



TESFA INTERNATIONAL SCHOOL
Global Minds with Minnesota Hearts

Board Agenda

6:00 p.m. October 19, 2020

Meeting Location: 1555 40th Avenue NE, 2nd Floor, Columbia Heights, MN 55421

Mission

Through a global-minded education, we empower and prepare all students with the empathy, knowledge, and skills to take risks and pursue goals that contribute meaningfully to their community.

1.0 CALL TO ORDER & ORGANIZATIONAL MEETING-

Present:

Absent:

2.0 CONFLICT OF INTEREST DECLARATIONS

3.0 APPROVAL OF AGENDA Motion by: Seconded by: Yea: Nay:

4.0 COMMENTS FROM CITIZENS PRESENT

Visitors attending the meeting who wish to address the school board may do so at this time.

5.0 APPROVAL OF THE CONSENT AGENDA

The consent agenda consists of routine matters of business taken as one motion. Board members may request to remove from the consent agenda any items they believe warrants board discussion or a separate vote. These consent items include:

- Personnel Items
- August September 21, 2020 Minutes

The Executive Director recommends the School Board approve the Consent Items as detailed in the enclosure.

Motion by: Seconded by: Yea: Nay:



TESFA INTERNATIONAL SCHOOL
Global Minds with Minnesota Hearts

6.0 Monthly Financials -

6.01 Approval of September 2020 Financial Report and Payment of Bills

Motion by: Seconded by: Yea: Nay:

7.0 Presentations and Discussion Items

7.01 Phase 2 Update

7.02 Future Facility, Partnership & Grade Expansion Planning

Kou Vang - President - JB Vang

Abdirashid Abdi - Executive Director, AIM Academy

8.0 ACTION ITEMS

8.01 Authorize Executive Director to negotiate an agreement with JB Vang for representation for services related to a potential relocation.

Motion: Second: Yea: 0 No: 0

8.02 Teacher Evaluation Policy #494 Revision

Motion: Second: Yea: 0 No: 0

9.0 NOVEMBER AGENDA ITEMS

- Detailed Teacher Observation and Coaching Plan 2020-2021
- Approve 2019-2020 Annual Report and World's Best Workforce Report
- Fall 2020 MAP Data
- Policy Review Calendar

11.0 ADJOURNMENT

Motion to adjourn meeting. Motion by: Seconded by: Yea: Nay:

Personnel Recommendations:

The following personnel items are recommended for approval at the October 19, 2020, school board meeting.

Change in FTE:

Bryce Bohne From 1.0 Teacher on Special Assignment from to .85 FTE Teacher on Special Assignment for the 2020-2021 School Year



TESFA INTERNATIONAL SCHOOL
Global Minds with Minnesota Hearts

Board Minutes

6:00 p.m. September 21, 2020

Meeting Location: 1555 40th Avenue NE, 2nd Floor, Columbia Heights, MN 55421

Mission

Through a global-minded education, we empower and prepare all students with the empathy, knowledge, and skills to take risks and pursue goals that contribute meaningfully to their community.

1.0 CALL TO ORDER & ORGANIZATIONAL MEETING- Called to meeting by Pat Exner at 6:02

Present: Amir Orandi, Pat Exner, Mohamed Selim, Beth Al-Qudah, Abby Hendricks, Megan Kufahl

Absent: John Groenke

2.0 CONFLICT OF INTEREST DECLARATIONS

3.0 APPROVAL OF AGENDA Motion by: Abby Seconded by: Mohamed Yea:6 Nay: 0

4.0 COMMENTS FROM CITIZENS PRESENT

Visitors attending the meeting who wish to address the school board may do so at this time.

5.0 APPROVAL OF THE CONSENT AGENDA

The consent agenda consists of routine matters of business taken as one motion. Board members may request to remove from the consent agenda any items they believe warrants board discussion or a separate vote. These consent items include:

- August 24, 2020 Minutes
- Personnel Items

The Executive Director recommends the School Board approve the Consent Items as detailed in the enclosure.



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Motion by: Amir Seconded Megan by: Yea:4 Abstain: 2 Nay: 0

6.0 Monthly Financials -

6.01 Approval of August 2020 Financial Report and Payment of Bills

Motion by: Mohamed Seconded by: Abby Yea: 6 Nay: 0

7.0 Presentations and Discussion Items

7.01 Executive Director Update

8.0 ACTION ITEMS

8.01 Approve 2020-2021 Assessment Plan and Schedule

Motion: Megan Second: Mohamed Yea: 6 No: 0

8.02 Teacher Evaluation Policy #494 Review and/ or Revise- A discussion will occur between administration and teachers to discuss this further. Will not be voted on until the next board October meeting.

8.03 Approve move to Phase 2 of Safe Learning Plan

“As a board we approve moving to Phase 2 no earlier than October 5th”

Motion: Amir Second: Abby Yea: 6 No: 0

8.04 Fall FY 21 Budget Revision

Board: congratulations to Jonas and Joe in keeping the budget on point during these hard times (COVID-19)

Motion: Mohamed Second: Amir Yea:6 No: 0

9.0 OCTOBER AGENDA ITEMS

- Board Training
- Policy Review Calendar
- Teacher Observation and Coaching Plan 2020-2021
- 2021-2022 Budget discussion



TESFA INTERNATIONAL SCHOOL
Global Minds with Minnesota Hearts

10.0 ADJOURNMENT

Motion to adjourn meeting. Motion by: Amir Seconded by: Abby Yea: 6 Nay: 0



Tesfa International School
Financial Dashboard for:

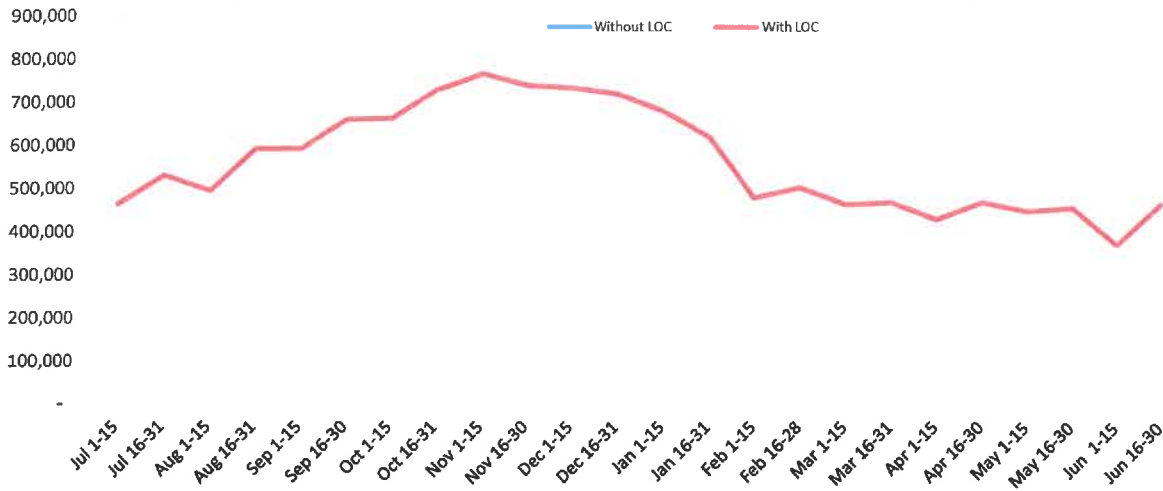
9/30/2020

Student Count

Actual Current ADM:	<input type="text" value="150.00"/>	ADM from Budget:	<input type="text" value="150.00"/>
Actual Current WADM:	<input type="text" value="150.00"/>	WADM from Budget:	<input type="text" value="150.00"/>

	YTD Actual		YTD Budget Target	
Revenue	#REF!	#REF!	#REF!	25%
Expense	\$484,438.39	16%	\$743,508.47	25%
Change in Fund Balance	#REF!		#REF!	25%

Cash Balance Projection



Grants and Other Awards:

Description	Award	Expensed PFY	Expensed CFY	Remaining	Expiration Date
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Comments:

General:
 **The September financials show the FY21 Revised Budget which is based on 150 ADM.
 **The School has a reconciled cash balance of \$663,345.
 **The state aid holdback is at 10%, which is estimated at \$67,198 through September.

Revenue:
 **Year-to-date revenue of \$664,161 represents 21% of the approved revenue budget.

Expenses:
 **The School has spent \$484,438 which is 16% of the approved expenditure budget.

Cash Flow:
 **The cash flow reflects the 10% holdback of state aid and 24 payment schedule.



Tesfa International School
Financial Dashboard for:

9/30/2020

Financial Ratios:

	YTD Actual	FY21 Budget	Required
(A) Unrestricted Cash and Investments	663,345	470,077	
(B) Total Operating Expenses	484,438	2,974,034	
Cash on Hand Ratio ((A x 365) / B)	124.95	57.69	45
(A) Beginning Fund Balance	486,991	486,991	
(B) Revenues	#REF!	#REF!	
(C) Expenditures	(484,438)	(2,974,034)	
(D) Ending Fund Balance	#REF!	#REF!	
Fund Balance as a % of Expenditures (-C / D)	#REF!	#REF!	25%
(A) Annual Net Income	#REF!	#REF!	
(B) Lease Payment	262,800	262,800	
Debt Service Coverage Ratio (A + B) / B	#REF!	#REF!	1.1

Upcoming Deadlines:

Task	Due Date
FY20 Audit	August 2020
Quarterly Financial Reports of School and Building Company	45 Days After Quarter End
Quarterly Current Student Waiting List	45 Days After Quarter End
All Required Applications to MDE for Title, Special Education, Other	June 30th, 2020
Apply for Building Lease Aid	June 30th, 2020
Prior Year Audited Financials	November 30th, 2020
Carry Automobile and Workers Compensation Insurance	Ongoing Renewals

These financials were compiled from information supplied by school management. They are unaudited and should be used for management purposes only.

**Tesfa International School
Balance Sheet
9/30/2020**

Descriptions	General	Food	Fixed	Total
Assets				
Current Assets				
Checking Accounts	657,556	5,788	-	663,345
Accounts Receivable	-	-	-	-
Due from State	(65,467)	-	-	(65,467)
Due from Federal	29,224	-	-	29,224
Due from Other Funds	1,057	-	-	1,057
Estimated Audit Accrual	-	-	-	-
Prepaid AP Expenditures	-	-	-	-
Total Current Assets	622,371	5,788	-	628,159
Fixed Assets				
Equipment	-	-	162,692	162,692
Property & Equipment under Cap. Lease	-	-	-	-
Accum Depr Buildings	-	-	(150,796)	(150,796)
Accum Depr On Equip.	-	-	-	-
Total Fixed Assets	-	-	11,896	11,896
Total Assets	622,371	5,788	11,896	640,055
Liabilities & Fund Balance				
Current Liabilities				
Accounts Payable	(111)	-	-	(111)
Due to Other Funds	-	1,057	-	1,057
Payroll Liabilities	(39,501)	-	-	(39,501)
Short Term Indebtedness	-	-	-	-
Total Current Liabilities	(39,611)	1,057	-	(38,554)
Fund Balance				
Investment Fixed Assets	-	-	11,896	11,896
Restricted Fund Balance	-	-	-	-
Unassigned Fund Balance - 6/30/2020	486,991	-	-	486,991
Net Income/(Loss) - FY21	174,991	4,731	-	179,722
Total Fund Balance	661,982	4,731	11,896	678,609
Total Liabilities & Fund Balance	622,371	5,788	11,896	640,055

State Holdback Calculation:

**Total Fiscal Year School Budgeted State Revenues	#REF!
Prorated Fiscal Year-to-Date (3 of 12 months)	25%
Total Fiscal Year-to-Date Budget (September 2020)	#REF!
State Holdback Percentage	10%
Total Estimated Year-to-Date Holdback	<u>#REF!</u>

*Based on the assumptions that actual ADMs and state aid payments are based on an ADM of 150

**Tesfa International School
Summary Income Statement
Fiscal Year 2021
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
GENERAL FUND 01			<i>Targeted Percent</i>	25%
REVENUE				
State Aid Revenue				
Endowment Fund Apportionment	3,811	3,811	7,282	52%
General Education Aid	72,375	536,900	1,862,979	29%
Long Term Facility Maintenance	-	-	19,800	0%
Literacy Incentive Aid	-	-	9,450	0%
Safe Schools	#REF!	#REF!	#REF!	#REF!
Lease Aid	-	-	197,100	0%
State Special Education	115,809	115,809	591,320	20%
Total State Aid Revenue	#REF!	#REF!	#REF!	#REF!
State Audit Accrual	-	-	-	N/A
Federal Aid Revenue				
Title I	-	-	74,425	0%
Title II	-	-	12,028	0%
Title III	-	-	18,404	0%
Title IV	-	-	16,089	0%
Federal Special Education	-	-	29,524	0%
Covid Relief Funds	-	-	53,838	0%
GEER money	-	-	8,407	0%
Esser Formula	-	-	9,353	0%
Esser Grant	-	-	70,161	0%
Total Federal Aid Revenue	-	-	292,228	0%
Other Revenue				
3rd Party Billing	2,909	2,909	-	N/A
Donations	-	-	125	0%
Misc. Revenue/E-Rate	-	-	3,500	0%
Total Other Revenue	2,909	2,909	3,625	80%
TOTAL REVENUE	#REF!	#REF!	#REF!	#REF!
EXPENDITURE				
Administration				
Salaries	14,488	39,768	164,900	24%
Benefits	4,716	13,215	58,192	23%
Purchased Services	14,790	25,742	122,637	21%
Supplies	720	10,953	22,163	49%
Equipment	-	-	-	N/A
Dues/Membership	-	-	18,000	0%
Total Administration	34,715	89,678	385,892	23%

Tesfa International School
Summary Income Statement
Fiscal Year 2021
For Period Ending September 30, 2020

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
General Education				
Salaries	67,441	101,076	631,680	16%
Benefits	18,149	36,417	228,597	16%
Purchased Services	-	-	22,000	0%
Supplies	5,551	10,428	27,148	38%
Equipment	1,942	3,884	13,594	29%
Dues/Memberships	-	-	-	N/A
Total General Education	93,083	151,804	923,019	16%
Salaries Payable Accrual	-	-	-	N/A
Title Programs				
Title I	532	799	74,425	1%
Title II	-	-	12,028	0%
Title III	-	-	34,493	0%
Total Title Programs	532	799	120,946	1%
State Special Education				
Salaries	28,608	37,557	331,800	11%
Benefits	11,558	19,102	148,679	13%
Purchased Services	64	9,040	144,000	6%
Supplies	-	-	-	N/A
Equipment	-	-	-	N/A
Total State Special Education	40,230	65,699	624,479	11%
Federal Special Education				
Purchased Services	1,402	1,777	23,524	8%
Supplies	-	-	6,000	0%
Total Federal Special Education	1,402	1,777	29,524	6%
CRF Expenditures	-	40,543	70,161	58%
CARES Expenditures	-	4,867	71,598	7%
Instructional Support				
Purchased Services	400	400	-	N/A
Total Instructional Support	400	400	-	N/A
Student Support				
Salaries	4,600	6,900	62,600	11%
Benefits	1,520	2,354	25,687	9%
Purchased Services	13,500	13,500	153,282	9%
Supplies	13,524	13,524	20,200	67%
Total Student Support	33,144	36,278	261,769	14%
Facility				
Purchased Services	5,709	27,239	72,537	38%
Facility Lease	21,138	63,414	262,800	24%
Supplies/Equipment	1,940	1,940	18,612	10%
Total Facility	28,787	92,594	353,949	26%
TOTAL EXPENDITURE	232,293	484,438	2,841,336	17%
NET INCOME/LOSS - GENERAL FUND 01	#REF!	#REF!	#REF!	

**Tesfa International School
Summary Income Statement
Fiscal Year 2021
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
FOOD SERVICE FUND 02				
REVENUE				
Local Revenue	-	-	-	N/A
State Aid	-	-	2,800	0%
Federal Aid	86	4,731	139,043	3%
TOTAL REVENUE	86	4,731	141,843	3%
EXPENDITURE				
Salaries	-	-	-	N/A
Benefits	-	-	-	N/A
Purchased Services	-	-	420	0%
Supplies	-	-	132,278	0%
Equipment	-	-	-	N/A
TOTAL EXPENDITURE	-	-	132,698	0%
NET INCOME/LOSS - FOOD SERVICE FUND 02	86	4,731	9,145	
NET INCOME/LOSS - ALL FUNDS	#REF!	#REF!	#REF!	

Tesfa International School
 Payment Register - September 2020
 Fiscal Year 2020-2021

CHECK DATE	VENDOR	INVOICE DESCRIPTION	CHECK NUMBER	AMOUNT
Regular Checks				
09/29/20	Luther Auto	Van Purchase	6342	13,524.00
09/08/20	ABBY HENDRICKS	Class Supplies, Lanyards	11937	175.81
09/08/20	CHANIN SMITH	Apple.com Purchases	11938	80.08
09/08/20	CREATIVELY FOCUSED	SpEd Director	11939	693.34
09/08/20	FIRST LUTHERAN CHURCH	September Lease, Utilities, Custodial, Playground	11940	26,091.10
09/08/20	JONAS BEUGEN	1 Year EDU Group Account Sub	11941	89.90
09/08/20	JULIA NYANGACHA	E-Book Subscriptions & Digital Worksheets	11942	280.00
09/08/20	Marissa Wrynja	Books	11943	97.16
09/08/20	Megan Kufahl	Class Supplies	11944	212.51
09/08/20	Office Depot	Office Supplies, Class Supplies	11945	1,126.96
09/08/20	PreferredOne Insurance Company	October Health Insurance	11946	18,334.78
09/08/20	Robert Procaccini, CPA	Completion of 2018 990	11947	750.00
09/08/20	SFM	Worker's Comp	11948	305.00
09/08/20	TECHNOLOGY BY DESIGN LLC	Tech Services	11949	2,725.00
09/08/20	WELLS FARGO VENDOR FIN SERV	Apple iPad Lease	11950	1,941.84
09/22/20	Capital Group Retirement Plan Services	Plan 403b Fees	11951	375.00
09/22/20	CHANIN SMITH	Curriculum	11952	67.00
09/22/20	Clifton Larson Allen	Progress Billing	11953	4,725.00
09/22/20	CONSOLIDATED COMMUNICATIONS	Phone Service	11954	229.58
09/22/20	CREATIVELY FOCUSED	SpEd Director, SpEd School Psychologist	11955	772.50
09/22/20	JONAS BEUGEN	Adapters	11956	99.96
09/22/20	LOFFLER COMPANIES INC	Copier Lease	11957	1,116.50
09/22/20	MARIAH SCHOONOVER	Emergency Medication Administration Training, OSHA Bloodborne Pathogen Training	11958	400.00
09/22/20	Mary Higgins	July & August Hours	11959	463.75
09/22/20	MD Transportation	September Regular Transportation	11960	13,500.00
09/22/20	Office Depot	Class Supplies, Cleaning Supplies, Office Supplies	11961	3,917.97
09/22/20	PK PROPERTY SERVICES . LLC	Liners, Bathroom Supplies	11962	1,883.85
09/22/20	SCHOLASTIC	Scholastic News	11963	106.88
09/22/20	TECHNOLOGY BY DESIGN LLC	Tech Services	11964	4,337.00
09/30/20	Metlife	October Life, AD&D, LTD, STD & Dental	11965	3,024.76
Wires				
09/15/20	MN Dept of Rev	Payroll Deductions - State	WX	1,906.67
09/30/20	MN Dept of Rev	Payroll Deductions - State	WX	(2,089.29)
09/10/20	Sunrise Bank	Service Charge	WX	24.00
09/15/20	IRS	Payroll Deductions FICA	WX	12,707.35
09/15/20	PERA	Payroll Deductions	WX	(1,906.67)
09/15/20	THE HANOVER INSURANCE GROUP	Commercial Package Ins	WX	806.01
09/15/20	TEACHERS RETIREMENT ASSOCIATION	Payroll Deductions TRA	WX	6,911.98
09/15/20	Alerus	Payroll Deductions - FSA	WX	791.67
09/15/20	American Funds	Payroll Deductions - 403B	WX	502.50
09/15/20	MN Dept of Rev	Payroll Deductions - State	WX	2,096.52
09/21/20	Amazon	Supplies	WX	23.98
09/28/20	Alerus	HSA Fee	WX	44.00
09/30/20	IRS	Payroll Deductions FICA	WX	12,698.65
09/30/20	PERA	Payroll Deductions	WX	7,021.34
09/30/20	TEACHERS RETIREMENT ASSOCIATION	Payroll Deductions TRA	WX	6,938.57
09/30/20	Alerus	Payroll Deductions - FSA	WX	241.67
09/30/20	American Funds	Payroll Deductions - 403B	WX	502.50
09/30/20	MN Dept of Rev	Payroll Deductions - State	WX	2,117.98
09/14/20	MN Dept of Rev	MN Dept of Rev	WX	1,935.69
09/30/20	PERA	PERA	WX	1,862.31
09/15/20	Sunrise Bank	09/15/20 Payroll	WX	40,465.70
09/30/20	Sunrise Bank	09/30/20 Payroll	WX	40,097.27
Total September 2020 Disbursements				237,147.63

V = Void Check
 *= Break in sequence

Tesfa International School
FY21 Cash Flow Projection

	Estimated Receipts by Revenue Category					Estimated Disbursements					Line of Credit	Estimated Cash Balance	
	Current YR State Aid	Current YR Federal Aid	Prior YR State Aid	Prior YR Federal Aid	Other Revenue	Total Receipts	Estimated Payroll	Building Lease	Estimated A/P	Total Disbursements			Estimated Cash Balance
FY21 Beginning Cash Balance													
Jul 1-15	116,458	-	-	-	558	117,016	57,697	26,041	40,339	124,076	472,439	472,439	472,439
Jul 16-31	116,188	-	-	-	539	116,727	49,799	-	44	49,843	465,379	465,379	465,379
Aug 1-15	116,462	4,645	-	-	-	121,108	93,947	26,041	37,192	157,181	532,263	532,263	532,263
Aug 16-31	115,418	-	52,226	-	37,217	204,861	63,799	-	43,032	106,832	496,189	496,189	496,189
Sep 1-15	119,621	-	-	-	-	119,621	83,746	26,091	9,308	119,145	594,219	594,219	594,219
Sep 16-30	72,375	86	111,284	-	-	186,653	72,416	-	45,587	118,003	663,345	663,345	663,345
Oct 1-15	108,872	35,000	-	-	-	143,872	78,081	26,041	37,116	141,238	665,979	665,979	665,979
Oct 16-31	108,872	-	58,873	-	13,668	181,412	78,081	-	37,116	115,197	732,195	732,195	732,195
Nov 1-15	108,872	70,161	-	-	-	179,033	78,081	26,041	37,116	141,238	769,990	769,990	769,990
Nov 16-30	83,872	-	-	-	-	87,682	78,081	-	37,116	115,197	742,476	742,476	742,476
Dec 1-15	100,902	35,000	-	-	3,810	135,902	78,081	26,041	37,116	141,238	737,140	737,140	737,140
Dec 16-31	100,902	-	-	-	-	100,902	78,081	-	37,116	115,197	722,846	722,846	722,846
Jan 1-15	100,902	-	-	-	-	100,902	78,081	26,041	37,116	141,238	682,511	682,511	682,511
Jan 16-31	-	50,000	5,429	-	-	55,429	78,081	-	37,116	115,197	622,743	622,743	622,743
Feb 1-15	-	-	-	-	-	-	78,081	26,041	37,116	141,238	481,505	481,505	481,505
Feb 16-28	100,902	38,746	-	-	-	139,648	78,081	-	37,116	115,197	505,957	505,957	505,957
Mar 1-15	100,902	-	-	-	-	100,902	78,081	26,041	37,116	141,238	465,622	465,622	465,622
Mar 16-31	100,902	20,000	-	-	-	120,902	78,081	-	37,116	115,197	471,327	471,327	471,327
Apr 1-15	100,902	-	-	-	-	100,902	78,081	26,041	37,116	141,238	430,992	430,992	430,992
Apr 16-30	100,902	55,000	-	-	-	155,902	78,081	-	37,116	115,197	471,698	471,698	471,698
May 1-15	100,902	-	21,052	-	-	121,954	78,081	26,041	37,116	141,238	452,414	452,414	452,414
May 16-30	100,902	22,633	-	-	-	123,535	78,081	-	37,116	115,197	460,753	460,753	460,753
Jun 1-15	-	55,000	-	-	-	55,000	78,081	26,041	37,116	141,238	374,516	374,516	374,516
Jun 16-30	201,804	-	-	-	-	201,804	69,127	-	37,116	106,243	470,077	470,077	470,077
Total Estimated	2,277,837	386,271	248,863	51,982	6,719	2,971,872	1,817,908	312,542	843,584	2,974,034	470,077	470,077	470,077
FY21 Budget	#REF!	431,271	-	-	3,625	#REF!	1,186,307	262,800	1,524,926	2,974,034	#REF!	#REF!	#REF!
FY20 Accruals	#REF!	-	98,043	51,983	3,094	153,120	133,992	-	25,000	158,992	-	-	-
FY21 Accruals	#REF!	(45,000)	-	-	-	#REF!	(133,992)	-	(25,000)	(158,992)	-	-	-
Budget Variance	#REF!	(0)	150,820	(0)	(0)	#REF!	631,600	49,742	(681,343)	0	0	0	0

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
GENERAL FUND 01				25%
REVENUE				
State Aid Revenue				
01 R 005 000 000 201	3,811.13	3,811.13	7,282.20	52%
01 R 005 000 000 211	72,374.75	536,900.19	1,862,979.30	29%
01 R 005 000 000 317 211	-	-	19,800.00	0%
01 R 005 000 000 212	-	-	9,449.67	0%
01 R 005 000 000 348 300	-	-	197,100.00	0%
01 R 005 000 000 740 360	115,809.47	115,809.47	591,320.22	20%
Total State Aid Revenue	191,995.35	656,520.79	2,687,931.39	24%
State Audit Accrual	-	-	-	N/A
Federal Aid Revenue				
01 R 005 216 000 401 400	-	-	74,425.00	0%
01 R 005 204 000 414 400	-	-	12,027.83	0%
01 R 005 205 000 417 400	-	-	18,403.76	0%
01 R 005 206 000 433 400	-	-	16,088.92	0%
01 R 005 000 000 419 400	-	-	29,524.22	0%
01 R 005 000 000 151 400	-	-	53,837.70	0%
01 R 005 000 000 152 400	-	-	8,407.11	0%
01 R 005 000 000 153 400	-	-	9,352.85	0%
01 R 005 000 000 154 400	-	-	70,161.00	0%
Total Federal Aid Revenue	-	-	292,228.39	0%
Other Revenue				
01 R 005 000 000 372 071	2,908.96	2,908.96	-	N/A
01 R 005 000 000 000 096	-	-	125.00	0%
01 R 005 000 000 000 099	-	-	3,500.00	0%
Total Other Revenue	2,908.96	2,908.96	3,625.00	80%
TOTAL REVENUE	194,904.31	659,429.75	2,983,784.78	2.2%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
EXPENDITURES				
Administration				
Salaries				
01 E 005 050 000 000 110	Director	10,408.34	124,900.00	25%
01 E 005 105 000 000 170	General Administrative Support - Non-Instructional Support	4,080.00	40,000.00	21%
01 E 005 110 000 000 170	Business Office - Non-Instructional Support	-	-	N/A
Total Salaries		14,488.34	164,900.00	24%
Benefits				
01 E 005 050 000 000 210	Director -FICA	767.17	9,554.85	24%
01 E 005 105 000 000 210	General Administrative Support - FICA	305.00	3,060.00	21%
01 E 005 110 000 000 210	FICA	-	-	N/A
01 E 005 105 000 000 214	General Administrative Support - PERA	306.00	3,000.00	21%
01 E 005 110 000 000 214	PERA	-	-	N/A
01 E 005 050 000 000 218	Director - TRA	846.20	10,154.37	25%
01 E 005 050 000 000 220	Director - Health	1,807.05	24,756.00	23%
01 E 005 105 000 000 220	General Administrative Support - Health Insurance	549.30	6,362.00	18%
01 E 005 110 000 000 220	Admin - Health	-	-	N/A
01 E 005 050 000 000 230	Director - Life	-	-	N/A
01 E 005 105 000 000 230	General Admin - Life	-	-	N/A
01 E 005 050 000 000 235	Director - Dental	94.82	284.46	N/A
01 E 005 105 000 000 235	General Administrative Support - Dental	40.50	81.00	N/A
01 E 005 110 000 000 235	Admin - Dental	-	-	N/A
01 E 005 050 000 000 240	Director -LTD	-	948.00	0%
01 E 005 105 000 000 240	General Admin - LTD	-	357.24	0%
01 E 005 050 000 000 299	Director - STD	-	-	N/A
01 E 005 105 000 000 299	General Admin - STD	-	-	N/A
Total Benefits		4,716.04	58,192.46	23%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Purchased Services				
01 E 005 105 000 000 305	-	825.25	5,000.00	17%
01 E 005 108 000 000 305	7,062.00	7,062.00	34,447.00	21%
01 E 005 110 000 000 305	6,381.75	14,865.50	64,360.00	23%
01 E 005 110 000 000 320	229.58	695.37	5,400.00	13%
01 E 005 110 000 000 329	-	61.06	1,250.00	5%
01 E 005 110 000 000 370	1,116.50	2,233.00	12,180.00	18%
Total Purchased Services	14,789.83	25,742.18	122,637.00	21%
Supplies				
01 E 005 110 000 000 401	720.45	535.52	7,500.00	7%
01 E 005 110 000 000 405	-	10,417.70	9,663.00	108%
01 E 005 110 000 000 465	-	-	5,000.00	0%
Total Supplies	720.45	10,953.22	22,163.00	49%
Equipment				
01 E 005 105 000 000 530	-	-	-	N/A
01 E 005 105 000 000 555	-	-	-	N/A
Total Equipment	-	-	-	N/A
Dues/Memberships				
01 E 005 105 000 000 820	-	-	18,000.00	0%
01 E 005 950 000 000 910	-	-	-	N/A
Total Interfund Transfer	-	-	18,000.00	0%
Total Administration	34,714.66	89,677.74	385,892.46	23%
General Education				
Salaries				
01 E 010 203 000 000 140	67,270.54	100,905.81	624,680.08	16%
01 E 010 203 000 000 145	170.10	170.10	-	N/A
01 E 010 203 000 000 185	-	-	7,000.00	0%
Total Salaries	67,440.64	101,075.91	631,680.08	16%

Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Salaries Payable Accrual				
Estimated Audit Accrual	-	-	-	N/A
Benefits				
01 E 010 203 000 000 210	5,069.34	7,604.19	55,611.22	14%
01 E 010 203 000 000 214	-	-	-	N/A
01 E 010 203 000 000 218	5,482.89	8,217.42	59,100.55	14%
01 E 010 203 000 000 220	6,782.72	15,135.22	83,148.41	18%
01 E 010 203 000 000 230	-	-	-	N/A
01 E 010 203 000 000 235	509.34	1,167.08	-	N/A
01 E 010 203 000 000 240	-	-	10,487.04	0%
01 E 010 203 000 000 270	305.00	305.00	8,600.00	4%
01 E 010 203 000 000 280	-	3,988.00	11,650.00	34%
01 E 010 203 000 000 299	-	-	-	N/A
Total Benefits	18,149.29	36,416.91	228,597.22	16%
Purchased Services				
01 E 010 203 000 000 305	-	-	19,000.00	0%
01 E 010 203 000 000 369	-	-	3,000.00	0%
Total Purchased Services	-	-	22,000.00	0%
Supplies				
01 E 010 203 000 000 401	4,830.40	7,042.07	7,500.00	94%
01 E 010 203 000 000 406	369.90	(0.00)	12,328.75	0%
01 E 010 203 000 000 430	271.04	685.90	2,000.00	34%
01 E 010 203 000 000 460	-	-	-	N/A
01 E 010 203 000 000 466	80.08	-	2,538.00	0%
01 E 010 203 000 000 461	-	2,700.00	2,781.00	97%
Total Supplies	5,551.42	10,427.97	27,147.75	38%
Equipment				
01 E 010 203 000 000 535	1,941.84	3,883.68	13,594.00	29%
01 E 010 203 000 000 555	-	-	-	N/A
Total Equipment	1,941.84	3,883.68	13,594.00	29%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Dues/Memberships				
01 E 010 203 000 000 820	-	-	-	N/A
Total Dues/Memberships	-	-	-	N/A
Total General Education	93,083.19	151,804.47	923,019.05	16%

Elementary - Dues, Memberships, Licenses and Certain Fees

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Title Programs				
Title I				
01 E 010 216 000 401 110	-	-	-	N/A
01 E 010 216 000 401 140	400.00	600.00	73,175.00	1%
01 E 010 216 000 401 210	30.50	45.75	-	N/A
01 E 010 216 667 401 210	-	-	-	N/A
01 E 010 216 000 401 214	30.00	45.00	-	N/A
01 E 010 216 000 401 218	-	-	-	N/A
01 E 010 216 000 401 220	68.43	103.79	-	N/A
01 E 010 216 000 401 230	-	-	-	N/A
01 E 010 216 000 401 235	3.24	4.86	-	N/A
01 E 010 216 000 401 240	-	-	-	N/A
01 E 010 216 000 401 299	-	-	-	N/A
01 E 010 216 000 401 303	-	-	750.00	0%
01 E 010 216 000 401 401	-	-	500.00	0%
01 E 010 216 000 401 430	-	-	-	N/A
Total Title I	532.17	799.40	74,425.00	1%
Title II				
01 E 010 204 000 414 140	-	-	6,000.00	0%
01 E 010 204 000 414 366	-	-	6,027.83	0%
Total Title II	-	-	12,027.83	0%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Title III & IV				
01 E 010 205 000 417 143	-	-	17,400.00	0%
01 E 010 205 000 417 430	-	-	1,003.76	0%
01 E 010 206 000 433 140	-	-	16,088.92	0%
01 E 010 206 000 433 303	-	-	-	N/A
01 E 010 206 000 433 430	-	-	-	N/A
Total Title III	-	-	34,492.68	0%
Total Title Programs	532.17	799.40	120,945.51	1%

State Special Education

Salaries				
01 E 010 407 000 740 140	10,766.42	16,149.63	176,000.00	9%
01 E 010 420 000 740 161	17,841.33	21,407.25	153,000.00	14%
01 E 010 420 000 740 185	-	-	2,800.00	0%
01 E 010 420 000 740 186	-	-	-	N/A
Total Salaries	28,607.75	37,556.88	331,800.00	11%
Benefits				
01 E 010 407 000 740 210	761.46	1,142.19	13,464.00	8%
01 E 010 420 000 740 210	1,213.77	1,448.91	11,918.70	12%
01 E 010 420 000 740 214	1,338.11	1,605.56	11,475.00	14%
01 E 010 407 000 740 218	875.32	1,312.98	14,308.80	9%
01 E 010 420 000 740 218	-	-	227.64	0%
01 E 010 407 000 740 220	2,700.42	6,583.91	42,168.00	16%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Special Education - Aggregate - Health Insurance	4,069.70	6,007.29	51,756.72	12%
SLD - Life	-	-	-	N/A
Special Education - Aggregate - Life	-	-	-	N/A
SLD - Dental	206.69	412.43	-	N/A
Special Education - Aggregate - Dental	392.32	588.48	-	N/A
SLD - LTD	-	-	1,081.20	0%
Special Education - Aggregate - LTD	-	-	2,278.44	0%
SLD - STD	-	-	-	N/A
Special Education - Aggregate - Dental	-	-	-	N/A
Total Benefits	11,557.79	19,101.75	148,678.50	13%
Purchased Services				
Special Education - Aggregate - Purchased Services	-	-	3,500.00	0%
Special Education - Travel/Conferences	-	-	-	N/A
Special Education - Speech/Language	-	-	40,500.00	0%
Special Education - DHH	-	-	-	N/A
Special Education - Aggregate - Payments to Non-Ed Agencies	64.00	9,040.00	100,000.00	9%
Total Purchased Services	64.00	9,040.00	144,000.00	6%
Supplies				
Special Education - Aggregate - Supplies	-	-	-	N/A
Special Education - Tech Devices	-	-	-	N/A
Total Supplies	-	-	-	N/A
Equipment				
SpEd Furniture	-	-	-	N/A
SpEd Equipment	-	-	-	N/A
Total Equipment	-	-	-	N/A
Total State Special Education	40,229.54	65,698.63	624,478.50	11%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Federal Special Education				
Purchased Services				
01 E 010 401 000 419 393	-	-	-	N/A
01 E 010 420 000 419 303	1,401.84	1,776.68	23,524.22	8%
Total Purchased Services	1,401.84	1,776.68	23,524.22	8%
Supplies				
01 E 010 420 000 419 401	-	-	-	N/A
01 E 010 420 000 419 433	-	-	6,000.00	0%
Total Supplies	-	-	6,000.00	0%
CRF Expenditures				
01 E 005 760 000 154 360	-	-	29,617.99	0%
01 E 005 110 000 154 401	-	184.93	-	N/A
01 E 005 108 000 154 465	-	20,211.00	20,211.00	100%
01 E 005 108 000 154 466	-	80.08	80.08	100%
01 E 005 810 000 154 303	-	1,166.99	1,166.99	100%
01 E 010 203 000 154 401	-	5,784.64	5,969.57	97%
01 E 005 108 000 154 406	-	6,419.90	6,419.90	100%
01 E 010 203 000 154 430	-	6,695.47	6,695.47	100%
Total CRF Expenditures	-	40,543.01	70,161.00	58%
CARES Expenditures				
01 E 010 203 000 151 140	-	-	46,500.00	0%
01 E 010 203 000 151 210	-	-	3,557.25	0%
01 E 010 203 000 151 218	-	-	3,780.45	0%
01 E 005 810 000 152 303	-	4,867.00	4,867.00	100%
01 E 005 810 000 152 456	-	-	3,540.11	0%
01 E 010 203 000 153 548	-	-	9,352.85	0%
Total CARES Expenditures	-	4,867.00	71,597.66	7%
Total Federal Special Education	1,401.84	47,186.69	171,282.88	28%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Instructional Support				
Purchased Services				
01 E 010 640 000 000 366	400.00	400.00	-	N/A
Total Purchased Services	400.00	400.00	-	N/A
Total Instructional Support	400.00	400.00	-	N/A
Student Support				
Salaries				
01 E 005 760 000 720 170	-	-	-	N/A
01 E 005 790 000 000 143	4,600.00	6,900.00	62,600.00	11%
Total Salaries	4,600.00	6,900.00	62,600.00	11%
Benefits				
01 E 005 760 000 720 210	-	-	-	N/A
01 E 005 790 000 000 210	350.85	526.28	6,120.00	9%
01 E 005 760 000 720 214	-	-	-	N/A
01 E 005 790 000 000 214	345.00	517.50	6,000.00	9%
01 E 005 790 000 000 218	-	-	-	N/A
01 E 005 790 000 000 220	786.94	1,193.62	12,103.76	10%
01 E 005 790 000 000 230	-	-	-	N/A
01 E 005 790 000 000 235	37.26	116.52	-	N/A
01 E 005 790 000 000 240	-	-	-	N/A
01 E 005 790 000 000 299	-	-	1,463.16	0%
Total Benefits	1,520.05	2,353.92	25,686.92	9%
Purchased Services				
01 E 005 720 000 000 305	-	-	3,500.00	0%
01 E 005 760 000 720 360	13,500.00	13,500.00	132,982.01	10%
01 E 005 760 000 723 360	-	-	16,800.00	0%
01 E 005 760 000 733 360	-	-	-	N/A
Total Purchased Services	13,500.00	13,500.00	153,282.01	9%

Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
Supplies				
01 E 005 720 000 000 401 Health Services - Non Instructional Supplies	-	-	200.00	0%
01 E 005 760 000 000 530 Equipment	13,524.00	13,524.00	20,000.00	68%
Total Supplies	13,524.00	13,524.00	20,200.00	67%
Total Student Support	33,144.05	36,277.92	261,768.93	14%
Facility				
Purchased Services				
01 E 005 810 000 000 305 Operations & Maintenance - Contracted Fees for Services	2,955.71	8,867.13	35,469.00	25%
01 E 005 810 000 000 330 Operations & Maintenance - Utility/Lease CAM Costs	1,947.39	5,842.17	24,368.00	24%
01 E 005 810 000 000 350 Operation & Maintenance - Repairs & Maintenance	-	10,112.00	3,500.00	289%
01 E 005 920 000 000 740 Interest on Outstanding Debt	-	-	-	N/A
01 E 005 940 000 000 340 Property and General Liability Insurance	806.01	2,418.05	9,200.00	26%
Total Purchased Services	5,709.11	27,239.35	72,537.00	38%
Facility Lease				
01 E 005 850 000 348 370 Building Lease	21,138.00	63,414.00	262,800.00	24%
Total Facility Lease	21,138.00	63,414.00	262,800.00	24%
Supplies/Equipment				
01 E 005 810 000 000 401 Operations & Maintenance - Non Instructional Supplies	1,940.19	1,940.19	8,500.00	23%
01 E 005 850 000 000 520 Operations & Maintenance - Furniture and Equipment	-	-	10,112.00	0%
01 E 005 850 000 000 530 Operations & Maintenance - Furniture and Equipment	-	-	-	N/A
Total Supplies/Equipment	1,940.19	1,940.19	18,612.00	10%
Total Facility	28,787.30	92,593.54	353,949.00	26%
TOTAL EXPENDITURES	232,292.75	484,438.39	2,841,336.33	17%
NET INCOME/LOSS - GENERAL FUND 01	(37,388.44)	174,991.36	142,448.45	

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
FOOD SERVICE FUND 02				
REVENUE				
Local Revenue				
02 R 005 770 000 701 601		-	-	N/A
Food Sales		-	-	N/A
Total Local Revenue				
State Aid Revenue				
02 R 005 770 000 701 300		-	2,800.00	0%
State - Food & Nutrition - Regular Lunch		-	-	
02 R 005 770 000 703 300		-	-	N/A
State - Food & Nutrition - Breakfast		-	-	0%
Total State Aid Revenue			2,800.00	
Federal Aid Revenue				
02 R 005 770 000 701 471		-	9,964.59	28%
Federal - Food & Nutrition - Regular Lunch		-	-	
02 R 005 770 000 701 472		-	73,719.02	0%
Federal - Free & Reduced		-	-	
02 R 005 770 000 701 473		4,645.29	4,645.29	100%
Federal - Commodity Cash Rebate Program		-	-	
02 R 005 770 000 705 476		-	43,025.93	0%
Federal - Breakfast		-	-	
02 R 005 770 000 706 400		-	7,688.00	0%
Federal - Fresh Fruit & Vegetable Program		85.78	-	N/A
02 R 005 770 000 709 479		-	-	N/A
Federal - Summer Food		-	-	N/A
02 R 005 950 000 701 649		85.78	-	N/A
Interfund Transfer		-	-	3%
Total Federal Aid Revenue		4,731.07	139,042.83	
TOTAL REVENUE		4,731.07	141,842.83	3%

**Tesfa International School
Detailed Income Statement
For Period Ending September 30, 2020**

	Month Activity	Year-to-Date Activity	FY21 Revised Budget 150 ADM	% of Budget
EXPENDITURE				
Salaries				
02 E 005 770 000 701 170	-	-	-	N/A
Total Salaries	-	-	-	N/A
Benefits				
02 E 005 770 000 701 210	-	-	-	N/A
02 E 005 770 000 701 214	-	-	-	N/A
Total Benefits	-	-	-	N/A
Purchased Services				
02 E 005 770 000 701 305	-	-	420.00	0%
Total Purchased Services	-	-	420.00	0%
Supplies				
02 E 005 770 000 701 490	-	-	87,277.54	0%
02 E 005 770 000 703 495	-	-	-	N/A
02 E 005 770 000 705 490	-	-	45,000.00	0%
Total Supplies	-	-	132,277.54	0%
Equipment				
02 E 005 770 000 701 530	-	-	-	N/A
Total Equipment	-	-	-	N/A
TOTAL EXPENDITURES	-	-	132,697.54	0%
NET INCOME/LOSS - FOOD SERVICE FUND 02	85.78	4,731.07	9,145.29	
NET INCOME/LOSS - ALL FUNDS	(37,302.66)	179,722.43	151,593.74	



October 13, 2020

Mr. Jonas Beugen, Executive Director
Tesfa International School
1550 – 40th Avenue Northeast
Columbia Heights, MN 55422

RE: Project Development and Management Services

Dear Mr. Beugen;

It was a pleasure talking with you and learning about Tesfa International School's facility plan. It is exciting to be at the forefront of the education of our children. We, at JB Vang, are excited that you are considering us in this exciting project. As per our phone conversation, we are honored to offer the following Project Development and Management Services Proposal for your consideration.

PROPOSAL:

We feel that for a facility strategy to be successful, we must take into consideration a number of objectives. These objectives need to be addressed in a sequential order, because information from one phase is used to develop future phases.

The development process is a time-consuming process that will have to be managed effectively so that the School's timeline can be met. It involves the engagement of multiple Parties ranging from City Employees, to Attorneys, to Investment Bankers and School Staffs/Board Members, etc... JB Vang will be your Development Manager and will be the lead in the engagement of the above consultants. A detail Scope of Service is provided as a part of this Proposal for your review.

JB Vang is proposing a fee of **Four (4%) percent** of the total project amount. Fees are earned upon the closing of the financing for the project.

To begin the process, I would recommend that we start with Phase I: Project Feasibility Assessment. This will assist us in determining the type and size of the facility project. Upon review of the Project Feasibility Assessment, you will determine the direction of the project. Upon determination, we can proceed with the remaining phases of the project.

Mr. Beugen, I hope that this Proposal sufficiently addresses the process that is needed to complete the feasibility assessment, site selection, entitlement, financing, design and construction of the facility for Hennepin Schools. If it is acceptable, please let me know and we can discuss how to best mobilize.

If you have any questions, please feel free to contact me at 651.294.3505 (Direct), 651.491.1970 (mobile) or jkvang@jbvang.com.

Thank you for the opportunity and I look forward to talking to you soon.

Sincerely

A handwritten signature in black ink, appearing to read "J. Kou Vang", with a decorative flourish at the end.

J. Kou Vang
President

DEVELOPMENT MANAGEMENT SERVICES

Scope of Service

PHASE I: PROJECT FEASIBILITY ASSESSMENT

This is the first phase of assessing the feasibility of a project. It is the initial definition of the project to ensure that it is both financially and architecturally feasible.

- **Project Definition:** With the Owner, define the project in terms of use & function, building size, floor plans and design features.
- **Guiding Principal:** Develop a Guiding Principal document that outlines the Project Scope.
- **Facility Needs Analysis:** Develop a Facility Needs Analysis that will include current facility usage and future facility needs.
- **Site Analysis:** Perform a preliminary site analysis to ensure that such a project can be constructed on the determined site. Perform a preliminary code review for items such as parking, environmental and permit requirements.
- **Constructability Analysis:** Research and develop the constructability model for the building.
- **Construction budget:** Research and provide preliminary budget for the construction of the building.
- **Meetings:** Initiate meetings with Architects, Engineers, City Planners, Neighborhood Groups, District Councils and Elected Officials to discuss issues concerning the proposed project.

FINANCIAL ANALYSIS: We will be the Owner's main contact point with all potential funders/lenders.

- Development project budget, which is inclusive of design costs, construction and FF&E costs, financing costs and soft costs
- Analyze historical and current financial
- Develop operating models to address financing assumptions
- Conduct market research to determine demographic, income level, market conditions and other economic factors that will impact the expansion and its financing.
- Assist and review the feasibility studies if one is desired
- Analyze current financial strength and develop financing plan
- Research & solicit potential funders and financing vehicles for the project
- Research and compile information for the preparation of financing package for review
 - ❖ Appendix A & B (If Revenue Bonds are used)
- Compile Project Profiles for presentation to potential funders
- Present and solicit financing proposals for the project
- Review and analyze financing proposals from Lender
- Create and analyze operating model before and after financing proposal
- Coordinate the compilation of information for closing
- Coordinate the closing of the financing

This is the first Phase that needs to be accomplished to determine if the project is feasible. Once this phase is completed and financing identified, we can move forward to the phases as stated below to complete the project.

PHASE II: DESIGN DEVELOPMENT AND CONSTRUCTABILITY ASSESSMENT

After the initial Phase I, if the Client wants to proceed, we will move ahead and further define the project in preparation for a formal submittal of the Site Plan.

- **Architectural Design:** Review and refine the interior layouts showing equipment placement, department layout and potential flow. Review and refine the exterior designs showing elevations, parking lot layout, building façade and initial landscape foliage.
- **Schematic Design:** Review, analyze and select the appropriate structural, mechanical and electrical system to be used.
- **Design Development:** Using the Architectural and Schematic Design, determine the final site plan for the building. This will include meetings with structural, mechanical, electrical, civil and landscape engineers. If necessary, civil and landscape engineers will be engaged to complete their respective drawings.
- **Constructability Analysis:** Using the defined designed plan, we will determine the best delivery method for the project and refine the budget.
- **Site Analysis:** Perform site assessment utilizing Environmental Assessments, Surveys, GeoTechnical Analysis, etc...
- **Financial Analysis:** Using the defined design plan and final budget, we will create and analyze the financial models to ascertain the economic feasibility.
- **Market Analysis:** Using the defined drawing and financial analysis, run models to determine if the market will be receptive to the development.
- **City Approval Process:** As documents develop, initiate and obtain Site Plan Approval from City Departments such as; Building Department, Fire Marshal, Dept. of Health, Zoning Commission, Planning Commission, Design Review Board, Watershed District, etc...
- **Miscellaneous Process:** As the project progresses and input is gathered from the Owner, City Planners, regulatory agencies and the neighborhood, the above design drawings will be modified to reflect the changes.

PHASE III: PLAN DEVELOPMENT, REVIEW AND CONTRACTOR SELECTION

Upon approval of Site Plan, construction documents will commence along with selection of Contractors. During the completion of construction documents, Project Manager, Architect & Engineers and Contractors will determine final value engineering modifications and acceptance.

- **Construction Documents:** Final construction documents will be completed and approved by Owner.
- **Contractor Selection:** A final delivery method will be determined and all relevant contractors will be solicited, interviewed and selected for construction mobilization.
- **Submission for City Building Permits:** Upon completion of the Construction Documents, all applications along with the complete set of Construction Documents will be submitted to the city for plan review and issuance of the building permit. Changes and modifications will be made in accordance to city feedback.
- **Construction Budget/Cost:** The Construction Documents will be used to finalize the construction budget that was estimated in Phase II. All costs will be agreed upon, all contracts will be executed and a construction schedule will be developed. A construction process will be developed to manage the project while under construction and to communicate progress and changes with the Owner.

PHASE IV: CONSTRUCTION ADMINISTRATION (*Owner's Representative Services*)



The engagement, management and oversight of the construction process to ensure that the all contractors are building in accordance with the construction documents. Will approve and submit all payments requests and collect all lien waivers. Will communicate all change orders between Owner, Architect/Engineers and Contractors and hold periodic meetings with Owner to communicate on building progress. Upon final completion, perform final walk through inspection, create a punch list and present a Certificate of Occupancy to Owner.

Perform a warranty inspection, on all applicable areas eleven (11) months after final acceptance.



DEVELOPMENT MANAGEMENT SERVICE AGREEMENT

THIS DEVELOPMENT MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made as of _____ by and between Tesfa International School and Its Affiliated Building Company, collectively known as ("Owner") and JB Vang Partners, Inc., known as the Development Manager ("DM"). Owner and DM are also referred to herein individually as a "Party" and collectively as the "Parties." In consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and DM hereby agree as follows:

1. Project Management Services.

Owner hereby appoints DM to provide the Development Management Services as outlined in Appendix "B" attached hereto (the "Services") with respect to the following project (the "Project"): Construction of a new school house building and renovation of existing school house.

1.1 The Services shall be provided in a good and efficient manner consistent with Owner's usage and image, using the standard of care and diligence as is customary for professional providers of like services within the commercial project management services industry. Owner will compensate DM for the Services in accordance with Appendix "A".

1.2 DM acknowledges that Owner desires Project completion on or before _____ and DM will advise Owner's Contractors (as hereinafter defined) of such target completion date. DM will use reasonable commercial efforts to complete its tasks in accordance with such time constraints but does not guaranty such schedule. The actual date of completion of the Project and DM's Services is referred to as the "Actual Completion Date".

1.3 The Parties acknowledge and agree that the Services being engaged are for the delivery of the Project, including all Services such as; managing the entitlement, financing, construction and design, efforts of attorneys, investment bankers, contractors, vendors, architects and engineers engaged by Owner to perform work on the Project ("Consultants"). Owner acknowledges that the work product provided by Consultants will be the responsibility of such persons and DM does not warrant or guaranty, or have any liability with respect to, their performance or work product. DM will not be liable for design techniques or procedures employed by any third-party including Consultants providing design or other services in connection with the Project, or construction means, methods, techniques, sequences or procedures, particularly as they apply to the structural integrity of constructed building components in the Project. Owner will enter into contracts directly with the Consultants.

2. Term; Termination.

2.1 Term. The term of this Agreement (the "Term") shall commence on the date of this Agreement and expire at 11:59 p.m. Central Time on the date which is 30 days following the date a Final Certificate of Occupancy is obtained unless terminated prior to such date in accordance with the provisions of this Agreement.

2.2 Termination. Upon the occurrence of any of the following events by either Party (the "Defaulting Party"), the non-Defaulting Party may terminate this Agreement and/or exercise whatever remedies that are available at law or in equity:

Real Estate Advisors



Project Managers

2.2.1 If the Defaulting Party fails to make a payment when due to the non-Defaulting Party, and such failure continues for a period of 15 days after written notice of such failure from the non-Defaulting Party; or

2.2.2 Except as set forth in the preceding clause, if the Defaulting Party defaults in the performance of or breaches any of its material covenants, agreements or obligations under this Agreement, and such default or breach continues for 15 days after written notice of such default or breach from the non-Defaulting Party, unless such default cannot reasonably be cured within such 15-day period, in which event the Defaulting Party shall have an additional 60 days to cure such default, provided the Defaulting Party promptly commences such cure within such 15-day period and continuously proceeds with such cure in a diligent manner.

3. Independent Contractor. Except as may otherwise be agreed to by the parties, the relationship between Owner and DM and all DM Employees under this Agreement is that of an Owner and an independent contractor, and DM shall render the Services in its capacity as an independent contractor of Owner. DM shall keep those facilities and other properties owned, leased or otherwise controlled by Owner with respect to which DM is to provide Services under this Agreement (the "Facilities") free and clear of any mechanics', materialmen's or similar liens on account of work done or materials supplied by DM or for DM, provided Owner is not in default under this Agreement.

4. DM Employees.

4.1 Furnishing of DM Employees. DM shall perform the Services through able, qualified and trained Subcontractors and DM Employees in sufficient number to render the Services properly in the manner required by this Agreement. DM shall have the exclusive right to hire, direct, discipline, compensate and terminate DM Employees, and shall exercise complete and exclusive control over the conduct of DM Employees. References herein to a "DM Employee" shall mean an employee of DM or an affiliate of DM, to the extent employed for the purpose of rendering any one or more of the Services. References herein to "Subcontractor" shall mean a person or entity engaged by DM as an independent contractor to perform, or to assist DM in performing, the Services. If DM determines that it is appropriate to engage a Subcontractor to perform certain Services, DM will confer with and seek approval from Owner, which approval shall not be unreasonably withheld.

4.2 Owner's Involvement in DM Employee Matters. Owner shall not participate in any decisions as to compensation, hours or other working conditions of DM Employees. If requested by Owner, however, DM shall replace any DM Employee who Owner reasonably believes may be engaged in improper conduct, is in the reasonable opinion of Owner unqualified to perform assigned duties or has violated any material, established, generally applicable procedure regarding Owner security or confidentiality, provided that DM shall not be required to take any action that violates legal requirements.

5. Insurance; Indemnification.

5.1 DM's Insurance. During the Term, DM shall maintain the following insurance policies, covering the activities of DM and DM's Employees under this Agreement: (a) commercial general liability in an amount of \$2,000,000 combined single limit; (b) comprehensive automobile liability for owned, hired and non-owned motor vehicles in an amount of \$500,000 combined single limit; (c) workers' compensation, occupational diseases and disability benefits in accordance with applicable statutory requirements; (d) employers' liability in an amount of \$1,000,000; (e) employee Fidelity Bond of \$500,000; and (f) umbrella form excess liability insurance in excess of the limits provided by the commercial general liability policy required above with limits of \$2,000,000 per occurrence and annual



aggregate. Owner will be an additional insured under DM's commercial general liability policy described above and DM shall provide an evidence of insurance certificate within seven days of construction commencement.

5.2 Subcontractor Insurance. DM shall require each of its Subcontractors, if any, to maintain the insurance policies, covering the activities of such Subcontractor, described in Sections 5.1(a), 5.1(b), 5.1(c) and 5.1(d), or such lesser amounts and coverage's as DM determines to be appropriate consistent with the nature of services provided by the Subcontractor and reasonable and prudent industry standards.

5.3 Owner's Insurance. During the Term Owner shall maintain Commercial General Liability Insurance (1997 ISO Form or its equivalent), with per occurrence limits of \$1,000,000.

5.4 Mutual Waiver of Subrogation. Owner and DM each hereby waives, for itself and its affiliates, right of recovery, and agrees that no third-party shall have any right of recovery by way of subrogation, assignment or otherwise, against the other Party, its affiliates and their respective agents, directors, officers, servants and employees (the "Released Parties") with regard to losses or claims to the extent such losses or claims are insured against or required to be insured against under this Agreement. Such waiver shall apply regardless of whether the loss or claim is caused in whole or in part by acts or omissions of any of the Released Parties, and regardless of whether the Party so waiving subrogation actually maintains a third-party insurance policy against, or elects to self-insure, all or any portion of the risks insured against or required to be insured against under this Agreement.

5.5 Indemnification.

5.5.1 Indemnification by DM. DM agrees to (a) indemnify and hold Owner harmless from and against all claims, liabilities, damages, judgments, suits, losses, penalties, settlements, costs of enforcement, and other expenses (collectively, "Claims") asserted against or incurred by Owner for bodily injury, personal injury and/or property damages to the extent such Claims are due to DM's negligence, gross negligence or willful misconduct or DM's failure or refusal to comply with or abide by any applicable law, and (b) defend promptly and diligently, at DM's sole expense, with attorneys reasonably acceptable to Owner, any Claim, action or proceeding brought against Owner or Owner and DM jointly or severally, arising out of or connected with the matters for which DM provides indemnification under clause (a) above.

5.5.2 Indemnification by Owner. Owner agrees to (a) indemnify and hold DM harmless from and against all Claims asserted against or incurred by DM for bodily injury, personal injury and/or property damages to the extent such Claims are due to Owner's negligence, gross negligence or willful misconduct or Owner's failure or refusal to comply with or abide by any applicable law, and (b) defend promptly and diligently, at Owner's sole expense, with attorneys reasonably acceptable to DM, any Claim, action or proceeding brought against DM or DM and Owner jointly or severally, arising out of or connected with the matters for which Owner provides indemnification under clause (a) above.

5.5.3 Comparative Fault. DM and Owner shall be liable under Sections 5.5.1 and 5.5.2 only to the extent of the respective indemnity obligations specifically imposed upon them thereby. If both Parties bear fault and have indemnity obligations for a matter, each Party's liability (including liability for defense costs and deductible amounts and self-insured retentions under insurance policies) shall be equal to the percentage determined to be due to the fault of such Party as agreed upon by the Parties or as fixed by settlement agreement, final judgment of a court of competent jurisdiction, or the decision of an arbitration proceeding, as applicable. All Parties agree to cooperate fully as reasonably

necessary in the defense of such matters, and the indemnitor's obligation to indemnify for a matter is conditioned upon such cooperation in connection with such matter. The provisions of this Section 5.5 shall survive the expiration of the Term or termination of this Agreement.

5.6 Limitations on Damages and Liability. Notwithstanding any provision of this Agreement to the contrary:

5.6.1 Neither Party to this Agreement shall be liable for any lost or prospective profits or any other indirect, consequential, special, incidental, punitive, or other exemplary losses or damages, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, regardless of the foreseeability or the cause thereof. In no event shall DM incur liability under this Agreement or otherwise relating to the Services beyond the aggregate fees received by DM hereunder for the Project from which the claim arose.

5.6.2 Owner acknowledges and agrees that DM shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Owner (including, without limitation, any payment missed or made incorrectly, whether by date, amount, payee, address or otherwise) arising out of, based upon or resulting from any erroneous data provided by Owner or any third party or otherwise contained in Owner's databases, or Owner's failure to provide accurate information or complete documentation regarding any owned, leased or subleased property. No representation or recommendation is or will be made by DM or its Subcontractors agents or employees as to the legal sufficiency, legal effect, tax or accounting consequences of any transaction or documentation. Owner is urged to seek the advice of counsel, accountants and advisors as to the legal, tax and accounting consequences thereof.

5.6.3 Owner agrees that DM shall bear no liability to the extent arising out of Owner's failure to comply with its obligations under this Agreement. Further, DM shall have no duty to indemnify, hold harmless or defend Owner to the extent a Claim arises because DM, its employees or agents either acted or failed to act because of their adherence to Owner's policies, procedures, rules, regulations, agreements, directions and/or instructions. All Owner policies, procedures, rules, regulations, agreements, directions and instructions with which DM must comply shall be consistent with this Agreement and provided to DM in advance in writing. DM shall bear no liability for construction methods, techniques or the acts or failures to act of contractors. The provisions of this Section 5.6 shall survive the expiration of the Term or termination of this Agreement.

6. Confidentiality. DM and Owner agree that any material, information, data and other communications relating to the past, present or future research, development and/or business operations, strategies or ideas of a Party (the "Disclosing Party") that is not generally known by persons not employed by the Disclosing Party and that could not easily be determined or learned by someone outside its organization ("Confidential Information") and disclosed to the other Party (the "Receiving Party") is and will remain the property of the Disclosing Party and may not be disclosed by the Receiving Party unless otherwise permitted by this Agreement. All Confidential Information, including copies thereof, will be returned to the Disclosing Party within 30 days of receipt of written request for the return of such information. Notwithstanding the expiration of the Term or termination of this Agreement, each Party agrees, upon such expiration or termination, to return to the Disclosing Party all Confidential Information that has been reduced to writing or, in the alternative, to certify to the Disclosing Party, that the Confidential Information has been destroyed. Neither Party shall be liable for disclosure or use of any Confidential Information if: (i) it was in the public domain (i.e., generally available to the public) at the time it was disclosed or used, except through the fault of the Receiving Party; (ii) it was disclosed with the written permission of the Disclosing Party; (iii) it becomes known to the Receiving Party from a source



other than the Disclosing Party without a breach of this Agreement by the Receiving Party; or (iv) it was independently developed by the Receiving Party without the benefit of the information received from the Disclosing Party. In addition, notwithstanding any provision hereof to the contrary, the Parties may disclose the existence of this Agreement or the terms hereof as required for compliance with federal or state securities laws or the requirements of national securities exchanges, in any action to enforce the provisions of this Agreement, in any action involving claims by or against persons or entities that are not Parties, as required by applicable law or legal process, or in response to a duly issued subpoena. In addition, the Parties may disclose Confidential Information, as well as the existence of this Agreement or any of the terms hereof (financial or otherwise) to accountants, attorneys, management consultants and insurers who agree to or are otherwise required to maintain the information in confidence. Each Party agrees to cooperate in seeking reasonable protective arrangements requested by the other Party, and to promptly notify the other Party if the Receiving Party receives any subpoena or other legal process seeking disclosure of Confidential Information. The Parties recognize that Confidential Information provided by the Disclosing Party to the Receiving Party will be made available solely for the purpose of performing under this Agreement and that such information shall not be used by the Receiving Party for any other purpose. The provisions of this Article 7 with respect to Confidential Information shall survive the termination or expiration of this Agreement for a period of two years.

7. Intellectual Property. DM may identify Owner as a customer of DM and may display Owner's logo but only in connection with such identification. DM shall not otherwise display Owner's logo, and shall not utilize other trademarks or servicemarks of Owner, without Owner's consent, which consent shall not be unreasonably withheld, delayed or conditioned. Except as otherwise provided in this Section, nothing in this Agreement grants either Party any right to use, directly or indirectly, the trade names, trademarks or other intellectual property of the other Party in connection with any product, service, promotion or publication without the prior written approval of the owner of the trade name, trademark or other intellectual property. Notwithstanding the foregoing, Owner agrees DM may use information regarding the Project in DM's marketing materials, including photographs, logos, drawings, renderings and descriptive statements. DM shall receive no right or interest to any proprietary products owned by Owner. Notwithstanding any provision hereof to the contrary, all methodologies, systems, procedures, management tools, workshops, software, concepts, ideas, inventions, know-how and other intellectual capital that DM has developed, created or acquired prior to performing Services under this Agreement, or develops, creates or acquires during the Term or thereafter ("DM's Intellectual Capital") are and shall remain the sole and exclusive proprietary property of DM, and Owner shall not have or acquire any right, claim, title or interest in or to any of DM's Intellectual Capital, except to the extent otherwise agreed by the Parties in a separate written agreement signed by authorized representatives of each Party. Furthermore, Owner shall receive no ownership of or right to any of DM's working papers or manuals, such as administrative and quality assurance documentation or internal correspondence. Performance of the Services by DM shall not be deemed to be a prohibition of, or interfere in any manner with DM's provision of similar services to third parties, provided that DM in so doing, does not use or disclose any Confidential Information of Owner.

8. Owner Obligations. Owner shall furnish, and shall cause its employees and agents to furnish, at Owner's expense, all information and cooperation reasonably required by DM in order to deliver the Services required hereunder. Owner shall render all required approvals, decisions, information and documentation with reasonable promptness for the orderly performance of the Services. Owner shall at all times have sole discretion, responsibility and authority to make decisions with respect to the Project, including the form and content of all contracts with contractors and consultants. Owner's decisions, including any decision of Owner to use any contract form provided by DM, shall not release Owner from any obligations to DM under this Agreement.

9. Environmental Matters; Pre-Existing Conditions.

9.1 DM Not an Owner, Operator, Generator or Transporter. Owner acknowledges that DM is not an environmental expert or consultant in the field of Hazardous Materials (as hereinafter defined). Therefore, with respect to any significant environmental conditions or issues pertaining to Hazardous Materials at any Facility or any other property owned, leased or otherwise controlled by Owner or any affiliate thereof, Owner agrees that DM and its agents, officers, directors, partners, shareholders and employees are not and shall not be deemed "operators" of such facility or any tenant operations therein or thereon or "generators" or "transporters" (or have any comparable legal status) for purposes of current or pending federal, state or local laws pertaining to Hazardous Materials. Accordingly, notwithstanding any provision hereof to the contrary, with respect to any Hazardous Materials that may be present below, on, under, in, about or otherwise affecting any Facility or such other property, DM shall not be responsible for detecting, handling, removing, remediating or otherwise determining how to deal with such Hazardous Materials, and DM shall not in any way be responsible for the storage, transportation, disposal, abatement, cleanup or removal of, or other dealings with, Hazardous Materials, except to the extent of those Hazardous Materials, if any, brought onto the Facilities and used by DM in the ordinary course of providing the Services. DM shall not use Hazardous Materials except in the ordinary course of providing the Services and in compliance with applicable laws, rules and regulations. As used herein, "Hazardous Materials" shall mean any hazardous material or substance which is or becomes defined as a "hazardous waste," "hazardous substance," "hazardous material," pollutant, or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601) as amended, and/or the Resource Conservation and Recovery Act (42 U.S.C. § 6901).

9.2 Other Pre-Existing Conditions and Defects. DM shall not be responsible for detecting or dealing with any pre-existing conditions of any Facility that may adversely affect the operations, maintenance or use of such facility or the health or safety of persons or property. DM shall not be responsible for detecting or dealing with structural or latent defects or other defects in the design or construction of a Facility or manufacturing defects in equipment within a facility, whether pre-existing or arising during the Term. DM remains responsible for performing its obligations under paragraph 1.3 and is liable for any losses stemming from its negligence, gross negligence or willful misconduct in conjunction with such obligations. Notwithstanding anything to the contrary contained herein, Owner shall indemnify, defend and hold DM harmless from and against all Claims asserted against or incurred by DM to the extent such Claims result from or arise out of any condition or circumstance arising initially prior to the date of this Agreement (regardless of whether such condition or circumstance continues) or that otherwise is not a matter for which DM has specifically agreed to indemnify Owner pursuant to Section 5.5.1. Owner will reimburse DM on a periodic basis for any legal or other expenses reasonably incurred by it in connection with investigating, preparing to defend or defending any such indemnified claim or other matter hereunder. The foregoing obligation to indemnify, defend and hold harmless DM shall apply regardless of the extent to which the corresponding costs, expenses and liabilities otherwise are covered and paid by the insurance required to be carried by Owner or DM under this Agreement and shall survive the expiration or termination of this Agreement.

10. Notices. All notices, waivers, approvals, consents, demands, requests or other communications required or permitted under this Agreement shall, unless otherwise expressly provided, be in writing and be deemed to have been properly given, served and received (a) if delivered by messenger, when personally delivered, (b) if mailed, on the second business day after deposit in the United States Mail, certified or registered, postage prepaid, return receipt requested, or (c) if delivered by reputable





overnight express courier, freight prepaid, the next business day after delivery to such courier; in every case addressed to the Party to be notified as follows:

If to DM:

JB Vang Partners, Inc.
Attn: Mr. J. Kou Vang, President
1335 Pierce Butler Route
St. Paul, MN 55104

If to Owner:

Tesfa International School
Mr. Jonas Beugen, Executive Director
1550 – 40th Avenue Northeast
Columbia Heights, MN 55422

or to such other address(es) or addressee(s) as any Party entitled to receive notice under this Agreement shall designate to the others in the manner provided in this Agreement for the service of notices.

11. Miscellaneous.

11.1 Entire Agreement. This Agreement and any written agreement relating hereto and entered into contemporaneously herewith contain the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement, and all prior agreements, understandings and negotiations pertaining to such subject matter are superseded by and merged into this Agreement. This Agreement may not be amended, modified or discharged, nor may any of its terms be waived except by an instrument in writing signed by the Party to be bound thereby.

11.2 Partial Invalidity. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalid, illegal or unenforceable provision or provisions shall be fully severable and shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

11.3 Assignments; Successors and Assigns. Owner represents and warrants to DM that Owner is authorized to enter into this Agreement on behalf of and to bind any of its affiliates with respect to this Agreement who own or lease Facilities where DM will provide Services under this Agreement. DM shall not assign this Agreement in whole or in part (other than to an affiliate or an assignment occurring by operation of law) to any person or entity without the prior written consent of Owner, which consent can be withheld by Owner at Owner's sole discretion. Owner shall not assign this Agreement in whole or in part to any person or entity without the prior written consent of DM, which consent shall not be unreasonably withheld. Subject to the foregoing, this Agreement and all of its provisions shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

11.4 Force Majeure. Except as hereinafter provided, no delay or failure in performance by Owner or DM shall constitute a default under this Agreement if and to the extent the delay or failure is caused by Force Majeure. Unless the Force Majeure substantially frustrates performance of the Services, Force Majeure shall not operate to excuse, but only to delay, performance of the Services. If Services are delayed by reason of Force Majeure, DM promptly shall notify Owner. Once the Force Majeure event ceases, DM shall resume performance of the Services as soon as possible. "Force Majeure" means any event beyond the control of the Party claiming inability to perform its obligations and which such Party is unable to prevent by the exercise of reasonable diligence, including, without limitation, the combined action of workers, strikes, embargoes, fire, acts of terrorism, explosions and other catastrophes, casualties, a moratorium on construction, delays in transportation, governmental delays in granting permits or approvals, changes in laws, expropriation or condemnation of property, governmental actions, unavailability or shortages of materials, national emergency, war, acts of terrorism, civil disturbance,

Real Estate Advisors  Project Managers

JB Vang Partners, Inc. | 1335 Pierce Butler Route | St. Paul, MN 55104

M: 651.645.5500 | F: 651.645.3907 | www.jbvang.com

floods, unusually severe weather conditions or other acts of God or public enemy. Inability to pay or financial hardship, however, shall not constitute Force Majeure regardless of the cause thereof and whether the reason is outside a Party's control.

11.5 Conflicts of Interest. The parties acknowledge that DM or an affiliate may be involved in representing other persons in real estate transactions or projects involving Owner or its affiliates or involved in the ownership or management of certain facilities. If, at any time, the DM key contact for the Services actually becomes aware that Owner is involved in any material way in any proposed transaction or project whereby DM or an affiliate represents any other party to that transaction or project, DM agrees to notify Owner promptly upon discovering such facts. If a conflict exists, DM shall establish appropriate internal procedures to prevent any communication or collusion between those employees involved. Owner acknowledges that DM or its affiliates own interests in entities with whom Owner or DM may transact business pursuant to this Agreement.

11.6 Interpretation. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Each Party represents and warrants that it is authorized to enter into this Agreement, the person signing on its behalf is duly authorized to execute this Agreement, and no other signatures are necessary. Section headings are included for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement and should not be used to construe or interpret this Agreement.

11.7 Governing Law; Arbitration; Jury Waiver. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota (the "State") without regard to conflicts of laws principles. Owner and DM agree that they will attempt to resolve any controversy or claim arising between Owner and DM, including but not limited to those relating to this Agreement or breach of this Agreement or any agreements or instruments relating to this Agreement through good faith negotiations. In the event that any controversy or claim cannot be so resolved, Owner and DM agree to submit to the jurisdiction of any state or federal court sitting in the State, and waive any claim that any court does not have personal jurisdiction over it or is an inconvenient forum. The prevailing Party in connection with any dispute involving a court proceeding shall be entitled to collect its court costs, legal expenses and reasonable attorney's fees from the other Party. **EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT.**





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

OWNER:

Tesfa International School

By: _____

Name: _____

Title: _____

Date: _____

DM:

JB Vang Partners, Inc.

By: _____

Name: J. Kou Vang _____

Title: President _____

Date: _____



APPENDIX "A"
COMPENSATION FOR SERVICES

- 1 **Incorporation.** This Appendix is attached to and forms part of the Development Management Services Agreement, dated as of _____, by and between **Tesfa International School and Its Affiliated Building Company**, collectively known as ("Owner") and **JB Vang Partners, Inc.**, known as Development Manager ("DM"). References to "this Agreement" shall include such Agreement, this Appendix, and all such Appendices, Schedules and Exhibits as may from time to time be attached thereto and in effect. Capitalized terms used in this Appendix without definition that are defined in the Agreement or another Appendix shall have the meanings set forth therein.

- 2 **Feasibility Fee.** In the event that the DM advises the Owner that the Project is feasible, following completion of the feasibility assessment, but the Owner determines that it will not continue to work with DM, the DM will discontinue work on the Project. The Owner will compensate the DM a fee in the amount of \$0.00 in consideration of its work on the feasibility assessment (the "Feasibility Fee"), and the parties will have no further obligations to each other hereunder.

- 3 **Development Management Services Fees.** In the event that the Owner and the DM agree that the Project is feasible, following the completion of the feasibility assessment, this Agreement anticipates that the Project duration will be Twenty-Four (24) months with completion no later than _____.
 - 3.1 The Compensation for completion of the Services shall be **Four Percent (4%)** of the total Project cost. It is anticipated that the total Project will be \$ _____. The Total Fees will be allocated as follows:
 - 3.1.1 Site Evaluation Fee: 10% of total fee
 - 3.1.2 Development Management Fee: 40% of total fee
 - 3.1.3 Construction/Project Administration Fee: 50% of total fee
 - 3.2 The Site Evaluation Fee, Development Management Fee and One Half (1/2) of the Construction/Project Administration Fee will be due and payable at the closing of the financing. The remaining fees, DM will invoice Owner on a monthly basis in accordance to percent of completion. The invoice will coincide with the disbursement requests of the Contractor and other Consultants.
 - 3.3 Payment for Additional Services as defined in Paragraph 4 below, shall be based upon the proposal for the additional scope of work as agreed by Owner. Additional Services are services resulting from revisions in the scope, size and/or duration of the Project and are subject to prior written approval by Owner and DM in advance of DM's commencement of any such Additional Services.
 - 3.4 Should the Project scope, size, or duration become materially revised, DM hereby agrees to so notify Owner in writing. If Owner concurs with the material revisions to the Project scope, size, or duration, Owner hereby agrees to compensate DM for the revised scope of services, or extension of time, as Additional Services or upon a mutually agreeable change directive in accordance with the Terms and Conditions.

- 4 **Additional Services.** The development management fee shall be equitably adjusted if the Services extend beyond the scheduled completion date of the Project, or if the originally contemplated scope of services is significantly increased. Owner and DM may agree to provide additional compensation to DM based on actual hours spent by DM personnel on additional services.



APPENDIX "B"
DEVELOPMENT MANAGEMENT SERVICES
Scope of Service

PHASE I: PROJECT FEASIBILITY ASSESSMENT

Upon execution of this Development Management Agreement, DM will undertake a feasibility assessment for the Project to ensure that it is both financially and architecturally feasible. DM will be the Owner's main contact point with all potential funders/lenders.

- Project Definition: With the Owner, define the project in terms of use & function, building size, floor plans and design features.
- Guiding Principal: Develop a Guiding Principal document that outlines the Project Scope.
- Facility Needs Analysis: Develop a Facility Needs Analysis that will include current facility usage and future facility needs.
- Site Analysis: Perform a preliminary site analysis to ensure that such a project can be constructed on the determined site. Perform a preliminary code review for items such as parking, environmental and permit requirements.
- Constructability Analysis: Research and develop the constructability model for the building.
- Construction budget: Research and provide preliminary budget for the construction of the building.
- Meetings: Initiate meetings with Architects, Engineers, City Planners, Neighborhood Groups, District Councils and Elected Officials to discuss issues concerning the proposed project.

FINANCIAL ANALYSIS: DM will be the Owner's main contact point with all potential funders/lenders.

- Develop project budget, which is inclusive of design costs, construction and FF&E costs, financing costs and soft costs
- Analyze historical and current financial
- Develop operating models to address financing assumptions
- Conduct market research to determine demographic, income level, market conditions and other economic factors that will impact the expansion and its financing.
- Assist and review the feasibility studies if one is desired
- Analyze current financial strength and develop financing plan
- Research & solicit potential funders and financing vehicles for the project
- Research and compile information for the preparation of financing package for review
 - Appendix A & B (If Revenue Bonds are used)
- Compile Project Profiles for presentation to potential funders
- Present and solicit financing proposals for the project
- Review and analyze financing proposals from Lender
- Create and analyze operating model before and after financing proposal
- Assist in the compilation of information for closing
- Assist in the closing of the financing

PHASE II: DESIGN DEVELOPMENT, ENTITLEMENT AND CONSTRUCTABILITY ASSESSMENT

After the Feasibility Assessment is complete, if the Owner and the DM agree that the Project is feasible, the Owner and the DM will move ahead and further define the Project in preparation for a formal submittal of the Site Plan. Owner will be responsible to advance funds sufficient to pay costs associated with the Project to third parties, such as application fees, environmental fees, design fees, etc., and to seek reimbursement as necessary at the closing of financing. DM will document all out-of-pocket costs which Owner is requested to pay.

- **Team Selection:** Upon commencement of Phase II, DM will assist Owner in issuing RFQ for Investment Bankers, Architects, Engineers, General Contractors and other consultants. These responses will be reviewed along with an interview and final selection.
- **Architectural Design:** Review and refine the interior layouts showing equipment placement, department layout and potential flow. Review and refine the exterior designs showing elevations, parking lot layout, building façade and initial landscape foliage.
- **Schematic Design:** Review, analyze and select the appropriate structural, mechanical and electrical system to be used.
- **Design Development:** Using the Architectural and Schematic Design, determine the final site plan for the building. This will include meetings with structural, mechanical, electrical, civil and landscape engineers. If necessary, civil and landscape engineers will be engaged to complete their respective drawings.
- **Constructability Analysis:** Using the defined designed plan, we will determine the best delivery method for the project and refine the budget.
- **Financial Analysis:** Using the defined design plan and fined budget, we will create and analyze the financial models to ascertain the economic feasibility.
- **Market Analysis:** Using the defined drawing and financial analysis, run models to determine if the market will be receptive to the development.
- **City Approval Process:** As documents develop, initiate and obtain Site Plan Approval from City Departments such as; Building Department, Fire Marshal, Dept. of Health, Zoning Commission, Planning Commission, Design Review Board, Watershed District, etc...
- **Miscellaneous Process:** As the project progresses and input is gathered from the Owner, City Planners, regulatory agencies and the neighborhood, the above design drawings will be modified to reflect the changes.

PHASE III: PLAN DEVELOPMENT, REVIEW AND CONTRACTOR SELECTION

Upon approval of Site Plan, construction documents will commence. During the completion of construction documents, Project Manager, Architect & Engineers and Contractors will determine final value engineering modifications and acceptance.

- **Construction Documents:** Final construction documents will be completed and approved by Owner.
- **Submission for City Building Permits:** Upon completion of the Construction Documents, all applications along with the complete set of Construction Documents will be submitted to the city for plan review and issuance of the building permit. Changes and modifications will be made in accordance to city feedback.
- **Construction Budget/Cost:** The Construction Documents will be used to finalize the construction budget that was estimated in Phase II. All costs will be agreed upon, all contracts will be executed and a construction schedule will be developed. A construction process will be developed to manage the project while under construction and to communicate progress and changes with the Owner.

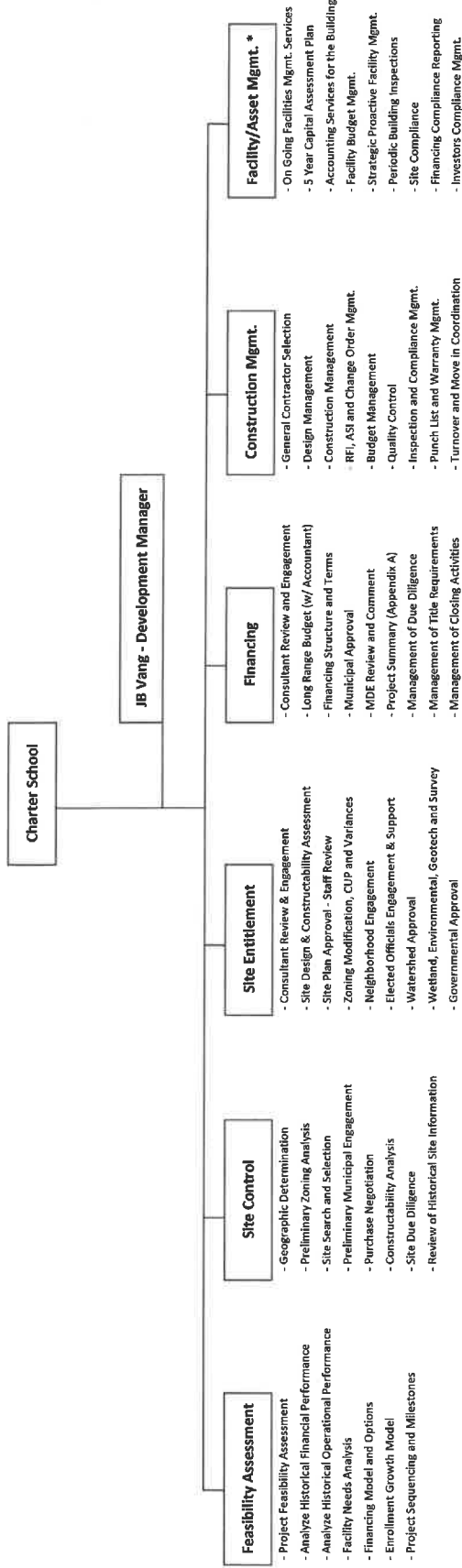
PHASE IV: CONSTRUCTION ADMINISTRATION (*Owner's Representative Services*)

The engagement, management and oversight of the construction process to ensure that the all contractors are building in accordance with the construction documents. Will approve and submit all payments requests and collect all lien waivers. Will communicate all change orders between Owner, Architect/Engineers and Contractors and hold periodic meetings with Owner to communicate on building progress. Upon final completion, perform final walk through inspection, create a punch list and present a Certificate of Occupancy to Owner.

Perform a warranty inspection, on all applicable areas eleven (11) months after final acceptance.

DEVELOPMENT MANAGEMENT SERVICES

Service Summary | 10.12.2020



NOTES:

* Facilities Management and Asset Management Services are available outside of the Development Management Services Scope and Contract.



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TESFA INTERNATIONAL SCHOOL TEACHER EVALUATION (494)

I. Purposes

The purposes of this policy is to **support continual professional growth and exceptional levels of performance by Tesfa teachers and to** comply with Minnesota Statute 122A.40, subdivision 8.

II. General Statement of Policy

Charter schools are required to comply with Minnesota Statute 122A.40 that requires school districts to create a teacher evaluation system with the following components:

- (1) individual growth and development plans;
- (2) a peer review process,
- (3) an opportunity to participate in a professional learning community,
- (4) a summative evaluation performed by a qualified and trained evaluation such as a school administrator;
- (5) be based on professional teaching and standards established by rule;
- (6) use longitudinal data on student engagement and connection with other student outcome measure explicitly aligned with the elements of curriculum for which the teacher is responsible;
- (7) use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth to determine 35% of evaluation results;
- (8) be coordinated with staff development;
- (9) include and option for a teacher portfolio;
- (10) give teachers not meeting standards support to improve;
- (11) discipline a teacher for not making adequate progress;
- (12) may include time for peer coaching and elaboration;
- (13) may include mentoring and induction programs; and
- (14) include a three year performance cycle.

Employment at Tesfa International School is "at will", which means that employment may be terminated by either the school or the employee at any time for any reason. There is no contractual agreement between Tesfa International School and an employee specifying or guaranteeing employment for a particular period of time, and an offer letter, benefits policy or handbook policy statements are not intended to be, nor should they be interpreted to be, promises of employment for a definite period of time. No part of this evaluation system precludes the employer from exercising the "at will" portion of any employment agreement.

III. Definitions

"At will" means that employment may be terminated by either the school or the employee

at any time for any reason. “Professional learning community” means a group of educators committed to working collaboratively in ongoing processes of collective inquiry and action research to achieve better results for the students they serve that operate under the assumption that the key to improved learning for students in continuous, job-embedded learning for educators.

IV. Teacher Evaluation Components

A. Individual Professional Growth and Development Plan

All licensed teachers at Tesfa International School will set ~~an~~ **one or more** individual professional growth goals ~~by October 1st of each school year that~~ **Goals** will be reviewed by their grade-level administrator. ~~the executive director and/or instructional coach.~~ **The teacher must explain how the goal will result in improved student learning at Tesfa International School.** Each teacher will review the progress made in meeting the goal in a spring meeting with their grade-level administrator. ~~Executive Director and/or instructional coach.~~

B. Peer Review Process

Teachers at Tesfa International School will participate in ~~instructional rounds and/or peer observations at least twice~~ **a peer observation process** each academic school year.

C. Professional Learning Community

Teachers at Tesfa International School will participate in **regularly scheduled** a professional learning community **meetings designed to improve teacher practice and student outcomes.** ~~through collaborative staff planning workshop days and grade-level meetings.~~

D. Student Engagement

Longitudinal data regarding student engagement will be collected for each teacher through the following means: student surveys, peer observations, and administrative observations.

E. Test Data

Teachers will collect data from valid and reliable assessments aligned to state and local academic standards.

Student success will be measured by the percentage of students who meet MAP growth targets in reading and math **and/or growth targets in MCA assessments.** ~~Specific benchmarks for acceptable scores will be determined annually by the administration and communicated to the teaching staff.~~

F. Staff Development Activities

~~The administration will survey staff regarding potential staff development activities that will be coordinated with this evaluation process and teacher outcomes.~~ Staff development activities will be aligned with school improvement goals as well as performance objectives established for teachers.

G. Summative Evaluation

1. The director will prepare a summative evaluation of every teacher on a three-year cycle.
2. The summative evaluation will consider the following components:
 - a. A review of at least 5 formal teaching observations conducted by the school's Executive Director over the three year cycle;
 - b. The teacher's self-reflection based on professional standards established in rule (8710.2000 Standards of Effective Practice for Teachers);
 - c. Completion of all other components required in this process.
 - d. Teachers may prepare a portfolio for administrative consideration in the summative review process (optional).

H. Overall Evaluation

1. The administration will keep a record of all components of a teacher's evaluation process.
2. The overall evaluation for each three-year cycle will be based on the following: 65% Summative administrative review 35% Student test data.
- ~~3. Specific benchmarks for overall acceptable job performance will be communicated to the teachers each fall.~~
4. The final overall evaluation will be placed in the employee's official performance review file.
5. Teachers with unacceptable job performance will be subject to Tesfa International School Policy 403: Discipline, Suspension, and Dismissal of Tesfa International School Employees.

Adopted: 11/04/14

Revised: 10/19/2020