



Vegas Vista Academy Special Board Meeting Minutes
5355 Madre Mesa Drive, Las Vegas, NV 89108
6:30 PM; July 23, 2024

Posting of Agenda: This agenda has been posted at the following locations: Vegas Vista Academy website at <https://vegasvistaacademy.org/>; Nevada Public Notice <https://notice.nv.gov/>

Format / Procedures / Rules: This is a notice of a public meeting held pursuant to NRS Chapter 241. Members of the public are invited to be present.

Certain items may be removed from open/public consideration if permitted or required by Nevada law. The Board may also (i) take agenda items out of order; (ii) combine two or more items for consideration; (iii) separate one item into multiple items; (iv) table an agenda item to a future meeting; and/or (v) remove an agenda item.

Reasonable efforts will be made to assist and accommodate persons with physical disabilities desiring to attend the meeting. Please contact Gretel Valdes at info@vegasvistaacademy.org at least 48 hours before the time of the meeting, if possible, so that reasonable arrangements may conveniently be made.

Please also contact Ms. Valdes if you would like a copy of the agenda and any public reference materials relating to agenda items. Those materials will also be available at the meeting location. Those materials would provide you with greater context and clarity as to the matters under discussion.

By law, no one may willfully disrupt the meeting to the extent that its orderly conduct becomes impractical.

All items are action or possible action items if denoted as such.

I. Call to Order and Welcome

Chair Eric Duran-Valle called the meeting to order at 6:40 p.m.

II. Attendance



Eric Duran-Valle, Elena Fabunan, Victor Tavares, Karl Catarata, Hardeep Sull, Cody Clarke, Matt Turner, Dr. Benjamin Feinstein, Mark J. Gardberg, Michael Hiltz, Zachary Hiltz, Wes Olson.

III. Public Comment (if any)

Dr. Benjamin Feinstein: “Eight News Now came by Vegas Vista and interviewed me today. The story aired already, so they should send the link tomorrow, and I will send that out to you all.”

IV. For Discussion and Possible Action: Purchase and Sale Agreement regarding the property on 4660 N Rancho Dr, Las Vegas, NV 89130

The meeting began with three presentations regarding the legal considerations, development concerns, and financing for the purchase of the property on 4660 N Rancho Drive.

1. Mark J. Gardberg (Howard & Howard)

- An LLC/Special Purpose Entity will be created to make the most of Opportunity 180 credit enhancements.

- Deposit will be \$10,000 upfront and \$10,000 if VVA chooses to continue after the due diligence period. If Raymond James can secure the funding, the second deposit will be increased to \$90,000, but this is unlikely.

- We have the right to terminate at our discretion all the way up to the end of the 90 days of the Purchase Sale Agreement

- Mark Gardberg recommend reconvening the board on Day 85

- A 30-day extension costs \$50,000

- Red Hook has agreed not to include an interim lease in the PSA terms.

- As-is deal: We accept all defects and issues with the school and are responsible for them. Red Hook has not committed to any repairs. An insurance claim has been filed by the TEACH receiver for some vandalism issues (approx. \$17,000 worth) and if any of that is recovered, those funds will be given to VVA

- Gardberg concluded that the PSA provided is reasonable, although admittedly pro-seller. It is customary for Red Hook. The most extraordinary aspect it the low deposit price.

2. Michael & Zachary Hiltz (Hiltz Commercial Group)

- Michael expressed the value of the property and his familiarity with Red Hook’s operations.

-Hiltz will secure an inspector, HVAC, and plumbing company.

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-Red Hook is losing \$50,000 a month in carrying costs on this property. They are likely motivated to fix or accommodate any issues.

-Michael also expressed that the \$20,000 deposit price is exceptionally low.

-The property is six acres and already has facilities for a lower school. There is space for an upper school.

-Matt Turner asked a question regarding the size of the property and how many students it can accommodate. Dr. Feinstein answered that it is permitted for 550 K-8 students. Our enrollment projection for K-8 is 540.

-The main entrance off Rancho, queuing can also be done off Torrey Pines. The previous tenant did not have major issues for queuing. 3. Wes Olson (Raymond James)

-There is an IRS exemption for investors who buy debt that are issued by governments or nonprofits. That means that investors are willing to give charter schools a lower interest rate because they're not taxed on the interest income.

-The LLC/SPE mentioned earlier will help with attracting investors.

-Marketing: Raymond James has a draft marketing package together that describes VVA, the board, describes Dr. Ben, describes the real estate, Opportunity 180, the enrollment growth plan. The plan is to run a three to four week marketing process.

-Mark Gardberg noted that the timing of the marketing would put it near the holidays, which could incur the \$50,000 needed for a 30-day extension. Wes Olson clarified the target for closing is before the Thanksgiving holiday.

-Raymond James is built for long-term bond issuance as a broker dealer. A long-term bond on a property like this is 30 to 40-year fixed rate financing, akin to a mortgage.

-There is also the CDFI or Community Development Financial Institution market.

-Both of those markets right now carry slightly lower interest rates for early stage schools. They have more flexible refinance provisions.

-The financing schedule is based upon the enrollment projections for VVA from the charter application.

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-Matt Turner asked a question regarding the Per Child Funding Plan amounts. Wes Olson confirmed these numbers with EdTec to ensure they're accurate.

-Matt Turner asked if the financing rates would be fixed and not a balloon/adjustable rate. Wes Olson confirmed they are fixed rates and that Raymond James does not recommend adjustable rates or swaps for charter schools.

-Mark Gardberg expressed that it is typical for a charter to spend approximately 15% of its budget on its facility, which is in line with the proposed terms from Raymond James.

Discussion:

Dr. Feinstein began the discussion by expressing that most of his initial concerns about the PSA have been addressed, but his only main concern is that he does not want the school put in a position where programs need to be compromised in order to pay rent. The PSA allows for our exit at any point within the 90 days and Aguilas is amenable to VVA vacating the property earlier than agreed to in the lease.

Board Chair Eric Duran-Valle asked for clarification regarding the organization and ownership of the LLC/SPE. Mark Gardberg acknowledge he had not seen a charter create a subsidiary, but in this instance the LLC would be wholly owned and controlled by the VVA Board, regardless of the structure.

Board Chair Eric Duran-Valle asked Wes Olson to forward the draft Marketing Plan to him for his review. Publicity about the school can be included in the plan.

Vice Chair Elena Fabunan asked what the Board's liability is. Mark Gardberg answered that the Board's liability to a third-party entity, such as Red Hook, is zero. The only instance of a board member having financial liability to the school would be if they committed a criminal act. Gardberg also recommended the Executive Director purchase a Directors and Officers insurance policy. In regards to the financial liability, the financing is secured by the real estate and general revenue pledge of the LLC. Investors reserve the right to intervene in the event of

financial obligations not being met.

Motions:

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Karl Catarata introduced a motion to approve VVA's entry into the Purchase & Sale Agreement. Chair Eric Duran-Valle seconded the motion. The motion was carried unanimously.

Karl Catarata introduced a motion to authorize the submission of the charter school's contract amendment to permit the allowance of the facility. Hardeep Sull seconded the motion. The motion was carried unanimously.

Karl Catarata introduced a motion to approve the expenditure of roughly \$15k in due diligence expenditures. Vice Chair Elena Fabunan seconded the motion. The motion was carried unanimously.

V. Public Comment (if any)

-Karl Catarata: "Thank you so much, Chairman, and thank you so much to Dr. Feinstein. I greatly appreciate all of the different folks here who have made this possible when it comes to the next opportunity for our school. Mark, Matt, Michael, Michael Hiltz, Wes, and Dr. Feinstein and Chairman, thank you so much. Seeing that this opportunity is ahead of us, I'm very much excited and look forward to the benefits that this will have for the children families of the school. Thank you so much for your due diligence to the many folks here on this call who did the analyses and made sure that we're all doing our due diligence to ensure that we are going to have a clearer future for the school. So thank you so much."

-Dr. Benjamin Feinstein: "Because this is an open meeting, this is a matter of public record already, but I would ask all board members to wait until the official statement comes out from the school. I'm going to put that out probably tonight, and just let our community know that this decision has been made and we're moving forward. So if you could refrain from talking to other families about this for the next 20 minutes or so, I'll get that out and then it's feel free to say to whoever needs to hear it at that point. And I will also let you know, you can always, if anyone has any questions that you're not sure about, you can always refer them back to me and I will either get the answer or I will figure out who has the answer."

VI. Closing

Chair Eric Duran-Valle introduced a motion to adjourn the meeting. Karl Catarata seconded the motion. The motion was carried unanimously Chair Eric Duran-Valle adjourned the meeting at 7:53 p.m.

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