

Portable Practical Educational Preparation, Inc.

Multi Service Center

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John David Arnold, Ph.D.

Chief Executive Officer & Founder

"Si Se Puede"

"Si Se Pudo!"

Gertha Brown-Hurd

President

NOTICE : OUR DUE DILIGENCE AND REJECTION OF SBA PPP FUNDS BY PPEP INC. BOARD OF DIRECTORS

May 14, 2020


The PPEP Inc. Board of Directors, in consultation with our CPA, legal advisors, and finance department voted unanimously **NOT** to accept any portion of the 2.8 million SBA PPP stimulus funding allocated to us. This action was taken on Tuesday night May 12, 2020, during a special PPEP Inc. Board Meeting. Therefore, if anyone should ask, PPEP Inc. did **NOT** participate in the SBA PPP stimulus fund. Upon performing our due diligence, we found that PPEP Inc. with sound management, verified by clean audits, that our overall revenues had not decreased. There have been moderate increased funding to cover some of PPEP's essential services that have accelerated during the pandemic. Thereby keeping all our essential services operational and observing comprehensive social distancing and other safety protocols. Resulting in very minimal reported Coronavirus cases to date (3-5), no deaths, among our staff, boards of directors, students, volunteers, clients, and DDD members in 20 group homes. In addition, comprehensive efforts have been made to assist small medical clinics with equipment/medical supplies. Assisted rural food pantries with donated food in some of the most remote rural and T.O. Nation communities. Serving farmworkers in long hot unemployment lines with cold water, sandwiches, face masks, portable toilets, and tote bags. (Yuma County). PPEP also responded to emergency medical supplies, food requests from partners in Mexico and abroad with collected donations and efforts from many volunteers. For more details www.ppep.org.

In the meantime, PPEP Inc. has been able to cover **ALL** our payrolls, and has an adequate line of credit and reserves at this time. For these reasons, and in 'good faith' we are not eligible to receive the SBA PPP stimulus loan funds. SBA and CHASE Bank have been notified today of this action. As for our future funding, there is always uncertainty. However, as an 'essential service agency,' we are in the best position possible for continued grant funding to serve vulnerable populations.

It should be noted that the SBA PPP stimulus period is only for 8 weeks in which to spend these funds. Yet the most severe funding crisis for human services will come later than that. We trust that our declined SBA PPP funds can benefit some rural small businesses in crisis now. I want to thank everyone involved in our 'due diligence' process that has been very complicated. Without timely issuances and changes in the SBA PPP guidance and regulations

even up to almost the last day of submission. However, we understand that this has been a complicated process for SBA as well. They are trying to get these funds out as soon as possible to help businesses in crisis. It is a huge job for everyone! Finally, I wish to thank Susan Baker at Chase Bank, our longtime lender for their participation and for all the pressure on the participating banks. If you have any questions or concerns please contact Barbara Coronado at bcoronado@ppep.org

! Si Se Pudo/Si Se Podra!


John David Arnold PhD
CEO & Founder


Gertha Brown-Hurd
PPEP President

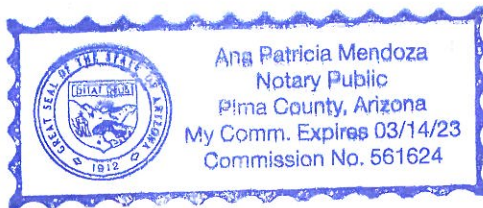
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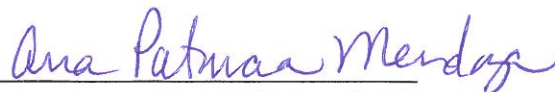
Date: 5/15/20

State of Arizona

County of PIMA

On this 15th day of May, 20 20, before me personally appeared John D. Arnold, Gertha Brown-Hurd, whose identity was proven, to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.




Notary Public