

**Board Update 2019-2020**  
**High Desert Montessori Charter School**

Submitted by Interim Principal/Director Tammie Stockton

**Strategic Planning Pillars:**

1. Montessori Principles and Tenets
2. Academics
3. Outreach and Engagement
4. Facilities

**August 28, 2019**

- **WCSD Charter Renewal:** Our charter renewal application will be due to WCSD in February 2020 and go through a committee process. HDMS will present our application to the WCSD committee, the committee will meet and score our application then present their recommendations to the WCSD Board of Trustees. The Board of Trustees will approve or not approve the charter in the spring.
- **NSPF (Nevada Schools Performance Framework):** HDMS received its preliminary star ratings. Elementary received a 2 star with a score of 31, which is a 14 point drop from the previous year. Elementary scores over the past 3 year include: 16-17 31.5, 17-18 45.5, 18-19 31.5. Middle school stayed about the same as the previous year receiving a 3 star. The 3 year scores include: 16-17 72.28, 17-18 69.22, 18-19 67.78. Our plan is to look at resources and interventions which align with our School Performance Plan (SPP). The SPP will be presented to the board in October.
- **Middle School Update:** Seth Webb from the National Center for Montessori in the Public Sector, who visited the school in April, continues to work with the middle school team on their restructuring plan. He held phone meetings with them twice before school started and once since school started. He will be visiting the school at the end of September. His assistance has been invaluable.
- **NCFMINPS Self-Reflection:** The guiding principles on this form will be used throughout the school year to support the overall culture of the school.
- **Montessori Playbook:** This book, developed by Seth and the National Center, is an invaluable tool for the staff. It includes observation and evaluation tools which are 100% Montessori aligned. Our goal is to use many of the forms in this book for formal evaluations. The process will need to go through the Department of Education in order for this to happen.
- **Redhook:** Lawyers for both HDMS (Kerry Eaton) are involved at this point in reviewing leases and property agreements.

### September 25, 2019

- **Montessori Principles and Tenets:** The PTO granted the school \$4,600 which is  $\frac{1}{3}$  of the cost of sending 11 teachers to the annual Montessori conferences in February (AMI, Seattle) or March (AMS-Dallas). In addition, 3 teachers will attend the 1 day TIME Montessori conference in October. The remainder of the cost will be divided between the school and level accounts. Thank you PTO!
- **Academics:** We have received funding from the state including SB178 and Nevada Kids Read. We've had a tough time finding applicants who have the licensing (K-8) for the position. We just hired a part-time person and have adjusted schedules for 2 current assistants in order to start interventions in reading and math. Fall MAP testing is complete and teachers are working on individual goal setting plans. According to the guidelines of Nevada Kids Read, any 1st-6th grader who scores below the 40% in reading must receive research based interventions.
- **Outreach and Engagement:** We had 4 successful Back to School Nights in August. The PTO has held 2 meetings and is making plans for family nights and additional fundraisers besides Kids On Big Rigs. We plan on hosting "Montessori Through Their Eyes" in the spring. We hope to hold an alumni event as well as "A Night of Montessori" inviting all education students from the different universities.
- **Facilities:** Leases, purchase agreements, sale of the empty lot have been vetted through attorney's Kerry Eaton, representing HDMS, and Redhook. HDMS sent a letter to WCSD on September 18, 2019 asking their approval as our sponsor to move forward with our property transactions. We are waiting for the WCSD legal team to review all documents. Our updated 2025 Silverada plans were shared with architect Jason Dhuy which places all 7 elementary classrooms in the same building with additional classroom space for expansion.

### Next steps:

- Review school food/lunch policy on October 3rd with Green Team
- Review academic goals and interventions for the School Performance Plan
- Continue classroom observations and conferencing with teachers
- Prepare for fall parent conferences including required reading plans for students in grades 1-6 who are below the 40% on MAP reading
- Wait for WCSD to respond to property letter.
- Update Acorn Corporation purchase agreement to reflect selling of the parcels in the 3 story building.
- Continue to work with JK architecture or updated concept renderings and cost estimates.

**October 30, 2019****● Montessori Principles and Tenets:**

- Seth Webb from the National Center for Montessori in the Public Sector visited the school on September 26th and 27th. He observed and met with the middle school team as well as with board member Linda Aaquist and HR Sherrie Jordan. Seth will visit our school again on November 21 and 22nd with a focus of continuing Middle School support.
- Three elementary teachers (Kaleigh Richards, Jamie Berfield, and Olivia Meyer) attended the Montessori TIME Conference in Oakland on October 12th.
- Teacher Jen Marcondes spent a week completing teacher observation at Elizabeth Academy in Salt Lake City as part of her AMS training.

**● Academics:**

- The School Performance Plan was completed and reviewed by the Leadership Team.
- We have hired 2 part time reading interventionists using SB178 and Read By 3 funding. We are still in need of support in this area and have funds available. Sherrie has posted the Literacy Specialist position again. Required reading plans were completed for all 1st-6th grade students scoring below the 40% on MAP reading.
- Completed the Distance Education application which will allow 18 middle school students to use SCHOOLSPLP which enables them to take high school algebra in an online format. Middle school math teacher Nia Alvarez will oversee this for these students.

**● Outreach and Engagement:**

- Fall parent conferences were held the week of October 18-24th.
- The elementary Fall Festival was held on October 19th and brought in about the same amount of funds as last school year.
- The Run For Education was held on October 20th and will bring \$2,000 to go towards outdoor education or playground equipment.
- The HDMS Newsletter continues to be distributed weekly to parents and staff through email, text, and posted on our school website.
- Foster grandmother Clareth Knott passed away over fall break. She was working with students, helping them to learn to read at HDMS for over 10 years. Several staff members attended her funeral.

**● Facilities:**

- WCSD gave HDMS the approval to move forward with our property deals. Leases and property agreements are being finalized with the support of our attorney Kerry Eaton. JK Architecture received updated renderings and an estimated budget of \$1 million for the renovation of the 1 story building.

**Next steps:**

- Continue classroom observations and conferencing with teachers and assistants using forms from the Montessori Playbook
- Meet with JK Architecture regarding Silverada 1 story renovation plans
- Develop Silverada outdoor landscaping and playground design plan with Reno Green and landscape architect Jana Vanderhaar on November 6 at 3:30.
- Promotional materials/flyer for principal position in collaboration with the National Center for Montessori in the Public Sector (Seth Webb and David Ayer)
- Analyze HDMS Peer/Climate Survey results
- Revise our current conflict resolution process to include more options and supports
- Begin working on charter renewal. Our application is due February 1 to WCSD.

## November 20, 2019

- **Montessori Principles and Tenets:**

- Seth Webb from the National Center for Montessori in the Public Sector is visiting the school this Thursday and Friday. He plans to spend time in all classrooms and debrief the staff on Friday afternoon at 1:30. He will review the report and Essential Elements Rubric which was completed in April. All board members are invited to attend.
- Teacher Sarah Hausman is completing teacher observation this week at Lee Montessori in Washington DC as part of her AMI training.

- **Academics:**

- We met with Kyle Kemp from WCSD Assessment Department this week regarding understanding our school data more, especially as it relates to our ELL population. We now have a better understanding and some action steps to help improve our overall star rating.
- We currently have 6 part-time staff working on interventions with students using evidence-based programs including Phonics First, Leveled Literacy Instruction (LLI), and FRECKLE (online reading and math). In addition, we have 18 middle school students taking online algebra.
- Continue classroom observations and conferencing with teachers and assistants using forms from the Montessori Playbook

- **Outreach and Engagement:**

- The PTO Parents' Play Date was held on November 2nd at the Reno Renaissance. Those who attended had a great time!
- The PTO's Clothing Drive collected 3,355 pounds which made \$667 to go towards grants and professional development.
- The PTO hosted a Family Fun Night on Friday, November 15th and had a good turnout.
- Our annual "Celebration of Diversity" is scheduled for December 18th at 5:30. Primary performances will be held at Orovada and all elementary/middle school projects will be at Silverada. Please plan on attending this outstanding event!

- **Facilities:**

We will be documenting our progress of the expansion on our website. The blog feed will be posted on the website under a new menu heading called "Our Story" which has tabs for "Our History" and "Our Future". The "Our Future" heading will host the blog feed. <https://www.hdmsreno.com/our-future/>

- The Green Team met with Mike Warden (Garden Shop) and landscape architect Jana Vanderhaar on November 6 to begin the process of renderings for the outdoor environments at Silverada. Jana has reached out to Redhook in regards to the project management and timelines.
- Scott Bowman from Lepori Construction walked the Silverada buildings with Tammie and Laura on November 15th.

- JK Architecture has provided us updated renderings of the 1 story Silverada building. This information will be sent to Redhook.
- Both requested letters have been received from WCSD regarding the Redhook property acquisition and lease agreements as well as the vacant lot sale.

**Next steps:**

- Continued collaboration with Redhook on next steps
- Disaggregate data and identify academic supports for students scoring just below the 60% on MAP or high Level 2 on SBAC
- Revise our current conflict resolution process to include more options and supports
- Begin working on charter renewal. Our application is due February 1 to WCSD.
- Begin working on formal teacher evaluations
- Formally post principal application in January

## February 25, 2020

- **Charter Application**
  - The application was reviewed with the HDMS Board of Directors on January 29.
  - The WCSD Application for Charter Renewal was submitted to WCSD on January 31.
  - A presentation to the WCSD Charter Review Committee will be held on Thursday, February 27th at 3:30 in the Silverada building.
  - The WCSD Review Committee will recommend renewing or not renewing the HDMS charter on Tuesday, March 31 at 4:00 at the WCSD Board of Trustees meeting.
- **Montessori Principles and Tenets**
  - AMI Refresher Conference: 5 Primary Teachers and Middle School Teacher/Dean attended the refresher conferences February 13-16 in Seattle. The conference focus was, "A Child's Place in Time". All 6 teachers returned excited and invigorated from this experience.
  - Montessori Coaches Training: Three teachers and Tammie attended this 3 day training in Oakland on February 20-23. The concept of having a Montessori Coach or Coaches is a critical component of supporting teachers and increasing student growth. This training was facilitated by the National Center for Montessori in the Public Sector.
  - National Center for Montessori: We continue to work with Seth Webb through monthly phone conversations. In addition to meeting with the middle school, Seth has conferenced with the Combo Classroom and the Elementary PLC Team.
  - Charter Application: An enormous part of our charter application with WCSD focuses on the original Montessori goals and objectives of the school when it was formulated in 2002.
- **Academics**
  - Winter MAP Scores: We finished up testing all K-8 grade students in reading and math. This is the first time Kindergarten students are assessed in reading using IPADS. Teachers did a great job of demonstrating to students how to use this online format. The teachers continue to spend time analyzing this information and providing additional interventions as needed.
  - Read By 3: With Winter MAP finished, we are required to notify parents if their child is below grade level in reading (below the 40%) and complete a required reading plan with parents.
  - WIDA/ACCESS: Our 27 identified English Language (EL) students were assessed the first week of February. WCSD sent 2 protors to administer the testing.
  - SBAC/CRT: We will begin state testing in April. Teachers are working to provide experiences to students which will help them better prepare for the format of SBAC.

- Teacher Observations and Evaluations: Tammie continues to observe teachers daily either formally or informally. Tammie has started meeting with teachers to go over final teacher evaluations using the state approved Danielson rubrics performance standards.
- Read By 3 Funds: WCSD approved HDMS to use Read By 3 funds to purchase Montessori language materials to use for additional support in the classroom. In addition, WCSD approved to pay for the cost of conference registration for our 5 teachers attending the AMS Conference in Dallas on March 13-15.
- **Outreach and Engagement**
  - New Parent Seminars: Parents must attend a required seminar as part of our student enrollment process. The seminars are held in January and May. We held our January seminars and had a nice turnout of interested parents.
  - PTO: The PTO held a "Family Fun Night" on January 17th and a "Parents Night Out" on February 14th where parents could drop off their children at school while they go out to dinner. There was a decent turnout at both of these events.
  - Kids On Big Rigs: The PTO will again be partnering with Stacey Perez for this major fundraiser at Peterbuilt in Sparks on April 25th.
  - Orovada Reception: Dawn Chamblin, who had been with the school for 8 years resigned her position in January to pursue a career in real estate. Stacey Hart, who has been with HDMS for 4 years stepped into this important position as the front person at Orovada as well as our parent and outreach coordinator.
- **Facilities**
  - Escrow: Both the Orovada building and vacant lot are in escrow.
  - Project Manager: At the January 29 board meeting, Rob King from Redhook was awarded the Project Manager contract for the 1 story Silverada building. Weekly Monday at 5:00 continues to happen with Rob facilitating our discussions.
  - Architect: At the February 10 board meeting, BJB Architecture has been awarded the contract for architectural, structural and mechanical work on the 1 story building.
  - Landscape Architect: Concept renderings were completed by Jana Vanderhaar. The board will discuss who will oversee the project at the February 26th meeting after reviewing the bids.
  - Lease, Purchase Agreements, and APN's: There is still some clean-up happening between Redhook and HDMS in terms of the final contracts.
  - Summer Construction: We are still on track with plans for the renovation of the 1 story Silverada building and outdoor learning environment. We have 8 weeks available for this.
- **Next Steps**
  - Prepare teachers and students for state assessments
  - Continue Charter Renewal process
  - Continue teacher observations and evaluations
  - Begin staffing and budget for the 20-21 school year with Sherrie and Adista



- Continue to refine the conflict resolution process with board members Nicole C. and Claudia F.
- Continue to refine the principal selection process with board members Nicole and Linda
- Continue to work with Redhook towards our goal of summer construction with board members Max and Reid
- Think about how the Montessori Coaching model can be incorporated into the structure of the school for 20-21
- Continue to think about the roles and responsibilities of the Principal and Executive Director as we move towards that leadership model for the 20-21 school year
- Update the Board Bylaws with minor revisions to school leadership; from singular to plural

**April 29, 2020**

- **Charter Application**
  - The charter application was approved by WCSD Board of Trustees at the March 25th meeting for six years. The next renewal will be in 2026.
- **Montessori Principles and Tenets**
  - National Center for Montessori in the Public Sector: Seth Webb reached out to HDMS to see if we needed support at this time. We have a \$3,000 credit since Seth was not able to make his spring visit. This credit will carry over to next school year.
  - Summer Montessori Teacher Training: 5 teachers are planning on attending Montessori training this summer through AMI or AMS. So far, those who have been notified will have their training online.
- **Academics**
  - School Closure: On April 21 Governor Sisolak declared K-12 schools remain closed throughout the state for the remainder of the school year.
  - Distance Learning: Our Distance Education Plan was approved by the Department of Education on March 26th. We continue to follow all of the guidance from WCSD and the Department of Education regarding attendance and grading to ensure accountability.
  - State Testing: State testing including SBAC and CRT's have been canceled for the 19-20 school year.
  - Faculty Meetings: Teachers meet Mondays at 1:00 via Zoom to discuss ongoing progress using distance learning.
  - Assistant Meetings: Assistants meet every Tuesdays via Zoom at 1:00 for updates.
  - PLC: Level teachers (primary, elementary, middle school) meet weekly via Zoom to collaborate on lessons, student progress, and ways to improve our distance education learning as a level.
  - Special Education: We continue to hold IEP and re-evaluation meetings with parents via Zoom. Speech and OT continue as related services via online format.
  - Teacher Evaluations: Evaluations are being completed and Tammie is meeting with teachers to complete this process.
  - Sorting Meetings: Teams will be meeting in May to sort transitioning students into classrooms (Kinder to Lower EI, Lower EI to Upper EI, 6th to Middle School)
- **Outreach and Engagement**
  - Graduation: The last day of school is Friday, June 5th so please mark your calendars! We will organize a sweet and joyous celebration. It may look a little different than previous years but the sense of community and celebrating another school year will remain.
  - Weekly Newsletters: We continue to distribute the Weekly Newsletter. This electronic form of communication provides our community with updates and resources.

- Weekly Bulletin: Tammie continues to send the "Weekly Bulletin" to the staff which includes relevant updates.
- **Facilities**
  - Orovada: Honors Academy backed out of purchasing the Orovada building.
  - Silverada 1 story: We are moving forward with plans for the remodel. Permits have been submitted to the City of Reno. The General Contractors are doing their final walkthroughs on Monday, May 4th and a decision should be made by the board within a few weeks.
  - Moving Plans: Our team met to plan for emptying the Silverada building and moving Lower EI from Orovada to Silverada and Middle School from Silverada to Orovada.
  - Silverada New Playground: We continue to work with Jana Vandahaar, Farm River School, Quality Custom Fencing, and Clean Cut Lawns on the outdoor renovation of the east Silverada parking lot.
  - Funding: We continue to work on funding sources for the remodel of the 1 story, renovation of the 3 story with Redhook, and New Market Tax Credit options.
- **Next Steps**
  - New Principal transition
  - PPP Loan/Hourly employees plan to return to work
  - Teacher Contracts will be finalized by the end of May
  - Finalize graduation/end of year celebration plans
  - Emptying and moving buildings
  - Obtain financing for 1 story remodel

### **Current Bylaws approved 3.19.18**

The Board may designate one of its employees to function as the administrative head of the school. Any such person must have the qualifications described in NAC 386.100 subsection 2 and *preferred to have significant Montessori experience with certification from a MACTE accredited institute*. Such a person shall have the authority to act in the absence of a specific policy provided that such action is consistent and not in conflict with the general aims and objectives of the Board. Such person is the Executive Officer for the School and shall administer the School in accordance with Board direction and generally accepted educational practices. In the absence of an administrative head, the Board shall designate a supervising employee, who shall be charged with the hiring, firing and supervision of other school personnel and who shall discharge the duties assigned by the Board. The Board hires the supervising employee or administrative head for the School and sets their compensation. The term can be for any length the Board chooses. The Board, annually, shall evaluate any such staff person.

(Approved 3.19.18)

### **Proposed Changes**

#### **2 job descriptions**

##### **Principal**

The Board may designate one of its employees to function as the Principal of the school. Any such person must have the qualifications described in NAC 386.100 subsection 2 and *preferred to have significant Montessori experience with certification from a MACTE accredited institute*. Such a person shall have the authority to act in the absence of a specific policy provided that such action is consistent and not in conflict with the general aims and objectives of the Board. Such a person is the Principal for the School and shall administer the School in accordance with Board direction and generally accepted educational practices related to curriculum, instruction, student growth, parent partnerships and creating a safe and respectful learning environment. The position reports directly to the Board of Directors. In the absence of a Principal, the Board shall designate a supervising employee, who shall be charged with the hiring, firing and supervision of other school personnel and who shall discharge the duties assigned by the Board. The Board hires the Principal for the School and sets their compensation. The term can be for any length the Board chooses. The Board, annually, shall evaluate any such staff person.

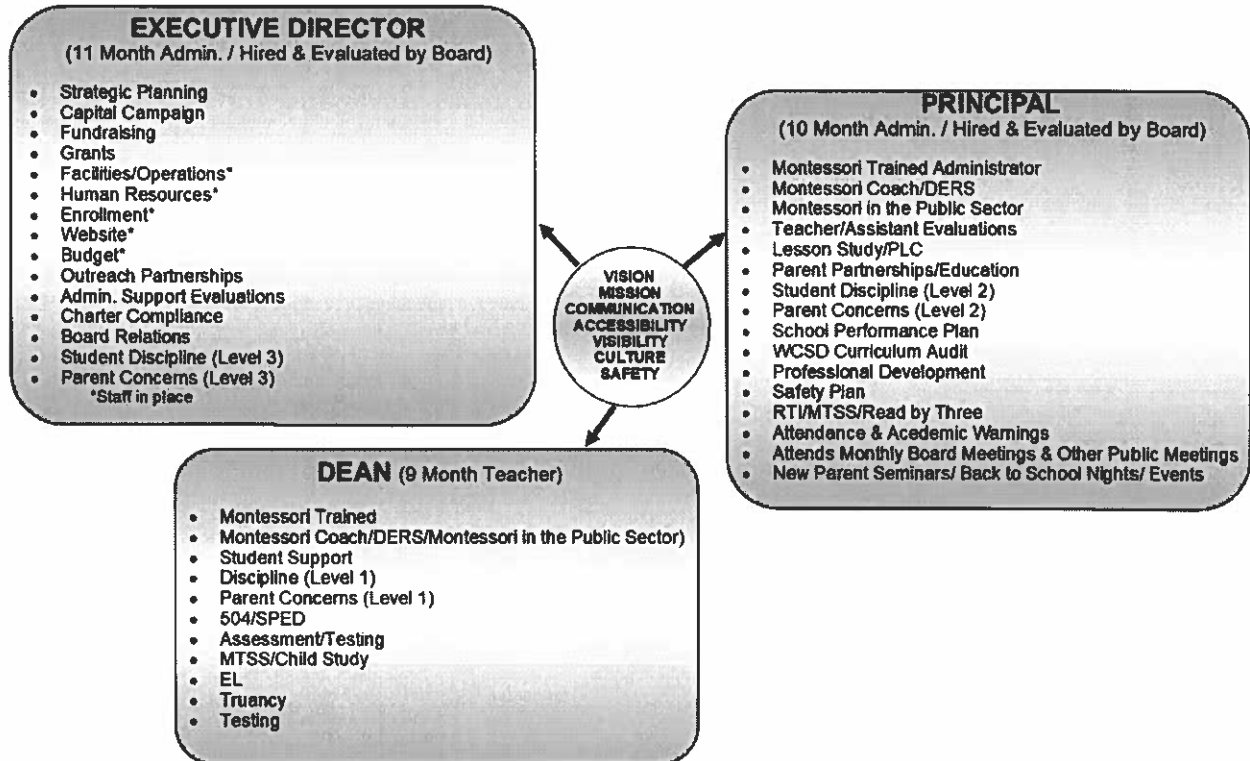
##### **Executive Director**

The Board may designate one of its employees to function as the Executive Director of the school. Any such person must have the qualifications of at a minimum a Bachelor's Degree. The Executive Director is responsible for overseeing the administration, programs and strategic plan of the organization. Other key duties include fundraising, marketing, and community outreach. The position reports directly to the Board of Directors. Such a person shall have the authority to act in the absence of a specific policy provided that such action is consistent and not in conflict with the general aims and objectives of the Board. Such person is the Executive Director for the School and shall administer the School in accordance with Board direction and generally accepted educational and business practices. In the absence of an Executive Director, the Board shall designate a supervising employee, who shall be charged with the hiring, firing and supervision of other school personnel and who shall discharge the duties assigned by the Board. The Board hires the Executive Director for the School and sets their compensation. The term can be for any length the Board chooses. The Board, annually, shall evaluate any

such staff person.



## HDMS ADMINISTRATIVE RESTRUCTURING





**BUDGET**

HDMS 3 Story  
 Tenant Improvement  
 4/6/20

	(SQ FT) Budget	Adjustments	Revised Budget	Assume
<b>Acquisition</b>				
1000 Raw Land		-		
1001 Property		-		
1002 Escrow Closing Costs		-		
1003 Other Acquisition Costs		-		
<b>Acquisition Total</b>		-		
<b>Hard Costs</b>				
2000 New Construction	7,200,000.00	385,000.00	7,585,000.00	\$225 PSF (Addition of exterior windows and ne
2010 New Construction Allowances		-		
2100 Sitework	50,000.00	-	50,000.00	Minimal site work allowance (No play equipmen
2200 Offsite	39,000.00	-	39,000.00	ROM Allowance (Sidewalk repair, curb, gutter, p
2300 Utilities Installation	78,000.00	-	78,000.00	ROM Allowance (Potential upgrades to power, g
2400 Environmental Remediation		-		
2500 Furniture, Fixture and Equipment		-		
2600 Payment and Performance Bond	82,494.95	-	82,494.95	1% of HC Subtotal
2700 Other Hard Costs (Structural upgrade)	800,000.00	-	800,000.00	ROM (Structural upgrade) \$25 PSF
HVAC		(600,000.00)	(600,000.00)	
Casework		(374,000.00)	(374,000.00)	
Interior Glass		(100,000.00)	(100,000.00)	
Bathrooms (Eliminate 2, 1st floor bathrooms)		(30,000.00)	(30,000.00)	
Windows (Potential, if City allows existing windows under energy req's)		(500,000.00)	(500,000.00)	
General Conditions Reduction		(200,000.00)	(200,000.00)	
Asb/Lead/Demo ??? DBC to look into it		(200,000.00)	(200,000.00)	
<b>Hard Cost Total</b>	<b>8,249,494.95</b>	<b>(1,619,000.00)</b>	<b>6,630,494.95</b>	
<b>Soft Costs</b>				
3000 DD: Appraisal	15,000.00	-	15,000.00	
3010 DD: ALTA	6,400.00	-	6,400.00	Already Done
3020 DD: Property Condition Report	2,950.00	-	2,950.00	Already Done
3030 DD: Seismic Study	6,500.00	-	6,500.00	Already Done
3040 DD Other (Destructive testing for structural) If required	25,000.00	-	25,000.00	T & M Estimate
3100 Legal	25,000.00	-	25,000.00	
3200 Architecture & Engineering (includes site plan review)	600,000.00	-	600,000.00	
3210 Utility Consultant		-		
3220 Fire Sprinkler Design	10,000.00	-	10,000.00	
3400 Zoning: Land Use Consultant		-		
3410 Zoning: Political Consultant	15,000.00	-	15,000.00	Assist in getting permit
3420 Zoning: Planning Approval	10,000.00	-	10,000.00	ROM Allowance
3430 Zoning: Expedited		-		
3440 Zoning: Outreach and Notification		-		
3450 Zoning: Other		-		
3500 Environmental: CEQA Consultant	15,000.00	-	15,000.00	ROM Allowance
3510 Environmental: Air Quality Study		-		
3520 Environmental: Geohazard Report	7,500.00	-	7,500.00	
3530 Environmental: Health Risk Assessment		-		
3540 Environmental: Lead & Abestos Report	7,500.00	-	7,500.00	Already Done
3550 Environmental: Noise Study		-		
3560 Environmental: Environmental Phase I Assessment	2,150.00	-	2,150.00	Already Done
3565 Environmental: Environmental Phase II Assessment		-		
3570 Environmental: Traffic Study	20,000.00	-	20,000.00	
3580 Environmental: Soils/Geotechnical Report	5,200.00	-	5,200.00	
3590 Environmental: Other		-		
3600 Green Commissioning Agent		-		
3700 LEEDS/CHPS Consultant		-		
3800 State Fees: Plan Check (DSA)		-		
3810 State Fees: Permits		-		
3820 State Fees: DTSC		-		
3830 State Fees: CGS		-		
3840 State Fees: Labor Compliance Monitoring (e.g. DIR)		-		
3850 State Fees: Other		-		
3900 Local Fees: Plan Check	60,000.00	-	60,000.00	
3910 Local Fees: Permits	60,000.00	-	60,000.00	
3920 Local Fees: Offsite Permits (e.g. "B" Permit)	10,000.00	-	10,000.00	Assume minimal improvements
3930 Local Fees: Bonds		-		
3940 Local Fees: Covenants		-		
3950 Local Fees: Other		-		
4000 State Inspection		-		
4010 Special Inspections (Deputy, Geotech Observation, Testing Labs, etc.)	100,000.00	-	100,000.00	
5000 Other: Insurance	82,494.95	-	82,494.95	1% of HC
5010 Other: Site Security (pre-occupancy)	80,000.00	-	80,000.00	
5020 Other: Real Property Taxes (pre-occupancy)	25,000.00	-	25,000.00	
5030 Other: Utilities (pre-occupancy)	15,000.00	-	15,000.00	
5040 Other: Reimbursables (Printing, Delivery, Mileage, etc.)	15,000.00	-	15,000.00	
5050 Other: Soft Costs		-		



**BUDGET**

HDM5 1 Story  
 Tenant Improvement  
 2/26/20

	(SQ FT)		Revised	
	Budget	Adjustments	Budget	A
<i>Acquisition</i>				
1000	Raw Land	-	-	
1001	Property	-	-	
1002	Escrow Closing Costs	-	-	
1003	Other Acquisition Costs	-	-	
<b>Acquisition Total</b>		-	-	

<i>Hard Costs</i>				
2000	New Construction	826,561.90	826,561.90	ROM from Lepori - DBC ROM is \$878,000.
2010	New Construction Allowances	-	-	
2100	Sitework	50,000.00	50,000.00	
2200	Offsite	25,000.00	25,000.00	
2300	Utilities Installation	25,000.00	25,000.00	ROM Allowance
2400	Environmental Remediation	50,000.00	50,000.00	ROM Allowance
2500	Furniture, Fixture and Equipment	-	-	By HDM5
2600	Payment and Performance Bond	9,765.62	9,765.62	1% OF HC Subtotal
2700	Other Hard Costs	-	-	
	Delete Fire Sprinklers	-	(86,750.00)	
	Reduce Interior Storefront	-	(50,000.00)	
	Reduce Front Landscape/Play Area	-	(75,000.00)	
<b>Hard Cost Total</b>		<b>986,327.52</b>	<b>774,577.52</b>	

<i>Soft Costs</i>				
3000	DD: Appraisal	-	-	
3010	DD: ALTA	-	-	Already Done
3020	DD: Property Condition Report	-	-	
3030	DD: Seismic Study	-	-	
3040	DD Other	-	-	
3100	Legal	-	-	
3200	Architecture & Engineering	115,000.00	115,000.00	
3210	Utility Consultant	-	-	
3220	Fire Sprinkler Design	-	-	
3400	Zoning: Land Use Consultant	-	-	
3410	Zoning: Political Consultant	-	-	
3420	Zoning: Planning Approval (3rd Street Plan Conformance Review)	-	-	
3430	Zoning: Expedited	-	-	
3440	Zoning: Outreach and Notification	-	-	
3450	Zoning: Other	-	-	
3500	Environmental: CEQA Consultant	-	-	
3510	Environmental: Air Quality Study	-	-	
3520	Environmental: Geohazard Report	-	-	
3530	Environmental: Health Risk Assessment	-	-	
3540	Environmental: Lead & Abestos Report	1,000.00	1,000.00	
3550	Environmental: Noise Study	-	-	
3560	Environmental: Environmental Phase I Assessment	-	-	
3565	Environmental: Environmental Phase II Assessment	-	-	
3570	Environmental: Traffic Study	-	-	
3580	Environmental: Soils/Geotechnical Report	-	-	
3590	Environmental: Other	-	-	
3600	Green Commissioning Agent	-	-	
3700	LEEDS/CHPS Consultant	-	-	
3800	State Fees: Plan Check (DSA)	-	-	
3810	State Fees: Permits	-	-	
3820	State Fees: DTSC	-	-	
3830	State Fees: CGS	-	-	
3840	State Fees: Labor Compliance Monitoring (e.g. DIR)	-	-	
3850	State Fees: Other	-	-	
3900	Local Fees: Plan Check (e.g. LADBS, County Regional Planning)	30,000.00	30,000.00	
3910	Local Fees: Permits	30,000.00	30,000.00	
3920	Local Fees: Offsite Permits (e.g. "B" Permit)	5,000.00	5,000.00	Assume minimal improvements
3930	Local Fees: Bonds	-	-	
3940	Local Fees: Covenants	-	-	
3950	Local Fees: Other	-	-	
4000	State Inspection	-	-	
4010	Special Inspections (Deputy, Geotech Observation, Testing Labs, etc.)	10,000.00	10,000.00	
5000	Other: Insurance	9,863.28	9,863.28	
5010	Other: Site Security (pre-occupancy)	-	-	
5020	Other: Real Property Taxes (pre-occupancy)	-	-	
5030	Other: Utilities (pre-occupancy)	-	-	
5040	Other: Reimbursables (Printing, Delivery, Mileage, etc.)	15,000.00	15,000.00	
5050	Other: Soft Costs	-	-	
<b>Soft Costs Total</b>		<b>315,863.28</b>	<b>315,863.28</b>	

## BLOOMING VENTURES LLC

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April 10, 2020

Max Haynes  
Board Chair  
High Desert Montessori School  
Reno, NV 89512

### **RE: Assistance with New Markets Tax Credit Financing**

Dear Max:

I appreciate your interest in having Blooming Ventures LLC (“Consultant”) assist High Desert Montessori School (“HDMS”) in its efforts to structure and close a New Markets Tax Credit (“NMTC”) transaction to finance the construction and rehab of facilities for HDMS (“Project”).

Consultant's role will be to assist with the efforts to secure NMTC allocation from one or more Community Development Entities (collectively “CDE”), assist in structuring the financing transaction and help coordinate the final documentation and closing process for the financing. The following is a summary of some of our activities:

- Assist in evaluation of the NMTC financing structure and potential benefits from the NMTC financing.
- Prepare suggestion on financing structure and provide guidance to HDMS on appropriate structure.
- Assist as reasonably requested in the collection and submission of due diligence and impact information.
- Review with legal counsel any potential limitations on the ability to secure NMTC financing due to the proposed use or other issues that may limit the NMTC financing.
- Assist in preparation of project budgets, sources and uses of funds, and overall financial structuring using the NMTC.
- Secure the Nevada NMTC allocation from one or more Community Development Entities (collectively “CDE”) and potentially federal NMTC allocation from one or more federal CDEs.
- Negotiate CDE fees and terms.
- Coordinate negotiation and documentation of final terms with the CDEs, NMTC investor and leverage lender.
- Coordinate overall documentation of the transaction by others.
- Assist Sponsor in the evaluation of the overall financing structure and the potential risks and responsibilities associated with the proposed financing.
- Work with the CDE to document and review the required ongoing monitoring and compliance process required for the financing.

In addition to the above, the Consultant shall provide the necessary coordination and assistance as reasonably required based on the description of the process as provided in Exhibit A (attached and included herein).

### **FEES**

Consultant will earn two fees payable as follows:

1. \$20,000 Retainer, with \$5,000 due upon acceptance of this Agreement and \$15,000 due upon the



signing of a term sheet (or the equivalent) from one or more CDEs representing sufficient NMTC allocation to complete the transaction. Consultant and HDMS agree that only \$5,000 shall be non-refundable until such time that at an allocation of at least \$8.8 million is offered by at least one or more CDE. The balance of the Retainer shall only become non-refundable upon such an event.

2. The "Closing Fee" is 1.25% of the aggregate NMTC allocation, or a minimum of \$125,000 payable at the closing of the NMTC financing.

## **TERM**

The term of this agreement for the NMTC Financing Fees shall be from the date signed until December 31, 2020. If, during the term, negotiations have commenced and are ongoing with prospective NMTC financing

sources (CDEs and Investors), then the term of this agreement shall be extended for a period through the termination of such negotiations or closing.

If it is determined that the Project cannot successfully close on an NMTC financing by December 31, 2020, or if HDMS should determine not to proceed with the transaction, then either party can terminate this Agreement with notice to the other party.

If an NMTC financing closes within the 12 months following the termination of this Agreement or the expiration of the term with one or more of the same CDEs or investors involved in the transaction during the term, then Consultant shall be entitled to its Closing Fee upon closing of the transaction.

## **ADDITIONAL TERMS AND CONDITIONS**

### **Indemnification**

Consultant and HDMS mutually agree to indemnify and hold each other harmless from any damages and losses, including reasonable attorney's fees, arising from their own negligent acts in their performance of the services under this Agreement, to the extent that each party is responsible for such damages and losses on a comparative basis of fault.

### **Liability and Limitations**

Consultant will not be responsible for any financial or market risk associated with the project, including but not limited to capital investment, project financing, and financing or construction guarantees.

### **Assignments**

Neither Consultant nor HDMS may delegate, assign or transfer the duties or interest in this Agreement without the written consent of the other party. Consultant may employ such independent consultants, associates, or subcontractors, as it deems necessary for the performance of the services under this Agreement, with written approval of HDMS.

### **Standard of Service**

Consultant shall perform its duties under the contract in accordance with the standards of care commensurate with those of experienced New Markets Tax Credit consultants.

### **Invoice and Payment**

Any travel will be approved by HDMS prior to the date of travel and Consultant will be reimbursed for travel expenses.

Consultant shall provide HDMS with a final bill for the balance of the fee prior to closing, which shall be due and payable upon closing of the NMTC financing (QLICI component of the NMTC financing).

**Dispute Resolution**

Claims, disputes and other matters between Consultant and HDMS arising out of or in any way related to this Agreement or the breach thereof shall be subject to and decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, then in effect at the time of the claim or dispute; provided that claims for indemnification or for personal injury or death shall not be required to be arbitrated. Demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association in Nevada, within a reasonable time after the claim, dispute or other matter in question is arisen. In no event shall the demand for arbitration 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 statutes of limitations. The parties shall be bound by the award of the arbitrator(s). In any arbitration, the parties shall have all rights of discover permitted under Nevada Code of Civil Procedure.

**Governing Law**

The validity, performance and construction of this Agreement shall be governed by and interpreted in accordance with the laws of the state of Nevada.

**Entire Agreement**

This Agreement and its Exhibits contains the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all previous communications, negotiations and agreements, whether oral or written, between the parties with respect to the subject matter hereof, and no addition to, or modification of, this Agreement or waiver of any provision hereof shall be binding on either party unless made in writing and executed by both parties hereto.

**Separability**

If any provision of this Agreement shall be judged illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect the Agreement as a whole or any provision hereof not so adjudged.

**Attorney's Fees**

In the event any controversy, claim or dispute between the parties arising out of or related to this Agreement, or the breach thereof, results in litigation or arbitration, the prevailing party shall be entitled to recover from the other reasonable expenses, attorneys' and paralegals' fees, expert witness fees and all other costs, whether taxable as costs or otherwise, as part of the award or judgment.

SIGNATURE PAGE FOLLOWS

We are excited to work with you on the NMTC financing for this Project and look forward to your response.

Sincerely,



Elaine DiPietro  
President

NMTC Consulting Services Agreement for High Desert Montessori School

AGREED

\_\_\_\_\_

By: Title:

\_\_\_\_\_

Date

**EXHIBIT A**  
**ADDITIONAL SERVICES PROVIDED**

**STEPS TO AN NMTC CLOSING – FROM A PROJECT SPONSOR’S PERSPECTIVE**

**PREPARING THE PROJECT**

There is a significant amount of preparation to be done prior to marketing a project to Community Development Entities (“CDE”) to attract NMTC allocation:

- Prepare a suggested deal structure – that will describe the setup of the QALICB, how the project will operate, sources of financing, etc.
- Obtain attorney sign-off as necessary (based on complexity of the structure).
- Collecting due diligence and impact information so that we can respond to requests for additional information from interested parties.
  - Timeline; project overall budget; construction budget; construction drawings; information on permits; list and timing of necessary approvals; operating pro-formas; and sources and status of debt to be leveraged in the NMTC structure and sources outside of the NMTC structure.

**MARKETING THE PROJECT**

Prepare a summary of the project and market the project to CDEs, NMTC investors and potential leverage lenders.

**CLOSING PROCESS**

Once you have the NMTC allocation and leverage debt and other sources of capital lined up... it usually takes a minimum of 8 weeks to get an NMTC deal closed, but can take longer, especially if the diligence is not ready.

- Each party will engage legal counsel – project sponsor, CDE(s), NMTC investor, lender(s)
- An accounting firm will be engaged to work on financial projections.
- A document checklist will be drafted to include all of the due diligence and legal documents that will be necessary to get to closing.
  - There are a LOT of documents, could be 100+. These will cover all of the levels of the deal structure, so a good number of these may be irrelevant to the project sponsor.
- A kick-off call will be scheduled to introduce all the attorneys and all the parties.
- Weekly conference calls will be scheduled to review the status of the documents on the checklist and review other details of the project. I will work to keep these calls as productive as possible. We can talk about who from project sponsor should be on these calls.
- Documents will be drafted, reviewed, and negotiated.
- At least one new legal entity will need to be formed to be the building owner.
- Bank accounts will need to be opened.
- The building owner entity will need insurance – the NMTC investor / leverage lender / CDE will specify what is needed.
- The terms of the operations of the project (QALICB / master tenant / etc.) will be worked out. Some of these terms will need to be approved by the lawyers since they could have tax impacts.
- As we get closer to closing a “flow of funds” will be drafted which goes through all the various sources and uses of cash and outlines what happens on the day of closing.
- A title company will be engaged.

- As documents are being finalized the attorneys will circulate signature pages for all of the documents. You will be asked to sign the signature pages and then they will be held in escrow by one attorney (usually the investor's attorney).
- Once all the documents are finalized and all of the various parties have signed off, each group will release the signature pages and the funding can begin.
  - There will be a lot of discussion about the closing date, when documents will be done and when funding can begin.
  - Generally, when we are ready to close everyone will aim to have documents done on day 1, then day 2 people do final review sign-off and closing/funding happens on day 3.
- On the day of closing, the loan proceeds that go to the QALICB will be deposited in a "Disbursement Account". This Disbursement Account is in the name of the QALICB but is controlled by the NMTC investor or leverage lender. A "closing draw" will be funded at closing to pay all of the legal bills and various other closing costs, and if needed the 1<sup>st</sup> construction draw.
- Then, each month you will submit a draw request to the Disbursement Agent, they will review, approve, and fund the draw.
- The CDEs, NMTC investor and leverage lender will require some reporting throughout the 7-year compliance period. For example:
  - Quarterly / annual financial statements for the QALICB, master tenant, guarantor as applicable
  - Community impact reporting – jobs, clients served, as applicable
  - A certificate saying that the QALICB is still in compliance with all NMTC requirements that are in the loan agreement.

## **DUE DILIGENCE**

- The investor / CDE will ask for a series of due diligence information.
  - This information will cover construction details, project financial projections and community impact information
  - Timeline and path to getting to the start of construction (plans, GC contract, building permits, etc.).
  - Construction timeline and draw schedule – the amounts that will be drawn each month during the construction period. The investor requires a construction consultant to review construction progress and each monthly draw request.
- Financial projections:
  - The financial projections cover the cash flows and tax impacts at each level of the transaction (investor, investment fund, CDE, project, etc.).
  - The projections also include fairly detailed information about the operations of the QALICB and potentially operations of the actual business (depending on how the arrangements are ultimately worked out for operations of the project).
  - The projections are important because the attorneys use them to do their tax opinion. The investor will require a tax opinion from their counsel saying that the NMTC structure works and that they should be entitled to claim the tax credits that they expect.