

HIGH DESERT MONTESSORI CHARTER SCHOOL

Balance Sheet
November 30, 2019

ASSETS

Current Assets		
Cash in Bank - Wells Fargo	\$	534,473.79
Student Activity Account Funds		29,685.56
Employee Advances		(1,269.20)
Accounts Receivable		(2,475.20)
Interfund Receivable		17,640.34
Intergovernmental Receivable		21,781.68
Vendor Receivable		(300.56)
Prepaid Expenses		76,600.25
Prepaid Workers Comp		(1,318.58)
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Total Current Assets		674,818.08
Property and Equipment		
Computers		86,031.52
Food Service		16,300.41
Furniture		94,188.69
Technology Equipment		5,658.00
Tenant Improvements		1,800,175.77
Textbooks		79,960.56
Land		1,908,364.46
Buildings		2,844,513.54
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Total Property and Equipment		6,835,192.95
Other Assets		
Equipment Deposits		640.00
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Total Other Assets		640.00
		<hr/>
Total Assets	\$	<u><u>7,510,651.03</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	55,790.93
PERS Payable		48,223.31
Interfund Payable		4,645.00
403(b) Payable		50.00
Aflac Payable		638.64
Accrued Wages		121,773.63
Accrued Benefits		23,073.05
Deferred Revenue		(2,475.20)
Deferred Federal Grant Revenue		1,330.00
Deferred State Funds		29,444.00
Deferred Restricted Donations		10,129.78
Advance Special Ed. Funds		(89,558.22)
Allowance - SA Account		29,685.56
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Total Current Liabilities		232,750.48
Long-Term Liabilities		
Silverada Mortgage- Acorn Corp		474,494.23
Orovada Mortgage - CDFI		1,771,282.60
Loan Payable - Building Hope		326,837.61
Amount Available/Debit Service		(2,572,614.44)
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Total Long-Term Liabilities		0.00

Unaudited - For Management Purposes Only

HIGH DESERT MONTESSORI CHARTER SCHOOL

Balance Sheet
November 30, 2019

Total Liabilities		232,750.48
Capital		
Unreserved Fund Balance	380,771.97	
Inv General Fixed Assets	6,832,797.15	
Net Income	<u>64,331.43</u>	
Total Capital		<u>7,277,900.55</u>
Total Liabilities & Capital		<u>\$ 7,510,651.03</u>

HIGH DESERT MONTESSORI CHARTER SCHOOL
Combined Statement of Revenues, Expenditures and Fund Balance
For the Five Months Ending November 30, 2019

	Current Period Actual	Year To Date Actual	Annual Budget	Percentage of Budget Used
REVENUES				
Donations - Unrestricted	\$ 0.00	\$ 375.00	\$ 1,000.00	(0.38)
Donations - Restricted	262.50	479.50	1,500.00	(0.32)
Donations - Staff Development	173.61	233.56	1,500.00	(0.16)
Other Revenue	2,161.00	2,229.00	29,944.00	(0.07)
Commercial Tenant Rent	400.00	8,935.72	14,303.58	(0.62)
Pre Kindergarten Fees	46,146.68	182,427.70	585,200.00	(0.31)
Enrichment Programs	9,114.00	32,184.70	75,000.00	(0.43)
State Distributive Funds	195,656.76	1,092,831.87	2,420,701.50	(0.45)
Special Education - State	19,887.71	68,989.55	147,305.46	(0.47)
Special Education - Federal	6,168.07	20,568.67	43,201.82	(0.48)
State Grant - SB178	4,326.40	15,389.36	44,400.00	(0.35)
State Grant - Read by Grade 3	3,572.71	6,392.32	72,830.00	(0.09)
Total Revenues	287,869.44	1,431,036.95	3,436,886.36	(0.42)
EXPENDITURES				
Administrators	11,298.58	54,496.27	182,253.31	0.30
Administrative Assistants	12,511.80	69,279.06	146,685.67	0.47
Teachers / Licensed Regular	48,013.15	246,007.78	598,036.49	0.41
Teachers / Special Education	6,284.86	30,796.64	72,443.99	0.43
Teachers / Special Education	1,993.44	9,183.42	21,249.74	0.43
Instructional Aides	17,423.39	76,318.35	229,586.14	0.33
Substitute Teachers -Long Term	652.50	1,147.50	0.00	0.00
Substitute Teachers -Temporary	135.00	3,576.00	6,000.00	0.60
Academics Coordinator	1,282.78	10,844.53	15,393.44	0.70
Counselor	2,600.00	5,075.00	10,000.00	0.51
Resource / Receptionist	4,362.21	21,639.52	51,658.18	0.42
Interventionists	0.00	2,612.76	14,930.92	0.17
Interventionists	2,753.71	6,646.44	31,627.82	0.21
Literacy Specialist	3,270.00	5,880.00	72,830.00	0.08
Operations/Maintenance Staff	1,879.64	10,086.35	22,555.63	0.45
Pre Kindergarten Staff	20,688.52	106,799.80	270,172.04	0.40
Enrichment Program Staff	3,232.41	13,299.88	37,441.52	0.36
Extra Duty Wages	180.00	497.50	0.00	0.00
Retirement	26,918.32	140,338.82	363,016.04	0.39
SS-OASDI	1,345.66	4,473.48	9,215.18	0.49
Medicare	2,002.10	9,745.59	25,851.53	0.38
Health Insurance	13,889.02	51,966.25	139,155.49	0.37
Workers Comp	858.30	3,909.98	8,461.24	0.46
State Unemployment	241.20	1,291.64	3,871.10	0.33
Professional Svcs / Accounting	200.00	1,025.00	4,000.00	0.26
Professional Svcs / Audit	0.00	6,000.00	14,000.00	0.43
Professional Svcs / Legal	2,610.00	11,710.00	5,000.00	2.34
Professional Svcs / Payroll	443.37	2,123.64	6,000.00	0.35
WCSD Sponsorship Fees	3,277.46	16,733.92	36,310.52	0.46
Electricity	1,591.75	8,758.21	25,000.00	0.35
Natural Gas	1,863.59	3,738.74	13,000.00	0.29
Water / Sewer	766.59	7,710.22	20,000.00	0.39
Waste Disposal	632.42	4,578.92	9,214.10	0.50
Security / Alarm System	716.50	4,584.75	8,000.00	0.57
Repair & Maint / Building	2,175.34	16,220.26	32,000.00	0.51
Repair & Maint / Equipment	0.00	0.00	2,000.00	0.00
Maint / Outside Grounds	1,267.00	8,522.71	11,700.00	0.73
Rent/Lease - Building	0.00	0.00	130,085.00	0.00
Rent/Lease - Equipment	924.44	4,622.20	11,093.28	0.42
Property Taxes	0.00	687.23	1,209.11	0.57
Liability Insurance	3,256.34	14,368.93	31,425.00	0.46
Property Insurance	461.09	3,418.93	10,929.90	0.31

For Management Purposes Only

HIGH DESERT MONTESSORI CHARTER SCHOOL
Combined Statement of Revenues, Expenditures and Fund Balance
For the Five Months Ending November 30, 2019

	Current Period Actual	Year To Date Actual	Annual Budget	Percentage of Budget Used
E&O Insurance	370.75	1,790.24	4,250.00	0.42
Van Insurance	213.00	503.03	0.00	0.00
Student Accident Insurance	208.76	1,043.79	2,525.00	0.41
Field Trip Transportation	(28.75)	7.68	0.00	0.00
Telephone / Communications	857.98	7,354.81	14,264.00	0.52
Internet / Web Hosting	551.01	2,286.09	5,742.09	0.40
Postage & Shipping	250.00	620.54	2,250.00	0.28
Advertising	0.00	40.00	0.00	0.00
Marketing	0.00	0.00	650.00	0.00
Printing	0.00	127.50	150.00	0.85
Travel/Per Diem/Lodging	0.00	14,935.20	17,371.36	0.86
Conference/Seminar/Training	0.00	20,975.50	27,500.00	0.76
Purchased Services	11,816.73	26,856.20	51,000.00	0.53
Purchased Svcs / Janitorial	3,250.00	16,318.75	39,000.00	0.42
Purchased Svcs / IT	1,875.00	10,312.50	20,000.00	0.52
Psychological Services	712.50	1,575.00	6,000.00	0.26
Speech Therapy Services	6,003.55	20,994.68	60,385.00	0.35
General Supplies	905.36	6,629.66	20,250.00	0.33
Staff Recognition Expense	188.81	1,791.40	1,200.00	1.49
Snacks	1,629.33	8,110.01	19,000.00	0.43
Professional Books	51.66	232.23	0.00	0.00
Magazines & Periodicals	24.25	24.25	0.00	0.00
Instructional Supplies	238.79	1,322.68	8,423.18	0.16
Instructional Software	3,647.01	8,624.77	24,349.00	0.35
New Equip. & Furn. <\$1,000	0.00	0.00	2,895.80	0.00
Technology Supplies	38.00	651.21	4,000.00	0.16
Computer Hardware	0.00	5,477.62	250.00	21.91
Principal Payments	27,551.80	138,428.97	283,017.74	0.49
Interest Expense	12,048.59	59,572.98	74,224.61	0.80
Dues & Fees	954.00	3,376.00	2,863.00	1.18
Bank Services Charges	62.01	188.19	1,100.00	0.17
Bank Card Processing Fees	1,553.66	5,622.82	15,000.00	0.37
Miscellaneous Expense	0.00	195.00	0.00	0.00
Total Expenditures	<u>278,976.28</u>	<u>1,366,705.52</u>	<u>3,411,063.16</u>	<u>0.40</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,893.16</u>	<u>\$ 64,331.43</u>	<u>\$ 25,823.20</u>	<u>(2.49)</u>

For Management Purposes Only

High Desert Montessori School
Check Register

For the Period From Nov 1, 2019 to Nov 30, 2019

Check #	Date	Payee		Amount
D01735	11/1/19	Acorn Corporation	Silverada Mortgage	20,000.00
D01736	11/1/19	Clearinghouse CDFI	Orovada Mortgage	15,159.57
15230	11/1/19	VOIDED CHECK	VOIDED CHECK	-
D01737	11/4/19	Total Merchant	November Credit Card Processing Fees	1,553.66
D01738	11/4/19	Ace Payroll	11/5/2019 Payroll	64,308.15
D01739	11/4/19	A T & T		332.90
D01740	11/4/19	A T & T		332.90
15179	11/5/19	WCSD Warehouse	Clinic Supplies/Copier Paper	78.01
15180	11/5/19	WCSD Warehouse	Janitorial Supplies	229.98
15181	11/5/19	WCSD Warehouse	Copier Paper	121.59
D01741	11/5/19	Ace Payroll	11/5/2019 Special Payroll	1,343.89
D01742	11/5/19	AFLAC	Employee Paid Benefit	638.64
D01743	11/7/19	Philadelphia Insurance Companies	E & O Premium Installation	672.35
D01744	11/7/19	Home Depot	Maintenance Supplies	308.21
15182	11/8/19	ACCO Engineered Systems	HVAC Service - 2005 Silverada	3,518.50
15183	11/8/19	Julia Cabal, M.S., CCC-SLP	Speech Therapy Services	6,003.55
15184	11/8/19	Clean Cut Lawns, Inc.	Landscaping Service	1,267.00
15185	11/8/19	The Continuum Inc.	Occupational Therapy Services	2,025.00
15186	11/8/19	D & L Cleaning Inc.	Janitorial Services	3,580.00
15187	11/8/19	Delta Fire Systems Inc.	Fire Alarm Maintenance	747.50
15188	11/8/19	Sunny Destefani	Employee Reimbursement	3.24
15189	11/8/19	Drinkwater Eaton Law Offices	Legal Services	2,600.00
15190	11/8/19	Stacey Hart	Employee Reimbursement	9.74
15191	11/8/19	Hometown Health	Additional Premium Payment - Group Medical Insura	450.00
15192	11/8/19	Sherrie Jordan	Employee Reimbursement	36.69
15193	11/8/19	DS Life Enterprises, LLC	November Pyschologist Services	150.00
15194	11/8/19	Cheryl Miller Mintz	Bookkeeping Consulting Service	275.00
15195	11/8/19	Netop Tech, Inc.	Chromebook Software	384.00
15196	11/8/19	Erika Paul	Recorder Lessons	299.23
15197	11/8/19	Rife, Silva, & Co. LLC	1st installment of FY19 financial audit	6,000.00
15198	11/8/19	Sparks Florist	Sympathy Basket - Grandma Clareth	101.00
15199	11/8/19	Sysco - Sacramento	Enrichment/Pre-K Snacks	174.93
15200	11/8/19	Washoe County Health District	School Kitchen Permit - Orovada	415.00
15201	11/8/19	Xerox Corporation	Copier Leases - Orovada, 2025 & 2005 Silverada	874.44
D01745	11/12/19	Wells Fargo	Client Analysis Service Charge	62.01
D01746	11/12/19	Valic	(b) - Employee Paid Benefit	50.00

High Desert Montessori School Check Register

For the Period From Nov 1, 2019 to Nov 30, 2019

Check #	Date	Payee		Amount
D01748	11/12/19	NV Energy		33.84
D01747	11/13/19	Wells Fargo Credit Card	Credit Card Purchases	4,426.98
D01749	11/13/19	Truckee Meadow Water Authority		49.57
D01750	11/13/19	Truckee Meadow Water Authority		99.96
D01751	11/13/19	Truckee Meadow Water Authority		249.92
D01752	11/13/19	Truckee Meadow Water Authority		527.37
D01753	11/13/19	A T & T		221.45
D01754	11/13/19	NV Energy		838.80
D01755	11/13/19	AmTrust North America	Workers Comp Premium Installment	769.00
D01756	11/13/19	Great American Insurance Group	Liability Insurance Premium Installment	4,184.55
15202	11/14/19	Public Employees Retirement System	Employee Retirement	36,311.86
D01757	11/15/19	NV Energy		1,972.77
D01758	11/19/19	Ace Payroll	11/20/2019 Payroll	66,473.10
D01759	11/19/19	AFLAC	Employee Paid Benefit	638.64
D01760	11/21/19	Waste Management		256.49
D01761	11/21/19	Waste Management		375.93
D01762	11/22/19	Valic	403 (b) - Employee Paid Benefit	50.00
15203	11/29/19	Amazon	Internet Services	818.10
15204	11/29/19	BCN Telecom, Inc.	Quarterly Alarm Monitoring Service - Orovada	322.02
15206	11/29/19	Burgarello Alarm, Inc.	Group Dental, Vision, & Life Insurance	67.50
15205	11/29/19	B.E.S.T	Employee Reimbursement	2,241.08
15207	11/29/19	Sunny DeStefani	Nurse Services	2.50
15208	11/29/19	Sharon G. Freier	IT Services	187.00
15209	11/29/19	James R. Ghiglieri	Enrichment/Pre-K Snacks	1,538.00
15210	11/29/19	Great Basin Community Food Co-op	Transfer funds owed to Student Activity Account	267.67
15211	11/29/19	High Desert Montessori School		12,766.95
15213	11/29/19	Sherrie Jordan	Employee Reimbursement	48.94
15212	11/29/19	ispMint	Phone Service	970.00
15214	11/29/19	Stefanie Lara	Employee Reimbursement	7.76
15215	11/29/19	Erika Paul	Recorder Lessons	240.00
15216	11/29/19	Sysco - Sacramento	Enrichment/Pre-K Snacks	60.18
15217	11/29/19	Wyred Insights Inc.	Monthly Website Maintenance	149.00
D01763	11/29/19	Acorn Corporation	Silverada Mortgage	20,000.00
D01764	11/29/19	Building Hope	Vacant Lot Payment	4,440.82
Total				2714.43

HIGH DESERT MONTESSORI CHARTER SCHOOL

Balance Sheet
December 31, 2019

ASSETS

Current Assets

Cash in Bank - Wells Fargo	\$ 525,385.97
Student Activity Account Funds	37,624.00
Employee Advances	(1,792.62)
Accounts Receivable	709.60
Interfund Receivable	5,473.56
Intergovernmental Receivable	28,699.57
Vendor Receivable	(603.00)
Prepaid Expenses	66,962.33
Prepaid Workers Comp	(497.88)

Total Current Assets 661,961.53

Property and Equipment

Computers	86,031.52
Food Service	16,300.41
Furniture	94,188.69
Technology Equipment	5,658.00
Tenant Improvements	1,800,175.77
Textbooks	79,960.56
Land	1,908,364.46
Buildings	2,844,513.54

Total Property and Equipment 6,835,192.95

Other Assets

Equipment Deposits	640.00
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Total Other Assets 640.00

Total Assets \$ 7,497,794.48

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$ 48,815.99
PERS Payable	45,960.98
Interfund Payable	6,120.00
403(b) Payable	50.00
Accrued Wages	118,460.69
Accrued Benefits	22,892.17
Deferred Revenue	709.60
Deferred Federal Grant Revenue	1,330.00
Deferred State Funds	29,444.00
Deferred Restricted Donations	10,129.78
Advance Special Ed. Funds	(107,469.87)
Allowance - SA Account	37,624.00

Total Current Liabilities 214,067.34

Long-Term Liabilities

Silverada Mortgage- Acorn Corp	454,933.14
Orovada Mortgage - CDFI	1,766,037.30
Loan Payable - Building Hope	324,030.98
Amount Available/Debit Service	(2,545,001.42)

Total Long-Term Liabilities 0.00

Total Liabilities 214,067.34

Unaudited - For Management Purposes Only

HIGH DESERT MONTESSORI CHARTER SCHOOL

Balance Sheet

December 31, 2019

Capital		
Unreserved Fund Balance	380,771.97	
Inv General Fixed Assets	6,832,797.15	
Net Income	<u>70,158.02</u>	
Total Capital		<u>7,283,727.14</u>
Total Liabilities & Capital		<u>\$ 7,497,794.48</u>

HIGH DESERT MONTESSORI CHARTER SCHOOL
Combined Statement of Revenues, Expenditures and Fund Balance
For the Six Months Ending December 31, 2019

	Current Period Actual	Year To Date Actual	Annual Budget	Percentage of Budget Used
REVENUES				
Donations - Unrestricted	\$ 0.00	\$ 375.00	\$ 1,000.00	(0.38)
Donations - Restricted	470.50	950.00	1,500.00	(0.63)
Donations - Staff Development	1,000.00	1,233.56	1,500.00	(0.82)
Other Revenue	(1,642.13)	586.87	29,944.00	(0.02)
Commercial Tenant Rent	400.00	9,335.72	14,303.58	(0.65)
Pre Kindergarten Fees	39,083.20	221,510.90	585,200.00	(0.38)
Enrichment Programs	7,160.00	39,344.70	75,000.00	(0.52)
State Distributive Funds	218,497.05	1,311,328.92	2,420,701.50	(0.54)
Special Education - State	13,797.91	82,787.46	147,305.46	(0.56)
Special Education - Federal	4,113.74	24,682.41	43,201.82	(0.57)
State Grant - SB178	3,562.21	18,951.57	44,400.00	(0.43)
State Grant - Read by Grade 3	3,355.68	9,748.00	72,830.00	(0.13)
	<u>289,798.16</u>	<u>1,720,835.11</u>	<u>3,436,886.36</u>	<u>(0.50)</u>
Total Revenues				
EXPENDITURES				
Administrators	11,298.58	65,794.85	182,253.31	0.36
Administrative Assistants	12,223.79	81,502.85	146,685.67	0.56
Teachers / Licensed Regular	47,876.61	293,884.39	598,036.49	0.49
Teachers / Special Education	6,376.78	37,173.42	72,443.99	0.51
Teachers / Special Education	1,901.52	11,084.94	21,249.74	0.52
Instructional Aides	16,247.31	92,565.66	229,586.14	0.40
Substitute Teachers -Long Term	630.00	1,777.50	0.00	0.00
Substitute Teachers -Temporary	453.00	4,029.00	6,000.00	0.67
Academics Coordinator	1,282.78	12,127.31	15,393.44	0.79
Counselor	1,950.00	7,025.00	10,000.00	0.70
Resource / Receptionist	4,053.21	25,692.73	51,658.18	0.50
Interventionists	0.00	2,612.76	14,930.92	0.17
Interventionists	2,002.31	8,648.75	31,627.82	0.27
Literacy Specialist	3,085.00	8,965.00	72,830.00	0.12
Operations/Maintenance Staff	1,879.64	11,965.99	22,555.63	0.53
Pre Kindergarten Staff	19,894.49	126,694.29	270,172.04	0.47
Enrichment Program Staff	3,174.32	16,474.20	37,441.52	0.44
Extra Duty Wages	112.50	610.00	0.00	0.00
Retirement	26,666.40	167,005.22	363,016.04	0.46
SS-OASDI	1,185.42	5,658.90	9,215.18	0.61
Medicare	1,942.36	11,687.95	25,851.53	0.45
Health Insurance	10,578.86	62,545.11	139,155.49	0.45
Workers Comp	(54.70)	3,855.28	8,461.24	0.46
State Unemployment	192.76	1,484.40	3,871.10	0.38
Professional Svcs / Accounting	0.00	1,025.00	4,000.00	0.26
Professional Svcs / Audit	8,000.00	14,000.00	14,000.00	1.00
Professional Svcs / Legal	2,525.00	14,235.00	5,000.00	2.85
Professional Svcs / Payroll	1,094.56	3,218.20	6,000.00	0.54
WCSD Sponsorship Fees	3,277.46	20,011.38	36,310.52	0.55
Electricity	2,142.40	10,900.61	25,000.00	0.44
Natural Gas	2,930.70	6,669.44	13,000.00	0.51
Water / Sewer	737.13	8,447.35	20,000.00	0.42
Waste Disposal	811.54	5,390.46	9,214.10	0.59
Security / Alarm System	476.50	5,061.25	8,000.00	0.63
Repair & Maint / Building	4,077.93	20,298.19	32,000.00	0.63
Repair & Maint / Equipment	640.62	640.62	2,000.00	0.32
Maint / Outside Grounds	0.00	8,522.71	11,700.00	0.73
Rent/Lease - Building	0.00	0.00	130,085.00	0.00
Rent/Lease - Equipment	924.44	5,546.64	11,093.28	0.50
Property Taxes	283.78	971.01	1,209.11	0.80
Liability Insurance	3,256.34	17,625.27	31,425.00	0.56
Property Insurance	461.09	3,880.02	10,929.90	0.35

For Management Purposes Only

HIGH DESERT MONTESSORI CHARTER SCHOOL
Combined Statement of Revenues, Expenditures and Fund Balance
For the Six Months Ending December 31, 2019

	Current Period Actual	Year To Date Actual	Annual Budget	Percentage of Budget Used
E&O Insurance	370.75	2,160.99	4,250.00	0.51
Van Insurance	213.00	716.03	0.00	0.00
Student Accident Insurance	208.76	1,252.55	2,525.00	0.50
Field Trip Transportation	95.69	103.37	0.00	0.00
Telephone / Communications	1,664.89	9,019.70	14,264.00	0.63
Internet / Web Hosting	819.96	3,106.05	5,742.09	0.54
Postage & Shipping	15.45	635.99	2,250.00	0.28
Advertising	0.00	40.00	0.00	0.00
Marketing	0.00	0.00	650.00	0.00
Printing	21.00	148.50	150.00	0.99
Travel/Per Diem/Lodging	0.00	14,935.20	17,371.36	0.86
Conference/Seminar/Training	236.00	21,211.50	27,500.00	0.77
Purchased Services	11,512.23	38,368.43	51,000.00	0.75
Purchased Svcs / Janitorial	3,250.00	19,568.75	39,000.00	0.50
Purchased Svcs / IT	2,687.50	13,000.00	20,000.00	0.65
Psychological Services	75.00	1,650.00	6,000.00	0.28
Speech Therapy Services	6,003.55	26,998.23	60,385.00	0.45
General Supplies	859.00	7,488.66	20,250.00	0.37
Staff Recognition Expense	459.52	2,250.92	1,200.00	1.88
Snacks	1,669.24	9,779.25	19,000.00	0.51
Professional Books	0.00	232.23	0.00	0.00
Magazines & Periodicals	0.00	24.25	0.00	0.00
Instructional Supplies	13.36	1,336.04	8,423.18	0.16
Instructional Software	3,263.64	11,888.41	24,349.00	0.49
New Equip. & Furn. <\$1,000	0.00	0.00	2,895.80	0.00
Technology Supplies	111.06	762.27	4,000.00	0.19
Computer Hardware	2,214.90	7,692.52	250.00	30.77
Principal Payments	27,613.02	166,041.99	283,017.74	0.59
Interest Expense	11,987.37	71,560.35	74,224.61	0.96
Dues & Fees	61.00	3,437.00	2,863.00	1.20
Bank Services Charges	125.53	313.72	1,100.00	0.29
Bank Card Processing Fees	1,827.72	7,450.54	15,000.00	0.50
Miscellaneous Expense	0.00	195.00	0.00	0.00
Total Expenditures	<u>283,971.57</u>	<u>1,650,677.09</u>	<u>3,411,063.16</u>	<u>0.48</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,826.59</u>	<u>\$ 70,158.02</u>	<u>\$ 25,823.20</u>	<u>(2.72)</u>

High Desert Montessori School
Check Register
 For the Period From Dec 1, 2019 to Dec 31, 2019

Check #	Date	Payee	Amount
D01765	12/2/19	Clearinghouse CDFI	15,159.57
D01766	12/4/19	Total Merchant	1,827.72
D01767	12/4/19	AFLAC	638.64
D01768	12/4/19	Ace Payroll	58,537.51
D01769	12/6/19	Philadelphia Insurance Companies	672.35
D01770	12/6/19	Valic	50.00
15218	12/10/19	ACCO Engineered Systems	261.25
15219	12/10/19	All American Lock & Safe	894.78
15220	12/10/19	Julia Cabal, M.S., CCC-SLP	6,003.55
15221	12/10/19	Charter Communications	249.94
15222	12/10/19	Clean Cut Lawns, Inc.	1,267.00
15223	12/10/19	D & L Cleaning Inc.	3,621.25
15224	12/10/19	Delta Fire Systems Inc.	240.00
15225	12/10/19	Drinkwater Eaton Law Offices	2,610.00
15226	12/10/19	DS Life Enterprises, LLC	712.50
15227	12/10/19	Sharon G. Freier	374.00
15228	12/10/19	James R. Ghiglieri	413.00
15229	12/10/19	Great Basin Community Food Co-op	128.01
15231	12/10/19	Hometown Health	14,846.05
15232	12/10/19	JK Architecture Engineering	8,015.00
15233	12/10/19	ispMint	970.00
15234	12/10/19	Occupational Health Centers	49.00
15235	12/10/19	Otis Elevator Company	178.92
15236	12/10/19	Sparks Florist	72.00
15237	12/10/19	Sysco - Sacramento	1,174.45
15238	12/10/19	Stephanie Turner	95.17
15239	12/10/19	WCSD Print Shop	21.00
15240	12/10/19	Washoe County Treasurer	283.78
15241	12/10/19	Wyred Insights Inc.	149.00
15242	12/10/19	Xerox Corporation	929.35
15243	12/10/19	Grassroots Books	1,642.13
15244	12/10/19	Rich Seldon	260.00
15245	12/10/19	Public Employees Retirement System	36,707.63
D01771	12/11/19	Wells Fargo	125.53

High Desert Montessori School
Check Register
For the Period From Dec 1, 2019 to Dec 31, 2019

Check #	Date	Payee	Amount
D01772	12/11/19	Purchase Power	251.00
D01773	12/11/19	Home Depot	343.48
D01774	12/12/19	Wells Fargo Credit Card	7,420.32
D01775	12/13/19	NV Energy	34.00
D01776	12/13/19	Truckee Meadow Water Authority	49.03
D01777	12/13/19	Truckee Meadow Water Authority	53.45
D01778	12/13/19	Truckee Meadow Water Authority	82.52
D01779	12/13/19	Truckee Meadow Water Authority	92.84
D01780	12/13/19	AmTrust North America	769.00
D01781	12/13/19	NV Energy	933.68
D01782	12/16/19	Great American Insurance Group	4,237.65
15246	12/17/19	Verdant Connections Landscape Architect	2,200.00
15247	12/17/19	WCSD Warehouse	164.81
15248	12/17/19	WCSD Warehouse	125.18
D01783	12/17/19	A T & T	341.26
D01784	12/19/19	Ace Payroll	67,431.63
D01785	12/19/19	Vailc	50.00
15249	12/20/19	Amazon	557.89
15250	12/20/19	BCN Telecom, Inc.	322.02
15251	12/20/19	B.E.S.T	1,583.39
15252	12/20/19	The Continuum Inc.	1,725.00
15253	12/20/19	D & L Cleaning Inc.	3,250.00
15254	12/20/19	Drinkwater Eaton Law Offices	325.00
15255	12/20/19	Friendly Plumbing Inc.	494.68
15256	12/20/19	James R. Ghiglieri	1,888.85
15257	12/20/19	Great Basin Community Food Co-op	470.66
15258	12/20/19	Melissa Meetze	19.99
15259	12/20/19	Cheryl Miller Mintz	200.00
15260	12/20/19	Erika Paul	260.00
15261	12/20/19	Eric Perez	227.57
15262	12/20/19	Sysco - Sacramento	1,198.58
D01786	12/24/19	Waste Management	346.05
D01787	12/24/19	Waste Management	465.49
D01788	12/24/19	NV Energy	2,487.66

High Desert Montessori School

Check Register

For the Period From Dec 1, 2019 to Dec 31, 2019

Check #	Date	Payee	Amount
D01789	12/27/19	City of Reno	198.06
D01790	12/27/19	City of Reno	546.00
D01791	12/27/19	AFLAC	638.64
D01792	12/27/19	City of Reno	722.20
D01793	12/31/19	Building Hope	4,440.82
D01794	12/31/19	Acorn Corporation	20,000.00
Total			286,128.48

Finance Team Meeting
High Desert Montessori School
2025 Silverada Boulevard
Reno, Nevada 89512

Wednesday, January 22, 2020 at 4:00 pm

MEETING SUMMARY

Meeting was called to order at 4:00 pm by Reid Riker.

- 1.) Roll Call: Reid Riker, Tammie Stockton, Sherrie Jordan, Claudia Dammen, Max Haynes, Pam Chavarria, Jamie Berfield, and Adista Emler.
- 2.) Public Comment: Jamie Berfield, on behalf of her lower elementary team, a teacher from another charter school received a 3% raise from the governor, so she was inquiring if we were part of that raise.
- 3.) Accounts Receivable Report: Sherrie Jordan reported that we had \$3,659.60 owed to us on December 31, 2019. Children's cabinet is a large portion of this. All others, except for one family, paid the first week of January.
- 4.) New Bank Account for Expansion Project Update: Adista reported that we have selected United Federal Credit Union as the financial institution for the expansion project funds. The banker is waiting to get in touch with Reid and Max to create profiles. He plans to have all documents ready to sign and will be coming by prior to Wednesday's Board Meeting to get signatures.
- 5.) New Market Tax Credit Update: We had a conference call on Friday, it was more of a discussion for New Markets Tax Credits, fees for discussion among board members, estimated timeline. There was an important person missing from that call, Matt Malcom, that was supposed to be on the call, so we need some follow up from him. We just don't have enough information on this to sign anything regarding an LOI. We need some written responses from Matt. We need to set up another call with lessor parties and Red Hook to get a better understanding of NMTC. Adista is going over to meet with Sharon Chamberlain at Northern Nevada Hopes, as they were a recipient of previous NMTC in Nevada.
- 6.) Budget for 1-story renovation: In September, when we started this process, we talked about the renovation of the one-story building costing \$1 million and the outdoor space costing \$.50 million. Since then, it seems like those numbers have all doubled. We never anticipated spending that amount of money on this renovation. Adista presented estimated* cash flow from the sale of Orovada being approximately \$574,000 after closing costs and brokerage fees. The estimated cash flow from the sale of the vacant lot being approximately \$239,790 after closing costs and brokerage fees. This gives us an estimated funds available for renovation of 1-story to be \$813,790.

*These numbers are estimates only, we have not received exact payoff statements. *

- 7.) JK Architecture Quote for 1-story renovation and site work: We received a proposal from JK Architecture Engineering for Architectural/Engineering Services in the amount of \$258,200.00 just for their work on the 1-story renovation. There is concern as it is noted in this cost proposal "The following fee proposal anticipates a scope of construction work that could exceed \$2M." We have some questions as to where this number came from. There needs to be some discussion between our project manager and JK Architecture regarding their proposal. We called Rob King, project manager for Red Hook on speakerphone, and discussed the expected project costs. They were surprised by this number as well. Rob is waiting for his proposal to get a budget number to look at what construction costs are and review, and then they (Red Hook Staff) will work on building a budget together for everything that they expect the costs to be, including permits, construction costs, city requests, etc. He has reached out to two other architects for proposals.
- 8.) Financial Review: November and December financials will be presented at the Board Meeting. We ended November with a surplus of \$8,893.16 and December with a smaller surplus of \$5,826.59. This bringing our year-to-date surplus balance to \$70,158.02. Our enrollment number is below the number that was used for budget preparation, but we are saving money on administration salaries with Tammie wearing multiple hats at this time.
- 9.) Over/Under Budget Review: Adista presented a new layout for the detailed Over/Under Budget report. This detailed report will be used for review in the monthly finance update meetings with Adista, Tammie, and Reid. Then we will continue to present the summaries to the Board, which is what our financial reports reflect. This document includes numbers for an anticipated augmented budget.
- 10.) No Public Comments.

Meeting was adjourned at 4:54 p.m.

Positive Parent Comments

"I could go on and on about how AMAZING Lisa is. She has absolutely changed our lives and brought out so much strength and curiosity in Kate. I am a huge believer in the montessori method!"

"I'm so happy with the love and guidance Charlotte has received over the years. We couldn't be happier with her schooling experience!"

"We love that it's a multilingual class. We learn new French words at home thanks to Xavi, and we are really proud of his knowledge! Xavi enjoys all the classroom activities! I've never been beyond happy with any school like I am now with HDMS! I've seen excitement in my son about school again and that's priceless! I'm just hoping my younger son (Cristian Fregoso) can be accepted to 1st grade this coming fall. I would really love for them both to be with Ms. Christy and Ms. Sarah.

Thank you ALL for your hard work and dedication!!"

"I love the kind, happy vibe in the Sierra classroom. My son has thrived in this classroom over the last 3 years."

"I am amazed by how many lessons my child gets in the Sierra classroom and the academic growth we are seeing with her this year."

"Happy with the direction HDMS is headed."

"Thank you for allowing my son to attend High Desert Montessori. He is always happy to go to school."

"Thank you so much for creating and continuing this incredibly unique school"

"We really love my children's classroom and teachers as does he. I wish I had more time in my day to be interactive with the amazing staff at HDMS!"

"It's always a joy to be there and see how far my child has come."

"Jen is great and must have the patience of a saint!"

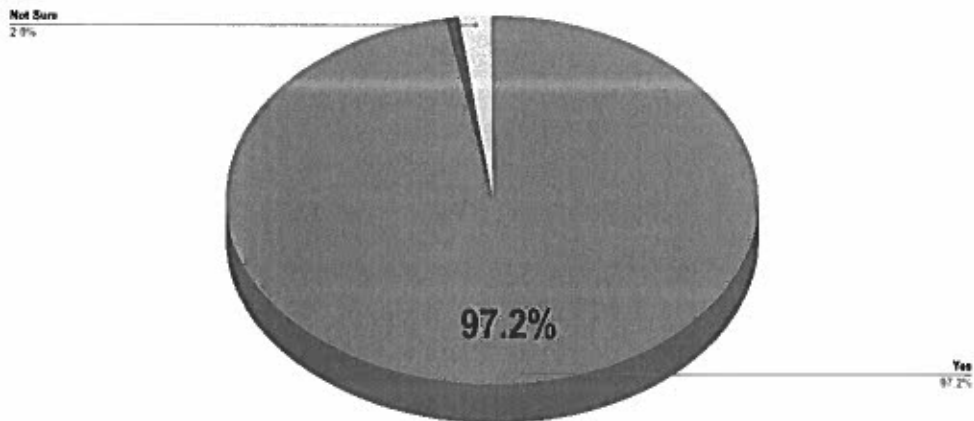
"Incredible Happy & Impressed with Mrs Olivia Professionalism & Commitment to the Kids."

HDMS Winter Intent to Return Preliminary Feedback

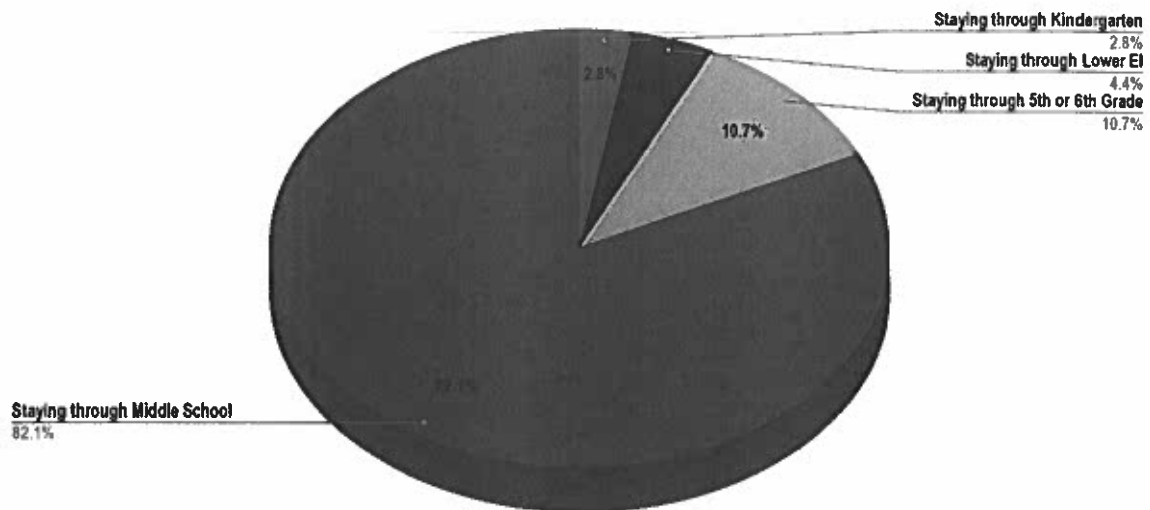
Over 250 out of 400 student surveys returned

On average, how happy is your child to come to school each day (PK3-8th)	8.4 / 10
How happy are you with your child's classroom (PK3-8th)	8.9 / 10
How satisfied are you with your child's overall education (PK3-8th)	9.0 / 10

HDMS Intent to Return for the 2020-21 School Year



How Long Current HDMS Students Plan to Stay



PROGRAM MANAGEMENT AGREEMENT

This Program Management Agreement (“Agreement”), entered into on December __, 2019 by and between High Desert ~~Montessori~~ Montessori Charter School, a Nevada non-profit corporation (“Owner”) and Red Hook Capital Partners IV, LLC, a Delaware Limited Liability Company (“Program Manager”), for professional services in connection with the project described on Exhibit A (“Project”).

RECITALS

A. Owner is the record owner of property commonly known as 2025 Silverada Boulevard, Reno, Nevada, 89512 (“Premises”). Owner desires that Program Manager provide services as Program Manager to complete the build out of the Project for its occupancy and intended use pursuant to the terms and conditions set forth in this Agreement.

1. PROGRAM MANAGER’S ENGAGEMENT AND SERVICES.

1.1 **Services.** Program Manager will provide Program Management services pertaining to the development and construction of the Project described in attached Exhibit A and as set forth in this Agreement. Program Manager shall provide sufficient organization and management to perform such services in an expeditious and economical manner consistent with the ordinary progress of the Project.

1.2 **Term.** The term of Program Manager’s engagement shall commence upon the date of the final execution of this Agreement and shall continue, subject to earlier termination or extension as provided below, until final completion and occupancy of the Project ~~but which in no event shall it terminate later than July 31, 2021~~ but which in no event shall it terminate later than Dec. 2020.

1.3 **Exclusions from Services.** Owner acknowledges that Program Manager is not licensed to perform and does not provide any of the services listed below:

- Architectural, Engineering or other Design Services
- General Contracting
- Legal Services
- Safety Program Design or Enforcement
- Accounting Services
- Environmental Assessment or Monitoring
- Quantity Surveying or Cost Estimating
- FF&E procurement, coordination, or installation

1.3.1 Based upon Section 1.3 and in recognition of the nature of the services to be provided, Owner agrees that Program Manager shall not be named as a party to any action brought by Owner in matters arising out of any alleged design errors and omissions, construction defects, job-site accidents, or any other event relating to the above (collectively “Excluded Services”).

1.4 **Changes to Services.** Owner may not make any changes to the scope of Program Manager’s services as set forth in this Agreement without Program Manager’s written consent. Any

additional services shall be compensated by either a) mutual agreement, or b) pursuant to the hourly rate schedule established by this Agreement.

1.5 Limitation of Responsibility. Program Manager is responsible for the provisions of Services as outlined herein and such Services shall be conducted in accordance with normal industry standards. Program Manager does not have control over, or charge of and therefore shall not be responsible for construction means, methods, techniques, sequences, or procedures of construction, fabrication, procurement, shipment, delivery, receipt or installation, or for safety precautions and programs in association with the Project, all of which shall be the sole responsibility of the general contractor (the "Contractor"). Program Manager shall not be responsible for the Contractor's, subcontractors', suppliers', or any other person's schedules, or failure to carry out the Project in accordance with the contract documents or any permits associated with the Project. Program Manager does not have control over or charge of acts or omissions of the Contractor, its subcontractors, the Project architect or other design professionals, or their agents or employees, or of any other persons engaged by Owner to perform work on the Project. Program Manager shall have no responsibility for the project design or for consulting that such design or its implementation is in compliance with applicable laws and codes. Program Manager shall have no responsibility for the discovery, presence, handling, removal, or disposal of or exposure of persons to hazardous materials in any form at the Project site.

2. PROGRAM MANAGER'S RESPONSIBILITIES

2.1 Scope. Program Manager shall provide the services set forth in this Agreement. The services provide shall be consistent with the skill and care ordinarily provided by Program Managers practicing in the same or similar locality under the same or similar circumstances.

2.2 Delegation of Responsibility. Owner shall delegate to Program Manager the overall responsibility for making decisions in respect to the Project consistent with Program Manager's scope of Services as defined herein. After Program Manager's consultation with Owner's Representative, Program Manager shall, subject to the limitations set forth in Section 1.3, accede to Owner's decisions in all such matters so long as such decisions do not interfere with Program Manager's obligations under this Agreement.

2.3 Reliance. The Program Manager shall provide its services provided by the Owner and Owner's consultants and contractors and shall coordinate its services with those services provided by the Owner and the Owner's consultants and contractors. Program Manager shall be entitled to rely upon the accuracy and completeness of information, surveys, and reports provided by Owner.

2.4 Representative. Program Manager's representative for the Project authorized to act on behalf of Program Manager is David Hyun.

2.5 Insurance. Program Manager shall maintain the following insurance coverages for the duration of this Agreement.

- 2.5.1** Commercial General Liability with policy limits of not less than One Million Dollars (\$1,000,000.00) for each occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate for bodily injury and property damage.
- 2.5.2** Automobile Liability covering vehicles owned by the Program Manager and non-owned vehicles used by the Program Manager with policy limits of not less than One Million Dollars (\$1,000,000.00) per occurrence.
- 2.5.3** The Program Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess liability insurance, provided such primary and excess insurance policies result in the same or greater coverage as those required under Section 2.5.1 and 2.5.2.
- 2.5.4** Workers' Compensation at statutory limits and Employers Liability with policy limits of not less than One Million Dollars (\$1,000,000.00).
- 2.6** **Additional Services.** Additional Services may be provided after execution of this Agreement without invalidating this Agreement. Except for services required due to the fault of the Program Manager, any Additional Services provided in accordance with this Section 2.6 shall entitle the Program Manager to compensation pursuant to Section 4.2.
- 2.6.1** Upon recognizing the need to perform the following Additional Services, the Program Manager shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Program Manager shall not proceed to provide the following services until the Program Manager receives the Owner's written authorization:
1. Services necessitated by a change in the Initial Information; a change to previous instructions or approvals given by the Owner; or a material change in the Project including, but not limited to, size, quality, complexity, the Owner's Project Schedule or Project Budget, or procurement or delivery methods;
 2. Services necessitated by the enactment or revision of codes, laws or regulations, or by official interpretations, after the date of this Agreement;
 3. Preparation for, and attendance at, public presentations, meetings, or hearings, in excess of ___ total hours;
 4. Preparation for, and attendance at, a dispute resolution proceeding or legal proceeding, except where the Program Manager is party thereto;
 5. Services required to assist in the repair or replacement of any elements of construction for any cause except the negligence of the Program Manager; or
 6. Services required by deficiencies in the performance or default of Owner's consultants or contractors.

2.6.2 If the services covered by this Agreement have not been completed within _____
() months of the date of this Agreement, through no fault of the Program
Manager, an extension of the Program Manager's services beyond that time shall
be compensated as Additional Services pursuant to Section 4.2.

3. OWNER'S RESPONSIBILITIES

- 3.1 **Owner's Information.** The Owner shall provide and update information regarding requirements for, and limitations on, the Project in a timely manner, information pertaining to other objectives, schedule constraints and criteria, and site requirements; and any other information either described herein or required for the Program Manager to perform its services.
- 3.2 **Project Budget.** The Owner shall collaborate with the Program Manager to establish and periodically update the Project Budget including (1) the Program Manager's costs, (2) design and constructions costs, (3) the Owner's other costs, and (4) reasonable contingencies related to all of these costs. The Owner shall promptly notify the Program Manager if the Owner significantly increases or decreases the Project Budget.
- 3.3 **Owner Consultants.** The Owner shall retain all contractors and consultants necessary to carry out the Project except for those consultants retained by the Program Manager as set forth in this Agreement. The Owner shall provide the Program Manager with a copy of all executed agreements between the Owner and its consultants and contractors, and any modifications to those agreements. The Owner shall require that its consultants maintain professional liability insurance and other liability insurance as appropriate to the services provided, and require that its contractors maintain commercial general liability insurance and other liability insurance as appropriate to the services or work provided. The Owner shall require all contractors to name the Program Manager and its consultants as Additional Insureds on all insurance policies where available.
- 3.4 **Owner's Representative.** The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Program Manager's services.
- 3.5 **Survey.** The Owner shall furnish surveys, if required, to describe the physical characteristics, legal limitations, utility locations and written legal description of the Project site. The survey and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to an appropriate benchmark.

- 3.6 Tests.** The Owner shall furnish tests, inspections, and reports required by law or the Project, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.
- 3.7 Other Services.** The Owner shall furnish all legal, insurance, financing, and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.
- 3.8 Notice.** The Owner shall provide, and shall require that its consultants and contractors provide, prompt written notice to the Program Manager if they become aware of any fault or defect in the Project, including errors, omissions or inconsistencies in any documents produced by, or services provided by, the Program Manager.
- 3.9 Cooperation.** In the agreements between the Owner and the Owner's consultants or contractors, the Owner shall include a duty that the consultant or contractor cooperate with the Program Manager and provide information and documents reasonably necessary for the Program Manager to prepare and update the Project Management Plan or as otherwise required for the Program Manager to perform its services.
- 3.10 Communication.** Except as otherwise provided in this Agreement, or when direct communications have been specially authorized, the Owner shall endeavor to communicate with the Program Manager's consultants through the Program Manager about matters arising out of or relating to the Project. The Owner shall communicate with its own forces, consultants, and contractors, and coordinate its own internal information and communications that are necessary for the Project. The Owner shall notify the Program Manager of any such communication that affects the Project. The Owner shall promptly notify the Program Manager of any direct communications that may affect the Program Manager's services.
- 3.11 Access.** The Owner shall provide the Program Manager access to the Project site and other facilities under the Owner's control and associated with the Project. The Owner shall obligate its contractors to provide the Program Manager access to the Project site wherever Work is in preparation or progress.
- 3.12 Owner's Insurance.** The Owner shall purchase and maintain, or require its contractors to purchase and maintain, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial contract sum, plus the value of subsequent contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. This policy shall cover reasonable compensation for Program Manger's services and expenses required as a result of such insured loss.

4. PROGRAM MANAGEMENT FEE.

- 4.1 Calculation of Program Management Fee.** As compensation for basic services rendered under this Agreement by Program Manager, Owner shall compensate Program Manager a fee equal to 5% of the Project Development Budget for Construction Management and Project Close Out as outlined in the Budget Summary of Exhibit A for a total fee of _____ plus reimbursable expenses.

4.2

Additional Services. For additional services of Program Manager, Owner shall compensate Program Manager as follows:

The hourly billing rates as set forth in Exhibit C attached.

4.3

Consultant Additional Services. Compensation for additional services of the Program Manager's consultants shall be the amount invoiced to Program Manager plus ten (10%) percent.

4.4

Compensation For Reimbursable Expenses. Reimbursable Expenses are in addition to compensation for Basic and Additional Services and include Expenses incurred by the Program Manager and the Program Manager's consultants directly related to the Project, as follows:

1. Transportation and authorized out-of-town travel and subsistence;
2. Long distance services, dedicated data and communication services, teleconferences;
3. Fees paid for securing approval of authorities having jurisdiction over the Project;
4. Fees paid for testing, surveys or other data obtained at the request of the Owner;
5. Printing, reproductions, plots, standard form documents;
6. Postage, handling, and delivery;
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
8. Professional photography and presentation materials requested by the Owner;
9. Program Manager's consultants' expense of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits if the Owner requests such insurance in excess of that normally carried by the Program Manager's consultants;
10. All taxes levied on professional services and on reimbursable expenses;
11. Site office expenses, if authorized in advance by the Owner;
12. Customization of the Information Management System; and
13. Other similar Project-related expenditures.

4.4.1 For Reimbursable Expenses the compensation shall be the expenses incurred by the Program Manager and the Program Manager's consultants plus ten percent (10%) of the expenses incurred.

5. INDEPENDENT CONTRACTOR.

5.1 Status. Program Manager is an independent contractor and shall not perform the Services under this Agreement as an employee of Owner. Owner shall have no right to control or direct the method, details or means by which Program Manager performs the Services required under this Agreement. Program Manager shall have no authority to enter into any

contract or incur any liability or obligation on behalf of Owner without the prior written approval of Owner.

5.2 Compliance. Program Manager assumes full responsibility for the payment of all taxes pertaining to services rendered and compensation paid under this Agreement. Program Manager further assumes full responsibility for compliance with any and all applicable worker's compensation insurance or similar laws pertaining to services rendered and compensation paid under this Agreement.

6. INDEMNITY.

6.1 Indemnity by Owner. To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Program Manager and its employees, agents and representatives (collectively "Indemnitees") from and against any and all claims, demands, damages, losses, liabilities, obligations, costs and expenses, including attorneys' fees (collectively, "Losses and Liabilities"), arising out of or in connection with claims asserted by third parties (including without limitation any governmental agency, homeowners association, or similar organization) relating to the Project, or any breach by Owner of its obligations hereunder, or any willful misconduct or active negligence of Owner. Such obligation to defend, hold harmless and defend any Indemnitee shall not apply to the extent that such losses and liabilities are found to have been caused by the active negligence or willful misconduct of such Indemnitee.

6.2 Indemnity by Program Manager. To the fullest extent permitted by law, Program Manager shall indemnify, defend and hold harmless Owner and its employees, agents and representatives (collectively "Indemnitees") from and against any and all claims, demands, damages, losses, liabilities, obligations, costs and expenses, including attorneys' fees (collectively, "Losses and Liabilities"), arising out of or in connection with claims asserted by third parties (including without limitation any governmental agency, homeowners association, or similar organization) relating to the Project, or any breach by Program Manager of its obligations hereunder, or any willful misconduct or active negligence of Program Manager. Such obligation to defend, hold harmless and defend any Indemnitee shall not apply to the extent that such losses and liabilities are found to have been caused by the active negligence or willful misconduct of such Indemnitee.

6.3 Consequential Damages. In no event shall either party be liable for the other's indirect, special or consequential damages. The Program Manager and Owner waive consequential or indirect damages for claims, disputes or other matters in question arising out of or relating to this Agreement.

6.4 Waiver of Subrogation. To the extent damages are covered by property insurance required under Section 3.12, the Owner and Program Manager waive all rights of subrogation against each other and against the contractors, consultants, agents and employees of the other for damages under Section 3.12.

7. DISPUTE RESOLUTION.

7.1 Arbitration. All claims, disputes and other matters in questions arising out of, or relating to, this Agreement or its breach, except for claims which have been waived by the making or acceptance of final payment, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise. This Agreement to arbitrate shall be specifically enforceable, and the arbitrator shall have the authority to specifically enforce any provision of this Agreement.

7.2 Demand. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The demand for arbitration shall be made within a reasonable time after the claim, dispute or their matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

~~**7.3 Discovery.** The Parties shall be allowed to conduct discovery pursuant to California Code of Civil Procedure Section 1283.05.~~

7.47.3 Consolidation or Joinder. All claims that arise out of this Agreement, which are related to or dependent upon each other, shall be heard by the same arbitrator or arbitrators even though the parties are not the same unless a specific contract prohibits such consolidation. Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration.

~~**7.57.4 Award.** The award rendered by the arbitrators shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction.~~

8. MISCELLANEOUS.

8.1 Attorney's Fees. If any party commences or is made a party to a lawsuit, arbitration or other proceeding to enforce or interpret this Agreement, the prevailing party in such proceeding shall be entitled to recover from the other party all reasonable attorney's fees and other costs incurred in connection with such proceeding, including without limitation any costs incurred to appeal or enforce any judgment or decision rendered in such proceeding.

8.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) on the date of delivery if personally delivered, (ii) one business day after delivery by overnight courier or facsimile (provided that the sender retains a printed confirmation of delivery to the facsimile number provided below) or (iii) three business days after mailing if mailed by first class mail certified or registered, postage prepaid, return receipt requested, to the parties at their addresses set forth below, or such other address designated from time to time in writing by such party to all other parties.

To Owner:
High Desert Montessorri Charter
School
2025 Silverada Boulevard, Reno,

To Program Manager:
Red Hook Capital Partners LLC
2120 E Grand Avenue, Suite 135
El Segundo, CA 90245

Nevada, 89512
Email: maxhaynes@gmail.com
Attention: Max Haynes

Email: dhyun@redhookcap.com
Attention: David Hyun

- 8.3 Amendment and Waiver.** This Agreement may be amended only by a written document signed by all parties to this Agreement. Waiver of any provision of this Agreement shall not be deemed or constitute a waiver of any other provision, nor shall such waiver constitute continuing waiver.
- 8.4 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, beneficiaries legal representatives, successors and assigns. This Agreement may only be assigned with the prior written approval of the other party.
- 8.5 Governing Law and Severability.** This Agreement shall be governed by and construed under the laws of the State of California, without regard to its conflicts of laws provisions. If any provision of this Agreement is invalid or unenforceable, and if the deletion of such provision would not adversely affect the receipt of any material benefit of the bargain by either party hereto, such provision shall (i) be modified to the minimum extent necessary to render it valid and enforceable, or (ii) if it cannot be so modified, be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of the retaining provisions.
- 8.6 Counterparts.** This Agreement may be executed in any number of counterparts, and each set of duly delivered identical counterparts, shall be deemed to be an original instrument.
- 8.7 Further Assurances.** The parties covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Agreement.
- 8.8 Entire Agreement.** This Agreement represents the entire agreement between the parties with respect to the subject matter set forth above, and supersedes all previous oral and written agreements, communications, representations, and commitments between Program Manager, Owner, and their respective predecessors.
- 9. SUSPENSION AND TERMINATION OF SERVICES.**
- 9.1 Suspension.** Owner may direct Program Manager in writing, with or without cause, to suspend, delay or interrupt Work, in whole or in part, for such periods of time as Owner may determine in its sole discretion, which shall be treated as an excusable delay. If Owner suspends the entirety of Program Manager's Work for more than thirty (30) consecutive days through no fault of Program Manager, then Owner shall provide an equitable increase in Program Manager's compensation to reflect Program Manager's actual and unavoidable costs arising from such suspension. If Owner, through no fault of Program Manager, suspends Program Manager's Work for more than ninety (90) consecutive days, the Program Manager may terminate this Agreement upon fourteen (14) days advance written notice to Owner, provided that Owner may void such termination right by electing to resume Program Manager's Work during such notice period.

- 9.2 Termination Generally.** In the event of any termination (for cause or convenience), Program Manager shall deliver to Owner possession of all Program Manager's Work and the Work in its then existing condition, including but not limited to, all records associated with the Project. The provisions of this Section shall not be interpreted to diminish any right which Owner or Program Manager may have under this Agreement and applicable law.
- 9.3 Termination for Cause.** Program Manager may terminate its performance of the Work if Owner fails to make required payments to Contractor without substantial justification. Owner may terminate performance of the Work and association compensation under this Agreement in whole, or from time to time in part, for cause, should Program Manager commit a material breach of any part of this Agreement and not cure such breach within ten (10) calendar days of the date of Owner's written notice to Program Manager demanding such cure. If such breach is curable but not within such ten (10) day period, then Owner may grant Program Manager additional time to cure, provided that Program Manager provides within the ten (10) day period a written cure plan that is acceptable to Owner, and then diligently commences and continues such cure according to the approved written plan.
- 9.4 Termination for Convenience.** Owner may terminate performance of the Work under this Agreement in whole, or from time to time in part, for convenience, whenever Owner determines that such termination is in Owner's best interests. In the event Owner terminates this Agreement for convenience, Program Manager shall be entitled to payment of its outstanding invoices and unbilled but earned compensation through the date of termination, as well as any other reasonable and necessary termination expenses incurred by Program Manager, plus its anticipated profit on uncompleted work.
- 9.5 Exhibits.** The following Exhibits are attached hereto and incorporated by reference as part of this Agreement:
- Exhibit A: Project description and parameters
 - Exhibit B: Program Manager services
 - Exhibit C: Program Manager billing rates

Exhibit A

Project Description

The "Project" shall be defined as the following:

The improvement of the property located at 2025 Silverada Boulevard, Reno, Nevada, 89512 (the "Premises") consisting of the development or re-development of facilities including related site work, to house a public charter school all pursuant to the Agreement.

Exhibit B
Scope of Services

Project: Charter School Facilities for High Desert Montesorri Charter School (HDMCS)

- Communicate to HDMCS the project budget and schedule updates provided by the architect/general contractor.
- Confirm that architect/general contractor obtain proper permits for the project.
- Ensure that the architect/general contractor coordinate with the appropriate municipal and government departments and other public officials in order to gain approvals as needed.
- Obtain updates from the architect/general contractor on a regular basis and report to HDMCS.
- Attend architect/general contractor meetings (as needed) and report any project related items/issues to HDMCS.
- Review Pay Applications and Draws and report back to the HDMCS or lenders.
- On behalf of HDMCS, confirm with lender representative certification of construction draws.
- Review GC reports, field orders, documents, etc. and report back to HDMCS.
- Ensure that the architect/general contractor obtain temporary and permanent Certificates of Occupancy and that they provide HDMCS with closeout documentation.
- Ensure that the architect/general contractor complete the punch-list close out.

Exhibit C

Program Manager Billing Rates

Principal	\$250.00 per hour
Project Manager	\$125.00 per hour
Clerical	\$40.00 per hour

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date set forth above.

ACCEPTED AND AGREED BY _____

this ___ day of _____, 2019:

By: _____

Title: _____

**ACCEPTED AND AGREED BY RED HOOK CAPITAL PARTNERS IV
LLC**

this ___ day of _____, 2019:

By: _____

Title: _____