

AGENDA ITEM: Charter Holder Status Amendment – Sequoia Choice Schools, LLLP

Issue

Sequoia Choice Schools, LLLP, a for profit entity, submitted a complete amendment to change ownership of the charter from Sequoia Choice Schools, LLLP to Edkey, Inc.

Background

Sequoia Choice Schools, LLLP was granted a charter in 1998 and opened two schools located in Mesa: Sequoia Choice School Arizona Distance Learning School in 1999, and Sequoia Choice – Star Performing Arts in 2009. A third school, Sequoia Choice – Village, located in Show Low, opened in 2009. The charter was renewed in August 2012 with a Performance Management Plan and schools operated by the charter holder will be required to demonstrate sufficient progress toward the Board’s expectations in FY14.

The charter holder provided an Agreement of Assignment and Assumption signed by both Sequoia Choice Schools, LLLP and Edkey, Inc., that described the transfer from Sequoia Choice Schools, LLLP to Edkey, Inc. of rights, privileges, powers, restrictions, disabilities, obligations and duties with respect to the charter contract with the Board.

Sequoia Choice Schools, LLLP provided minutes approving the transfer of the charter between Sequoia Charter Schools LLLP and the Board to Edkey, Inc. Edkey, Inc. provided minutes accepting the transfer of the charter of Sequoia Choice Schools LLLP to Edkey, Inc.

As stated in Board policy, prior to a charter school being placed on an agenda, staff conducts a compliance check as part of the amendment approval process. This compliance check included an assessment of whether Sequoia Choice Schools, LLLP met or demonstrated sufficient progress toward meeting the Board’s academic performance expectations.

Dashboard representations of the academic outcomes for Sequoia Choice Schools, LLLP, based upon the indicators and measures adopted by the Board, are provided below. Except for what is addressed in the Student Attendance Reporting section of this report, the charter holder is compliant in all other areas.

Academic Performance Rating FY 2012

Charter Holder: Sequoia Choice Schools, LLLP
Entity ID 4329

Charter School: Sequoia Choice School Arizona Distance Learning School
Entity ID 5500, Grades K-12

1. Growth

Traditional K-12		1a. SGP		1b. SGP Bottom 25%	
School	School Year	Math	Read	Math	Read
Sequoia Choice School Arizona Distance Learning	2011-2012	24.5	36	NR	NR
Points Assigned		25	50	0	0
Weight		20	20	0	0

2. Proficiency

Traditional K-12		2a. Percent Passing		2b. Composite School Comparison		2c. Subgroup ELL		2c. Subgroup FRL		2c. Subgroup SPED	
School	School Year	Math	Read	Math	Read	Math	Read	Math	Read	Math	Read
Sequoia Choice School Arizona Distance Learning	2011-2012	43/55	69/75	-17.2	-10.6	NR	NR	NR	NR	NR	NR
Points Assigned		50	50	25	50	0	0	0	0	0	0
Weight		11.25	11.25	8.75	8.75	0	0	0	0	0	0

3. State Accountability & Overall Rating

Traditional K-12		3a. State Accountability	4a. Graduation Rate	Overall Rating
School	School Year	Grade	GradRate	
Sequoia Choice School Arizona Distance Learning	2011-2012	75	43	37.83
Points Assigned		25	25	
Weight		5	15	100

Overall Rating	Point Range
Exceeds Standard	> or = to 89
Meets Standard	< 89, but > or = to 63
Does Not Meet Standard	< 63, but > or = to 39
Falls Far Below Standard	< 39

For additional information, see *Academic Performance Framework and Guidance*, available on the ASBCS webpage <http://asbcs.az.gov>

The overall rating for Sequoia Choice School Arizona Distance Learning School on the Board's academic performance measures was 37.81 including points received for the FY2012 letter grade of D as reported by the Arizona Department of Education.

Academic Performance Rating FY 2012

Charter Holder: Sequoia Choice Schools, LLLP
Entity ID 4329

Charter School: Sequoia Choice – Star Performing Arts
Entity ID 90322, Grades K-12

1. Growth

Small K-12		1a. SGP		1b. SGP Bottom 25%	
School	School Year	Math	Read	Math	Read
Sequoia Choice - Star Performing Arts	2011-2012	27	37	37	29
Points Assigned		25	50	50	25
Weight		10	10	10	10

2. Proficiency

Small K-12		2a. Percent Passing		2b. Composite School Comparison		2c. Subgroup ELL		2c. Subgroup FRL		2c. Subgroup SPED	
School	School Year	Math	Read	Math	Read	Math	Read	Math	Read	Math	Read
Sequoia Choice - Star Performing Arts	2011-2012	40/43	71/67	-3.3	4.4	NR	NR	36/38	64/63	18/13	54/32
Points Assigned		50	75	50	75	0	0	50	75	75	75
Weight		7.5	7.5	5	5	0	0	3.75	3.75	3.75	3.75

3. State Accountability & Overall Rating

Small K-12		3a. State Accountability	4a. Graduation Rate	Overall Rating
School	School Year	Grade	GradRate	
Sequoia Choice - Star Performing Arts	2011-2012	25	NR	49.63
Points Assigned		25	0	
Weight		5	0	85

Overall Rating	Point Range
Exceeds Standard	> or = to 89
Meets Standard	< 89, but > or = to 63
Does Not Meet Standard	< 63, but > or = to 39
Falls Far Below Standard	< 39

For additional information, see *Academic Performance Framework and Guidance*, available on the ASBCS webpage <http://asbcs.az.gov>

6/26/2013

The overall rating for Sequoia Choice – Star Performing Arts on the Board's academic performance measures was 49.63 including points received for the FY2012 letter grade of D as reported by the Arizona Department of Education.

Academic Performance Rating FY 2012

Charter Holder: Sequoia Choice Schools, LLLP
Entity ID 4329

Charter School: Sequoia Choice - Village
Entity ID 90324, Grades 9-12

1. Growth

Small High School		1a. SGP		1b. SGP Bottom 25%	
School	School Year	Math	Read	Math	Read
Sequoia Choice - Village	2011-2012	NR	NR	NR	NR
Points Assigned		0	0	0	0
Weight		0	0	0	0

2. Proficiency

Small High School		2a. Percent Passing		2b. Composite School Comparison		2c. Subgroup ELL		2c. Subgroup FRL		2c. Subgroup SPED	
School	School Year	Math	Read	Math	Read	Math	Read	Math	Read	Math	Read
Sequoia Choice - Village	2011-2012	38/33	68/62	8.4	9.6	NR	NR	NR	NR	8/8.3	36/28
Points Assigned		75	75	75	75	0	0	0	0	50	75
Weight		10	10	7.5	7.5	0	0	0	0	7.5	7.5

3. State Accountability & Overall Rating

Small High School		3a. State Accountability	4a. Graduation Rate	Overall Rating
School	School Year	Grade	GradRate	
Sequoia Choice - Village	2011-2012	50	NR	NR
Points Assigned		50	0	
Weight		5	0	55

Overall Rating	Point Range
Exceeds Standard	> or = to 89
Meets Standard	< 89, but > or = to 63
Does Not Meet Standard	< 63, but > or = to 39
Falls Far Below Standard	< 39

For additional information, see *Academic Performance Framework and Guidance*, available on the ASBCS webpage <http://asbcs.az.gov>

6/20/2013

Sequoia Choice – Village is categorized as “No Rating” on the Board’s academic performance measures due to having too few reportable assessments for the calculation of an Overall Rating. A letter grade of C was reported by the Arizona Department of Education for FY2012.

In accordance with the Board’s Academic Performance Framework, the performance of associated schools will be considered in any expansion request. The proposed charter holder status amendment would result in an expansion for Edkey, Inc. through the addition of the three school sites associated with the charter currently held by Sequoia Choice Schools, LLLP. Edkey, Inc. currently holds eight charters and operates 12 schools. Five of the charters were renewed in June and July of 2012. Six of the schools operated by Edkey, Inc. currently meet the Board’s academic performance expectations. The overall rating of each school is provided in the table below:

Charter Holder	School	Overall Rating FY12
Edkey, Inc. (renewed November 2011)	American Heritage Academy (6366)	Meets Standard (79.06)
	American Heritage Academy (88201)	Meets Standard (75.63)
Edkey, Inc. dba Arizona Conservatory for Arts and Academics	Arizona Conservatory for Arts and Academics	Meets Standard (80)
	Arizona Conservatory for Arts and Academics Middle School	Meets Standard (88.44)
Edkey, Inc. dba Pathfinder Academy (renewed July 2012)	Pathfinder Academy	Meets Standard (83.75)
Edkey, Inc. dba Sequoia Charter School (renewed June 2012 with a Performance Management Plan; will be required to demonstrate sufficient progress in FY14)	Sequoia Secondary School	Does Not Meet Standard (54.69)
	Sequoia Charter Elementary School	Does Not Meet Standard (51.88)
Edkey, Inc. dba Sequoia Pathway Academy (site transferred to own charter from Edkey, Inc. dba Sequoia Ranch School in June 2013 with a DSP that demonstrated sufficient progress)	Sequoia Pathway Academy	Does Not Meet Standard (55.63)
Edkey, Inc. dba Sequoia Ranch School (renewed July 2012 with a Performance Management Plan; will be required to demonstrate sufficient progress in FY14)	Children First Academy – Tempe	Meets Standard (63.75)
	Children First Academy – Phoenix	Does Not Meet Standard (38.75)
Edkey, Inc. dba Sequoia School for the Deaf and Hard of Hearing (renewed June 2012 with a Performance Management Plan; will be required to demonstrate sufficient progress in FY14)	Sequoia School for the Deaf and Hard of Hearing	Does Not Meet Standard (35.66)
Edkey, Inc. dba Sequoia Village School (renewed June 2012)	Sequoia Village School	Does Not Meet Standard (59.06)

Student Attendance Reporting

In May 2013, the Board received information that Sequoia Choice Schools, LLLP (“Sequoia Choice”) was inappropriately reporting students as enrolled in its Arizona Online Instruction school, Sequoia Choice School Arizona Distance Learning School (“AZDL”), when these students were actually attending Sequoia Choice’s Mesa brick-and-mortar campus, Sequoia Choice – Star Performing Arts (“Star”). The caller referred to these students as “StarDL” students and provided 30 student names. Additionally, the caller stated that although absences had been marked by the teacher for some StarDL students, these absences do not show up in the student management system.

July 8, 2013

Using reports available through the Arizona Department of Education's (ADE) website for Star and AZDL, Board staff determined the enrollment dates and, as applicable, withdrawal dates for the 30 StarDL students provided by the caller. Since it was not possible to determine the credibility of the caller's allegations using only the student attendance data reported by Sequoia Choice to ADE, on May 30th, Board staff conducted a site visit to the Star campus. Board staff met with Star and AZDL school administration and the two Sequoia Choice charter representatives, who also serve as the charter representatives for the charter contracts the Board has with Edkey, Inc. During the visit:

- School administration stated that some students enrolled at Star are actors or otherwise involved in the arts. In prior years, these students were allowed to work from home in order to accommodate their acting and performance schedules. However, that changed with the 2012-2013 school year. Beginning in fiscal year 2013, these students were given a choice of enrolling in AZDL and continuing to have the flexibility to work from home or enrolling in Star. If the students enrolled in Star, they would be required to physically attend the Star campus daily.
- School administration confirmed that some students who were attending Star were being reported as enrolled in AZDL. Generally, if students enrolled in Star after the first 10 days of the school year, they were considered StarDL students. As such, they were reported under AZDL instead of under Star. For the StarDL students, Star staff would prepare and send a spreadsheet to AZDL with the students' attendance.
- Board staff requested a copy of Star's enrollment form and found that it did not meet the requirements specified in the Board's policy statement. Specifically, the enrollment form did not include the name of the school or the address of the school site. Rather, it referenced "Sequoia Choice Arizona Distance Learning" and provided a different address. During the visit, Board staff requested and obtained copies of the enrollment forms for those students identified as StarDL students by the caller.
- Board staff requested copies of the Star teacher rosters and sign-in/out sheets for fiscal year 2013. The charter holder agreed to provide this information along with a spreadsheet showing the hours reported by AZDL for the previously identified StarDL students.
- While Board staff's review of the entry and withdrawal dates for the 30 StarDL students indicated that none of these students would be considered full academic year or FAY students at Star¹, Board staff mentioned that the charter holder's practice of reporting Star students under AZDL could result in the academic performance of both schools being misrepresented.
- Since there appeared to be no funding or FAY implications, Board staff stated that as long as the student attendance data reported to ADE for the StarDL students matched the information found on the rosters and sign-in/out sheets, a correction to practices moving forward would be a sufficient solution to this matter and Sequoia Choice would not be asked to remove the students from AZDL and report them under Star.

On May 30, 2013, the charter holder provided copies of sign-in/out sheets, as well as a copy of the spreadsheet showing the hours reported by AZDL for the previously identified StarDL students.

On May 31, 2013, Board staff sent a follow-up email requesting: a) clarification as to why the spreadsheet provided on May 30th didn't include any reported attendance for the last three weeks of school; and b) for grades 3 through 8, the start and end times for Star's school day, as well as the daily amount of non-instructional time.

On June 5, 2013, Sequoia Choice provided the information requested in Board staff's May 31st email along with teacher rosters for fiscal year 2013. On June 6th, Sequoia Choice emailed a revised version of the spreadsheet that included the hours reported through the end of the school year by AZDL for the previously identified StarDL students.

¹ FAY students are used to determine a school's performance on the Board's academic framework and the school's letter grade, which is determined by ADE

On June 10, 2013, Board staff received information from a teacher, who made similar allegations as the individual in May. Additionally, the teacher provided the Board with copies of her original teacher rosters. The teacher also identified a student, who she said did not come to school for two months and was living out of state. Even though she marked him absent every day during this period, she alleged that Star reported him as present.

A preliminary review of the information provided by Sequoia Choice on May 30th and June 5th and the information provided by the teacher of June 10th identified issues. Board staff's review found that the hours reported by AZDL for StarDL students exceeded Star's daily instructional hours. Based on information provided by Sequoia Choice on June 5th, Star's school day is 7 hours and 40 minutes long, including 30 minutes for lunch. Pursuant to state law, lunch is not counted as instructional time, so Star's instructional day is 7 hours and 10 minutes long. The spreadsheet showed that the StarDL students had regularly been reported as attending 7 hours and 45 minutes a day with some students having been reported as attending 8 hours a day – both of which exceed not only Star's instructional school day, but also its school day including lunch. In comparing the original teacher rosters to the sign-in/out sheets and rosters provided by Star, Board staff also identified discrepancies among the records.

On June 12, 2013, Board staff emailed Sequoia Choice to request a meeting to share Board staff's preliminary findings and to talk about what the next steps should be.

On June 14, 2013, Board staff met with Sequoia Choice officials, including one of the charter representatives. During the meeting, Board staff shared the following:

- The hours reported for StarDL students exceeded the instructional hours of Star on a regular basis.
- The rosters showed absences marked by teachers had been changed to tardy by office staff. However, the tardy was either not supported by Star's sign-in/out sheets or was not reported accurately.
 - Board staff shared four days' rosters during the meeting where 13 students' absences had been changed to tardy. The information provided by Sequoia Choice did not support Star changing the absence to tardy for 8 of these students. For another 2 students, while they appeared on the sign-in/out sheets, the "time in" was not documented.
 - Star also did not accurately account for students that arrived late. For example, the absence for 1 student on January 7, 2013 was changed to tardy with a handwritten notation indicating that the student arrived at 7:53 a.m. The sign-in/out sheet indicates the student arrived at 8:53 a.m. Even though the student arrived 63 minutes after school started, Sequoia Choice reported the student as attending 7.5 hours or 20 minutes longer than the instructional school day.
- Board staff found that the allegation made by the teacher on June 10th appeared to have merit. The teacher's original roster for September 17, 2012 included three students that were marked absent. The September 17th roster provided by Star didn't include the absence for 1 student and reflected that the other 2 students' absences had been changed to tardy. The September 17th sign-in/out sheet did not support the removal of the 1 student's absence. In comparing the teacher's original rosters to the rosters provided by Star, Board staff found that the student's absences had regularly been removed from Star's rosters. Board staff found instances of this occurring for another student as well. It is unclear why Star would physically alter the rosters for these two students instead of noting the reason for the change on the roster itself as had been done on other rosters provided by Star.
- The review found that the withdrawal date for 1 student had not been properly reported to ADE. On November 19, 2012, the withdrawn notation entered by the teacher had been changed to absent. Star's SdADMS72 Report accessed through ADE's website showed a withdrawal date of December 6, 2012 for this student. Based on the student's SdADMS71-1 report accessed through ADE's website, the student had 11 consecutive unexcused absences between November 19 and December 6, 2012. Based on state law, the student's withdrawal date should have been November 15, 2012 – the last day the student attended – and not December 6, 2012.
- Staff's review identified instances where Sequoia Choice had not reported minutes of attendance for students whose attendance was supported by Star's rosters and sign-in/out sheets. For example, on December 18, 2012, the documentation provided supported 1 student as having been in attendance for all but 10 minutes of the school day. However, zero minutes were reported for this student.

- The rosters provided for one teacher included the notation “works from home”. While it was unclear which student(s) this notation applied to, for 1 student, the absences had been crossed out and replaced with “OK”. According to the May 30th site visit, all Star students were required to physically attend daily.
- While the rosters identified some students as “STARDL” and other students as “STAR”, these notations were found to not always be accurate based on a review of the AZDL and Star 72 Reports.

During the June 14th meeting, Board staff provided a list of 12 items that Sequoia Choice needed to address (see page 1 of Appendix B). On June 28, 2013, Sequoia Choice delivered two binders of documents to the Board’s offices. A copy of Sequoia Choice’s cover letter has been included on page 2 of Appendix B. The other information has not been included in the Board materials as it includes specific student information. For 10 of the 12 items, the documentation provided indicates that Sequoia Choice has completed the action item or provided the requested information. Sequoia Choice was unable to provide original teacher rosters for 6 days on June 28th, but indicates that those will be provided once they are located. Regarding Item 12, the June 28th response stated, “As soon as we have completed the review of all of the attendance and made all of the changes we will provide you with written confirmation that we have successfully uploaded all of the corrections. We believe that this will happen prior to July 15th, 2013.”

At this time, Board staff has not completed its review of the June 28th documentation. Board staff will continue to monitor whether the charter holder has taken the appropriate steps to clean up the fiscal year 2013 attendance data and to ensure compliance for fiscal year 2014.

Board Options

Option 1: The Board may approve the change in ownership to the charter held by Sequoia Choice Schools, LLLP. Staff recommends the following language for consideration: I move, based on the information contained in the Board materials and presented today, that the Board approve the change in ownership of the charter from Sequoia Choice Schools, LLLP to Edkey, Inc. for the continued operation of the three schools currently operated by Sequoia Choice Schools, LLLP. I further move that, should Edkey, Inc. fail to timely comply with the submission of information, as previously or subsequently requested by staff, and/or should staff’s review of the revised attendance data or documentation provided by Edkey, Inc. find that the previously identified issues have not been satisfactorily addressed, the staff shall bring Edkey, Inc. back to the Board at a subsequent Board meeting for further consideration, including issuing a notice of intent to revoke.

Option 2: The Board may deny the change in ownership to the charter held by Sequoia Choice Schools, LLLP. The following language is provided for consideration: I move, based on the information contained in the Board materials and presented today, that the Board deny the request to change the ownership of the charter held by Sequoia Choice Schools, LLLP, for the reason that the charter holder has failed to comply with student attendance reporting and attendance records retention requirements. I further move that the Board direct staff to conduct a full compliance review and bring Sequoia Choice Schools, LLLP back to the Board at a subsequent Board meeting for further consideration, including issuing a notice of intent to revoke.

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APPENDIX A

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Charter Holder Status Amendment Request

Charterholder Info

Charter Holder

Name:

Sequoia Choice Schools, LLLP

CTDS:

07-87-05-000

Mailing Address:

1460 South Horne
Mesa, AZ 85204

> [View detailed info](#)

Representative

Name:

Ron Neil

Phone Number:

480-461-3200

Fax Number:

602-649-0747

Downloads

 [Download all files](#)

Status Type

Type of status change

Change in ownership of the Charter Holder

Description of Changes

Change From:

Sequoia Choice Schools LLLP

Change To:

Edkey, Inc. - Sequoia Choice Schools

Attachments

Board Minutes —  [Download File](#)

Copy of amendment to Articles of Incorporation filed with the Arizona Corporation Commission —  [Download File](#)

Provide information regarding any payment, benefit or consideration received or to be received by any party in the transition —  [Download File](#)

Additional Information*

No documents were uploaded.

Signature

Charter Representative Signature

Ron Neil 04/18/2013

Minutes of the
Public Meeting
Of The Governing Board Of
Sequoia Choice Schools LLLP
March 18, 2013, 3:00 PM.
Location: 1460 S. Horne St. Mesa, Arizona

Pursuant of A.R.S. 38-431.02, notice is hereby given to the members of the Governing Board of Sequoia Choice Schools LLLP and to the General Public that the Governing Board of Sequoia Choice Schools LLLP will hold a special meeting open to the public on March 18, 2013 at 3:00 PM

Agenda

- A. Roll Call- Roll call was taken; Jerry Lewis and Don Flake were present, constituting a quorum.

- B. Discussion and possible action to transfer Sequoia Charter Schools LLLP into Edkey Inc. After a discussion a motion was made by Don Flake to transfer Sequoia Choice Schools LLLP into Edkey, Inc., Jerry Lewis seconded that motion, a vote heard 2 AYES and the motion was carried unanimously.

- C. Discussion and possible action to appoint Ron Neil and Doug Pike as the Charter Representatives for Sequoia Choice Schools LLLP . After a discussion, a motion was made by Jerry Lewis to remove himself as Charter Representative and replace himself with Ron Neil and Doug Pike, Don Flake seconded that motion, a vote heard 2 AYES and the motion was carried unanimously.

D. - A
djournment The meeting was adjourned at 4:17 PM

MINUTES OF PUBLIC MEETING
OF THE BOARD OF DIRECTORS OF
EDKEY, INC.

March 18, 2013
10:00AM

1460 S. Horne St.
Mesa, Arizona

Pursuant to Arizona Revised Statutes (A.R.S.) 38-431.02, notice is hereby given to the members of the Board of Edkey, Inc. and to the general public that the Board will hold a meeting, open to the public as specified below. The Board reserves the right to change the order of items on the agenda, with the exception of public hearings set for a specific time. One or more members of the Board may participate in the meeting by telephonic communications.

Pursuant to A.R.S. 38-431.03.A.2 and A.3, the Board may vote to go into Executive Session, which will not be open to the public, for legal advice concerning any item on the agenda or to review, discuss and consider records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law.

- A. Call to order and Roll Call -The meeting was called to order by Doug Pike, roll was taken, Clark Smithson, Tom Crewse and Vicki Jo Anderson were present, Mary Gifford was absent.
 - B. Discussion and possible action relative to a resolution by the Corporate Board approving the transfer of Sequoia Pathway Academy from the Sequoia Ranch Charter into its own Charter under Edkey, Inc. After a discussion, a motion was made by Vicki Jo Anderson to approve the resolution for the transfer of Sequoia Pathway Academy from the Sequoia Ranch Charter into its own Charter under Edkey, Inc., Clark Smithson Seconded the motion, a vote was called and 4 AYES were heard and the resolution passed unanimously.
 - C. Discussion and possible action relative to a resolution by the Corporate Board to appoint Ron Neil and Doug Pike as the Charter Representatives of the new Charter, Edkey, Inc. - Sequoia Pathway Academy. Doug Pike recused himself from the agenda item voting, Clark Smithson continued with the agenda item, after a discussion, Tom Crewse made a motion to appoint Ron Neil and Doug Pike as the Charter Representatives for Edkey, Inc. - Sequoia Pathway Academy Charter, Vicki Jo Anderson seconded the motion, a vote was called and 3 AYES were heard, Doug Pike abstained and the resolution passed unanimously.
 - D. Discussion and possible action relative to a resolution by the Corporate Board to add Doug Pike as a Charter Representative to Edkey, Inc. -Arizona Conservatory for Arts and Academics, Edkey, Inc. - Pathfinder Academy, Edkey, Inc. - Sequoia Redwood, Edkey, Inc. - Sequoia Charter School, Edkey, Inc. - Sequoia School for the Deaf and Hard of Hearing, Edkey, Inc. - Sequoia Ranch Schools, Edkey, Inc. - Sequoia Village School, Edkey, Inc. - American Heritage Academy, and Edkey, Inc. Learning Crossroads Basic Academy. Doug Pike recused himself from the agenda item voting, Clark Smithson continued with the agenda item, after a discussion, Vicki Jo Anderson made a motion to appoint Doug Pike as a Charter Representative for Edkey, Inc. - Arizona Conservatory for Arts and Academics, Edkey, Inc. - Pathfinder Academy, Edkey, Inc. - Sequoia Redwood, Edkey, Inc. - Sequoia Charter School, Edkey, Inc. - Sequoia School for the Deaf and Hard of Hearing, Edkey, Inc. - Sequoia Ranch Schools, Edkey, Inc. - Sequoia Village School, Edkey, Inc. - American
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Heritage Academy, and Edkey, Inc. Learning Crossroads Basic Academy, Tom Crewse seconded the motion, a vote was called and 3 AYES were heard, Doug Pike abstained and the resolution passed unanimously.

- E. Discussion and possible action to appoint Doug Pike as a Corporate Officer in the position of Vice-President for all of the Edkey, Inc. Charters. Doug Pike recused himself from the agenda item voting, Clark Smithson continued with the agenda item, after a discussion, Vicki Jo Anderson made a motion to appoint Doug Pike as a Corporate Officer in the position of Vice-President for all of the Edkey, Inc. Charters, Tom Crewse seconded the appointment, a vote was called and 3 Ayes were heard, Doug Pike abstained and the resolution passed unanimously.
- F. Discussion and possible action to accept the transfer of the Charter of Sequoia Choice Schools LLLP into Edkey, Inc. After a discussion, Tom Crewse made a motion to accept the transfer of the Charter of Sequoia Choice Schools LLLP into Edkey, Inc., Clark Smithson seconded the transfer, a vote was called and 4 AYES were heard, and the transfer was approved unanimously.
- G. Discussion and possible action to approve the appointment of Ron Neil and Doug Pike as the Charter Representatives of Edkey, Inc. - Sequoia Choice Schools, LLLP. Doug Pike recused himself from the agenda item voting, Clark Smithson continued with the agenda item, after a discussion, Tom Crewse made a motion to approve the appointment of Ron Neil and Doug Pike as Charter Representatives of Edkey, Inc. - Sequoia Choice Schools, LLLP, Vicki Jo Anderson seconded the motion, a vote was called and 3 AYES were heard, Doug Pike abstained and the appointment was approved unanimously.

H. Adjournment The meeting adjourned at 10:30 A.M.

JUN 24 2011

ALE NO

1690225-4

ARTICLES OF DOMESTICATION OF
CHOICE EDUCATION AND DEVELOPMENT CORPORATION
A TAX-EXEMPT NONPROFIT CORPORATION
Pursuant to A.R.S. §§ 10-222 & 10-3222

Article 1. Name. The name of the corporation is Choice Education and Development Corporation (the "*Corporation*").

Article 2. Original Incorporation. The Corporation was originally incorporated in the State of Delaware and the date of its incorporation in that state was on March 18, 2002.

Article 3. Document-; Furnished. The official in charge of corporate filings in the jurisdiction in which the Corporation was previously incorporated will be provided with a copy of the Articles of Domestication filed in the State of Arizona.

Article 4. Purpose. The purpose for which the Corporation is organized is exclusively for educational purposes within the meaning of the Internal Revenue Code Section 501(c)(3) (or the corresponding provision of any future United States Internal Revenue Law).

Article 5. Character of Affairs. The character of affairs of the Corporation will be the ownership and operation of charter schools in accordance with Arizona law.

Article 6. Known Place of Business in Arizona The street address of the known place of business of the Corporation is: 1460 South Horne, Suite 101, Mesa, Arizona 85204.

Article 7. Statutory Agent. The name and address of the statutory agent of the Corporation is Patric R. Greer, 1460 South Horne, Mesa, Arizona 85204.

Article 8. No Inurement. No part of the net earning of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 4. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law) or: (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or corresponding provisions of any future United States Internal Revenue Laws).

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Article 9. Dissolution. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all its assets exclusively for the purposes of the corporation in such a manner, or to such organizations organized and operated exclusively for charitable, educational, religious or scientific purpose as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the Superior Court of the county in which the principal office of the Corporation is then located, exclusively for such purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

Article 10. Board of Directors. The board of directors currently consists of 5 directors. The names and addresses of the persons who currently serve as the directors, each until his or her successor is elected and qualified or until his or her earlier resignation or removal are:

Clark Smithson	1460 South Horne Mesa, Arizona 85204
Vicki Jo Anderson	1460 South Horne Mesa, Arizona 85204
Douglas Pike	1460 South Horne Mesa, Arizona 85204
Tom Cruise	1460 South Horne Mesa, Arizona 85204
Von Faler	1460 South Horne Mesa, Arizona 85204

The number of persons to serve on the Board of Directors shall be fixed by the Bylaws.

Article 11. Nondiscrimination Policy. The Corporation will not practice or permit discrimination on the basis of sex, age, race, national origin, religion, or physical handicap or disability.

Article 12. Members. The Corporation will not have members.

Article 13. Adoption. These Articles of Domestication have been adopted in accordance with A.R.S. § 10-3221. They were adopted by the Board of Directors on 1/1/2011.

Article 14. Acceptance of State Laws. Upon transfer of domicile of the Corporation to Arizona, the Corporation accepts and will be subject to the laws of Arizona.

Article 15. Effective Date. These Articles of Domestication shall become effective on 2011.

Dated this 22nd day of July 2011.

CHOICE EDUCATION AND DEVELOPMENT CORPORATION

ca.ER

By: _____

Name: _____

Title: Secretary

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

Patric R. Greer, a resident of Arizona, having been designated to act as statutory agent of Choice Education and Development Corporation, hereby consents to act in that capacity until removed or until resignation is submitted in accordance with the Arizona Revised Statutes.



Patric R. Greer

Pursuant to A.R.S. § 10-3223 these Articles of Domestication are accompanied by a Certificate of Disclosure, and a Certificate of Good Standing duly authenticated by the official having custody of the corporate records in the jurisdiction in which the Corporation was originally incorporated.

ARTICLES OF MERGER

JUN 1 2012

MERGING EDKEY, INC., WITH AND INTO CHOICE EDUCATION AND DEVELOPMENT CORPORATION

Edkey, Inc., an Arizona nonprofit corporation and Choice Education and Development Corporation, an Arizona nonprofit corporation, hereby adopt the following Articles of Merger to merge Edkey, Inc. with and into Choice Education and Development Corporation, with Choice Education and Development Corporation being the corporation surviving the merger (the "Merger"):

FIRST: The Plan of Merger is being simultaneously filed with the Arizona Corporation Commission.

SECOND: The names of the corporations that are the parties to this merger are Edkey, Inc., an Arizona nonprofit corporation, and Choice Education and Development Corporation, an Arizona nonprofit corporation (the "Surviving Corporation").

THIRD: The known place of business of the Surviving Corporation, is 1460 S. Home, Ste. 632, Mesa, AZ 85204.

FOURTH: The name and address of the statutory agent of the Surviving Corporation is Patric R. Greer, 1460 S. Home, Mesa, AZ 85204-5760.

FIFTH: The Articles of Incorporation of the Surviving Corporation, shall remain in full force and effect, except, however, Article 1 of such Articles of Incorporation is hereby amended in its entirety to read as follows:

Article 1: Name. The name of the Corporation is Edkey, Inc.

SIXTH: The Board of Directors of each party to the Merger approved the Merger, and the Plan of Merger at meetings duly called and properly held on May 1, 2012.

SEVENTH: Both parties to the Merger are Arizona nonprofit corporations with no members. Accordingly, no vote of shareholders or members is required.

EIGHTH: The Merger shall be effective as of 11:59 p.m. on June 30, 2012.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 7 day of June, 2012,

EDKEY, INC.

By: [Signature]
Title: Treasurer

CHOICE EDUCATION AND DEVELOPMENT CORPORATION

By: [Signature]
Title: Secretary

ARTICLES OF MERGER
MERGING EDKEY, INC. WITH AND INTO
CHOICE EDUCATION AND DEVELOPMENT CORPORATION

JUN 11 2012
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EIGHTH: The Merger shall be effective as of 11:59 p.m. on June 30, 2012.

IN WITNESS WHEREOF, the undersigned have hereunto set their hand this 7 day of June, 2012.

EDKEY, INC

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Nn11 rC"Y..- a..e:l:tl2-
Title: President

CHOICE EDUCATION AND
DEVELOPMENT CORPORATION

By: [Signature]
Name: Patric R Greer
Title: President

AGREEMENT OF ASSIGNMENT AND ASSUMPTION

THIS AGREEMENT OF ASSIGNMENT AND ASSUMPTION (this "Agreement") is made this _____ day of March, 2013, by and between **Sequoia Choice Schools, LLLP**, an Arizona limited liability limited partnership ("Assignor") and **Edkey, Inc.**, an Arizona nonprofit corporation ("Assignee").

RECITALS

A. Assignor desires to assign to Assignee all of Assignor's rights, privileges, powers, restrictions, disabilities, obligations and duties with respect to that certain Charter Contract dated August 24, 1998, as the same may have been amended and extended (the "Charter Contract") by and between Assignor and the Arizona State Board for Charter Schools (the "State Board"), subject to certain conditions as set forth below. A copy of the Charter Contract (including any and all amendments thereto) is attached hereto as Exhibit A.

B. Assignee desires to assume, all of Assignor's right, title and interest in and to all of Assignor's rights, privileges, powers, restrictions, disabilities, obligations and duties with respect to the Charter Contract and assume, certain of Assignor's restrictions liabilities, obligations, duties and debts related to the Charter Contract, as expressly set forth below, which assumption shall be effective as of July 1, 2013 (the "Effective Time").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. As of the Effective Time, Assignor hereby assigns, conveys, transfers and sets over to Assignee all of Assignor's right title and interest in and to all of the rights, privileges, powers, restrictions, disabilities and duties of Assignor, and Assignee assumes and agrees to be bound by and assume and perform all of the terms, covenants, conditions, agreements and obligations of Assignor in respect of, under and pursuant to, the Charter Contract including, without limitation, Assignor's duties and obligations with respect to the State Board.

2. As at the Effective Time, Assignee shall assume (i) payroll and related expenses then due and payable, (ii) all accounts payable of the Assignor solely related to operation of a charter school pursuant to the Charter Contract, and (iii) any amounts due the Arizona Department of Education relative to adjustments to apportionment due from the State of Arizona with respect to the Charter Contract shall become obligations of Assignee (the "Assumed Obligations").

3. The Assignee hereby assumes those rights, powers, obligations, duties and responsibilities of the Borrower under the Assumed Obligations. Except as otherwise herein expressly provided, Assignee will not, and will not by virtue of the transactions herein set forth, be deemed to have assumed or agreed to pay, perform, or discharge any liabilities of Assignor, whether or not the same relate to the Charter Contract or were incurred in connection with the ownership, use management or, operation thereof by Assignor or by any person acting through,

or on behalf of Assignor, it being the understanding and agreement of the parties hereto that Assignee will assume only those liabilities of Assignor with respect to the Charter Contract expressly herein provided for.

4. Assignor shall cooperate with Assignee in connection with realizing Assignor's rights and benefits with respect to the Charter Contract, and Assignor shall do all acts and things, and to make, execute and deliver any and all other documents, instruments, certificates as shall from time to time be reasonably required by Assignee to evidence, consummate and/or give effect to the terms of this Agreement.

5. Assignor shall pay, defend, protect, indemnify, and hold harmless Assignee, its members, managers, officers, directors, agents, employees, contractors and consultants for, from and against any and all claims, liabilities, damages, losses, causes of action, and obligation and expenses (including reasonable attorneys' fees) incurred as a result of, or arising in connection with: (i) any acts or omission of Assignor or its agents, employees, contractors or consultants, tenant, licensees or invitees occurring or arising out of events occurring with respect to the Charter Contract prior to the Effective Date or any liability or obligation of Assignor which Assignee is not required to assume hereunder or which accrues prior to the Effective Date; and (ii) any misrepresentation or breach of any warranty, representation or covenant made herein or in any document, certificate or exhibit given or delivered pursuant hereto. Assignee shall pay, defend, protect, indemnify, and hold harmless Assignor, its members, managers, officers, directors, agents, employees, contractors and consultants for, from and against any and all claims, liabilities, damages, losses, causes of action, and obligation and expenses (including reasonable attorneys fees) incurred as a result of, or arising in connection with: (i) any acts or omission of Assignee or its agents, employees, contractors or consultants, tenant, licensees or invitees occurring or arising out of events occurring with respect to the Charter Contract after to the Effective Date; and (ii) any misrepresentation or breach of any warranty, representation or covenant made herein or in any document, certificate or exhibit given or delivered pursuant hereto.

6. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto, and their respective successor and assigns.

7. This Agreement may be executed in any number of counterparts and each counterpart executed by any of the undersigned, together with all other counterparts so executed, shall constitute a single instrument and agreement of the undersigned.

8. This Agreement and *all* questions relating to its validity, interpretation, performance and enforcement, will be governed by and construed in accordance with the laws of the State of Arizona, notwithstanding any Arizona or other conflict-of-laws rules to the contrary.

IN WITNE WHEREOF, Assignor and Assignee have each caused this Agreement to be executed as of the date first above written.

ASSIGNEE: **ZZ**
Name: _____
Title: **e., 4**

ASSIGNOR:
Sequoia Choice Schools, LLLP
By: *[Signature]*
Title: _____

EXHIBIT A
CHARTER CONTRACT

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APPENDIX B

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Action Items on Sequoia Choice – Star Performing Arts

1. Written confirmation that all StarDL students have been removed from AZDL SAIS submissions and have been reported to SAIS as Sequoia Choice – Star Performing Arts students.
2. A list of the StarDL students referenced in the first bullet. The list should include each student's SAISID.
3. Original teacher rosters for all teachers, all classes and all grades for the entire school year.
4. A preliminary review of the documents emailed on May 30th and June 5th found that they did not include the following:
 - Copies of November rosters for school days prior to November 19th.
 - Copies of sign-in/out sheets for August 2012, September school days prior to September 10th, October 2012 and school days prior to November 19th.

Please provide the information identified in the two bullets above. At the same time, please provide written confirmation that the charter holder has provided all of the fiscal year 2013 attendance records it has to the Board.

5. A written explanation for what the “DL” distinction added by school staff on certain teacher rosters means related to the student's attendance for that day.
6. A written explanation for what the “work from home” notation on certain teacher rosters means and a list of students that were allowed to work from home. The list should include each student's SAISID.
7. The subject area(s) taught by “Amy” (see rosters for “Amy's Class”).
8. For each grade level, the actual time during the day that the 30-minute lunch occurs.
9. A written statement indicating whether Sequoia Choice – Star Performing Arts reports the absences of its K-8 students by half days or quarter days.
10. A statement indicating whether Sequoia Choice – Star Performing Arts had any early release or late start days during the 2012-2013 school year. If there were early release or late start days, please provide the dates that these occurred and the hours students attended on each day. If applicable, please also provide the amount of non-instructional time that occurred on these days.
11. A copy of the 2013-2014 enrollment form for Sequoia Choice – Star Performing Arts.
12. After the charter holder has reviewed the attendance for all Sequoia Choice – Star Performing Arts students and has made the corrections necessary, written confirmation that the charter holder has successfully uploaded corrected data to SAIS, has reviewed the data in SAIS and believes that the data now accurately reflect the entry dates, withdrawal dates and absences for all students that attended Sequoia Choice – Star Performing Arts for all or any part of the 2012-2013 school year.

RECEIVED

JUN 18 2013

EDKEY, INC.

1460 S. Horne St
Mesa, AZ 85204

480-461-3200

June 23, 2013

DeAnna Rowe
Executive Director
Arizona State Charter School Board
1616 West Adams Street, Suite 170
Phoenix, AZ 85007

Re: Sequoia Choice Star Campus Concerns and Responsibilities

Dear DeAnna,

Again, let me express my appreciation for your willingness to sit and discuss the concerns created by actions on the Star campus. We share your concerns and are providing responses for the list of actions we discussed. We look forward to working with you to assure the site practices are in full compliance.

Additionally, as we discussed, Edkey accepts the financial responsibility for liabilities that may have been incurred by these prior practices with respect to the receipt of state funds. As you are aware Edkey and Sequoia Choice have applied to transfer the charter contract to Edkey. Your concern that the state has an ability to recover any funds that may be identified as improperly paid is acknowledged and the responsibility for its payment is accepted by Edkey.

We look forward to attending the July board meeting to see the transfer on the agenda and able to occur. This action by the board will enable Edkey to assure the state of best practices and compliance at this campus, as we do with our other campuses.

Thank you again for your time and effort.

Sincerely,

EDKE (J)

Douglas F. Pike, P.E.

Vice President
