



HIGHMARK

QUARTERLY

Ethics & Integrity

Discipline

Empowerment & Accountability

Quality

Teamwork

Agility

Vice President's Message



In plain language, I view business development as little more than creating comfort—for the right people. “The right people” are clients we choose, our partners, staff, and other stakeholders such as property sellers and permitting agencies.

We create comfort for school boards with an experienced team, a clear process, good communication, and affordable financing. We create comfort for school leaders, authorizers, sellers, parents, contractors, and others by delivering on promises. And we create comfort for our team by diligently finding, vetting, and funding safe, stable investments that will perform well academically and fiscally.

Some clients need small talk to be comfortable. Some get right to business. Some need a daily call. Or just want to pick paint colors. Contractors want to know they'll get paid. Sellers want to know we're for real. Internally, we need data, a disciplined plan, and a return on investment. All valid triggers for comfort. The magic comes simply in spending time with those folks we work for—and with—to understand what creates comfort in them.

So now you know that each member of the HighMark team has tremendous business development capabilities.

Creating comfort—within the overall business plan—IS business development.

Rock on!

Patrick Beausoleil

Vice President of Business Development



Lowcountry Leadership

Compliance Reporting

In the blink of an eye, summer is over and another school year is beginning. HighMark would like to make the start of this year a great one. We care about each of our client schools and want to ensure the long-term success of each school. As such, we have put in place compliance requirements due to HighMark monthly, quarterly, and annually. Each requirement due is important to HighMark and our partners. It is imperative each school finds a method to get the requirements reported on time. The following list of compliance requirements is typical but may not be comprehensive for every HighMark client school.

Financial

1. Quarterly unaudited financial statements – due within 30 days of the end of quarter
2. Annual audited financial statements – due within 30 days of issuance
3. Annual approved budget – due within 30 days of submittal to state enrollment
4. Monthly enrollment – due on the 5th of the following month
5. Annual state reported enrollment – due as soon as available

Misc.

1. Approved board meeting minutes – due once approved
2. Insurance certificate – due 30 days prior to expiration
3. Quarterly facility maintenance report – due by the end of each quarter
4. Annual inspections – due upon renewal

To find what is required for your school, review your lease with your school's governing board or check with HighMark's asset management team.

Questions about reporting requirements? Email questions and reports to Kelsy@highmarkschools.com

Building Maintenance

As you welcome back your students, it's a good time to take a look at your building for issues that may need attention. Please look at the following checklist to ensure problems are being corrected right away.

- Exits onto public streets free from obstructions
- Windows free from cracks or waterproofing issues
- Trash enclosure gate inspection
- Electrical panels secure
- Interior ceilings for water stains and leaks
- 3' clearance around all heating equipment
- Check the lock on all boiler/furnace rooms
- Check emergency exits are unlocked and operational
- Evacuation plans are clearly posted with no obstructions
- Check the roof for damage
- Condition of roof shingles
- Fire alarm status, system, and valve
- Keep exits onto public streets free from obstructions
- Ensure windows are free from cracks
- Ensure that trash enclosure is secure and accessible
- Secure electrical panels - keep them locked
- Inspect interior ceilings for water stains and leaks
- Check locks on all boiler, furnace, custodial, and IT rooms
- Check the roof for wind and storm damage
- Confirm that your fire alarm and sprinkler system is operational

HighMark's 2015-'16 Development Activity by State

CALIFORNIA

College Prep Middle School
La Mesa-- New Build

BINS Fremont

Fremont--New Build

Bella Mente

Vista--Expansion

Michigan

Great Lakes Exploration Academy
Kalamazoo--New Build

FLORIDA

Pineapple Cove Classical Academy
Palm Bay--New Build

GEORGIA

Cirrus Academy Charter School
Macon--Adaptive Reuse

Fulton Leadership Academy

East Point--Adaptive Reuse

NEW JERSEY

Bridgeton Public Charter School
Bridgeton--Adaptive Reuse

International Academy of Atlantic City
Atlantic City--Adaptive Reuse

International Academy of Trenton
Trenton--Adaptive Reuse

Vineland Public Charter School
Vineland--New Build

NEW YORK

Family Life Academy Charter School
Bronx--Adaptive Reuse

SOUTH CAROLINA

Riverwalk Academy
Rock Hill-- New Build

TENNESSEE

Dubois Entrepreneurship & Leadership and Public Policy
Memphis-- New Build

TEXAS

Cumberland Academy High School
Tyler-- New Build

VIRGINIA

BASIS Independent McLean
McLean-- Renovation



Cumberland Academy



Pineapple Cove Classical Academy



Macon Academy

Conference Notes

In June, HighMark hosted one of its trademarked cocktail receptions in New Orleans at the National Alliance of Public Charter Schools' annual conference. Attendance was the highest we've had during a national conference with more than 130 clients, school founders, leaders, consultants, authorizers, board members, politicians, and prospective clients attending.

Also, this past summer, David Bourne and new staffer MacKenzie Thorn represented HighMark in North Carolina at one of the state's two annual state conferences.

But autumn really is the prime conference season in Charter School Land.

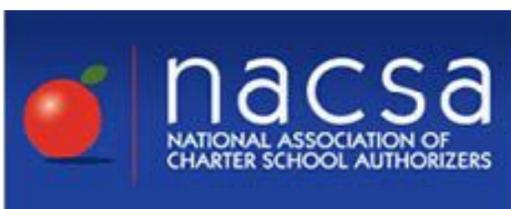
- **September** - just one state event. HighMark will send representation to a one-day Georgia Charter School Leadership Conference.

- **October** - three events. October offers a one-day gathering in Louisiana followed by the large National Association of Charter School Authorizers (NACSA) conference in Denver. Then the Texas state conference is held immediately after NACSA. This is the first year the Texas event is shifted from December to October.

- **November** - three events. Florida, Ohio, and South Carolina all have state conferences, which we'll attend. HighMark anticipates presenting at the South Carolina event with its new presentation paper: "12 Facility Mistakes Every Charter School Makes (But YOU Don't Have To)".

As a side note, HighMark has traditionally hosted its own conference, of sorts, in the fall each year: The HighMark Summit, a gathering of staff, friends, and partners for business planning and fun.

However . . . given the high volume of activity in the development cycle with schools opening (those Certificates of Occupancy won't award themselves), and with HighMark parents returning their young ones to school at this time of year, the Management Team chose to shift this annual and important event to January.



Partner Spotlight



InSite Educational Facility Services (InSite EFS) was founded in 2004 to represent only charter schools, private schools, and companies like HighMark School Development. It is the only firm of its type in the US dedicated to the real estate needs of schools. Based in California and Texas, the company provides the majority of its client services in these states with expansion plans in other states in the next year, including Arizona.

Benson Sainsbury and Dan Morrar are InSite EFS principals. Mr. Sainsbury comes from a real estate and brokerage background with over 25 years of experience. Mr. Morrar comes with experience in commercial brokerage and with a development background. To date, InSite EFS has added more than 27,000 new charter school seats through their site selection services. Mr. Morrar himself has completed more educational transactions than any broker in all of California.

InSite EFS services include permanent site locations, temporary site locations, growth plan assessments, demographic and trade area analysis, market and rent studies, as well as acquisition negotiations for schools that are leasing facilities.

InSite EFS works with HighMark in new and existing development areas to locate suitable real estate for new charter and private school locations. InSite EFS also refers some of its clientele for consideration by HighMark.

Mr. Sainsbury offered some insight on what makes InSite EFS special: "We seek to insure that a school will never pay too much for a property or acquire a property that will not be suitable for a school use from a zoning and environmental standpoint. We have successfully negotiated leases [in one case] saving a school over \$1mm in total costs."

School Spotlight Macon Charter Academy

Macon Charter Academy (MCA) in Macon, Georgia opened at 151 Madison Street in Macon in August 2015 with full enrollment of 900 students. MCA is a K-8 school offering an International Baccalaureate (IB) program.

The seven-acre property MCA occupies consisted of a 30s-era school, a church building, and a gymnasium. HighMark replaced the school building with a single story classroom building and renovated the other buildings. In all, MCA enjoys over 60,000 SF overall, including 19 classrooms and substantial ancillary space.

For school founders Charles and Monya Rutland, the motivation to start a charter school was simple: "My wife and I wanted a school where we felt like our child was the most important child at the school," said Charles. After the third petition (or application), the district awarded the charter in September 2013. The new charter board hoped to open for the 2014 school year, later deciding a planning year was in its best interests.

The planning year—with enrollment events, public appearances, and positive media attention—paid dividends: By February 2015, MCA had 1600 applications, which triggered selection by lottery. Once 900 seats were filled, the waiting list comprised 700 names. Even now, the waiting list has 200 names on it. The school also caught the attention of the City of Macon, who put up \$2MM to convert adjacent blighted properties into athletic fields, which the school and other groups can use.

Charles grew up in the Pleasant Hill neighborhood where MCA is located. He says the property is pretty special: "It has been a school site since at least 1930, first a public school and then a private Christian academy." He then noted the celebrity connections: "Richard 'Little Richard' Pennyman, the great rock and roll artist graduated from elementary school (at this location)." And at one time, it housed the Georgia Academy for the Blind, a school that Ray Charles attended.

Little Richard. Ray Charles. And now 900 new charter students . . . each with the opportunity to feel like "the most important child at the school."

□ The function of education is to teach one to think intensively and to think critically. Intelligence plus character that is the goal of true education.□

- Dr. Martin Luther King, Jr.