original Publish Date:** 9/12/2012

Manager/Member Information

**Name** EDKEY INC *SOLE MEMBER OWNER OF*  
**Title** MEMBER  
**Address** 1460 S HORNE  
 MESA, AZ 85204  
**Date of Taking Office** 03/11/2013  
**Last Updated** 03/18/2013

Scanned Documents

Click on a gold button below to view a document. If the button is gray, the document is not yet available. Please check back again later.

Document Number	Description	Date Received
04197860	AMENDMENT	3/11/2013
04052216	PUB OF ARTICLES OF ORGANIZATION	9/12/2012

Document Number

03965000

Description

ARTICLES OF ORGANIZATION

Date Received

7/30/2012

Microfilm

Location

Description

32334085018

7/30/2012

ARTICLES OF ORGANIZATION

32343085008

9/12/2012

PUB OF ARTICLES OF ORGANIZATION

32358065031

3/11/2013

AMENDMENT

Amendments

Amendment Date

3/11/2013

Amendment Type

AMENDMENT

Publish Date

Publish Exception

WAIVE

Print Details

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(<http://www.azcc.gov/divisions/corporations/contact-us.asp>)





# A P Fire Protection LLC

Experience • Knowledge • Quality

P.O. Box 2718  
Peoria, Arizona 85380  
Phone: (623) 772-6344 Fax: (623) 772-6384

## Fire Alarm Inspection Report

(Comes Per NFPA 72 Standards & Manufacturer Standards)

L-16 Commercial ROC251910 L-67 Commercial ROC251920

Service Technician: Ryan Gardner C8A20519 Date: 8/8/2016 Time of Test:

Location Name / Address		Owner Name / Address	
Name:	Children's 1st Academy	Name:	Sequola Schools
Address:	1848 S. 16th Street	Address:	
City, State, Zip:	Phoenix, Arizona 85034	City, State, Zip:	
Location Contact:	Floyd Pitney	Owner Contact:	Floyd Pitney
Phone Number:	480-276-0421	Phone Number:	480-276-0421

Next Service Date:	8-2017	Monthly	Quarterly	Annually	Other	Class A:	Class B:
Fire Panel Location:	1st Floor NWC Janitor Closet	Make:	Fike	Model:	10-068 Series		
Circuit Breaker Location:	Unknown	Panel Location:	Inside Main FACP	Date of Installation:	2013		
Circuit Breaker Locked:	Yes	Monitoring Company:	Arizona Security Control / Signal One				
Primary Phone Number:	Unknown	Secondary Phone Number:	Unknown				
Monitoring Phone Number:	602-433-1271	Account Number:	38-8860	Password:			

General		Yes	N/A	No	Pass	Fail
A	Is fire alarm program / software at panel / location?	X				
B	Did audible and visual alarms test satisfactory?	X			X	
C	Did Monitoring Company Receive Alarm Signal?	X			X	
D	Did Monitoring Company Receive Supervisory Signal?	X			X	
E	Did Monitoring Company Receive Trouble Signal?	X			X	
F	Was battery back-up function tested?	X			X	
G	Did supervisory alarm test satisfactory?	X			X	
H	Did annunciator(s) function properly?	X			X	
I	Supply Voltage:	X			X	
J	Battery back up voltage at normal conditions?	120	Volts	X	X	
K	Battery back up after supply voltage removed?	Volts	X	X	X	
L	Battery voltage at full load alarm condition?	Volts	X	X	X	
M	Are stand by batteries in good condition and functioning properly?	Volts	X	X	X	
N	Battery Date: Main FACP: 2 x 2013 Booster# 1 Next To FACP: 2 x 2016 Booster# 2 NWC Mech Closet: 2 x 2016 Booster# 3 N. O/S Mech Rm: 2 x 2019				X	
O	Sizes: Main FACP: 2 x 12v 18ah Booster# 1 Next To FACP: 2 x 12v 8ah Booster# 2 NWC Mech Closet: 2 x 12v 8ah Booster# 3 N. O/S Mech Rm: 2 x 12v 8ah				X	

Type of Detection	Make	Model	Quantity	Tested	Pass	N/A	Fail
Photo Detector	Fike	FSP-851	1	1	1		
Heat Detector	Fike		3	3	3		
Manual Pull Station	Fike	20-1083	1	1	1		
Waterflow Switch	Potter Electric	VSR-F	2	2	2		
Supervisory Switches	Victaulic	705	4	4	4		
Horn / Strobe Units	System Sensor						
Remote Annunciator	Fike	LCD	1	1	1		
Remote Power Supplies	Firelite	FCPS-27FS8	2	2	2		
Duct Detectors			13	13	13		
Hood Suppression System	Ansul	R-102	1	1	1		
Relay (A/C Shutdown / Elevator Relays)	Fike		20	20	20		

Comments / Adjustments Made / Repairs Needed:

- 8-8-2016 Replaced NWC Remote Power Supply That Had A Internal Charger / A/C Trouble Issue, Replaced With New
- NOTE: Detection S.L.O Appears To Be Class B & NAC (Notification Appliance Circuits) Appears To Also Be Class B
- Upon Power Supply Replacement, Found One Module (77) Not Responding At Main South Fire Riser, Module Is Not Blinking, Need To Replace/Re-Program

NOTE: Fike Monitor Module Model# 85-041



**A.P. Fire Protection, LLC**  
 P.O. Box 2718  
 Phoenix, Arizona 85080-623-772-8344

**Location:**  
**Address:**  
**Contact:**

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, Az 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

ID	Location of Emergency Light	Manufacturer	Status		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
1	1st Floor-S. Front Door	Prescolite	Exit		1.2v-A-1200Mah	X		
2	1st Floor-S. Front Door	Emergi-Lite	Em		6v 4.5ah		X	Need Battery
3	1st Floor-S. Inside Lobby	Prescolite	Exit		1.2v-A-1200Mah	X		
4	1st Floor-S. Inside Lobby	Emergi-Lite	EM		6v 4.5ah	X		
5	1st Floor-Teacher Work Room	Emergi-Lite	EM		6v 4.5ah	X		
6	1st Floor-Teacher Work Room	Prescolite	Exit		1.2v-A-1200Mah	X		
7	1st Floor-Front Lobby	Emergi-Lite	EM		6v 4.5ah	X		
8	1st Floor-S. Front Lobby Hallway	Prescolite	Exit		1.2v-A-1200Mah	X		
9	1st Floor-S. Front Lobby Hallway	Emergi-Lite	EM		6v 4.5ah	X		
10	1st Floor-S. Front Lobby Hallway	Emergi-Lite	EM		6v 4.5ah	X		
11	1st Floor-S. Front Lobby Hallway	Emergi-Lite	EM		6v 4.5ah	X		
12	1st Floor-E. Office Hallway	Prescolite	Exit		1.2v-A-1200Mah	X		
13	1st Floor-Lobby Children's Office	Emergi-Lite	EM		6v 4.5ah	X		
14	1st Floor-Lobby Children's Office	Prescolite	Exit		1.2v-A-1200Mah	X		
15	1st Floor-Lobby Children's Office	Prescolite	Exit		1.2v-A-1200Mah	X		
16	1st Floor-Lobby Children's S. Door	Prescolite	Exit		1.2v-A-1200Mah	X		
17	1st Floor-Lobby Children's Lobby	Emergi-Lite	EM		6v 4.5ah	X		
18	1st Floor-S. Hallway	Emergi-Lite	EM		6v 4.5ah	X		
19	1st Floor-S. Hallway	Emergi-Lite	EM		6v 4.5ah		X	Need Battery
20	1st Floor-Family Support S. Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
21	1st Floor-Family Support S. Exit	Emergi-Lite	EM		6v 4.5ah	X		
22	1st Floor-S. Computer Lab	Emergi-Lite	EM		6v 4.5ah	X		
23	1st Floor-S. Computer Lab Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
24	1st Floor-S. Donating Room	Prescolite	Exit		1.2v-A-1200Mah	X		
25	1st Floor-S. Donating Room	Emergi-Lite	EM		6v 4.5ah		X	Need Battery
26	1st Floor-WHSE S.E. Storage Rm	Prescolite	Combo		6v 4.5ah		X	Need Battery
27	1st Floor-WHSE NEC Exit	Prescolite	Combo		6v 4.5ah		X	Need Battery
28	1st Floor-WHSE W. Center	Emergi-Lite	EM		1.2v-A-1200Mah	X		





A P Fire Protection, LLC  
P.O. Box 2718  
Phoenix, Arizona 85380 623-772-5344

Location:  
Address:  
Contact:

Children's 1st Academy  
1648 S. 16th St. Phoenix, AZ 85034  
Lamar

Date: 8-10-2016  
Tech: Ryan Gardner

ID	Location of Emergency Light	Manufacturer	Site		Battery Size	Pass	Fail	Comments
			EM	EM/Combo				
31	1st Floor-WHSE E. Center	Emergi-Lite	EM		6v 4.5ah		X	Need Battery
32	1st Floor-Center Hallway Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
33	1st Floor-O/S Classroom 06	Emergi-Lite	EM		6v 4.5ah	X		
34	1st Floor-Hallway O/S Library	Emergi-Lite	EM		6v 4.5ah	X		
35	1st Floor-Hallway O/S Library	Emergi-Lite	EM		6v 4.5ah	X		
36	1st Floor-Hallway O/S Library	Prescolite	Exit		1.2v-A-1200Mah	X		
37	1st Floor-Inside Classroom 06	Emergi-Lite	EM		6v 4.5ah	X		
38	1st Floor-O/S Classroom 04 SE	Emergi-Lite	EM		6v 4.5ah	X		
39	1st Floor-O/S Classroom 04 SW	Emergi-Lite	EM		6v 4.5ah	X		
40	1st Floor-O/S Janitor Closet FACH	Emergi-Lite	EM		6v 4.5ah	X		
41	1st Floor-O/S Janitor Closet FACH	Prescolite	Exit		1.2v-A-1200Mah	X		
42	1st Floor-S. Double Door Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
43	1st Floor-S. Double Door Exit	Emergi-Lite	EM		6v 4.5ah	X		
44	1st Fir-W. Double Door Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
45	1st Fir-W. Double Door Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
46	1st Floor-O/S Classroom 02	Emergi-Lite	EM		6v 4.5ah	X		
47	1st Floor-O/S Classroom 01	Prescolite	Exit		1.2v-A-1200Mah	X		
48	1st Floor-Inside Library S.	Emergi-Lite	EM		6v 4.5ah	X		
49	1st Floor-Inside Library S.	Prescolite	Exit		1.2v-A-1200Mah	X		
50	1st Floor-Inside Library N.	Prescolite	Exit		1.2v-A-1200Mah	X		
51	1st Floor-Inside Library N.	Emergi-Lite	EM		6v 4.5ah	X		
52	1st Floor-SW Library Hallway	Emergi-Lite	EM		6v 4.5ah	X		
53	1st Floor-SW Library Hallway	Emergi-Lite	EM		6v 4.5ah	X		
54	1st Floor-SW Library Hallway	Prescolite	Exit		1.2v-A-1200Mah	X		
55	1st Floor-O/S Library Center Hall	Prescolite	Exit		1.2v-A-1200Mah	X		
56	1st Floor-O/S Elec Room Hall	Emergi-Lite	EM		6v 4.5ah	X		
57	1st Floor-O/S Elec Room Hall	Emergi-Lite	EM		6v 4.5ah	X		
58	1st Floor-O/S Elec Room Hall	Emergi-Lite	EM		6v 4.5ah	X		

59	1st Floor-Classroom 06	Emergi-Life	EM	6V 4.5ah	X	
60	1st Fir-Classroom 06 Exit Door	Prescolite	Exit	1.2v-A-1200Mah	X	



**A P Fire Protection, LLC**  
 P.O. Box 2718  
 Peoria, Arizona 85380 623-772-5844

**Location:**  
**Address:**  
**Contact:**

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, AZ 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

#	Location of Emergency Light	Manufacturer	Style		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
61	1st Floor-S.E. Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
62	1st Floor-O/S Classroom 18 Hall	Prescolite	Exit		1.2v-A-1200Mah	X		
63	1st Floor-O/S Classroom 18 Hall	Emergi-Lite	EM		6v 4.5ah	X		
64	1st Floor-O/S Classroom 18 Hall	Emergi-Lite	EM		6v 4.5ah	X		
65	1st Floor-O/S Classroom 21 Hall	Emergi-Lite	EM		6v 4.5ah	X		
66	1st Floor-O/S Classroom 21 Hall	Prescolite	Exit		1.2v-A-1200Mah	X		
67	1st Floor-N.E. Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
68	1st Floor-N.e. Exit Door	Emergi-Lite	EM		6v 4.5ah	X		
69	1st Floor-Classroom 23	Emergi-Lite	EM		6v 4.5ah	X		
70	1st Floor-O/S N.E. R.R. Hallway	Emergi-Lite	EM		6v 4.5ah	X		
71	1st Floor-O/S N.E. Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
72	1st Floor-O/S N.E. Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
73	1st Floor-Inside N.E. Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
74	1st Floor-Inside N.E. Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
75	1st Floor-N.E. Stairway Landing	Emergi-Lite	EM		6v 4.5ah	X		
76	1st Floor-O/S Classroom 17	Prescolite	Exit		1.2v-A-1200Mah	X		
77	1st Floor-O/S Classroom 17	Emergi-Lite	EM		6v 4.5ah	X		
78	1st Floor-O/S Classroom 11	Emergi-Lite	EM		6v 4.5ah	X		
79	1st Floor-Classroom 15	Emergi-Lite	EM		6v 4.5ah	X		
80	1st Floor-O/S Classroom 13 Hall	Emergi-Lite	EM		6v 4.5ah	X		
81	1st Floor-Classroom 12	Emergi-Lite	EM		6v 4.5ah	X		
82	1st Floor-N. Center Hallway	Prescolite	Exit		6v 4.5ah	X		
83	1st Floor-N. Center O/S Elev. Rm	Emergi-Lite	EM		1.2v-A-1200Mah	X		
84	1st Floor-N. Center O/S Elev. Rm	Emergi-Lite	EM		6v 4.5ah	X		
85	1st Floor-N. Center Exit Door	Prescolite	Exit		6v 4.5ah	X		
86	1st Floor-N. Center Hallway	Emergi-Lite	EM		1.2v-A-1200Mah	X		
87	1st Floor-N. Center Hallway	Emergi-Lite	EM		6v 4.5ah	X		
88	1st Floor-Outside Elevator	Emergi-Lite	EM		6v 4.5ah	X		Need Battery

89	1st Floor-Outside Elevator	Prescolife	Exit	1.2v-A-1200Mah	X	
90	1st Floor-O/S Classroom 14	Prescolife	Exit	1.2v-A-1200Mah	X	



**A P Fire Protection, LLC**  
 P.O. Box 2718  
 Peoria, Arizona 85380 623-772-5344

**Location:**  
 Address:  
 Contact:

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, Az 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

#	Location of Emergency Light	Manufacturer	Style		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
91	1st Floor-O/S Classroom 14	Emergi-Lite	EM		6v 4.5ah	X		
92	1st Floor-Gym NEC	Emergi-Lite	EM		6v 4.5ah	X		
93	1st Floor-NWC Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
94	1st Floor-NWC Exit	Emergi-Lite	EM		6v 4.5ah	X		
95	1st Floor-W Exit	Emergi-Lite	EM		6v 4.5ah	X		
96	1st Floor-W Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
97	1st Floor-SW Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
98	1st Floor-SW Exit	Emergi-Lite	EM		6v 4.5ah	X		
99	1st Floor-W. Double Door	Prescolite	Exit		1.2v-A-1200Mah	X		Missing Clear Lens
100	1st Floor-W. Double Door	Emergi-Lite	EM		6v 4.5ah	X		
101	1st Floor-Gym N. Stage	Emergi-Lite	EM		6v 4.5ah	X		
102	1st Floor-Gym S. Stage	Emergi-Lite	EM		6v 4.5ah	X		
103	1st Floor-Gym N. Stage Ramp	Emergi-Lite	EM		6v 4.5ah	X		
104	1st Floor-Kitchen Service Line	Emergi-Lite	EM		6v 4.5ah	X		
105	1st Floor-Kitchen N. Door	Prescolite	Exit		1.2v-A-1200Mah	X		
106	1st Floor-Kitchen N. Wall	Emergi-Lite	EM		6v 4.5ah	X		
107	2nd Floor-E. Stairs Exit	Prescolite	Exit		1.2v-A-1200Mah	X		Missing Cover
108	2nd Floor-E. Hallway	Emergi-Lite	EM		6v 4.5ah	X		
109	2nd Floor-N.E. Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
110	2nd Floor-N.E. Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
111	2nd Floor-O/S Classroom 201	Emergi-Lite	EM		6v 4.5ah	X		
112	2nd Floor-Classroom 201	Emergi-Lite	EM		6v 4.5ah	X		
113	2nd Floor-O/S Classroom 202	Emergi-Lite	EM		6v 4.5ah	X		
114	2nd Floor-Inside Classroom 202	Prescolite	Exit		6v 4.5ah	X		
115	2nd Floor-O/S Classroom 203	Emergi-Lite	EM		1.2v-A-1200Mah	X		
116	2nd Floor-Inside Classroom 203	Emergi-Lite	EM		6v 4.5ah	X		
117	2nd Floor-Inside Classroom 204	Emergi-Lite	EM		6v 4.5ah	X		
118	2nd Floor-W. Hallway	Emergi-Lite	EM		6v 4.5ah	X		Need Battery

119	2nd Floor-O/S Room 205 Hall	Frescolite	Exit	1.2V-A-1200Mah	X	
120	2nd Floor-N. Exit Door	Frescolite	Exit	1.2V-A-1200Mah	X	



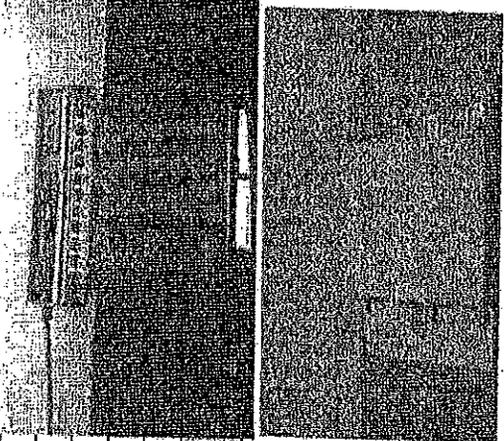
**A P Fire Protection, LLC**  
 P.O. Box 2718  
 Peoria, Arizona 85380 623-772-5344

**Location:**  
 Address:  
 Contact:

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, AZ 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

#	Location of Emergency Light	Manufacturer	Style		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
121	2nd Floor-N. Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
122	2nd Floor-Outside Stairs	Emergi-Lite	EM		6v 4.5ah	X		
123	2nd Floor-Outside Stairs	Emergi-Lite	EM		6v 4.5ah	X		
124	1st Floor- Classroom 21	Emergi-Lite	EM		6v 4.5ah	X	X	Need Battery
125	1st Floor-Classroom 01	Emergi-Lite	EM		6v 4.5ah	X		
126	1st Floor-Classroom 02	Prescolite	Exit		1.2v-A-1200Mah	X		
127	1st Floor-Classroom 02	Emergi-Lite	EM		6v 4.5ah	X		
128	1st Floor-Classroom 03	Emergi-Lite	EM		6v 4.5ah	X		
129	1st Floor-Classroom 04	Emergi-Lite	EM		6v 4.5ah	X		
130	1st Floor-Classroom 05	Emergi-Lite	EM		6v 4.5ah	X		
131	1st Floor-Classroom 07	Emergi-Lite	EM		6v 4.5ah	X		
132	1st Floor-Classroom 19	Prescolite	Exit		1.2v-A-1200Mah	X		
133	1st Floor-Classroom 19	Prescolite	Exit		1.2v-A-1200Mah	X		
134	1st Floor-Classroom 19	Emergi-Lite	EM		6v 4.5ah	X		
135	1st Floor-Classroom 19	Emergi-Lite	EM		6v 4.5ah	X		
136	1st Floor-Classroom 17	Emergi-Lite	EM		6v 4.5ah	X		
137	1st Floor-Classroom 16	Emergi-Lite	EM		6v 4.5ah	X		
138	1st Floor-Classroom 15	Emergi-Lite	EM		6v 4.5ah	X		
139	1st Floor-Classroom 12	Emergi-Lite	EM		6v 4.5ah	X		
140	1st Floor-Classroom 13	Emergi-Lite	EM		6v 4.5ah	X		



Notes / Comments

\* Need (9) 6volt 4.5ah Batteries

\* Unit# 98 is Missing The Top Cover, Unit# 107- is Missing The Right Clear Lens



**Edkey, Inc.**  
**SSDHH #81050**  
**New Site and Enrollment Cap Increase**

Rationale for New Site and Enrollment Cap Increase

SSDHH serves a specialized population of students who are identified as being deaf or hard of hearing. Edkey is requesting to move KELLY, Kinetic Educational Learning Labs for Youth, under this charter. KELLY serves students who have been identified as being emotionally handicapped requiring a private placement. To be inclusive of this other specialized group of students the program of instruction needs to be updated. KELLY is currently under another charter under Edkey management. By bringing the two schools under the LEA and increasing our marketing we are requesting an enrollment increase from 100 to 200 to bring us to facility capacity by FY20. Adding this school to this LEA will allow us to more effectively leverage specialized resources to meet the needs of our student population.

Staffing Plan for New Site and Enrollment Cap Increase

Based on current and projected enrollment for Sequoia Deaf School and KELLY, we will not need to add significant staff to accommodate the increase in student enrollment. Class sizes are very small, due to the individualized nature of instruction based on the student's IEP. On average, a student teacher ratio of 8:1 is ideal.

An additional para-professional may be needed for FY18 for Sequoia Deaf School. A new teacher is projected to be needed for FY19. The building has adequate space to house the proposed new enrollments.

The majority of staff at SDS are SPED certified and have experience with students who are deaf and hard of hearing. This specialized training help staff meet the varied instructional needs of students who are deaf and hard of hearing. On-going training is provided by the site administration and focuses on ensuring staff have the necessary skills and aptitude to meet the individualized needs of student learners.

For KELLY, we project adding an aide for FY18. Anticipated growth by FY19 will require us to hire additional 4 teachers and 3 para's to maintain the ideal student: teacher ratios. In FY20 we will need to add an additional teacher and para, which will bring us to capacity.

As with SDS, the majority of the staff are either SPED certified or highly qualified. On-going training and support is provided to ensure consistency in programming and behavioral expectations to help students experience the highest level of success. Strong emphasis is placed on behavior management strategies.

Current office and custodial staff will remain consistent even with the projected enrollment increases.

Staffing Recruitment for New Site and Enrollment Cap Increase

Edkey's Human Resource department supports the recruitment of all Edkey staff. Due to the specialized nature required to teach in these programs recruitment outside of Edkey's normal avenues are utilized.

Edkey posts open positions on:

- Indeed.com, with local colleges and universities, Edkey website, and the Arizona Department of Education

Recruitment also focuses on:

- Arizona Deaf Association, emails and word of mouth to the Deaf community and Deaf Professional websites.
- At times, we hire teachers via outside agencies to due current shortages.

All applicants are required to apply via Indeed.com. Resumes are sent to the respective principals/directors for their review and analysis.

#### Hiring for New Site and Enrollment Cap Increase

Candidates that meet the required qualifications for these positions are interviewed by the principal/director.

#### Training for New Site and Enrollment Cap Increase

Initial orientation is provided by Edkey's Human Resources department. Specialized training and mentoring is the responsibility of the site principal/director. Typically a veteran teacher and site administration provide mentoring/shadowing to ensure staff know how to effectively and purposefully run the program for maximum student achievement.

#### Justification for enrollment targets for Enrollment Cap Increase

Edkey is actively marketing for both of these programs. We anticipate moderate increases over the next few years and project 100 students per school by FY20. Due to the very specialized nature of the student population we cannot expect students to move from cohort to cohort, as the IEP team guides the student's progress. Additionally, if the IEP team deems it necessary, a student doesn't age out until 22 years old.

#### Meeting Enrollment Targets – New Site

Due to the unique aspects of the population we serve a market analysis of a particular area is not relevant. Deaf and emotionally handicapped students are not found in one particular area. Therefore, in order to meet our enrollment targets for both Sequoia Deaf School and the KELLY program we are working with Republic Media to launch a media campaign to promote both school sites.

The annual partnership with Republic Media will focus on the following areas:

- New website developments
- Social Media outreach
- Branded content on AZCentral.com with PPC advertising
- AZ Republic advertising

Additionally, Edkey will send notifications to all public/charter schools in the Phoenix metro area highlight the program and services that are available for this student population.

Target Population for New Site

The KELLY program currently serves 42 Kinder – 12<sup>th</sup> grade students who are identified as EDP (Emotionally Disabled Private Placement). Through the Arizona Department of Education, Edkey, Inc. is able to operate this type of placement for students with emotional needs that do not allow them to be educated in the general education setting.

Students who attend a private placement program do so based on evaluation, analysis of behavioral issues and the decision of the IEP team due to the severity of the issues and the extent of their needs.

Emotional Disability - A condition exhibiting one or more of the following characteristics over a long period of time and to a marked degree that adversely affects a child’s educational performance:

- An inability to learn that cannot be explained by intellectual, sensory, or health factors.
- An inability to build or maintain satisfactory interpersonal relationships with peers and teachers.
- Inappropriate types of behavior or feelings under normal circumstances.
- A general pervasive mood of unhappiness or depression.
- A tendency to develop physical symptoms or fears associated with personal or school problems.

All students in the KELLY program and Sequoia Deaf School are special education students requiring specialized instruction to access the general curriculum. Due to the unique nature of these schools students are bussed to the school in order to receive the services and instruction needed to allow them to be successful. Transpiration is written into all student’s IEP’s and in some cases becomes an extension of the learning environment.

KELLY Program Demographic Information

	Total	Male	Female	Caucasian	Hispanic Latino	African American	Pacific Islander Asian	American Indian Alaskan Native
Kinder	3	2	1	2	1	0	0	0
1st	1	1	0	1	0	0	0	0
2nd	1	1	0	0	1	0	0	0
3rd	6	5	1	3	2	1	0	0
4th	4	4	0	1	1	2	0	0
5th	8	6	2	2	6	0	0	0
6th	3	3	0	2	0	1	0	0
7th	5	5	0	2	3	0	0	0
8th	3	3	0	1	2	0	0	0
9th	4	4	0	0	1	3	0	0
10th	3	2	1	2	0	0	0	1
11th	0	0	0	0	0	0	0	0
12th	1	1	0	0	1	0	0	0

Current Academic Performance Levels - Benchmark results for current student population for the 16-17 school year.

Kelly Medians 16-17				
Grade	ELA Base	ELA_1	Math Base	Math_1
0			0.603	
1			0.615	
2			0.4	
3			0.252	
4			0.31	
5		0.8	0.284	0.462
6			0.414	
7			0.414	
8				
9	0.283	0.264	0.261	0.257
10	0.549	0.265		0.159
11				
12	0.34	0.277	0.15	0.187

Unique Program of Instruction and Needs not currently met for the target population - This is a unique specialized program serving students with emotional needs. The level of service provided in this program is not offered in other schools or charters in the area. The nearest school similar to the KELLY is in Tempe at the ACES.

Curriculum & Methods of Instruction

Students work at individualized levels of performance based on their IEP's. The goals are aligned to state and local standards and are written using research based assessments. The use of core instructional programs which align to state standards ensure students are receiving access to the general curriculum, despite being placed in a more restrictive learning environment.

Goals are written for the length of one school year and students will be targeted to meet these goals as well as maintain previous goals performance throughout the course of the school year. IEP meetings are held a minimum of once per academic year with the school team, parents and outside support personnel, to establish these individualized goals and determine specific criteria for achieving the identified goals. Progress reports on IEP goals are reported quarterly.

Teachers adapt or modify curricular resources based on the individual needs of each student as outlined in their IEP. Smaller class sizes and low student-teacher ratios help to provide the individualized instruction necessary for student success. All curricular and instructional resources are scientifically based and incorporate teaching strategies that meet the needs of all student learners.

Students are identified at the state level by grade level but classes at both locations focus on grade level bands. Students are leveled based on their performance and IEP goals in order to provide the most appropriate education for every student.

### Methods of Assessment

Students' progress on standards and IEP goal progress is measured quarterly and tracked frequently by the classroom teacher or specialists. Teachers use specified tools, outlined in the student's IEP to monitor progress on goals. The MAP, Measure of Academic Progress, assessment is administered four times a year to evaluate student progress on grade level standards and performance. Supplemental assessments are used to guide the development of the IEP as well as structure academic frameworks for students.

Formative Assessment include but are not limited to: classroom based assessments, curriculum based assessments, formal and informal observations, pre and posttests.

Summative Assessments include but are not limited to: benchmark assessments, Rigby, AzMERIT or AIMS A.

### Instructional Days

KELLY program will be in session for 180 instructional days. Based on the IEP team's decision regarding regression and recoupment issues, a student may be required to attend ESY, Extended School Year.

### Concrete Resources

Curriculum – additional curriculum resources may be required as student progress. Principal/Directors budget annually to ensure funds are available to purchase any required materials needed to provide effective instruction for students.

Technology – is used in both programs for enrichment and differentiation. Currently the Sequoia Deaf School has 65 computers, tablets, laptops. The KELLY program has 25 devices. The SPED department has access to additional technology and if needed these can be re-allocated to the KELLY program. This technology will support the increased enrollment and ensure the fidelity of instructional programming is maintained.

Assessment – additional licenses will need to be purchased for our assessment program, NWEA Map and our data analytics program, Alpine. These purchases are made at the organizational level and allocations from the site budget cover these expenses. These purchases are made annually and are based on actual student enrollment each year.

Equipment and Furniture – our warehouse stores additional furniture and equipment – any additional items will be allocated to the schools as needed.

### Managing Expenses – New Site

As this school is currently in operation under another charter within Edkey, this will not impact us.

### Financial Documentation

Previously submitted financial documentation is attached, however, since this is a currently operated Edkey location stat-up; First-Year Operational budget and budget assumptions are not necessary.

### Enrollment Matrix: KELLY

KELLY Enrollment	FY17	FY18	FY19	FY20
Kinder	3	3	4	5
1st	1	3	5	5
2nd	2	3	5	8
3rd	3	4	5	8
4th	4	5	6	8
5th	8	6	7	8
6th	4	8	8	9
7th	5	6	9	9
8th	4	7	7	10
9th	4	6	8	8
10th	3	5	7	9
11th	0	5	5	8
12th	1	0	5	5
	42	61	81	100

Class Make Up	FY17	FY18	FY19	FY20
K-1st	4	6	9	10
2nd - 3rd	5	7	10	16
4th - 6th	16	19	21	25
7th - 8th	9	13	16	19
9th - 12th	8	16	25	30
	42	61	81	100

### Staffing Matrix: KELLY

KELLY Staffing	FY17	FY18	FY19	FY20
Kinder	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
1st	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
2nd	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
3rd	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
4th	1 Teacher 1 Aide	1 Teacher 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
5th	1 Teacher 1 Aide	1 Teacher 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
6th	1 Teacher 1 Aide	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides
7th	1 Teacher 1 Aide	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides
8th	1 Teacher 1 Aide	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides
9th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
10th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
11th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
12th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides

Additional Staff	FY17	FY18	FY19	FY20
Behavior Coach	1	1	1.5	1.5
Counselor/Psych	1	1	1.5	1.5
SLP	1	1	1	1
SLPA	1	1	1	1
OT	1	1	1	1
OT Aide	1	1	1	1
Admin	1	1	1	1

### Enrollment Matrix: SDS

SDS Enrollment	FY17	FY18	FY19	FY20
Kinder	1	3	3	5
1st	3	4	5	7
2nd	1	4	5	7
3rd	1	3	5	7
4th	8	3	5	7
5th	7	8	3	6
6th	7	8	9	6
7th	1	8	9	10
8th	9	3	8	10
9th	9	8	5	9
10th	12	9	9	6
11th	7	12	9	10
12th	8	7	12	10
	74	80	87	100

Class	FY17	FY18	FY19	FY20
Make-Up				
K-2nd	5	11	13	19
3rd - 6th	23	22	22	26
7th - 12th	46	47	52	55
	74	80	87	100

### Staffing Matrix: SDS

SDS Staffing	FY17	FY18	FY19	FY20
Kinder	1 Teacher	1 Teacher 1 Para	2 Teacher 1 Para	2 Teacher 1 Para
1st	1 Teacher			
2nd				
3rd	2 Teachers 2 Aides	K-12 Autistic 1 Teacher 4 Para's	2 Teachers 2 Aides	K-12 Autistic 1 Teacher 4 Para's
4th				
5th				
6th				
7th				
8th	1 - ELA	K-12 Cross-Cat	1 - ELA	K-12 Cross-Cat
9th	1 - Math/Sci	1 Teacher	1 - Math/Sci	1 Teacher
10th	1 - His/Econ	2 Para's	1 - His/Econ	2 Para's
11th	.5 Math		.5 Math	
12th	.5 Transition		.5 Transition	

Addit Staff	FY 17	FY18	FY19	FY20
Work Study	0.5	0.5	0.5	0.5
Counselor	1	1	1	1
Interpeter	1	1	1	1
SLP	1	1	1	1
OT	1	1	1	1
PE	1	1	1	1
Specials	Shared with another campus as needed			
Gen Ed	Based on student IEP and transition plan			
Admin Staff	2	2	2	2

### Leadership Staffing Chart

Complete the table below to provide current and anticipated leadership for the school(s) operated by the Charter Holder.

Directions:

- In the “Title” column, list the title of each leadership position at the school. Consider all individuals who are part of the leadership team (e.g. principal, instructional coach, lead teacher, etc.).
- In the “Current” and “Anticipated” columns, list the **names** of the individuals that will hold each of the leadership positions during the current and upcoming three fiscal years. If an existing staff member will not hold the position in the projected year, write “New Hire” or “TBD” (to be determined) in the box for that position.
- Copy and paste the chart for each school operated by the Charter Holder.

School Name: KELLY				
	Leadership Team			
Title	Current—FY 17	Anticipated—FY 18	Anticipated—FY 19	Anticipated—FY 20
SPED Director	Mary Strickland	Mary Strickland	Mary Strickland	Mary Strickland

### Leadership Staffing Chart

Complete the table below to provide current and anticipated leadership for the school(s) operated by the Charter Holder.

Directions:

- In the “Title” column, list the title of each leadership position at the school. Consider all individuals who are part of the leadership team (e.g. principal, instructional coach, lead teacher, etc.).
- In the “Current” and “Anticipated” columns, list the **names** of the individuals that will hold each of the leadership positions during the current and upcoming three fiscal years. If an existing staff member will not hold the position in the projected year, write “New Hire” or “TBD” (to be determined) in the box for that position.
- Copy and paste the chart for each school operated by the Charter Holder.

School Name: SDS				
	Leadership Team			
Title	Current—FY 17	Anticipated—FY 18	Anticipated—FY 19	Anticipated—FY 20
Principal	Heather Laine	Heather Laine	Heather Laine	Heather Laine
Asst Principal	Jennifer Reid	Jennifer Reid	Jennifer Reid	Jennifer Reid

**APPENDIX D**

**AMENDMENT REQUEST MATERIALS:**

**Enrollment Cap**

# New School Site Notification Request

## Charterholder Info

### Charter Holder

**Name:**  
Edkey, Inc. dba Sequoia School  
for the Deaf and Hard of  
Hearing

**CTDS:**  
07-87-44-000

**Mailing Address:**  
1460 South Horne  
Mesa, AZ 85204  
> [View detailed info](#)

### Representative

**Name:**  
Mark Plitzuweit

**Phone Number:**

## Downloads

 [Download all files](#)

## Form Fields

**Name of school**  
KELLY

**Grade levels to be served**

K  
 1st  
 2nd  
 3rd  
 4th  
 5th  
 6th  
 7th  
 8th  
 9th  
 10th  
 11th  
 12th

**First day of Operation**  
07/01/2017

**Physical Address**  
1648 S. 16th Street  
Phoenix, AZ 85034

**Physical Phone Number**  
602-712-0500

**Physical Fax Number**  
602-712-0506

**Mailing Address**  
1648 S. 16th Street  
Phoenix, AZ 85034

**Mailing Phone Number**  
602-712-0500

**Mailing Fax Number**  
602-712-0500

## Attachments

Board Minutes –  [Download File](#)

### Occupancy Documentation

 [Download File](#) — Certificate of Occupancy, Fire Marshall Report, Site Map showing capacity

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Lease agreement or proof of purchase for facility —  [Download File](#)

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Copy of Fingerprint Clearance Card for school site administrator —  [Download File](#)

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Copy of liability insurance coverage —  [Download File](#)

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Narrative —  [Download File](#)

### Additional Information

 [Download File](#) — Enrollment/Staffing for KELLY

 [Download File](#) — Enrollment/Staffing for SDS

 [Download File](#) — Financial Response

 [Download File](#) — SDS Leadership Staffing Chart

 [Download File](#) — KELLY Leadership Staffing Chart

 [Download File](#) — Kelly Budget and Assumptions

 [Download File](#) — Updated Enrollment/Staffing Matrix for KELLY

 [Download File](#) — Updated KELLY Budget and Assumptions

## Signature

Charter Representative Signature  
Mark Plitzuweit 04/27/2017

Minutes  
The Governing Board of  
Edkey, Inc. – Sequoia School for the Deaf and Hard of Hearing  
February 16, 2017 11:00 AM  
Location: 1460 South Horne, Mesa, Arizona

- I. Call to Order and Roll Call – **Mary Strickland, Jevon Lewis, and Christopher Lalley (by phone) were present. Sherri Collins and Kathy Roadlander were absent. A quorum was met.**
- II. Accept Agenda – **Mary Strickland made a motion to accept the agenda. Christopher Lalley seconded the motion. Approved by unanimous vote.**
- III. Discussion and possible action relative to the approval of a new site to be known as Kinetic Educational Learning Labs for Youth at 1648 S. 16<sup>th</sup> St. Phoenix, Arizona 85034. **Mary Strickland made a motion to approve a new site to be known as Kinetic Educational Learning Labs for Youth (KELLY) at 1648 S. 16<sup>th</sup> St. Phoenix, Arizona 85034. Jevon Lewis seconded the motion. Approved by unanimous vote.**
- IV. Discussion and possible action relative to the approval of changes to the Edkey, Inc- Sequoia School for the Deaf and Hard of Hearing (SSDHH) LEA Mission Statement to be more inclusive of students with all disabilities.  
Current Mission Statement:  
The mission of Sequoia School for the Deaf and Hard of Hearing is to provide a safe, positive, environment in which students read, write, and compute at or above grade level.  
Proposed Mission Statement:  
To provide high quality individualized educational services to students with wide-ranging social, emotional, and developmental needs, in a safe, engaging, and empowering environment, in preparation for current and future success.  
**Jevon Lewis made a motion to approve the changes made to the SSDHH LEA Mission Statement so it will be more inclusive of students with all disabilities. Mary Strickland seconded the motion. Approved by unanimous vote.**
- V. Discussion and possible action relative to updating the Edkey, Inc. – SSDHH LEA Program of Instruction (proposed update attached to these minutes). **Mary Strickland made a motion to update the Edkey, Inc. – SSDHH LEA Program of Instruction. Jevon Lewis seconded the motion. Approved by unanimous vote.**
- VI. Discussion and possible action relative to increasing the enrollment cap from 100 to 200 students at Edkey, Inc. – SSDHH LEA due to adding the site of KELLY to the SSDHH LEA. **Jevon Lewis made a motion to increase the enrollment cap from 100 to 200 students at Edkey, Inc. – SSDHH LEA due to adding the site KELLY to the SSDHH LEA. Mary Strickland seconded the motion. Approved by unanimous vote.**
- VII. Adjournment – **Meeting adjourned at 11:17 A.M.**

Sequoia Deaf School Governing Board may elect to go into Executive Session at any time.  
Phone: (480) 461-3200 Fax: (480) 649-0747

Minutes Submitted By: Marla Ramos

### Rationale for the Change to the Program of Instruction

SSDHH serves a specialized population of students who are identified as being deaf or hard of hearing. Edkey is requesting to move KELLY, Kinetic Educational Learning Labs for Youth, under this charter. KELLY serves students who have been identified as being emotionally disabled requiring a private placement. To be inclusive of this other specialized group of students the program of instruction needs to be updated.

### Proposed Changes to the Program of Instruction

The program of instruction on file with ASBCS is specific to the deaf and hard of hearing population. The changes to mission, vision, educational philosophy, curriculum, assessment, methods of instruction and graduation requirements will be inclusive of all students requiring specialized instruction based on their individual education plans.

### Mission Statement

To provide high quality individualized educational services to students with wide-ranging social, emotional, and developmental needs, in a safe, engaging, and empowering environment, in preparation for current and future success.

### Vision

To prescriptively address individual areas of academic, social, emotional, and behavioral deficits through the use of data driven, evidence based practices, in sync with an advancing curriculum that focuses on closing learning gaps and consistent student improvement.

### Educational Philosophy

- To create an effective climate for learning.
- To facilitate each student's academic progress and social development by establishing appropriate goals and providing instruction.
- To encourage students to be aware of their strengths and opportunities so that they can become good advocates for themselves in all settings.
- A strong teamwork approach between all stakeholders to increase social, emotional and educational outcomes for all learners.

### Curriculum & Methods of Instruction

Students work at individualized levels of performance based on their IEP's. The goals are aligned to state and local standards and are written using research based assessments. The use of core instructional programs which align to state standards ensure students are receiving access to the general curriculum, despite being placed in a more restrictive learning environment.

Goals are written for the length of one school year and students will be targeted to meet these goals as well as maintain previous goals performance throughout the course of the school year. IEP meetings are held a minimum of once per academic year with the school team, parents and outside support personnel, to establish these individualized goals and determine specific criteria for achieving the identified goals. Progress reports on IEP goals are reported quarterly.

Teachers adapt or modify curricular resources based on the individual needs of each student as outlined in their IEP. Smaller class sizes and low student-teacher ratios help to provide the individualized instruction necessary for student success. All curricular and instructional resources are scientifically based and incorporate teaching strategies that meet the needs of all student learners.

Students are identified at the state level by grade level but classes at both locations focus on grade level bands. Students are leveled based on their performance and IEP goals in order to provide the most appropriate education for every student.

#### Methods of Assessment

Students' progress on standards and IEP goal progress is measured quarterly and tracked frequently by the classroom teacher or specialists. Teachers use specified tools, outlined in the student's IEP to monitor progress on goals. The MAP, Measure of Academic Progress, assessment is administered four times a year to evaluate student progress on grade level standards and performance. Supplemental assessments are used to guide the development of the IEP as well as structure academic frameworks for students.

Formative Assessment include but are not limited to: classroom based assessments, curriculum based assessments, formal and informal observations, pre and posttests.

Summative Assessments include but are not limited to: benchmark assessments, Rigby, AzMERIT or AIMS A.

#### Promotion and Graduation

Graduation with a high school diploma is a goal of students in high schools and their families throughout Arizona. Students earn a high school diploma upon the successful achievement of graduation requirements set by the Arizona State Board of Education or a local governing board, if that board has established graduation requirements that are in addition to or higher than those set by the State Board of Education. Students with disabilities, like their typical peers, can earn a regular high school diploma with their four-year cohort group and some students with (and without) disabilities will require additional time in high school in order to meet graduation requirements. Some students with disabilities will not meet graduation requirements and will instead "age out" of high school (that is, for students with disabilities, leaving school after the school year during which they turn 22).

The IDEA emphasizes that special education must be individually tailored to each child's unique needs, and that includes an individualized determination about whether the child has met graduation requirements. Thoughtful planning by IEP teams is crucial for students with disabilities in order to ensure that they receive a free appropriate public education, including transition services. To that end, the following elements are essential for transition-aged students: 1. At least once a year, the IEP team considers the progress of the student toward graduation and, if necessary, makes adjustments to the student's course of study and services; 2. IEPs specify the academic, support, and transition services the student is to receive during the term of the IEP; 3. Academic courses and services are specifically selected to support the student's postsecondary goal(s), and; 4. Transition services are integrated within the course of study throughout the high school years.

### Alignment between Program of Instruction to the revised Mission Statement

The modifications to program of instruction outline the need for individualized instruction based on the student's identified needs in their individual education plan. The strong emphasis on the student's IEP and meeting their individualized needs will allow us to meet the mission and vision of the charter.

All IEP teams consist of staff, students and parents, which directly aligns with the educational philosophy. Decision making is not an independent task, rather a collective to ensure each student's individual success.

The following amendments have been filed to ensure consistent information is on file with ASBCS:

- Charter mission Amendment Request
- Enrollment Cap Amendment Request
- New School Amendment Request

### Changes to the Program of Instruction work to improve pupil achievement for the target population in the following ways:

The updated program of instruction is more inclusive of different types of disability categories. Using the updated program of instruction allows us to reach and service more students with disabilities and provide an academically, socially and emotionally relevant academic experience for all.

The movement of KELLY under the SSDHH charter will also allow us to effectively leverage our resources across these student populations.

### Transition Plan

Our plan is to move the KELLY program under the SSDHH LEA for the 2017-2018 school year. As the school is currently open under another Edkey charter all required materials including curriculum, instructional planning and assessment tools have already been purchased. During the spring budgeting process, allocations for all resources will be discussed to ensure adequate resources are available for the projected increase in enrollment.

Current staff have been trained in the instructional and behavioral approaches utilized throughout the school. An additional para-professional for the 2017-2018 school year may be required to ensure staffing ratios are maintained in line with program expectations.



City of Phoenix

# CERTIFICATE OF OCCUPANCY

MAIL TO: GABRIEL GAVRILIDIS  
GCON INC  
21436 N 20TH AVE  
PHOENIX, AZ 85027

Issuance of this Certificate of Occupancy indicates the following described building, or portion of a building, has been inspected and been found to be in substantial compliance with applicable city codes and ordinances for the hereby authorized use and occupancy. No change in use, occupancy, or of use is allowed without obtaining a new Certificate of Occupancy. This building shall be maintained in a safe and sanitary condition. All devices, safeguards and exit facilities shall be maintained in good working order. This Certificate of Occupancy shall be void if any requirement, condition or stipulation of Certificate of Occupancy or of the authorizing permits is violated. This Certificate of Occupancy is to be kept on the subject property, and is required to be posted for public information if so ordered by the building official.

SUBJECT ADDRESS: 1648 S 16TH ST  
OWNER: 1648 S 16TH STREET LLC  
2525 E BROADWAY BLVD # 105  
TUCSON, AZ 85716

CERTIFICATE #: 1400096 BUILDING PERMIT: BLD 13003861  
ISSUED: 08-JAN-2014 PERMIT DESC: INTERIOR ADAPTIVE REUSE  
PROJECT: AFP I-0571 - CHILDREN FIRST ACADEMY-AFP

FLOOR AREA: 59,744

AUTHORIZED USE AND OCCUPANCY: E,B,S-1,U

phrp0101 rev 1.1 M

EFFECTIVE BUILDING CODES: 2006 IRC, 2006 IECC, 2006 IBC, 2008 NEC, 2006 IMC, 2006 UPC, 2006 IFC, 2006 IFGC

TYPE OF BUSINESS: CHILDREN FIRST ACADEMY LOG#: LPRR 1203868 PROJECT#: I-571  
SITE INSP (N) SPECIAL EGRESS CONTROL (N) SPRINKLERS (Y) FIRE ALARM (Y) EMERGENCY LIGHTING (Y) ELEVATORS (Y)  
DEFERRED SUBMITTAL (N) SPEC PER PCC SEC. 1704 (Y) STEEL, MASONRY AND EPOXY STR SEC. 1709 (N) ELEC PCC SEC. 2703 (N)  
ELEC OBS PCC SEC. 2704 (N)  
MECH PCC SEC. 2802 (Y); DUCT/SMOKE DETECTORS MECH OBS PCC SEC. 2803 (N)

WATER METERS: EXISTING SECONDARY BACKFLOW (Y)

SCOPE OF WORK: BLDG PLMB MECH ELEC LSC ELEV

ZONING:

REVIEWER: HANS HARABASIC (STRUCT/ARCH 602.501.1140), MIKE BILLINGSLEY (P&M 602.501.1215), TIM PFEIFER (ELEC 602.501.1390)

DESCRIPTION OF WORK: INTERIOR ADAPTIVE REUSE OF FORMER FOOD CITY GROCERY STORE TO NEW CHARTER SCHOOL OPERATED BY SEQUOIA SCHOOLS. COMPLETE INTERIOR DEMO AND NEW WALL LAYOUT WITH MEZZANINE INCLUDED. CONSTRUCTING AN ATTACHED CANOPY ALSO. INSPECTIONS TO BE DONE BY AFP INSPECTORS.

MAR 11 2013

FILE NO. L1778828-9

AMENDMENT  
TO THE  
ARTICLES OF ORGANIZATION OF  
1648 S. 16<sup>TH</sup> STREET, LLC

Pursuant to the provisions of A.R.S. §29-633, the undersigned limited liability company, which filed its initial Articles of Organization on July 30, 2012, hereby adopts the following Amendment to its Articles of Organization:

1. The name of the limited liability company on file with the Arizona Corporation Commission is **1648 S. 16<sup>th</sup> STREET, LLC.**

2. The Articles of Organization of the limited liability company are amended as follows:

Section 2. **Known Place of Business.** The street address of the known place of business of the limited liability company is 1460 S. Horne, Mesa, Arizona 85204.

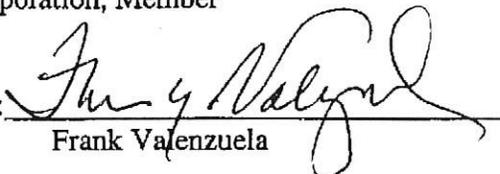
Section 3. **Statutory Agent.** The name and address of the statutory agent of the limited liability company are Patric R. Greer, 1460 S. Horne, Mesa, Arizona 85204.

Section 5. **Management and Member.** Management of the limited liability company is reserved to its Members. **The name and address of the sole member is Edkey, Inc., 1460 S. Horne, Mesa, Arizona 85204.**

DATED this 24th day of January, 2013.

1648 S. 16<sup>TH</sup> STREET, LLC, an Arizona limited liability company

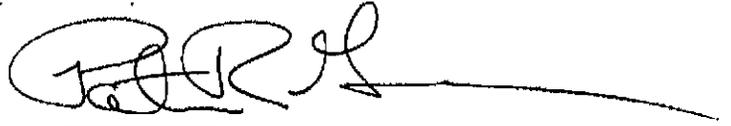
By: COMMUNITY INVESTMENT CORPORATION, an Arizona non-profit corporation, Member

By:   
Frank Valenzuela

**ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT**

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named limited liability company.

DATED: January 24, 2013

A handwritten signature in black ink, appearing to read 'P. R. Greer', is written over a horizontal line. The signature is stylized and cursive.

**PATRIC R. GREER**

FIDELITY NATIONAL TITLE AGENCY INC.  
WHEN RECORDED MAIL TO:

Kutak Rock LLP  
8101 N. Scottsdale Road, Suite 300  
Scottsdale, AZ 85253  
Attention: Dane K. Fernandes, Esq.  
Escrow: FTA12014040

Unofficial  
20 Document

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mo:

2/6

## SPECIAL WARRANTY DEED

For the consideration of Ten and 00/100 Dollars, and other valuable considerations, Edkey, Inc., an Arizona non-profit corporation ("Grantors") do hereby convey to 1648 S. 16<sup>th</sup> Street, LLC, an Arizona limited liability company ("Grantee"), the following real property situated in Maricopa County, Arizona, together with all improvements thereon and all rights and privileges appurtenant thereto, to wit:

See attached exhibit "One"

SUBJECT TO current taxes, assessments, reservations in patents and all easements, rights of way, encumbrances, covenants, conditions and restriction as may appear of record.

And the Grantor hereby warrants the title to the property as against all acts of the Grantor herein and no other, subject to all matters set forth above.

Dated this 21<sup>st</sup> day of August, 2012

See attached for signatures and acknowledgements

Signature for Special Warranty Deed

Edkey, Inc.

By: *Ron Neil*  
Ron Neil, President

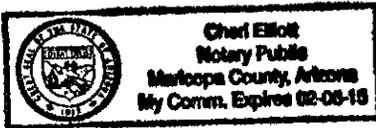
STATE OF ARIZONA)

COUNTY OF MARICOPA)

This instrument was acknowledged before me this 20 day of August, 2012 by Ron Neil,  
President of Edkey, Inc.

*Cheri Elliott*  
Notary Public

My commission expires: Feb. 6, 2015



Unofficial Document

**EXHIBIT ONE**

**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1:

Lot 1, Food City Re-Plat, according to Book 330 of Maps, Page 29, records of Maricopa County, Arizona.

Parcel No. 2:

Lots 2 and 4, Block 1, Evans Griffiths Subdivision, according to Book 29 of Maps, page 9, records of Maricopa County, Arizona.

# 115-39-055-C

1648 S 16TH STREET LLC

OWNER

Parcel Type: Commercial

1648 S 16TH ST PHOENIX 85034

### Property Information

MCR #: 2909  
 Address: 1648 S 16TH ST PHOENIX 85034  
 Latitude/Longitude: 33.43178177 | -112.04781295  
 Description: EVAN GRIFFITHS SUB 29/09 LOT 2  
 Lot Size (Sq Ft): 9957  
 Zoning: C-3  
 Section, Township, Range: 16 1N 3E  
 Associated Parcel(s): 115-39-151, 115-39-055C, 115-39-057  
 Market Area/Neighborhood: 22/006  
 Subdivision: EVAN GRIFFITHS SUB  
 Lot #: 2  
 High School District: PHOENIX UNION #210  
 Elementary School District: PHOENIX ELEMENTARY SCHOOL DISTRICT  
 Local Jurisdiction: PHOENIX  
 Owner: 1648 S 16TH STREET LLC  
 Mailing Address: 1460 S HORNE, MESA, AZ 85204  
 Deed #: 120748874  
 Deed Date: August 21, 2012  
 Sale Date: None  
 Sale Price: \$0

### Valuation Data

Tax Year:	2017	2016	2015	2014	2013
Full Cash Value:	\$58,900	\$55,100	\$54,000	\$54,800	\$56,046
Limited Property Value:	\$57,855	\$55,100	\$54,000	\$54,800	\$56,046
Legal Class:	2	2	2	2	2
Description:	AG / VACANT LAND / NON-PROFIT R/P				

Assessment Ratio:	15%	15%	16%	16%	16%
Assessed FCV:	\$0	\$0	\$0	\$8768	\$8968
Assessed LPV:	\$8678	\$8265	\$8640	\$8768	\$8967
Property Use Code:	9374	9374	9374	9374	9121
PU Description:	Exempt	Exempt	Exempt	Exempt	School/Library
Tax Area Code:	011300	011300	011300	011300	011300

**Commercial Characteristics/Improvements**

Description	Number	Model	Quality Rank	Age	Sq Footage
Commercial Yard Improvements		353	1	46	1

Notice: The values displayed on this page may not reflect constitutional or statutory adjustments.

**Property Sketches**

Search Date and Time:  
6/1/2016 8:31:48 AM

File Number:  
L17788289

Corporation Name:  
1648 S. 16TH STREET LLC

Collapse | Expand

Corporate Inquiry

File Number

L17788289

Corporation Name

1648 S. 16TH STREET LLC

Standing

Check Corporate Status

Domestic Address

1460 S HORNE  
MESA, AZ 85204

Statutory Agent Information

**Agent Name:** PATRIC R GREER

**Agent Mailing/Physical Address:**

1460 S HORNE

MESA, AZ 85204

**Agent Status:** APPOINTED 03/11/2013

**Agent Last Updated:** 03/18/2013

Additional Entity Information

**Entity Type:** DOMESTIC L.L.C.

**Incorporation Date:** 7/30/2012

**Domicile:** ARIZONA

**Approval Date:** 8/2/2012

**Business Type:**

**Corporation Life Period:** PERPETUAL

**County:** PIMA

**Original Publish Date:** 9/12/2012

Manager/Member Information

**Name** EDKEY INC *SOLE MEMBER OWNER OF*  
**Title** MEMBER  
**Address** 1460 S HORNE  
 MESA, AZ 85204  
**Date of Taking Office** 03/11/2013  
**Last Updated** 03/18/2013

Scanned Documents

Click on a gold button below to view a document. If the button is gray, the document is not yet available. Please check back again later.

Document Number	Description	Date Received
04197860	AMENDMENT	3/11/2013
04052216	PUB OF ARTICLES OF ORGANIZATION	9/12/2012

Document Number

03965000

Description

ARTICLES OF ORGANIZATION

Date Received

7/30/2012

Microfilm

Location

Description

32334085018

7/30/2012

ARTICLES OF ORGANIZATION

32343085008

9/12/2012

PUB OF ARTICLES OF ORGANIZATION

32358065031

3/11/2013

AMENDMENT

Amendments

Amendment Date

3/11/2013

Amendment Type

AMENDMENT

Publish Date

Publish Exception

WAIVE

Print Details

Privacy Policy (<http://www.azcc.gov/Divisions/Administration/Privacy.asp>) | Contact Us  
(<http://www.azcc.gov/divisions/corporations/contact-us.asp>)



# A P Fire Protection LLC

Experience • Knowledge • Quality

P.O. Box 2713  
Peoria, Arizona 85380  
Phone: (623) 772-6344 Fax: (623) 772-6364

## Fire Alarm Inspection Report

(Created per NFPA 72 Standard, All Manufacturer Standards)

L-16 Commercial ROC251919 L-67 Commercial ROC251920

Service Technician: Ryan Gardner C9A20519 Date: 9/8/2016 Time of Test:

Location Name / Address		Owner Name / Address	
Name:	Children's 1st Academy	Name:	Sequela Schools
Address:	1648 S. 16th Street	Address:	
City, State, Zip:	Phoenix, Arizona 85034	City, State, Zip:	
Location Contact:	Floyd Pitney	Owner Contact:	Floyd Pitney
Phone Number:	480-276-0421	Phone Number:	480-276-0421

Next Service Due:	8-2017	Model:		Make:		Series:	
Fire Panel Location:	1st Floor NWC Janitor Closet	Make:	Fike	Model:		Series:	10-066 Series
Circuit Breaker Location:	Unknown	Panel Location:	Inside Main FACP	Date of Installation:	2013		
Circuit Breaker Locked?	Yes	Monitoring Company:	Arizona Security Control / Signal One				
Primary Phone Number:	Unknown	Secondary Phone Number:	Unknown				
Monitoring Phone Number:	602-433-1271	Account Number:	38-8880	Password:			

General		Yes	N/S	No	Pass	Fail
A	Is fire alarm program / software at panel / location?	X				
B	Did audible and visual alarm test satisfactory?	X			X	
C	Did Monitoring Company Receive Alarm Signal?	X			X	
D	Did Monitoring Company Receive Supervisory Signal?	X			X	
E	Did Monitoring Company Receive Trouble Signal?	X			X	
F	Was battery back-up function tested?	X			X	
G	Did supervisory alarm test satisfactory?	X			X	
H	Did annunciator(s) function properly?	X			X	
I	Supply Voltage:	X			X	
J	Battery back-up voltage at normal conditions?	120	Volts	X		X
K	Battery back up after supply voltage removed?		Volts	X		X
L	Battery voltage at full load alarm condition?		Volts	X		X
M	Are stand by batteries in good condition and functioning properly?	X			X	
N	Battery Date: Main FACP: 2 x 2013	Booster# 1 Next To FACP: 2 x 2016	Booster# 2 NWC Mech Closet: 2 x 2016	Booster# 3: ?		
O	Battery Sizes: Main FACP: 2 x 12v18ah	Booster# 1 Next To FACP: 2 x 12v 8ah	Booster# 2 NWC Mech Closet: 2 x 12v 8ah	Booster# 3: ?		

Type of Detection	Make	Model	Quantity	Tested	Pass	N/A	Fail
Photo Detector	Fike	FSP-851	1	1	1		
Heat Detector	Fike		3	3	3		
Manual Pull Station	(South Front Door)		1	1	1		
Waterflow Switch	Potter Electric	20-1063	2	2	2		
Supervisory Switches	Victaulic	706	4	4	4		
Horn / Strobe Units	System Sensor						
Remote Annunciator	Fike	LCD	1	1	1		
Remote Power Supplies	Firelite	FCPS-24FSB	2	2	2		
Duct Detectors			13	13	13		
Hood Suppression System	Ansal	R-102	1	1	1		
Relay (A/C Shutdown / Elevator Relays)	Fike		20	20	20		

Comments, Adjustments Made, Repairs Needed:

- 8-8-2016 Replaced NWC Remote Power Supply That Had A Internal Charger/ A/C Trouble Issue, Replaced With New
- NOTE: Detection SLC Appears To Be Class B & NAC (Notification Appliance Circuits) Appears To Also Be Class B
- Unknown Location of (2nd) Power Supply Panel, Panel Has Written (3) Total
- Upon Power Supply Replacement, Found One Module (77) Not Responding At Main South Fire Riser, Module Is Not Blinking, Need To Replace/Re-Program

NOTE: Fike Monitor Module Model# 56-041



# A P Fire Protection LLC

Experience • Knowledge • Quality

P.O. Box 2718  
Peoria, Arizona 85380  
Phone: (623) 772-6344 Fax: (623) 772-6384

## Fire Alarm Inspection Report

(Compliant Per NFPA 72 Standards & Manufacturer Standards)

L-16 Commercial ROC251910 L-67 Commercial ROC251920

Service Technician: Ryan Gardner C8A20519 Date: 8/8/2016 Time of Test:

Location Name / Address		Owner Name / Address	
Name:	Children's 1st Academy	Name:	Sequola Schools
Address:	1848 S. 16th Street	Address:	
City, State, Zip:	Phoenix, Arizona 85034	City, State, Zip:	
Location Contact:	Floyd Pitney	Owner Contact:	Floyd Pitney
Phone Number:	480-276-0421	Phone Number:	480-276-0421

Next Service Date:	8-2017	Monthly	Quarterly	Yearly	Other	Class A:	Class B:
Fire Panel Location:	1st Floor NWC Janitor Closet	Make:	Fike	Model:	10-068 Series		
Circuit Breaker Location:	Unknown	Panel Location:	Inside Main FACP	Date of Installation:	2013		
Circuit Breaker Locked:	Yes	Monitoring Company:	Arizona Security Control / Signal One				
Primary Phone Number:	Unknown	Secondary Phone Number:	Unknown				
Monitoring Phone Number:	602-433-1271	Account Number:	38-8860	Password:			

General		Yes	N/A	No	Pass	Fail
A	Is fire alarm program / software at panel / location?	X				
B	Did audible and visual alarms test satisfactory?	X			X	
C	Did Monitoring Company Receive Alarm Signal?	X			X	
D	Did Monitoring Company Receive Supervisory Signal?	X			X	
E	Did Monitoring Company Receive Trouble Signal?	X			X	
F	Was battery back-up function tested?	X			X	
G	Did supervisory alarm test satisfactory?	X			X	
H	Did annunciator(s) function properly?	X			X	
I	Supply Voltage:	X			X	
J	Battery back up voltage at normal conditions?	120	Volts	X	X	
K	Battery back up after supply voltage removed?	Volts	X	X	X	
L	Battery voltage at full load alarm condition?	Volts	X	X	X	
M	Are stand by batteries in good condition and functioning properly?	Volts	X	X	X	
N	Battery Date: Main FACP: 2 x 2013 Booster# 1 Next To FACP: 2 x 2016 Booster# 2 NWC Mech Closet: 2 x 2016 Booster# 3 N. O/S Mech Rm: 2 x 2019				X	
O	Sizes: Main FACP: 2 x 12v 18ah Booster# 1 Next To FACP: 2 x 12v 8ah Booster# 2 NWC Mech Closet: 2 x 12v 8ah Booster# 3 N. O/S Mech Rm: 2 x 12v 8ah				X	

Type of Detection	Make	Model	Quantity	Tested	Pass	N/A	Fail
Photo Detector	Fike	FSP-851	1	1	1		
Heat Detector	Fike		3	3	3		
Manual Pull Station (South Front Desk)	Fike	20-1083	1	1	1		
Waterflow Switch	Potter Electric	VSR-F	2	2	2		
Supervisory Switches	Victaulic	705	4	4	4		
Horn / Strobe Units	System Sensor						
Remote Annunciator	Fike	LCD	1	1	1		
Remote Power Supplies	Firelite	FCPS-27FS8	2	2	2		
Duct Detectors			13	13	13		
Hood Suppression System	Ansul	R-102	1	1	1		
Relay (A/C Shutdown / Elevator Relays)	Fike		20	20	20		

Comments / Adjustments Made / Repairs Needed:

- 8-8-2016 Replaced NWC Remote Power Supply That Had A Internal Charger / A/C Trouble Issue, Replaced With New
- NOTE: Detection S.L.O Appears To Be Class B & NAC (Notification Appliance Circuits) Appears To Also Be Class B
- Upon Power Supply Replacement, Found One Module (77) Not Responding At Main South Fire Riser, Module Is Not Blinking, Need To Replace/Re-Program

NOTE: Fike Monitor Module Model# 85-041



**A.P. Fire Protection, LLC**  
 P.O. Box 2718  
 Phoenix, Arizona 85080-823-772-8344

**Location:**  
**Address:**  
**Contact:**

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, Az 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

ID	Location of Emergency Light	Manufacturer	Status		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
1	1st Floor-S. Front Door	Prescolite	Exit		1.2v-A-1200Mah	X		
2	1st Floor-S. Front Door	Emergi-Lite	Em		6v 4.5ah		X	Need Battery
3	1st Floor-S. Inside Lobby	Prescolite	Exit		1.2v-A-1200Mah	X		
4	1st Floor-S. Inside Lobby	Emergi-Lite	EM		6v 4.5ah	X		
5	1st Floor-Teacher Work Room	Emergi-Lite	EM		6v 4.5ah	X		
6	1st Floor-Teacher Work Room	Prescolite	Exit		1.2v-A-1200Mah	X		
7	1st Floor-Front Lobby	Emergi-Lite	EM		6v 4.5ah	X		
8	1st Floor-S. Front Lobby Hallway	Prescolite	Exit		1.2v-A-1200Mah	X		
9	1st Floor-S. Front Lobby Hallway	Emergi-Lite	EM		6v 4.5ah	X		
10	1st Floor-S. Front Lobby Hallway	Emergi-Lite	EM		6v 4.5ah	X		
11	1st Floor-S. Front Lobby Hallway	Emergi-Lite	EM		6v 4.5ah	X		
12	1st Floor-E. Office Hallway	Prescolite	Exit		1.2v-A-1200Mah	X		
13	1st Floor-Lobby Children's Office	Emergi-Lite	EM		6v 4.5ah	X		
14	1st Floor-Lobby Children's Office	Prescolite	Exit		1.2v-A-1200Mah	X		
15	1st Floor-Lobby Children's Office	Prescolite	Exit		1.2v-A-1200Mah	X		
16	1st Floor-Lobby Children's S. Door	Prescolite	Exit		1.2v-A-1200Mah	X		
17	1st Floor-Lobby Children's Lobby	Emergi-Lite	EM		6v 4.5ah	X		
18	1st Floor-S. Hallway	Emergi-Lite	EM		6v 4.5ah	X		
19	1st Floor-S. Hallway	Emergi-Lite	EM		6v 4.5ah		X	Need Battery
20	1st Floor-Family Support S. Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
21	1st Floor-Family Support S. Exit	Emergi-Lite	EM		6v 4.5ah	X		
22	1st Floor-S. Computer Lab	Emergi-Lite	EM		6v 4.5ah	X		
23	1st Floor-S. Computer Lab Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
24	1st Floor-S. Donating Room	Prescolite	Exit		1.2v-A-1200Mah	X		
25	1st Floor-S. Donating Room	Emergi-Lite	EM		6v 4.5ah		X	Need Battery
26	1st Floor-WHSE S.E. Storage Rm	Prescolite	Combo		6v 4.5ah		X	Need Battery
27	1st Floor-WHSE NEC Exit	Prescolite	Combo		6v 4.5ah		X	Need Battery
28	1st Floor-WHSE W. Center	Emergi-Lite	EM		1.2v-A-1200Mah	X		

29	1st Floor-WHSE N. Center	Prescolite	Combo	6v 4.5ah					
30	1st Floor-WHSE N Exit Door	Prescolite	Combo	6v 4.5ah			X		Need Battery



A P Fire Protection, LLC  
 P.O. Box 2718  
 Phoenix, Arizona 85380 623-772-5344

Location:  
 Address:  
 Contact:

Children's 1st Academy  
 1648 S. 16th St. Phoenix, AZ 85034  
 Lamar

Date: 8-10-2016  
 Tech: Ryan Gardner

#	Location of Emergency Light	Manufacturer	Site		Battery Size	Pass	Fail	Comments
			EM	EM/Combo				
31	1st Floor-WHSE E. Center	Emergi-Lite	EM		6v 4.5ah		X	Need Battery
32	1st Floor-Center Hallway Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
33	1st Floor-O/S Classroom 06	Emergi-Lite	EM		6v 4.5ah	X		
34	1st Floor-Hallway O/S Library	Emergi-Lite	EM		6v 4.5ah	X		
35	1st Floor-Hallway O/S Library	Emergi-Lite	EM		6v 4.5ah	X		
36	1st Floor-Hallway O/S Library	Prescolite	Exit		1.2v-A-1200Mah	X		
37	1st Floor-Inside Classroom 06	Emergi-Lite	EM		6v 4.5ah	X		
38	1st Floor-O/S Classroom 04 SE	Emergi-Lite	EM		6v 4.5ah	X		
39	1st Floor-O/S Classroom 04 SW	Emergi-Lite	EM		6v 4.5ah	X		
40	1st Floor-O/S Janitor Closet FACH	Emergi-Lite	EM		6v 4.5ah	X		
41	1st Floor-O/S Janitor Closet FACH	Prescolite	Exit		1.2v-A-1200Mah	X		
42	1st Floor-S. Double Door Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
43	1st Floor-S. Double Door Exit	Emergi-Lite	EM		6v 4.5ah	X		
44	1st Fir-W. Double Door Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
45	1st Fir-W. Double Door Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
46	1st Floor-O/S Classroom 02	Emergi-Lite	EM		6v 4.5ah	X		
47	1st Floor-O/S Classroom 01	Prescolite	Exit		1.2v-A-1200Mah	X		
48	1st Floor-Inside Library S.	Emergi-Lite	EM		6v 4.5ah	X		
49	1st Floor-Inside Library S.	Prescolite	Exit		1.2v-A-1200Mah	X		
50	1st Floor-Inside Library N.	Prescolite	Exit		1.2v-A-1200Mah	X		
51	1st Floor-Inside Library N.	Emergi-Lite	EM		6v 4.5ah	X		
52	1st Floor-SW Library Hallway	Emergi-Lite	EM		6v 4.5ah	X		
53	1st Floor-SW Library Hallway	Emergi-Lite	EM		6v 4.5ah	X		
54	1st Floor-SW Library Hallway	Prescolite	Exit		1.2v-A-1200Mah	X		
55	1st Floor-O/S Library Center Hall	Prescolite	Exit		1.2v-A-1200Mah	X		
56	1st Floor-O/S Elec Room Hall	Emergi-Lite	EM		6v 4.5ah	X		
57	1st Floor-O/S Elec Room Hall	Emergi-Lite	EM		6v 4.5ah	X		
58	1st Floor-O/S Elec Room Hall	Emergi-Lite	EM		6v 4.5ah	X		

59	1st Floor-Classroom 06	Emergi-Life	EM	6V 4.5ah	X	
60	1st Fir-Classroom 06 Exit Door	Prescolite	Exit	1.2v-A-1200Mah	X	



**A P Fire Protection, LLC**  
 P.O. Box 2718  
 Peoria, Arizona 85380 623-772-5844

**Location:**  
**Address:**  
**Contact:**

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, AZ 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

#	Location of Emergency Light	Manufacturer	Style		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
61	1st Floor-S.E. Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
62	1st Floor-O/S Classroom 18 Hall	Prescolite	Exit		1.2v-A-1200Mah	X		
63	1st Floor-O/S Classroom 18 Hall	Emergi-Lite	EM		6v 4.5ah	X		
64	1st Floor-O/S Classroom 18 Hall	Emergi-Lite	EM		6v 4.5ah	X		
65	1st Floor-O/S Classroom 21 Hall	Emergi-Lite	EM		6v 4.5ah	X		
66	1st Floor-O/S Classroom 21 Hall	Prescolite	Exit		1.2v-A-1200Mah	X		
67	1st Floor-N.E. Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
68	1st Floor-N.e. Exit Door	Emergi-Lite	EM		6v 4.5ah	X		
69	1st Floor-Classroom 23	Emergi-Lite	EM		6v 4.5ah	X		
70	1st Floor-O/S N.E. R.R. Hallway	Emergi-Lite	EM		6v 4.5ah	X		
71	1st Floor-O/S N.E. Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
72	1st Floor-O/S N.E. Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
73	1st Floor-Inside N.E. Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
74	1st Floor-Inside N.E. Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
75	1st Floor-N.E. Stairway Landing	Emergi-Lite	EM		6v 4.5ah	X		
76	1st Floor-O/S Classroom 17	Prescolite	Exit		1.2v-A-1200Mah	X		
77	1st Floor-O/S Classroom 17	Emergi-Lite	EM		6v 4.5ah	X		
78	1st Floor-O/S Classroom 11	Emergi-Lite	EM		6v 4.5ah	X		
79	1st Floor-Classroom 15	Emergi-Lite	EM		6v 4.5ah	X		
80	1st Floor-O/S Classroom 13 Hall	Emergi-Lite	EM		6v 4.5ah	X		
81	1st Floor-Classroom 12	Emergi-Lite	EM		6v 4.5ah	X		
82	1st Floor-N. Center Hallway	Prescolite	Exit		6v 4.5ah	X		
83	1st Floor-N. Center O/S Elev. Rm	Emergi-Lite	EM		1.2v-A-1200Mah	X		
84	1st Floor-N. Center O/S Elev. Rm	Emergi-Lite	EM		6v 4.5ah	X		
85	1st Floor-N. Center Exit Door	Prescolite	Exit		6v 4.5ah	X		
86	1st Floor-N. Center Hallway	Emergi-Lite	EM		1.2v-A-1200Mah	X		
87	1st Floor-N. Center Hallway	Emergi-Lite	EM		6v 4.5ah	X		
88	1st Floor-Outside Elevator	Emergi-Lite	EM		6v 4.5ah	X		Need Battery

89	1st Floor-Outside Elevator	Prescolife	Exit	1.2v-A-1200Mah	X	
90	1st Floor-O/S Classroom 14	Prescolife	Exit	1.2v-A-1200Mah	X	



**A P Fire Protection, LLC**  
 P.O. Box 2718  
 Peoria, Arizona 85380 623-772-5344

**Location:**  
 Address:  
 Contact:

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, Az 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

#	Location of Emergency Light	Manufacturer	Style		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
91	1st Floor-O/S Classroom 14	Emergi-Lite	EM		6v 4.5ah	X		
92	1st Floor-Gym NEC	Emergi-Lite	EM		6v 4.5ah	X		
93	1st Floor-NWC Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
94	1st Floor-NWC Exit	Emergi-Lite	EM		6v 4.5ah	X		
95	1st Floor-W Exit	Emergi-Lite	EM		6v 4.5ah	X		
96	1st Floor-W Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
97	1st Floor-SW Exit	Prescolite	Exit		1.2v-A-1200Mah	X		
98	1st Floor-SW Exit	Emergi-Lite	EM		6v 4.5ah	X		
99	1st Floor-W. Double Door	Prescolite	Exit		1.2v-A-1200Mah	X		Missing Clear Lens
100	1st Floor-W. Double Door	Emergi-Lite	EM		6v 4.5ah	X		
101	1st Floor-Gym N. Stage	Emergi-Lite	EM		6v 4.5ah	X		
102	1st Floor-Gym S. Stage	Emergi-Lite	EM		6v 4.5ah	X		
103	1st Floor-Gym N. Stage Ramp	Emergi-Lite	EM		6v 4.5ah	X		
104	1st Floor-Kitchen Service Line	Emergi-Lite	EM		6v 4.5ah	X		
105	1st Floor-Kitchen N. Door	Prescolite	Exit		1.2v-A-1200Mah	X		
106	1st Floor-Kitchen N. Wall	Emergi-Lite	EM		6v 4.5ah	X		
107	2nd Floor-E. Stairs Exit	Prescolite	Exit		1.2v-A-1200Mah	X		Missing Cover
108	2nd Floor-E. Hallway	Emergi-Lite	EM		6v 4.5ah	X		
109	2nd Floor-N.E. Boys R.R.	Emergi-Lite	EM		6v 4.5ah	X		
110	2nd Floor-N.E. Girls R.R.	Emergi-Lite	EM		6v 4.5ah	X		
111	2nd Floor-O/S Classroom 201	Emergi-Lite	EM		6v 4.5ah	X		
112	2nd Floor-Classroom 201	Emergi-Lite	EM		6v 4.5ah	X		
113	2nd Floor-O/S Classroom 202	Emergi-Lite	EM		6v 4.5ah	X		
114	2nd Floor-Inside Classroom 202	Prescolite	Exit		6v 4.5ah	X		
115	2nd Floor-O/S Classroom 203	Emergi-Lite	EM		1.2v-A-1200Mah	X		
116	2nd Floor-Inside Classroom 203	Emergi-Lite	EM		6v 4.5ah	X		
117	2nd Floor-Inside Classroom 204	Emergi-Lite	EM		6v 4.5ah	X		
118	2nd Floor-W. Hallway	Emergi-Lite	EM		6v 4.5ah	X		Need Battery

119	2nd Floor-O/S Room 205 Hall	Frescolite	Exit	1.2V-A-1200Mah	X	
120	2nd Floor-N. Exit Door	Frescolite	Exit	1.2V-A-1200Mah	X	



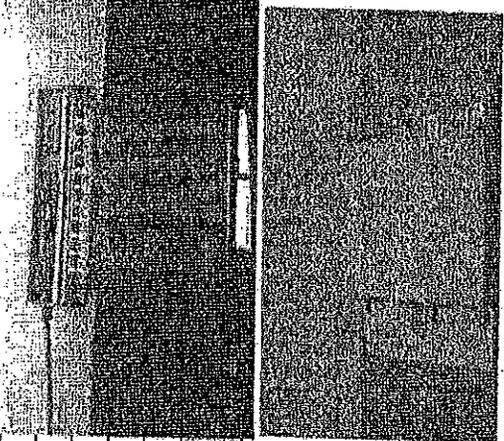
**A P Fire Protection, LLC**  
 P.O. Box 2718  
 Peoria, Arizona 85380 623-772-5244

**Location:**  
 Address:  
 Contact:

**Children's 1st Academy**  
 1648 S. 16th St. Phoenix, Az 85034  
 Lamar

**Date:** 8-10-2016  
**Tech:** Ryan Gardner

#	Location of Emergency Light	Manufacturer	Style		Battery Size	Pass	Fail	Comments
			Exit	EM/Combo				
121	2nd Floor-N. Exit Door	Prescolite	Exit		1.2v-A-1200Mah	X		
122	2nd Floor-Outside Stairs	Emergi-Lite	EM		6v 4.5ah	X		
123	2nd Floor-Outside Stairs	Emergi-Lite	EM		6v 4.5ah	X		
124	1st Floor- Classroom 21	Emergi-Lite	EM		6v 4.5ah	X	X	Need Battery
125	1st Floor-Classroom 01	Emergi-Lite	EM		6v 4.5ah	X		
126	1st Floor-Classroom 02	Prescolite	Exit		1.2v-A-1200Mah	X		
127	1st Floor-Classroom 02	Emergi-Lite	EM		6v 4.5ah	X		
128	1st Floor-Classroom 03	Emergi-Lite	EM		6v 4.5ah	X		
129	1st Floor-Classroom 04	Emergi-Lite	EM		6v 4.5ah	X		
130	1st Floor-Classroom 05	Emergi-Lite	EM		6v 4.5ah	X		
131	1st Floor-Classroom 07	Emergi-Lite	EM		6v 4.5ah	X		
132	1st Floor-Classroom 19	Prescolite	Exit		1.2v-A-1200Mah	X		
133	1st Floor-Classroom 19	Prescolite	Exit		1.2v-A-1200Mah	X		
134	1st Floor-Classroom 19	Emergi-Lite	EM		6v 4.5ah	X		
135	1st Floor-Classroom 19	Emergi-Lite	EM		6v 4.5ah	X		
136	1st Floor-Classroom 17	Emergi-Lite	EM		6v 4.5ah	X		
137	1st Floor-Classroom 16	Emergi-Lite	EM		6v 4.5ah	X		
138	1st Floor-Classroom 15	Emergi-Lite	EM		6v 4.5ah	X		
139	1st Floor-Classroom 12	Emergi-Lite	EM		6v 4.5ah	X		
140	1st Floor-Classroom 13	Emergi-Lite	EM		6v 4.5ah	X		



Notes / Comments

\* Need (9) 6volt 4.5ah Batteries

\* Unit# 98 is Missing The Top Cover, Unit# 107- is Missing The Right Clear Lens



Mary's new card to Mary Ann



STATE OF ARIZONA  
DEPARTMENT OF PUBLIC SAFETY  
Level One Fingerprint Clearance Card

Name: MARY E. STRICKLAND

Birth Date: [REDACTED] Issue Date: 06/30/2011  
Sex: F Height: 53 HAZ BRO  
Weight: 180 Eyes: Hair  
Card Number: 2A01115032 Expire Date: 06/30/2017  
IVP0227363



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
6/29/2016

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Commercial Lines - 602-528-3000 Wells Fargo Insurance Services USA, Inc. 100 West Washington Street, 4th Floor Phoenix, AZ 85003-1808	<b>CONTACT NAME:</b> Doug McKinney <b>PHONE (A/C, No, Ext):</b> 602-528-3035 <b>FAX (A/C, No):</b> 602-528-3074 <b>E-MAIL ADDRESS:</b> Doug.McKinney@wellsfargo.com														
<b>INSURED</b> Choice Education and Development Corporation 1460 South Horne Street Mesa AZ 85204	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> </thead> <tbody> <tr> <td><b>INSURER A:</b> Citizens Insurance Company of America</td> <td style="text-align: center;">31534</td> </tr> <tr> <td><b>INSURER B:</b> Allmerica Financial Benefit Insurance Company</td> <td style="text-align: center;">41840</td> </tr> <tr> <td><b>INSURER C:</b> Hanover Insurance Company</td> <td style="text-align: center;">22292</td> </tr> <tr> <td><b>INSURER D:</b></td> <td></td> </tr> <tr> <td><b>INSURER E:</b></td> <td></td> </tr> <tr> <td><b>INSURER F:</b></td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	<b>INSURER A:</b> Citizens Insurance Company of America	31534	<b>INSURER B:</b> Allmerica Financial Benefit Insurance Company	41840	<b>INSURER C:</b> Hanover Insurance Company	22292	<b>INSURER D:</b>		<b>INSURER E:</b>		<b>INSURER F:</b>	
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<b>INSURER E:</b>															
<b>INSURER F:</b>															

**COVERAGES**
**CERTIFICATE NUMBER: 10631778**
**REVISION NUMBER: See below**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	X		ZB4-9196958045	07/01/2016	07/01/2017	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 500,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ 15,000</td></tr> <tr><td>PERSONAL &amp; ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ Included</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000	MED EXP (Any one person)	\$ 15,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ Included		\$
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PRODUCTS - COMP/OP AGG	\$ Included																				
	\$																				
B	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			AW4919671205	07/01/2016	07/01/2017	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$		\$				
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	\$																				
C	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			UH4919790805	07/01/2016	07/01/2017	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 14,000,000</td></tr> <tr><td>AGGREGATE</td><td style="text-align: right;">\$ 14,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE	\$ 14,000,000	AGGREGATE	\$ 14,000,000		\$								
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	\$																				
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N	N / A				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 25%;">PER STATUTE</td> <td style="width: 25%;">OTH-ER</td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td></td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td></td><td style="text-align: right;">\$</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td></td><td style="text-align: right;">\$</td></tr> </table>		PER STATUTE	OTH-ER	E.L. EACH ACCIDENT		\$	E.L. DISEASE - EA EMPLOYEE		\$	E.L. DISEASE - POLICY LIMIT		\$		
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E.L. EACH ACCIDENT		\$																			
E.L. DISEASE - EA EMPLOYEE		\$																			
E.L. DISEASE - POLICY LIMIT		\$																			

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Certificate Holder is included as Additional Insured on a Primary Non-Contributory basis with regards to General Liability per attached form.  
 Re: Sequoia Ranch School, 13190 Central Ave., Mayer, AZ 86333  
 Sequoia Pathway Academy, 19265 N. Poter Rd., Maricopa, AZ 85238  
 Children First Academy Tempe, 1938 E. Apache Blvd., Tempe, AZ 85281  
 Children First Academy Phoenix, 374 N. 6th Ave, Phoenix, AZ 85003  
 Sequoia Redwood Academy, 6810 W. Thunderbird Rd, Peoria, AZ 85381  
 Pathfinder Academy, 2542 N. 76th Place, Mesa, AZ 85207

**CERTIFICATE HOLDER**

Arizona State Board for Charter Schools  
 1700 W. Washington, Room 164  
 Phoenix, AZ 85007

**CANCELLATION**

**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments – Extended Reporting Period	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;
- (2) Premises you own, rent, lease or occupy; or
- (3) Your maintenance, operation or use of equipment leased to you.
- b. The insurance afforded to such additional insured described above:
- (1) Only applies to the extent permitted by law; and
- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
  - (4) Will not be broader than coverage provided to any other insured.
  - (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
  - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (3) To any lessor of equipment:
    - (a) After the equipment lease expires; or
    - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
  - (4) To any:
    - (a) Owners or other interests from whom land has been leased which takes place after the lease for the land expires; or
    - (b) Managers or lessors of premises if:
      - (i) The occurrence takes place after you cease to be a tenant in that premises; or
      - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
  - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract, agreement or permit described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other insurance:**

### Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;
- (c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional with permission of the owner; or
- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY.**

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

**3. Blanket Waiver of Subrogation**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

**4. Bodily Injury Redefined**

**SECTION V – DEFINITIONS, Definition 3.** "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

**5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators**

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS:**

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

**6. Knowledge of Occurrence**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **2. Duties in the Event of Occurrence, Offense, Claim or Suit**:

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

**7. Liberalization Clause**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

**Liberalization Clause**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**8. Medical Payments – Extended Reporting Period**

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph **1. Insuring Agreement**, subparagraph **a.(3)(b)** is replaced by the following:

- (b) The expenses are incurred and reported to us within three years of the date of the accident; and

- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

**9. Newly Acquired Or Formed Organizations**

**SECTION II – WHO IS AN INSURED**, Paragraph **3.a.** is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

**10. Non-Owned Watercraft**

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph **2. Exclusions**, subparagraph **g.(2)** is replaced by the following:

**g. Aircraft, Auto Or Watercraft**

- (2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

**11. Supplementary Payments Increased Limits**

**SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B**, Paragraphs **1.b.** and **1.d.** are replaced by the following:

- 1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

- 1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work.

**12. Unintentional Failure to Disclose Hazards**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **6. Representations**:

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

**13. Unintentional Failure to Notify**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **2. Duties in the Event of Occurrence, Offense, Claim or Suit**:

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

**CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
6/29/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Commercial Lines - 602-528-3000 Wells Fargo Insurance Services USA, Inc. 100 West Washington Street, 4th Floor Phoenix, AZ 85003-1808	<b>CONTACT NAME:</b> Doug McKinney <b>PHONE (A/C, No, Ext):</b> 602-528-3035 <b>E-MAIL ADDRESS:</b> Doug.McKinney@wellsfargo.com	<b>FAX (A/C, No):</b> 602-528-3074
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Sequoia Choice Schools, LLLP 1460 South Horne Street Mesa AZ 85204	<b>INSURER A:</b> Citizens Insurance Company of America	<b>NAIC #</b> 31534
	<b>INSURER B:</b> Hanover Insurance Company	<b>NAIC #</b> 22292
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:** 10631645**REVISION NUMBER:** See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	X		ZB4-9196958045	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			UH4919790805	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 14,000,000 AGGREGATE \$ 14,000,000 \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

RE:Arizona Project Challenge at 20395 E. Rittenhouse Road, Queen Creek, AZ. - Certificate Holder is included as Additional Insured on a Primary Non-Contributory basis with regards to General Liability per attached form.

**CERTIFICATE HOLDER****CANCELLATION**

Arizona State Board of Charter Schools 1700 W. Washington, Room 164 Phoenix, AZ 85007	<b>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</b>
	<b>AUTHORIZED REPRESENTATIVE</b> 

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments – Extended Reporting Period	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;
- (2) Premises you own, rent, lease or occupy; or
- (3) Your maintenance, operation or use of equipment leased to you.
- b. The insurance afforded to such additional insured described above:
- (1) Only applies to the extent permitted by law; and
- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
  - (4) Will not be broader than coverage provided to any other insured.
  - (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
  - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (3) To any lessor of equipment:
    - (a) After the equipment lease expires; or
    - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
  - (4) To any:
    - (a) Owners or other interests from whom land has been leased which takes place after the lease for the land expires; or
    - (b) Managers or lessors of premises if:
      - (i) The occurrence takes place after you cease to be a tenant in that premises; or
      - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
  - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract, agreement or permit described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other insurance:**

### Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;
- (c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

**3. Blanket Waiver of Subrogation**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

**4. Bodily Injury Redefined**

**SECTION V – DEFINITIONS, Definition 3.** "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

**5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators**

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS:**

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

**6. Knowledge of Occurrence**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **2. Duties in the Event of Occurrence, Offense, Claim or Suit**:

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

**7. Liberalization Clause**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

**Liberalization Clause**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**8. Medical Payments – Extended Reporting Period**

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph **1. Insuring Agreement**, subparagraph **a.(3)(b)** is replaced by the following:

- (b) The expenses are incurred and reported to us within three years of the date of the accident; and

- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

**9. Newly Acquired Or Formed Organizations**

**SECTION II – WHO IS AN INSURED**, Paragraph **3.a.** is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

**10. Non-Owned Watercraft**

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph **2. Exclusions**, subparagraph **g.(2)** is replaced by the following:

**g. Aircraft, Auto Or Watercraft**

- (2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

**11. Supplementary Payments Increased Limits**

**SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B**, Paragraphs **1.b.** and **1.d.** are replaced by the following:

- 1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

- 1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work.

**12. Unintentional Failure to Disclose Hazards**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **6. Representations**:

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

**13. Unintentional Failure to Notify**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph **2. Duties in the Event of Occurrence, Offense, Claim or Suit**:

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
6/29/2016

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<b>PRODUCER</b> Commercial Lines - 602-528-3000 Wells Fargo Insurance Services USA, Inc. 100 West Washington Street, 4th Floor Phoenix, AZ 85003-1808	<b>CONTACT NAME:</b> Doug McKinney <b>PHONE (A/C, No, Ext):</b> 602-528-3035 <b>FAX (A/C, No):</b> 602-528-3074 <b>E-MAIL ADDRESS:</b> Doug.McKinney@wellsfargo.com														
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**COVERAGES**
**CERTIFICATE NUMBER: 10631116**
**REVISION NUMBER: See below**

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E.L. EACH ACCIDENT		\$																			
E.L. DISEASE - EA EMPLOYEE		\$																			
E.L. DISEASE - POLICY LIMIT		\$																			
C	Employee Dishonesty			BD4195176108	07/01/2016	07/01/2017	\$1,000,000														

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Evidence of Insurance

**CERTIFICATE HOLDER**

 Arizona State Board for Charter Schools  
 1700 W. Washington, Room 164  
 Phoenix, AZ 85007

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

## Certificate of Insurance (Con't)

### OTHER Coverage

INSR LTR	TYPE OF INSURANCE	ADDL INSR	WVD SUBR	POLICY NUMBER	EFFECTIVE DATE (MM/DD/YY)	EXPIRATION DATE (MM/DD/YY)	LIMIT
A	Professional Liability			ZB4919695805	07/01/2016	07/01/2017	1,000,000
A	Sexual Abuse/Molestation			ZB4919695805	07/01/2016	07/01/2017	1,000,000

**Edkey, Inc.**  
**SSDHH #81050**  
**New Site and Enrollment Cap Increase**

Rationale for New Site and Enrollment Cap Increase

SSDHH serves a specialized population of students who are identified as being deaf or hard of hearing. Edkey is requesting to move KELLY, Kinetic Educational Learning Labs for Youth, under this charter. KELLY serves students who have been identified as being emotionally handicapped requiring a private placement. To be inclusive of this other specialized group of students the program of instruction needs to be updated. KELLY is currently under another charter under Edkey management. By bringing the two schools under the LEA and increasing our marketing we are requesting an enrollment increase from 100 to 200 to bring us to facility capacity by FY20. Adding this school to this LEA will allow us to more effectively leverage specialized resources to meet the needs of our student population.

Staffing Plan for New Site and Enrollment Cap Increase

Based on current and projected enrollment for Sequoia Deaf School and KELLY, we will not need to add significant staff to accommodate the increase in student enrollment. Class sizes are very small, due to the individualized nature of instruction based on the student's IEP. On average, a student teacher ratio of 8:1 is ideal.

An additional para-professional may be needed for FY18 for Sequoia Deaf School. A new teacher is projected to be needed for FY19. The building has adequate space to house the proposed new enrollments.

The majority of staff at SDS are SPED certified and have experience with students who are deaf and hard of hearing. This specialized training help staff meet the varied instructional needs of students who are deaf and hard of hearing. On-going training is provided by the site administration and focuses on ensuring staff have the necessary skills and aptitude to meet the individualized needs of student learners.

For KELLY, we project adding an aide for FY18. Anticipated growth by FY19 will require us to hire additional 4 teachers and 3 para's to maintain the ideal student: teacher ratios. In FY20 we will need to add an additional teacher and para, which will bring us to capacity.

As with SDS, the majority of the staff are either SPED certified or highly qualified. On-going training and support is provided to ensure consistency in programming and behavioral expectations to help students experience the highest level of success. Strong emphasis is placed on behavior management strategies.

Current office and custodial staff will remain consistent even with the projected enrollment increases.

Staffing Recruitment for New Site and Enrollment Cap Increase

Edkey's Human Resource department supports the recruitment of all Edkey staff. Due to the specialized nature required to teach in these programs recruitment outside of Edkey's normal avenues are utilized.

Edkey posts open positions on:

- Indeed.com, with local colleges and universities, Edkey website, and the Arizona Department of Education

Recruitment also focuses on:

- Arizona Deaf Association, emails and word of mouth to the Deaf community and Deaf Professional websites.
- At times, we hire teachers via outside agencies to due current shortages.

All applicants are required to apply via Indeed.com. Resumes are sent to the respective principals/directors for their review and analysis.

#### Hiring for New Site and Enrollment Cap Increase

Candidates that meet the required qualifications for these positions are interviewed by the principal/director.

#### Training for New Site and Enrollment Cap Increase

Initial orientation is provided by Edkey's Human Resources department. Specialized training and mentoring is the responsibility of the site principal/director. Typically a veteran teacher and site administration provide mentoring/shadowing to ensure staff know how to effectively and purposefully run the program for maximum student achievement.

#### Justification for enrollment targets for Enrollment Cap Increase

Edkey is actively marketing for both of these programs. We anticipate moderate increases over the next few years and project 100 students per school by FY20. Due to the very specialized nature of the student population we cannot expect students to move from cohort to cohort, as the IEP team guides the student's progress. Additionally, if the IEP team deems it necessary, a student doesn't age out until 22 years old.

#### Meeting Enrollment Targets – New Site

Due to the unique aspects of the population we serve a market analysis of a particular area is not relevant. Deaf and emotionally handicapped students are not found in one particular area. Therefore, in order to meet our enrollment targets for both Sequoia Deaf School and the KELLY program we are working with Republic Media to launch a media campaign to promote both school sites.

The annual partnership with Republic Media will focus on the following areas:

- New website developments
- Social Media outreach
- Branded content on AZCentral.com with PPC advertising
- AZ Republic advertising

Additionally, Edkey will send notifications to all public/charter schools in the Phoenix metro area highlight the program and services that are available for this student population.

Target Population for New Site

The KELLY program currently serves 42 Kinder – 12<sup>th</sup> grade students who are identified as EDP (Emotionally Disabled Private Placement). Through the Arizona Department of Education, Edkey, Inc. is able to operate this type of placement for students with emotional needs that do not allow them to be educated in the general education setting.

Students who attend a private placement program do so based on evaluation, analysis of behavioral issues and the decision of the IEP team due to the severity of the issues and the extent of their needs.

Emotional Disability - A condition exhibiting one or more of the following characteristics over a long period of time and to a marked degree that adversely affects a child’s educational performance:

- An inability to learn that cannot be explained by intellectual, sensory, or health factors.
- An inability to build or maintain satisfactory interpersonal relationships with peers and teachers.
- Inappropriate types of behavior or feelings under normal circumstances.
- A general pervasive mood of unhappiness or depression.
- A tendency to develop physical symptoms or fears associated with personal or school problems.

All students in the KELLY program and Sequoia Deaf School are special education students requiring specialized instruction to access the general curriculum. Due to the unique nature of these schools students are bussed to the school in order to receive the services and instruction needed to allow them to be successful. Transpiration is written into all student’s IEP’s and in some cases becomes an extension of the learning environment.

KELLY Program Demographic Information

	Total	Male	Female	Caucasian	Hispanic Latino	African American	Pacific Islander Asian	American Indian Alaskan Native
Kinder	3	2	1	2	1	0	0	0
1st	1	1	0	1	0	0	0	0
2nd	1	1	0	0	1	0	0	0
3rd	6	5	1	3	2	1	0	0
4th	4	4	0	1	1	2	0	0
5th	8	6	2	2	6	0	0	0
6th	3	3	0	2	0	1	0	0
7th	5	5	0	2	3	0	0	0
8th	3	3	0	1	2	0	0	0
9th	4	4	0	0	1	3	0	0
10th	3	2	1	2	0	0	0	1
11th	0	0	0	0	0	0	0	0
12th	1	1	0	0	1	0	0	0

Current Academic Performance Levels - Benchmark results for current student population for the 16-17 school year.

Kelly Medians 16-17				
Grade	ELA Base	ELA_1	Math Base	Math_1
0			0.603	
1			0.615	
2			0.4	
3			0.252	
4			0.31	
5		0.8	0.284	0.462
6			0.414	
7			0.414	
8				
9	0.283	0.264	0.261	0.257
10	0.549	0.265		0.159
11				
12	0.34	0.277	0.15	0.187

Unique Program of Instruction and Needs not currently met for the target population - This is a unique specialized program serving students with emotional needs. The level of service provided in this program is not offered in other schools or charters in the area. The nearest school similar to the KELLY is in Tempe at the ACES.

Curriculum & Methods of Instruction

Students work at individualized levels of performance based on their IEP's. The goals are aligned to state and local standards and are written using research based assessments. The use of core instructional programs which align to state standards ensure students are receiving access to the general curriculum, despite being placed in a more restrictive learning environment.

Goals are written for the length of one school year and students will be targeted to meet these goals as well as maintain previous goals performance throughout the course of the school year. IEP meetings are held a minimum of once per academic year with the school team, parents and outside support personnel, to establish these individualized goals and determine specific criteria for achieving the identified goals. Progress reports on IEP goals are reported quarterly.

Teachers adapt or modify curricular resources based on the individual needs of each student as outlined in their IEP. Smaller class sizes and low student-teacher ratios help to provide the individualized instruction necessary for student success. All curricular and instructional resources are scientifically based and incorporate teaching strategies that meet the needs of all student learners.

Students are identified at the state level by grade level but classes at both locations focus on grade level bands. Students are leveled based on their performance and IEP goals in order to provide the most appropriate education for every student.

### Methods of Assessment

Students' progress on standards and IEP goal progress is measured quarterly and tracked frequently by the classroom teacher or specialists. Teachers use specified tools, outlined in the student's IEP to monitor progress on goals. The MAP, Measure of Academic Progress, assessment is administered four times a year to evaluate student progress on grade level standards and performance. Supplemental assessments are used to guide the development of the IEP as well as structure academic frameworks for students.

Formative Assessment include but are not limited to: classroom based assessments, curriculum based assessments, formal and informal observations, pre and posttests.

Summative Assessments include but are not limited to: benchmark assessments, Rigby, AzMERIT or AIMS A.

### Instructional Days

KELLY program will be in session for 180 instructional days. Based on the IEP team's decision regarding regression and recoupment issues, a student may be required to attend ESY, Extended School Year.

### Concrete Resources

Curriculum – additional curriculum resources may be required as student progress. Principal/Directors budget annually to ensure funds are available to purchase any required materials needed to provide effective instruction for students.

Technology – is used in both programs for enrichment and differentiation. Currently the Sequoia Deaf School has 65 computers, tablets, laptops. The KELLY program has 25 devices. The SPED department has access to additional technology and if needed these can be re-allocated to the KELLY program. This technology will support the increased enrollment and ensure the fidelity of instructional programming is maintained.

Assessment – additional licenses will need to be purchased for our assessment program, NWEA Map and our data analytics program, Alpine. These purchases are made at the organizational level and allocations from the site budget cover these expenses. These purchases are made annually and are based on actual student enrollment each year.

Equipment and Furniture – our warehouse stores additional furniture and equipment – any additional items will be allocated to the schools as needed.

### Managing Expenses – New Site

As this school is currently in operation under another charter within Edkey, this will not impact us.

### Financial Documentation

Previously submitted financial documentation is attached, however, since this is a currently operated Edkey location stat-up; First-Year Operational budget and budget assumptions are not necessary.

### Enrollment Matrix: KELLY

KELLY Enrollment	FY17	FY18	FY19	FY20
Kinder	3	3	4	5
1st	1	3	5	5
2nd	2	3	5	8
3rd	3	4	5	8
4th	4	5	6	8
5th	8	6	7	8
6th	4	8	8	9
7th	5	6	9	9
8th	4	7	7	10
9th	4	6	8	8
10th	3	5	7	9
11th	0	5	5	8
12th	1	0	5	5
	42	61	81	100

Class Make Up	FY17	FY18	FY19	FY20
K-1st	4	6	9	10
2nd - 3rd	5	7	10	16
4th - 6th	16	19	21	25
7th - 8th	9	13	16	19
9th - 12th	8	16	25	30
	42	61	81	100

### Staffing Matrix: KELLY

KELLY Staffing	FY17	FY18	FY19	FY20
Kinder	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
1st	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
2nd	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
3rd	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
4th	1 Teacher 1 Aide	1 Teacher 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
5th	1 Teacher 1 Aide	1 Teacher 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
6th	1 Teacher 1 Aide	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides
7th	1 Teacher 1 Aide	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides
8th	1 Teacher 1 Aide	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides
9th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
10th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
11th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides
12th	1 Teacher 1 Aide	1 Teacher 1 Aide	2 Teachers 2 Aides	2 Teachers 2 Aides

Additional Staff	FY17	FY18	FY19	FY20
Behavior Coach	1	1	1.5	1.5
Counselor/Psych	1	1	1.5	1.5
SLP	1	1	1	1
SLPA	1	1	1	1
OT	1	1	1	1
OT Aide	1	1	1	1
Admin	1	1	1	1

### Enrollment Matrix: SDS

SDS Enrollment	FY17	FY18	FY19	FY20
Kinder	1	3	3	5
1st	3	4	5	7
2nd	1	4	5	7
3rd	1	3	5	7
4th	8	3	5	7
5th	7	8	3	6
6th	7	8	9	6
7th	1	8	9	10
8th	9	3	8	10
9th	9	8	5	9
10th	12	9	9	6
11th	7	12	9	10
12th	8	7	12	10
	74	80	87	100

Class	FY17	FY18	FY19	FY20
Make-Up				
K-2nd	5	11	13	19
3rd - 6th	23	22	22	26
7th - 12th	46	47	52	55
	74	80	87	100

### Staffing Matrix: SDS

SDS Staffing	FY17	FY18	FY19	FY20
Kinder	1 Teacher	1 Teacher 1 Para	2 Teacher 1 Para	2 Teacher 1 Para
1st	1 Teacher	1 Teacher 1 Para	2 Teacher 1 Para	2 Teacher 1 Para
2nd	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
3rd	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
4th	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
5th	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
6th	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides	2 Teachers 2 Aides
7th	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition
8th	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition
9th	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition
10th	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition
11th	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition
12th	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition	1 - ELA 1 - Math/Sci 1 - His/Econ .5 Math .5 Transition

Addit Staff	FY 17	FY18	FY19	FY20
Work Study	0.5	0.5	0.5	0.5
Counselor	1	1	1	1
Interpeter	1	1	1	1
SLP	1	1	1	1
OT	1	1	1	1
PE	1	1	1	1
Specials	Shared with another campus as needed			
Gen Ed	Based on student IEP and transition plan			
Admin Staff	2	2	2	2

### Leadership Staffing Chart

Complete the table below to provide current and anticipated leadership for the school(s) operated by the Charter Holder.

Directions:

- In the “Title” column, list the title of each leadership position at the school. Consider all individuals who are part of the leadership team (e.g. principal, instructional coach, lead teacher, etc.).
- In the “Current” and “Anticipated” columns, list the **names** of the individuals that will hold each of the leadership positions during the current and upcoming three fiscal years. If an existing staff member will not hold the position in the projected year, write “New Hire” or “TBD” (to be determined) in the box for that position.
- Copy and paste the chart for each school operated by the Charter Holder.

School Name: KELLY				
	Leadership Team			
Title	Current—FY 17	Anticipated—FY 18	Anticipated—FY 19	Anticipated—FY 20
SPED Director	Mary Strickland	Mary Strickland	Mary Strickland	Mary Strickland

### Leadership Staffing Chart

Complete the table below to provide current and anticipated leadership for the school(s) operated by the Charter Holder.

Directions:

- In the “Title” column, list the title of each leadership position at the school. Consider all individuals who are part of the leadership team (e.g. principal, instructional coach, lead teacher, etc.).
- In the “Current” and “Anticipated” columns, list the **names** of the individuals that will hold each of the leadership positions during the current and upcoming three fiscal years. If an existing staff member will not hold the position in the projected year, write “New Hire” or “TBD” (to be determined) in the box for that position.
- Copy and paste the chart for each school operated by the Charter Holder.

School Name: SDS				
	Leadership Team			
Title	Current—FY 17	Anticipated—FY 18	Anticipated—FY 19	Anticipated—FY 20
Principal	Heather Laine	Heather Laine	Heather Laine	Heather Laine
Asst Principal	Jennifer Reid	Jennifer Reid	Jennifer Reid	Jennifer Reid

## Financial Performance Response Evaluation Instrument

Charter Holder Name: Edkey, Inc. dba Sequoia School for the Deaf  
and Hard of Hearing  
Charter Holder Entity ID: 81050

Required for: New School Amendment Request  
Audit Year: 2015

Arizona State Board for Charter Schools (Board) staff completed the Financial Performance Response Evaluation Instrument for the Board in its consideration of applicable requests made by the charter holder. “Not Acceptable” answers may adversely affect the Board’s decision regarding a charter holder’s request.

Measure	Reason(s) for “Not Acceptable” Rating
<p><b>1a. Going Concern</b></p> <p>Acceptable <input type="checkbox"/></p> <p>Not Acceptable <input type="checkbox"/></p> <p>Not Applicable <input checked="" type="checkbox"/></p>	
<p><b>1b. Unrestricted Days Liquidity</b></p> <p>Acceptable <input checked="" type="checkbox"/></p> <p>Not Acceptable <input type="checkbox"/></p> <p>Not Applicable <input type="checkbox"/></p>	<p>While the evaluation for this measure results in an acceptable rating, the charter holder estimates its 2016 and 2017 performance on this measure at approximately 34 days and 44 days, respectively. In its calculations, the charter holder includes as other liquidity, the tax and insurance bond reserve and the bond fund, which the audits indicate is for principal and interest payments. The response states, “We have included the Tax and insurance fund and the bond fund which is used to pay interest on our bonds even though they are reserved for specific expenses as the expenses they are reserved for are included in the annual total expenses and thereby in the daily expenses. It appears that if they are included in one side of the computation that we should include them in the cash. In addition daily expenses includes depreciation which is not a cash expense and if it was removed from the equation, our days cash on hand would change significantly.”<sup>1</sup> Since, as the charter holder states, these funds are reserved for specific expenses, the Board’s financial framework does not include them in the measure’s calculation. Based on the 2016 audit, which was received after the response was submitted, the charter holder’s performance on this measure declined to 20.29 days and remained rated “Does Not Meet”. If the 2017 projections hold true, staff estimates the charter holder’s performance under the Board’s financial framework will improve to approximately 31 days, which would result in a rating of “Meets”.</p>

<sup>1</sup> While depreciation is a non-cash expense, it is used to allocate costs of fixed and other assets over the asset’s life. In addition, depreciation serves as an estimate of the dollars the charter holder needs to spend to maintain its facilities. As such, the Board’s financial framework intentionally does not remove depreciation from the measure’s calculation.



Measure	Reason(s) for “Not Acceptable” Rating
<b>1c. Default</b> Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	
<b>2a. Net Income</b> Acceptable <input checked="" type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input type="checkbox"/>	<p>The following explains the rationale for the charter holder receiving an acceptable rating on this measure. For 2017, the charter holder projects a net loss of \$4,320, which is significantly improved from 2015’s and 2016’s net losses of \$1,265,948 and \$2,273,049, respectively. However, Arizona Department of Education payment reports used for the April payment indicate the charter holder will receive approximately \$5 million less in state equalization in 2017 than budgeted for across all 10 charter contracts. Even with this apparent decline in revenue, it looks like steps taken by the charter holder to reduce expenses may still allow the charter holder to realize its projection. The charter holder’s actual expenses for the first six months of 2017 appear to be approximately \$3 million less than its budgeted expenses for the same time period.</p>
<b>2b. Cash Flow</b> Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	
<b>2c. Fixed Charge Coverage Ratio</b> Acceptable <input type="checkbox"/> Not Acceptable <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/>	



#### Days Cash on hand:

We have attached our computation of days cash on hand as of June 30, 2017. Included is a detailed list of the Class Room site funds on hand by LEA from the June 30, 2016 from the AFR reports filed with the Arizona Department of Education for your information. In addition we are attaching copies of the Bank of Arizona trust statements that reflect the cash we have included in addition to cash in our bank accounts.

We have included the Tax and insurance fund and the bond fund which is used pay interest on our bonds even though they are reserved for specific expenses as the expenses they are reserved for are included in the annual total expenses and thereby in the daily expense. It appears that if they are included in one side of the computation that we should include them in the cash. In addition daily expenses includes depreciation which is not a cash expense and if it was removed from the equation, our days cash on hand would change significantly.

We have attached a copy of our 2016-2017 budget to reflect the adjustment we have made in our organization, with the elimination of positions and moving/closing of sites, and the cash flow projection based upon these closures and consolidations. Based upon our budget and the cash flow projections we will have 44.54 days of cash on hand at June 30, 2017 excluding Class Room Site funds.

Included with the budget is our net income for the six months ended December 31, 2016, which reflect the changes that we have made in our organization, true up to the anticipated results. The net income for the six months ended December 31, 2016 is \$372,586. When compared with the budgeted net loss of (\$4,320) this is a significant improvement on the budget. With these results we should be more than able to reach our projected days of Cash on hand.

#### Net Income

We have included both the Edkey Inc. 2016-2017 budget and net income for the six months ended December 31, 2016. This provides the supporting documentation of the effects of the changes that we submitted in our previous submission. The budget reflects the changes in our revenues and expenses due to the elimination of positions, closure of sites and consolidation of operations. The budgeted net is a loss of (\$4,320), however in the first six months of the budgeted year we have a net income of \$372,586. This reflects that the plan that we have implemented to improve our financial results are having the effect that we anticipated.

Edkey, Inc.  
Net Income 12-31-2016  
Budhget FYE 6-30-2017  
Cash Flow projects Fiscal year ended 6-30-2017

	<u>YTD Actual</u>	<u>Annual Budget</u>
<b>Revenue</b>		
Equalization funds	\$18,884,770	\$42,644,051
CSF	\$1,177,876	\$2,552,217
Instructional Improvement	\$0	\$276,165
Lunch	\$725,470	\$1,480,428
ECA	\$47,817	\$37,000
Donations	\$297,510	\$226,350
Grants	\$1,133,025	\$2,849,633
SFSF	\$34,826	\$0
Revenue from Other Sources	\$140,307	\$1,119,524
Services to provided to other Schools	\$0	\$113,167
<b>Total Revenue</b>	<u>\$22,441,601</u>	<u>\$51,298,533</u>
<b>Expenses</b>		
Employee Compensation	\$10,367,959	\$23,160,125
Employee Benefits and Taxes	\$3,064,399	\$7,208,420
Purchased Professional Services	\$1,651,828	\$4,916,560
Purchased Property Services	\$719,435	\$1,355,368
Other Purchased Services	\$522,513	\$1,520,439
Supplies	\$1,691,214	\$3,578,541
Property and Depreciation	\$1,051,433	\$3,099,979
Interest Expense	\$2,679,447	\$5,513,429
Other Misc Expenses	\$320,786	\$898,162
allocations	\$0	\$51,830
<b>Total Expenses</b>	<u>(\$22,069,015)</u>	<u>\$51,302,853</u>
<b>NET SURPLUS/(DEFICIT)</b>	<u><u>\$372,586</u></u>	<u><u>(\$4,320)</u></u>

Edkey, Inc.  
 Net Income 12-31-2016  
 Budhget FYE 6-30-2017  
 Cash Flow projects Fiscal year ended 6-30-2017

Cash Flow Adjustment		
	Depreciation	\$3,099,979
	Principal Payment	(\$1,100,000)
	Purchase of equipment and buildings	(\$700,000)
	Loan proceeds	\$400,000
	Loan payment	(\$15,000)
Net Cash Flow adjustments		\$1,684,979
Projected net Income(loss)		(\$4,320)
Net Cash flow		\$1,680,660
Cash at June 30, 2016		\$4,580,386
Estimated at June 30, 2017		\$6,261,045

operating expense		\$51,302,853
daily expense	= operating expenses/365	140,555.76
Estimated days cash on hand	=estimated Cash on hand/daily expense	44.54492198

Edkey, Inc.  
Days Cash on hand  
June 30, 2016

Days Cash on Hand

Cash	3,540,059
Operating Reserve	416,471
Insurance and Tax reserve	232,966
Bond Fund	1,695,777
Expense Fund	
Repairs and Replacement Reserve	
MADS Reserve	
Classroom Site Funds	(1,304,888)
	<u>4,580,386</u>

operating expense		48,545,943
daily expense	= Operating Expense/365	133,003
Days Cash on hand	=cash on Hand/Daily expense	34.44

Classroom site fund

Edkey, inc.-Arizona conservatory for Arts and Academics	78,919
Edkey, Inc.-American Heritage Academy	84,205
Edkey, Inc. Sequoia School for the Deaf and hard of Hearing	14,498
Edkey, Inc.-Pathfinder Academy	37,206
Edkey, In.-Sequoia Pathway Academy	200,218
Edkey, Inc. Sequoia Ranch Schools	233,904
Edkey, Inc.-Redwood Academy	95,767
Edkey, Inc. Sequoia Choice Schools	170,407
Edkey, Inc. -Sequoia Village School	136,220
Edkey, Inc.-Sequoia Charter School	253,544
	<u>1,304,888</u>

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

*Administrator*

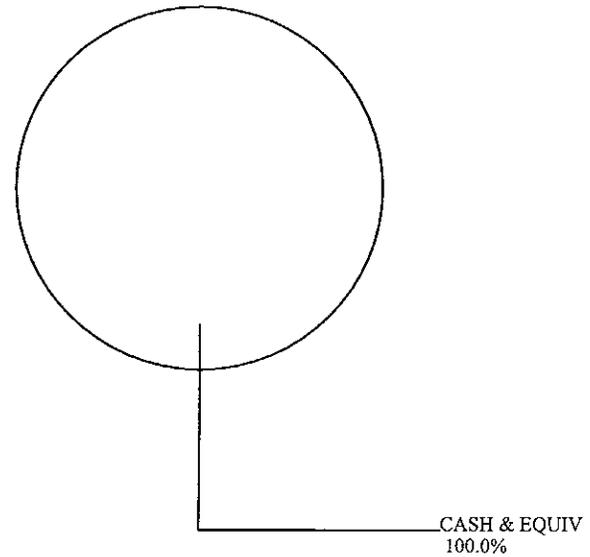
Brenda Black 602-808-3743

EDKEY, INC.  
ATTN: PATRIC GREER  
1460 SOUTH HORNE  
MESA AZ 85204

**Account Review**

<b>Your Beginning Market Value:</b>	<b>\$ 797,133.83</b>
<b>Income Earned :</b>	<b>\$ 154.58</b>
<b>Contributions :</b>	<b>\$ 1,218,802.05</b>
<b>Withdrawals :</b>	<b>\$ -320,320.63</b>
<b>Non-Cash Changes :</b>	<b>\$ 7.00</b>
<b>Your Ending Market Value :</b>	<b>\$ 1,695,776.83</b>

**Portfolio Summary**



**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Earnings Summary**

	<i>This Period</i>	<i>This Year</i>
Interest	154.58	638.93
<b>Total</b>	<b>\$ 154.58</b>	<b>\$ 638.93</b>

**Withdrawal Summary**

	<i>This Period</i>	<i>This Year</i>
Miscellaneous Payment	-320,320.63	-1,921,923.76
<b>Total</b>	<b>\$ -320,320.63</b>	<b>\$ -1,921,923.76</b>

**Gain/Loss Summary**

	<i>This Period</i>	<i>This Year</i>
Realized Gain/(Loss)	0.00	0.00
Appreciation/(Depr.)	0.00	0.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**Contributions Summary**

	<i>This Period</i>	<i>This Year</i>
Receipts	1,218,802.05	3,036,712.52
<b>Total</b>	<b>\$ 1,218,802.05</b>	<b>\$ 3,036,712.52</b>

**Non-Cash Summary**

	<i>This Period</i>	<i>This Year</i>
Asset Changes	7.00	7.00
<b>Total</b>	<b>\$ 7.00</b>	<b>\$ 7.00</b>

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b><i>Cash and Equivalent</i></b>						
Cavanal Hill Govt Sec Mmkt-Admin 001	1,695,760.830	1,695,760.83	1,695,760.83	100.00%	168	0.01%
<b>Total Cash and Equivalent</b>		<b>\$ 1,695,760.83</b>	<b>\$ 1,695,760.83</b>	<b>100.00%</b>	<b>\$ 168</b>	<b>0.01%</b>
<b><i>Miscellaneous</i></b>						
Prom Note \$6,290,000.00 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$1,566,084.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
Prom Note \$3,340,684.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$24,743,317.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$4,059,397.50 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$4,365,516.00 DTD 01/24/2013 Due 06/01/2048	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$8,530,064.20 Series 2014a Sequoia Pathfinder Academy DTD 01/30/2014	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$7,376,051.94 Series 2014a Pathfinder Academy DTD 1/30/2014	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$2,013,883.86 Series 2014a Aha Camp Verde DTD 1/30/2014	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$8,124,689.43 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$14,539,526.62 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$5,970,268.83 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$2,680,515.12 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$243,974.86 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$3,691,217.89 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%
Prom Note \$124,204.75 DTD 06/14/2016 Due 07/01/2051	1.000	1.00	1.00	0.00%	0	0.00%

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b>Total Miscellaneous</b>		<b>\$ 16.00</b>	<b>\$ 16.00</b>	<b>0.00%</b>	<b>\$ 0</b>	<b>0.00%</b>
<b>Total Assets</b>		<b>\$ 1,695,776.83</b>	<b>\$ 1,695,776.83</b>	<b>100.00%</b>	<b>\$ 168</b>	<b>0.01%</b>

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Balances At Beginning of Period	\$ 621.34	\$ -621.34	\$ 797,133.83
06/01/16	Int To 05/31/16 Baz Short-Term Cash Fund I	154.58	0.00	0.00
06/01/16	Trnsfr From Edkey Mstr Tr Revenue #828721019 P & I Due Transfer To Bond Fund	0.00	363,507.42	0.00
06/01/16	Payment of Debt Service Interest For Series 2013 Due: 06/01/2016	0.00	-213,671.67	0.00
06/01/16	Payment of Debt Service Interest For Series 2014 Due: 06/01/2016	0.00	-106,648.96	0.00
06/01/16	Purchased 154.58 Units @ 1 Baz Short-Term Cash Fund I	0.00	-154.58	154.58
06/01/16	Purchased 43186.79 Units @ 1 Baz Short-Term Cash Fund I	0.00	-43,186.79	43,186.79

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/07/16	Sold 840466.200 @ \$1.00000 Baz Short-Term Cash Fund I	0.00	840,466.20	-840,466.20
06/07/16	Purchased 840466.20 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-840,466.20	840,466.20
06/14/16	Deposit To Account Proceeds of Series 2016 Bond Closing	0.00	855,294.63	0.00
06/14/16	Purchased 855294.63 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-855,294.63	855,294.63
06/22/16	Received Prom Note \$8,124,689.43 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$14,539,526.62 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$5,970,268.83 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$2,680,515.12 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$243,974.86 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00

**Edkey Inc 2013, 2014a, 2016 Bond Fd**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/22/16	Received Prom Note \$3,691,217.89 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
06/22/16	Received Prom Note \$124,204.75 DTD 06/14/2016 Due 07/01/2051	0.00	0.00	1.00
<b>06/30/16</b>	<b>Balances At End of Period</b>	<b>\$ 775.92</b>	<b>\$ -775.92</b>	<b>\$ 1,695,776.83</b>

**Edkey Inc 2013, 2014a & 2016 Tax/Ins**  
June 1, 2016 - June 30, 2016

Account Number: XXXXXXXXXX

EDKEY, INC.  
ATTN: PATRIC GREER  
1460 SOUTH HORNE  
MESA AZ 85204

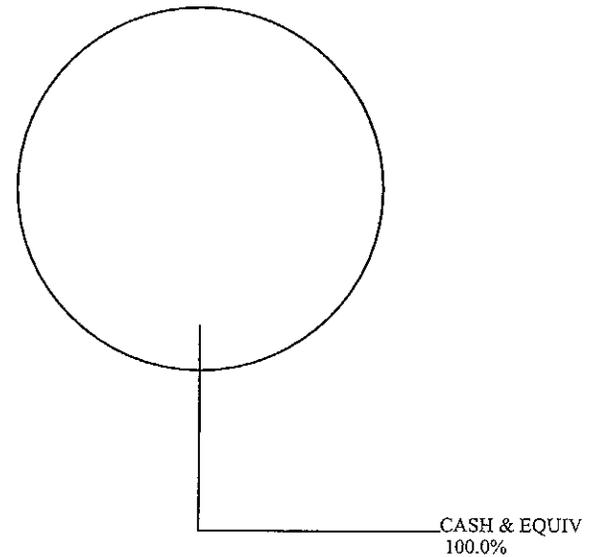
*Administrator*

Brenda Black 602-808-3743

**Account Review**

<b>Your Beginning Market Value:</b>	<b>\$ 109,545.92</b>
<b>Income Earned :</b>	<b>\$ 21.21</b>
<b>Contributions :</b>	<b>\$ 123,399.09</b>
<b>Your Ending Market Value :</b>	<b>\$ 232,966.22</b>

**Portfolio Summary**



**Edkey Inc 2013, 2014a & 2016 Tax/Ins**  
June 1, 2016 - June 30, 2016

Account Number [REDACTED]

**Earnings Summary**

	<i>This Period</i>	<i>This Year</i>
Interest	21.21	76.71
<b>Total</b>	<b>\$ 21.21</b>	<b>\$ 76.71</b>

**Contributions Summary**

	<i>This Period</i>	<i>This Year</i>
Receipts	123,399.09	183,399.09
<b>Total</b>	<b>\$ 123,399.09</b>	<b>\$ 183,399.09</b>

**Gain/Loss Summary**

	<i>This Period</i>	<i>This Year</i>
Realized Gain/(Loss)	0.00	0.00
Appreciation/(Depr.)	0.00	0.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b>Cash and Equivalent</b>						
Cavanal Hill Govt Sec Mmkt-Admin 001	232,966.220	232,966.22	232,966.22	100.00%	23	0.01%
<b>Total Cash and Equivalent</b>		<b>\$ 232,966.22</b>	<b>\$ 232,966.22</b>	<b>100.00%</b>	<b>\$ 23</b>	<b>0.01%</b>
<b>Total Assets</b>		<b>\$ 232,966.22</b>	<b>\$ 232,966.22</b>	<b>100.00%</b>	<b>\$ 23</b>	<b>0.01%</b>

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Balances At Beginning of Period	\$ 71.60	\$ -71.60	\$ 109,545.92
06/01/16	Int To 05/31/16 Baz Short-Term Cash Fund I	21.21	0.00	0.00

**Edkey Inc 2013, 2014a & 2016 Tax/Ins**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Trnsfr From Edkey Mstr Tr Revenue #828721019 Monthly Transfer To Tax and Insurance Fund	0.00	12,000.00	0.00
06/01/16	Purchased 21.21 Units @ 1 Baz Short-Term Cash Fund I	0.00	-21.21	21.21
06/01/16	Purchased 12000.00 Units @ 1 Baz Short-Term Cash Fund I	0.00	-12,000.00	12,000.00
06/07/16	Sold 121567.130 @ \$1.00000 Baz Short-Term Cash Fund I	0.00	121,567.13	-121,567.13
06/07/16	Purchased 121567.13 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-121,567.13	121,567.13
06/14/16	Transfer of Funds From Choice Education 2006 Tax & Ins Fd 828713040 To Close Account	0.00	111,399.09	0.00
06/14/16	Purchased 111399.09 Units @ 1 Cavanal Hill Govt Sec Mmkt-Admin 001	0.00	-111,399.09	111,399.09
<b>06/30/16</b>	<b>Balances At End of Period</b>	<b>\$ 92.81</b>	<b>\$ -92.81</b>	<b>\$ 232,966.22</b>

**Edkey, Inc. Mstr Trst Ind Oper Res**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

*Administrator*

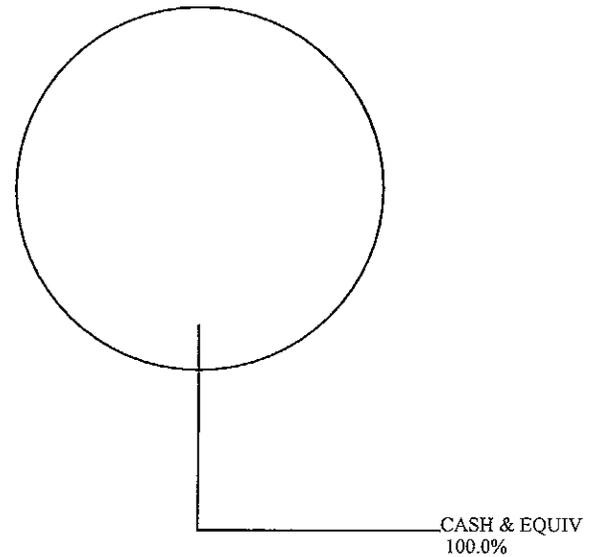
Brenda Black 602-808-3743

EDKEY, INC.  
ATTN: PATRIC GREER  
1460 SOUTH HORNE  
MESA AZ 85204

**Account Review**

<b>Your Beginning Market Value:</b>	<b>\$ 98,095.34</b>
<b>Income Earned :</b>	<b>\$ 18.90</b>
<b>Contributions :</b>	<b>\$ 318,356.84</b>
<b>Your Ending Market Value :</b>	<b>\$ 416,471.08</b>

**Portfolio Summary**



**Edkey, Inc. Mstr Trst Ind Oper Res**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Earnings Summary**

	<i>This Period</i>	<i>This Year</i>
Interest	18.90	108.32
<b>Total</b>	<b>\$ 18.90</b>	<b>\$ 108.32</b>

**Withdrawal Summary**

	<i>This Period</i>	<i>This Year</i>
Miscellaneous Payment	0.00	-390,000.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ -390,000.00</b>

**Contributions Summary**

	<i>This Period</i>	<i>This Year</i>
Receipts	318,356.84	553,356.84
<b>Total</b>	<b>\$ 318,356.84</b>	<b>\$ 553,356.84</b>

**Gain/Loss Summary**

	<i>This Period</i>	<i>This Year</i>
Realized Gain/(Loss)	0.00	0.00
Appreciation/(Depr.)	0.00	0.00
<b>Total</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

**List of Assets**

<i>Description</i>	<i>Shares</i>	<i>Cost</i>	<i>Market Value</i>	<i>Percent Of Total Market</i>	<i>Projected Annual Income</i>	<i>Current Yield</i>
<b>Cash and Equivalent</b>						
Cavanal Hill Govt Sec Mmkt-Admin 001	416,471.080	416,471.08	416,471.08	100.00%	41	0.01%
<b>Total Cash and Equivalent</b>		<b>\$ 416,471.08</b>	<b>\$ 416,471.08</b>	<b>100.00%</b>	<b>\$ 41</b>	<b>0.01%</b>
<b>Total Assets</b>		<b>\$ 416,471.08</b>	<b>\$ 416,471.08</b>	<b>100.00%</b>	<b>\$ 41</b>	<b>0.01%</b>

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Balances At Beginning of Period	\$ 213.31	\$ -213.31	\$ 98,095.34
06/01/16	Int To 05/31/16 Baz Short-Term Cash Fund I	18.90	0.00	0.00

**Edkey, Inc. Mstr Trst Ind Oper Res**  
June 1, 2016 - June 30, 2016

Account Number: [REDACTED]

**Transaction Activity**

<i>Date</i>	<i>Description</i>	<i>Income Cash</i>	<i>Principal Cash</i>	<i>Cost</i>
06/01/16	Trnsfr From Edkey Mstr Tr Revenue #828721019 Monthly Transfer To Operating Reserve Fund	0.00	80,000.00	0.00
06/01/16	Purchased 18.90 Units @ 1 Baz Short-Term Cash Fund I	0.00	-18.90	18.90
06/01/16	Purchased 80000.00 Units @ 1 Baz Short-Term Cash Fund I	0.00	-80,000.00	80,000.00
06/07/16	Sold 178114.240 @ \$1.00000 Baz Short-Term Cash Fund I	0.00	178,114.24	-178,114.24
06/07/16	Purchased 178114.24 Units @ 1 Caval Hill Govt Sec Mmkt-Admin 001	0.00	-178,114.24	178,114.24
06/14/16	Transfer of Funds From Choice 2006 Oper Rsv 828713065	0.00	213,202.99	0.00
06/14/16	Purchased 213202.99 Units @ 1 Caval Hill Govt Sec Mmkt-Admin 001	0.00	-213,202.99	213,202.99
06/15/16	Transfer of Funds From Choice 2006 Bond Fd 828713024 Transfer of Funds Remaining Pursuant To Direction	0.00	25,153.85	0.00
06/16/16	Purchased 25153.85 Units @ 1 Caval Hill Govt Sec Mmkt-Admin 001	0.00	-25,153.85	25,153.85
<b>06/30/16</b>	<b>Balances At End of Period</b>	<b>\$ 232.21</b>	<b>\$ -232.21</b>	<b>\$ 416,471.08</b>

## Day Cash on Hand

As of June 30, 2016 the days cash on hand was 34.87 after eliminating the cash restricted for the classroom site fund. We had added items of cash on hand that are available or used to pay operation items during the year, Tax and Insurance reserve, operating expense fund and the bond fund which is used to pay the interest on the bonds. In addition we have added the operating expense reserve which we can use to fund current year operation when necessary. The following is a summary of our days cash on hand with an explanation of why the funds are included in cash..

Days cash on Hand		
Cash	3,540,059.44	Actual Cash on hand
Operating Reserve	416,471.08	Available to pay operating expenses
Insurance and Tax reserve	232,966.22	Available to pay Insurance and Tax expense
Bond Fund	1,695,776.83	Available to Pay interest expense
Expense Fund	57,269.08	Available to pay Bond expenses
Classroom site Funds	-1,304,832	
Total Available Cash	<u>4,637,711</u>	
operating expense	48,545,943	
daily expense	<u>133,002</u>	
Days Cash on hand	34.87	

## Net Income

The company's net income has been negative or less than \$1 as a result of having a program that was losing money every year, having management staff in excess of necessary, a school that continued to lose and the failure to use existing space completely.

In order to record a positive net income in the 2016-2017 fiscal year we have implemented the following steps. We eliminated 5 management positions, closed a department with 10 positions being eliminated. We also moved the location of our AOI school from a rented facility to another school site that had additional space. We closed the Children First Academy Tempe site and had 100 of the students that were enrolled at that site transfer to the Sequoia Charter School site.

We have attached copies of the notices of termination of the two leases for facilities that we have closed or moved from and a list of the positions and salaries for those positions that we eliminated or departments that we closed.

The net effect of these budgetary changes is \$2,419,537 per the attached schedule.

Edkey, Inc.  
Net Income  
Positions eliminated

Position elimination

Eliminated 5 administrative positions	409,803
Eliminated department 11 positions	<u>422,086</u>
Total positions eliminated	831,889
Benefit cost savings at 30% of Salary	<u>249,567</u>
Total savings for position elimination	<u>1,081,456</u>

Moving Sequoia Choice Distance Learning from 323 N Gilbert Rd to the Lehi campus

Savings	
Rent (15,785 per month)	189,420
Electricity	22,787
Telephone and Internet	<u>66,545</u>
Total annual Savings from moving of SCAZDL	278,752

Closing of Children First Academy Tempe

Net Loss from 2015-2016 fiscal year	369,329
Gross revenues from students that Transferred to Sequoia Charter School (100@\$6,900)	690,000

Gross saving

2,419,537

Edkey, Inc.  
 Net Income  
 Postions Eleminated

Job Title (Employee)	Branch (Employee)	Annual Salary (Salary/Perf ormance)
Instructional Support Teache	INSTRUCTIONAL SUPPORT	44,000
Instructional Support Teache	INSTRUCTIONAL SUPPORT	63,600
ASST SUPERINTENDENT	Administration	103,203
ASST SUPERINTENDENT	Administration	95,000
ASST SUPERINTENDENT	Administration	104,000
		<u>409,803</u>
COUNSELOR	Sequoia Support Services	50,000
DIRECTOR	Sequoia Support Services	76,000
COUNSELOR	Sequoia Support Services	33,280
INTERVENTIONIST	Sequoia Support Services	29,849
COUNSELOR	Sequoia Support Services	50,000
DIRECTOR	Sequoia Support Services	60,000
OFFICE MANAGER	Sequoia Support Services	58,000
INTERVENTIONIST	Sequoia Support Services	17,679
INTERVENTIONIST	Sequoia Support Services	13,331
COUNSELOR	Sequoia Support Services	33,947
		<u>422,086</u>

## Edkey, Inc.

1460 S Horne  
Mesa, Arizona 85204  
480-461-3200  
FAX 480-649-0747

February 23, 2016

Gilbert Square Shopping Center LLC  
MBP Realty Services, Inc.  
1450 E Indian School Road Suite 104  
Phoenix, AZ 85014

RE: Lease 323 North Gilbert Road Suites 104-113  
Mesa, AZ

### NOTICE OF LEASE TERMINATION

We have appreciated the ability to lease the school and after deliberation regarding the renewal of the lease going forward we have made a determination that we will not be renewing the lease. We have enjoyed our relationship with you and the lease of the building. This was not an easy decision to make however we feel that it is in the best interest of our students that we transfer them to an existing school that is closer for a large majority of them than this site.

We will be ending our lease and moving out by June 30, 2016. After we move out we would like to walk through the school with you when you do your move-out inspection. We will be in contact with you to set up the date and time of that walk through close to the termination date. We will arrange for all of the utilities to be TURNED-OFF when we move out. If you would like us to transfer the accounts to your name, please tell the utility companies and let me know. If we do not hear from you about the utilities, we will have them turned-off.

Again thank you for the great relationship which we have had over the last nine years.

Sincerely,



Patric R. Greer CFO/Secretary  
Edkey, Inc.

**SECOND EXTENSION AND MODIFICATION OF LEASE  
AGREEMENT**

THIS EXTENSION OF LEASE AGREEMENT is made this 1st day of March 2013 by and between The McHenry Family Trust, subsequently assumed by the Gilbert Square Shopping Center LLC (hereinafter referred to as "Landlord") and Edkey Management Inc. subsequently modified to Sequoia Choice Schools LLLP (hereinafter referred to as "Tenant").

WHEREAS LANDLORD AND TENANT are working with the Lease Agreement, dated June 18, 2007, extended and modified May 1, 2011, and further modified May 4, 2011 (said Lease Agreement hereinafter referred to as "Lease Agreement"), for the lease of a portion of that certain real property described as 323 North Gilbert Road, Suites 104-112, in Mesa, AZ (hereinafter "Leased Premises"), said Lease Agreement being in full force and effect at this time, and

TENANT AND LANDLORD HEREBY AGREE that said lease shall be modified and extended as outlined below:

Upon the full execution of this documents, the Landlord shall look to Edkey, Inc. as the Tenant, replacing Sequoia Choice Schools LLLP under the Lease Agreement.

The Tenant shall expand their premises to approximately 15,616 square feet. The Tenant's new leased premises shall be 323 North Gilbert Road, Suites 104-113, in Mesa, Arizona.

Possession for the extension premises shall be given upon the full execution of this document. Rental commencement for the extended premises shall be upon written notice from the Landlord. The rental rate shall remain at \$10,723.84 per month plus NNN charges and sales tax through written notice from Landlord that Tenant has occupied additional space as outlined herein and then rent shall increase to \$11,729.00 per month plus NNN charges and sales tax.

The Term of the lease shall be extended twenty two months, now expiring June 30, 2016.

The Landlord grants the Tenant a \$25,000.00 Tenant Improvement allowance. Sequoia will submit invoices to the Landlord for work completed up to the agreed upon Tenant Improvement allocation, with copies of lien waivers.

The Tenant shall obtain insurance for the additional leased premises as soon as possession is given. If the Tenant wishes to fence an area for a playground, the location of which is to be mutually agreed upon between Landlord and Tenant, the Tenant must add an extension of premises clause to their insurance which includes the playground area.

The Tenant shall accept the extension premises in an "as-is" condition.

All other terms of the original lease agreement shall remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this Extension of Lease Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

Landlord:

By: \_\_\_\_\_  
Mike Buekers, as Agent for Landlord  
Tenant: Edkey Inc.

By: [Signature]  
Patricia R. Greer, Secretary/Treasurer

# Edkey, Inc.

1460 S Horne  
Mesa, Arizona 85204  
480-461-3200  
FAX 480-649-0747

January 12, 2016

Earnest Rose, Superintendent  
Elyssa Dear, Business Manager  
Maricopa County Regional School District No 509  
3409 W Whitton Ave  
Phoenix, AZ 85017

RE: Lease 1938 E Apache Blvd.  
Tempe, Arizona  
NOTICE OF LEASE TERMINATION

We have appreciated the ability to lease the school and after deliberation regarding the renewal of the lease going forward we have made a determination that we will not be renewing the lease. We have enjoyed our relationship with the district and the lease of the building. This was not an easy decision to make however we feel that it is in the best interest of our students that we transfer them to an existing school that is closer for a large majority of them than this site.

We will be ending our lease and moving out by June 30, 2016. After we move out we would like to walk through the school with you when you do your move-out inspection. We will be in contact with you to set up the date and time of that walk through close to the termination date. We will arrange for all of the utilities to be TURNED-OFF when we move out. If you would like us to transfer the accounts to your name, please tell the power company and let me know. If we do not hear from you about the utilities, we will have them turned-off.

Again thank you for the great relationship which we have had over the last six years.

Sincerely,



Patric R. Greer CFO/Secretary  
Edkey, Inc.

**APPENDIX E**

**Management of Expenses:**

**New School**

Edkey, Inc.  
 KELLY Budget  
 Fiscal Year 2017-2018

Enrollment	
KG Count	3
1-8 Count	31
9-12 counts	8
 Total Students	 42

K-3 Counts	9.5
EDP Counts ADM	40.5

Revenues	
Classroom Site Fund - Revenue	19,738
State Equalization Assistance	1,038,870
Restricted Grants-in-aid Federal r	0
Total Revenues	<u>1,058,608</u>

Expenses	
Salaries	
	75,001
Administrator/Director Teacher	214,950
Substitute Teacher	1,000
Regular Personnel	177,167
Total Salaries and Wages	<u>468,118</u>

Benefits	
Employee Insurance	48,187
Social Security-OASDT	29,023
Medicare-Hopital Insurance	6,788
Retirement	52,801
Long Term Disability	1,121
Unemployment Insurance	2,592
Workers' Compensation	2,280
Voluntary Life Insurance	372
Total Benefits	<u>143,164</u>

Purchased Professional Services	
Professional - Educational	5,800
Other Professional Services	4,600
Total Purchased Professional Servies	<u>10,400</u>

Edkey, Inc.  
KELLY Budget  
Fiscal Year 2017-2018

Purchased Property Services	
Repair & Maintenance Services	100
Rental of Equipment	4,800
Total Purchased Property Services	<u>4,900</u>
Supplies	
General Supplies	6,250
Textbooks	1,500
Total Supplies	<u>7,750</u>
Property	
Depreciation	500
Total Property	<u>500</u>
Allocations	
Administration	98,693
SPED Admin Fees	37,389
SPED Speech Fees	14,378
Food Service	928
Building cost	215,152
Total Allocations	<u>366,540</u>
Total Expenses	<u>1,001,372</u>
NET Net Results of Operations	<u><u>57,236</u></u>

Edkey, Inc.  
KELLY  
Assumptions 2017-2018 Budget

Revenues

Base Level Apportionment	3,716.16
Additional Support	
KG-8	1,690.44
9-12	1,970.16
Classroom Site fund	350.04

Position	# FTE	Total Wages	age Wages
Aide	5	109,149	23,860
Behavioral Coach	1	34,010	
Merit Pay		5,456	2,728
Director Admin	1	75,001	7,501
Substitute S	1	1,000	1,000
Teacher			
Hourly	2	133,501	44,500
Salaried	3	110,001	3,667
Grand Total	16	468,118	

Category	Budget	Assumption
Professional - Educational	5,800	Cost of Psych evaluations not provided by staff Counselor/Psych
Other Professional Services	4,600	Estimated costs for other professional services such as OT that the school might need to contract out.
Repair & Maintenance Services	100	Minor repair not covered by building allocation
Rental of Equipment	4,800	Cost of lease for Copy Machine
General Supplies	6,250	Paper and other required supplies
Textbooks	1,500	Text books not other wise provided
Depreciation	500	Depreciation for assets purchased for KELLY site use only

Edkey, Inc.

KELLY

Assumptions 2017-2018 Budget  
Budget Assumption

Category

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Administration	98,693	Allocation from Edkey, Inc. for Accounting, Technology, General oversight, Governing Board assistance, Bonding relationship management. At 9.5% of Apportionment Revenues.
SPED Admin Fees	37,389	Allocation Of cost from Administration of SPED services from Edkey, Inc. Includes IEP, ADE reporting, File maintenance, Support at IEP meetings, OT, OT aide, Psych as needed.
SPED Speech Fees	14,378	Allocation of the cost of 1 SLP and 1 SLPA to provide services a needed per IEP
Food Service	928	Allocation of net Cost of Food Service Program from Children First Leadership Academy based upon 10% of Children being serviced are KELLY Students
Building cost	215,152	Allocation of cost of building including Depreciation , Interest and utilities for Children First Leadership Academy based upon 20% usage of the building