

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20060464

1. ACTION REQUESTED/PURPOSE: Approve the First Amendment to the Land Lease Agreement between Lee County and the Island School, Inc. for the Boca Grande Charter School. Authorize the Chairwoman's signature on the First Amendment.

2. WHAT ACTION ACCOMPLISHES: Board of County Commissioners' approval is required to finalize the agreement with the Island School, Inc. ("School"). Approval will allow the School to contract directly with the construction contractor (Casey Construction, Inc.) so that construction of the new school may commence. Approval will also allow the School to continue using the community center, while the new school is constructed.

3. MANAGEMENT RECOMMENDATION: Staff recommends approval of the First Amendment to the Lease Agreement.

4. Departmental Category: 2 **A2A** **5. Meeting Date:** 04-25-2006

| | | |
|---|--|--|
| 6. Agenda: <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Administrative <input type="checkbox"/> Appeals <input type="checkbox"/> Public <input type="checkbox"/> Walk-On | 7. Requirement/Purpose: (specify) <input type="checkbox"/> Statute <input type="checkbox"/> Ordinance | 8. Request Initiated: Commissioner Commissioner Janes Department Public Works Parks & Recreation County Attorney Division By: James Lavender Public Works Director |
| | <input type="checkbox"/> Admin. Code | |
| | <input checked="" type="checkbox"/> Other | |
| | | |

9. Background:

On June 21, 2005 the School and Lee County entered into a "Land Lease Agreement" for the lease of a portion of the community center site for the purposes of constructing a small charter school.

The Agreement required that the School provide all of the required funding for the Project within two (2) weeks after execution of the agreement and required that the County construct (and act as Project Manager) the new Charter School upon receipt of the funds from the School. This means that the funds should have been placed in escrow by July, 2005. The School was unable to comply with this requirement due to unanticipated escalating construction costs and unsecured pledges from donors.

Recently, the School has raised additional funds from donors and local contractors and vendors have agreed to provide services and materials at a substantial discount to assist the School. The School is requesting an Amendment to the Lease Agreement to allow them to work directly with Casey Construction and the local contractors or vendors to allow for a significant savings in building materials and the contractor's fee. (See attached Island School Building Progress Report). County staff will continue to oversee the construction of the project and the administration of the construction contract. Project will be completed by no later than September 1, 2007.

10. Review for Scheduling:

| Department Director | Purchasing or Contracts | Human Resources | Other | County Attorney | Analyst | Budget Services | Risk | Grants | Mer. | County Manager/P.W. Director |
|-----------------------------|-------------------------|-----------------|-------|-------------------------------|-------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <i>J. Janula</i> 4-17-06 | | | | <i>[Signature]</i> 4/12/06 | <i>[Signature]</i> 4/13/06 | <i>[Signature]</i> 4/13 | <i>[Signature]</i> 4/13/06 | <i>[Signature]</i> 4/13/06 | <i>[Signature]</i> 4/13/06 | <i>[Signature]</i> 4-12-06 |

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

| | |
|----------------------------|--------------------|
| RECEIVED BY | <i>[Signature]</i> |
| COUNTY ADMIN: | 4/13/06 |
| COUNTY ADMIN FORWARDED TO: | 4/13/06 |
| | 4/13/06 |

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Subject: First Amendment to the Land Lease Agreement between Lee County and the Island School, Inc.

Background: (continued)

Approval of the First Amendment will allow the project to move forward.

The Project is to be completed by July 1, 2007. Failure of the School to comply with this requirement may be considered cause for breach and/or termination of the Lease Agreement and use of the community center.

Attachments: Three (3) First Amendments to the Lease Agreement
Building Progress Report Prepared by the School
Original Land Lease Agreement

**FIRST AMENDMENT TO THAT CERTAIN LAND LEASE AGREEMENT
DATED JUNE 21, 2005 BETWEEN LEE COUNTY
AND THE ISLAND SCHOOL, INC.
FOR BOCA GRANDE CHARTER SCHOOL**

THIS AMENDED LEASE AGREEMENT, is entered into this _____ day of _____, 2006, between **LEE COUNTY**, a political subdivision and Charter County of the State of Florida, acting by and through its Board of County Commissioners, the governing body thereof, hereinafter referred to as "County" and **THE ISLAND SCHOOL, INC.**, a not for profit Florida Corporation, hereinafter referred to as "School".

WITNESSETH:

WHEREAS, the County, pursuant to 161.25, Florida Statutes, has the authority to enter into agreements for the contracting of certain shared powers, obligations and duties; and

WHEREAS, on June 21, 2005 the School entered into a Land Lease Agreement with the County for a particular portion of land located at the County's Boca Grande Community Center site for the purpose of constructing a small, separate building for a charter school; and

WHEREAS, Section III of the Agreement required the School provide all of the required funding for the Project within two (2) weeks after execution of the agreement and Section II of the Agreement required that the County construct the new charter school upon receipt of funds from the School in the amount of \$2,433,652.00 for construction; and

WHEREAS, the funding for the construction was not tendered by the School; and

WHEREAS, the Parties now desire to amend the Lease Agreement to provide for clarification and assurances for the funding and construction of the Island School.

NOW, THEREFORE, in consideration of the foregoing, and of mutual covenants and conditions hereinafter set forth, the County and the School, intending to be legally bound, hereby agree to this First Amendment, as follows:

1. The recitals as set forth above are incorporated into the terms of the original agreement.

2. **SECTION II: OBLIGATIONS OF LEE COUNTY** - Paragraphs C, E, F, H and I are deleted in their entirety.

3. **SECTION II: OBLIGATIONS OF LEE COUNTY** - The following language replaces paragraph G:

The County will act as Contract Manager for the construction project and will oversee the work to be performed by the contractors and the administration of the construction contract. No changes to the final construction plans shall be permitted without the express approval of the County.

4. **SECTION III: OBLIGATIONS OF SCHOOL** - Paragraph B is deleted in its entirety and is replaced with: The School will contract directly with the Casey Construction, Inc. ("Contractor") for the construction of the Project and will pay such Contractor directly.

Construction of the School shall commence no later than June 15, 2006 and be completed by no later than September 1, 2007. Time is of the essence in the performance of the obligations of this

Agreement and in performance of the Construction Contract. Should the School in any way cause delay to the progress of the project so as to cause any loss or damage to the Contractor or its Subcontractor, the School shall indemnify and hold the County harmless from and against any claims for loss or damage caused by the School to the Contractor or its Subcontractor.

5. **SECTION III: OBLIGATIONS OF SCHOOL** - The following language replaces paragraph D:

The School will pay for the relocation and construction of the tennis court from its current location to the location shown on Exhibit "B". Construction of Project may not proceed until the construction of the tennis courts has commenced. Casey Construction will oversee the construction of the tennis courts. Construction of the tennis courts will commence no later than May 1, 2006.

6. **SECTION XII: RIGHT TO TERMINATE AND TERMINATION OF PRIOR LEASE**

To be amended as follows: The lease agreement dated July 8, 2003 for temporary use of the Boca Grande Community Center by School shall be extended until September 1, 2007 at which time the Project will be completed.

The failure of the School to comply with the time period requirements of this Agreement shall be considered cause for breach and/or for immediate termination of the Lease Agreement, unless such failure is due to "force majeure" or circumstances beyond the control of the

Contractor or School, such as severe weather conditions, hurricanes, or other Acts of God.

7. All other terms of the Lease Agreement remain the same.
8. This First Amendment to the Lease Agreement shall become effective on the date written above. This Amendment, and any subsequent Amendments thereto, shall be filed with the Clerk of the Circuit Court for Lee County.

(Balance of this Page Left Intentionally Blank)

IN WITNESS WHEREOF, the County and the School have caused this First Amendment to the Lease Agreement to be executed by their respective and duly authorized officers the day and year first written above.

Lessor:

ATTEST: CHARLIE GREEN
CLERK OF COURTS

LEE COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

By: _____
Deputy Clerk

By: _____
Chairwoman

APPROVED AS TO FORM:

By: _____
Office of the County Attorney

Lessee:

The Island School, Inc.

Witness

Witness

By: _____
President

Attorney for Lessee:

James T. Humphrey, Esquire

The Island School Dedicated Building Progress Report

April 4, 2006

Design and Construction Report

The Island School Inc. has made considerable progress toward building commencement during the last 60 days. Considerable time and effort has been spent by the county officials Dan Cruz, Barbara Manzo and Jim Lavender as well as Casey Construction ("Casey") in attempting to resolve the cost issues related to design and escalating construction costs.

A breakthrough occurred in February 2006 when the parent of a school student reviewed the schools plans. His company, Colonial Construction designs and manufactures pre-stressed concrete components. Following that review, a proposed redesign was submitted and the parent offered to donate the systems if approved. This donation will result in a substantial saving from the original building cost. New engineering and architectural drawings were completed in early March to accommodate the replacement of concrete floor and roofing systems with pre-stressed concrete. Copies were delivered to Casey Construction and the school board.

It was also the opinion of the school that substantial savings were to be found through utilization of "school-friendly" local sub contractors for electrical, plumbing, and air conditioning work. School officials presented Casey with a list of local contractors who verbally agreed to provide services at a substantial discount to assist the school. Casey communicated to all subs that revised bids were due in by 3/29/06. Having received the last bids, the revised building construction cost exclusive of a contingency reserve, plus relocation of the tennis courts is \$2,617,812. The school has identified potential additional savings in some building material changes, as well as the contractor's fee structure. The largest reduction is the omission of permanent storage cabinets in favor of temporary storage units. Finally, the school and the contractor intend to enter into a side agreement to allow 50% of the contingency reserve to be covered outside the construction contract. Thus, the targeted funds required at commencement are \$2,629,000. (See the financial report section to follow)

The consolidated construction costs (excepting the tennis courts to be done by an independent contractor) will be reflected in a final contract between The Island School and Casey Construction; and will be presented to Lee County for approval. Once approved, the school proposes construction of the tennis courts will proceed. Once construction of the courts has commenced we are hopeful that County officials will allow concurrent commencement of the tennis courts and school building. It is important that construction of the school building commences prior to the rainy season due to increased costs and time delays associated with temporary drainage requirements. County officials are aware of this challenge and are doing what they can to avoid any requirement to complete the courts prior to school construction commencement.

If everything goes as planned and delays can be avoided, a May 1st commencement of the school building has been given to all sub contractors as part of the specification.

Financial Report

The school has raised a total of \$2,716,384 in pledges, cash and line of credit guarantees. Thus, it has means to commence the project with a modest surplus to be used for cabinetry if additional savings and/or fundraising are accomplished during construction.

Island School Building Budget 4/4/2006

Cash and Pledges

| | |
|----------------------------------|----------------|
| Cash on hand | 1,651,000 |
| Golf Tournament projected income | 25,000 |
| Pledges receivable | 875,384 |
| Loan guarantee pledges | <u>165,000</u> |
| | 2,716,384 |

Maximum Project Costs

| | |
|------------------------------------|------------------|
| Tennis court, lights and fence | 130,000 |
| Engineering costs | 30,000 |
| March 29, 2006 building cost | <u>2,667,812</u> |
| Total Project | 2,827,812 |
| Cabinet omission | (93,000) |
| Contingency-(contractor agreement) | <u>(105,000)</u> |
| Cash required to Commence | 2,629,812 |

Surplus/(deficit) 86,572

Notes to Building Budget

Cash and securities are invested in a high-yield Wachovia Bank money market fund and an index fund at Wachovia Securities. The full amount is readily available for use.

The pledges-receivable largely consists of a \$750,000 pledge from an anonymous donor who wishes for the donation to be phased in during certain points of completion and the remainder consists of pledges due on June 30, 2006. Discussions are taking place with the donor about a suitable guarantee arrangement. The loan guarantee pledges have been made by the board of directors and board affiliates for the purpose of providing security for a Wachovia Bank line of credit. That line will be utilized to fund the county's required contingency. Any additional contingency requirement will be covered by a side agreement with Casey Construction.

Current Operating Results

The Island School is operating near budget and expects to remain within budget for the remainder of the year. Current student enrollment is thirty-six and is expected to increase to approximately forty-two in 2006/2007. The county's FTE revenue from next year's projected enrollment increase is expected to significantly offset any increased operating expenses. Please find the most current financial statement attached.

Current Lease Details

The Island School holds classes in two rooms and a temporary building at the Boca Grande Community Center under a lease with Lee County that expires at the end of the current school term.

Concurrent with the commencement of construction of the dedicated building, the school must enter into a lease extension for the rooms and building and come to terms on the lease of the dedicated building which will be deeded to the county at completion. Assuming completion of the new building by June, 30 2007, the school will terminate the lease on the temporary classrooms.

**LAND LEASE AGREEMENT BETWEEN LEE COUNTY
AND THE ISLAND SCHOOL, INC.
FOR BOCA GRANDE CHARTER SCHOOL**

THIS LEASE AGREEMENT, is entered into this 21st day of June, 2005, between the **LEE COUNTY**, a political subdivision and Charter County of the State of Florida, acting by and through its Board of County Commissioners, the governing body thereof, hereinafter referred to as "County" and **THE ISLAND SCHOOL, INC.**, a not for profit Florida Corporation, hereinafter referred to as "School".

WITNESSETH:

WHEREAS, the County and the School are mutually interested in providing educational facilities for the residents of Lee County; and

WHEREAS, the County and the School have determined the need to construct a charter school in Boca Grande, Lee County, Florida; and

WHEREAS, the School wishes to lease a particular portion of land located at the County's Boca Grande Community Center site at 131 First Street West, Boca Grande, Florida 33921, attached hereto as Exhibit "A", hereinafter referred to as "Center" for the purpose of constructing a small, separate building for a charter school; and

WHEREAS, the lease of this land to "School" for a charter school serves a public purpose that will benefit residents and persons employed in Boca Grande;

WHEREAS, the County is empowered, pursuant to Florida Statutes, in particular Section 125.031, to enter into lease agreements for property needed for a public purpose;

NOW, THEREFORE, the County, in consideration of the mutual covenants contained herein, hereby Leases to the School, for the term and under the conditions hereinafter set out, those certain premises in LEE COUNTY, FLORIDA, described in Exhibit "A", which is attached hereto and hereby incorporated herein.

SECTION I: **PURPOSE**

It is the purpose and intent of this Lease Agreement to define the terms and conditions for use of that certain real property described in Exhibit "A".

SECTION II: **OBLIGATIONS OF LEE COUNTY**

- A. The County owns the parcel identified in Exhibit "A". The County agrees to lease a portion of such real property for a term not to exceed thirty (30) years to the School for the construction of a new educational facility, a charter school, as defined by Florida law.
- B. The County agrees to cooperate with the School in granting such drainage, electric, telephone, cable television, potable water, sanitary sewer, access, or other easements, across property owned by the County, as may be necessary to operate the School.
- C. The County agrees to construct a new charter school to be known as "The Island School" and hereinafter called the "Project" upon receipt of funds from School in the amount of \$2,433,652.00 for said construction.
- D. The Island School will prepare and provide to the County, detailed plans and specifications for construction of the Project. The County will consult

with the School during each phase of construction.

- E. The County, through its construction manager, will secure bids for all work to be performed by contractors, in accordance with County procurement policy.
- F. Prior to award of construction contract(s), the County will submit to the School a detailed estimate of costs, a tabulation of all bids received, and furnish a copy of the contract to be awarded to the lowest, qualified bidder and a statement certifying the total Project costs.
- G. The County will act as Project Manager for the construction project.
- H. The County will inform the School in writing of any change in the Project costs.
- I. The County will establish a Project construction account for the receipt and use of all funds contributed by the School, pursuant to this Agreement.
- J. The County will keep books, records, documents and other evidence pertaining to costs and expenses incurred for the construction to the extent and in such detail as will properly reflect total Project costs and funding of the Project.

SECTION III: OBLIGATIONS OF SCHOOL

- A. The School will provide all of the required funding for this Project.
- B. The School will, within two (2) weeks after County's execution of this

agreement, furnish to County an interest-bearing escrow account in County's name in the amount of \$2,433,652.00 which represents 110% of the total cost of the project.

The amount of 110% shall represent the actual estimated project expenses (submitted by the County's Construction Manager and recommended for approval by County staff and the designated representative of the Island School) (100%), plus the additional 10% as a contingency amount to cover any unexpected costs or changes.

The contingency amount shall be used only with the express, written approval of the School. This account shall be provided to the LEE COUNTY CLERK to draw against for the County's Contractor's invoice payments.

When the Project is complete, the School shall be entitled to any remaining funds in the account plus any interest earned. If it appears that during the course of construction, the amount of funds in the above escrow account will be insufficient to cover the remaining costs, the School will, at County's written request, provide the necessary additional funds for the account, within thirty (30) days of said written notification.

The escrow account will be deemed an asset of the County. The Lee County Clerk and/or his designee shall be the sole signatory on the escrow account and shall have sole authority to authorize withdrawals from said account.

- C. The School shall design, construct and maintain seven parking spaces for staff and guests of the school sufficient to accommodate such facility as mandated by the permit.

- D. The School will pay for the relocation and construction of the tennis court from its current location to the location shown on Exhibit "B". Construction of Project may not proceed until tennis courts are constructed at such site.
- E. The School agrees to permit the County to use the school, when such use does not conflict with School operations.
- F. The School is solely responsible for the supervision and monitoring of students attending the School, including the arrival and departure of the students and early drop off and late pickup. In the event that a student disturbance occurs on the County's adjacent Community Center property, county staff will contact and utilize the services of the School's Principal or Head Master. The Principal shall be responsible for resolving complaints made by county staff concerning disruptive or destructive student behavior occurring on the physical premises of the Community Center. The Director of Parks and Recreation or his/her designee, after consulting with the Principal or Head Master, may make such rules and regulations as are reasonably necessary for the safe, efficient and effective operation of the Community Center.
- G. The School will be operated to educate children in grades kindergarten through the fifth grade, unless the School Board of Lee County allows other ages to be accepted by the charter school. The student enrollment maximum for the School shall be sixty (60) students total for Grades K

through 5. The School agrees that at no time shall the student enrollment at the school exceed sixty (60) students.

SECTION IV: RENT AND TERM

- A. The rent for the leased premises shall be paid by the School to the County in the amount of One Dollar (\$1.00) per year for the term of this Lease. The rent will be payable each year in advance of the year of occupancy. Rental payments will be paid to the County at:

Lee County Board of County Commissioners
Attn: Mr. John Yarbrough, Director
P.O. Box 398
Fort Myers, FL 33902

- B. This Lease Agreement is for the initial term of thirty (30) years, with an option that may be renewed with 120 days notice for an additional thirty (30) year term upon written agreement of all parties.
- C. At the expiration of the term and unless renewed, the School will peaceably yield the premises in good and tenant able repair.
- D. It is understood and agreed between the Parties that the Lessee has the right to remove all personal property from the premises upon its departure. The Parties acknowledge that, upon the termination of this Lease, the building comprising the charter school, fixtures and real property belong to the County, and School shall have no rights with regard thereto.

SECTION V: INSURANCE

- A. The County and School agree to provide such appropriate insurance coverage as needed to protect each other's respective interest if one party is using the other party's property.
- B. Insurance shall be obtained by the School, per the attached insurance guide, prior to commencement of this Lease Agreement, naming Lee County Board of County Commissioners as an additional insured. See Exhibit "C".

SECTION VI: MAINTENANCE AND REPAIRS

- A. County will maintain the roof of the school building and the windows.
- B. County will provide routine building maintenance, such as preventative or corrective maintenance and repair on the HVAC system, paint exterior of building as needed and pest control.
- C. School will pay County for any repair work done to the HVAC system which exceeds normal routine maintenance and for monthly pest control.
- D. School will notify county of any leaks to the HVAC system within 24 hours of School discovering same.
- E. County will provide School with solutions and resources for maintaining quality indoor air.

SECTION VII: UTILITIES

The School will bear the full cost of any water and/or wastewater service(s) used by the School and will also bear the cost for trash pick-up, use of electricity, telephone services, and any other utility services provided to the school.

SECTION VIII: USE OF PREMISES

- A. The premises will be used and occupied by the School for the purpose of constructing and operating a charter school.
- B. The premises may not be used for the purpose of carrying on any private business, profession, or trade of any kind, or for purposes other than for public use by the School for a charter school.
- C. The School will not make unlawful, improper or offensive use of the premises or any use or occupancy thereof contrary to the laws of the State of Florida, or to the Ordinances of the County.

SECTION IX: HANDICAPPED STANDARDS AND ALTERATIONS

- A. The School may make alterations to the premises during the term of this Lease only with the written consent of the County. The County may not unreasonably withhold the consent to requests for alterations.
- B. Any signs or advertising to be used in connection with the premises leased will be first submitted to the County and not used without the written approval of County.

SECTION X: INJURY OR DAMAGE TO PROPERTY ON PREMISES

- A. All property that may be constructed, placed or located on the premises during the continuance of this Lease will be at the sole risk of the School, except for any property owned by County.
- B. The School will pay any insurance premiums as required on the leased premises. The County will not be liable for injury, loss, damages or theft

to persons or property or fixtures belonging to the Lessee located on the leased property.

SECTION XI: SUBLETTING AND ASSIGNMENT

The School may not assign this Lease, or sublet or grant any concession or license to use the premises or any part of the premises during the term of this Lease, without written approval of the County.

SECTION XII: RIGHT TO TERMINATE AND TERMINATION OF PRIOR LEASE

The School shall have the right to terminate this lease upon giving one (1) year written notice to the County by certified mail. The County will not have any right to terminate absent good cause.

The lease agreement dated July 8, 2003 for temporary use of the Boca Grande Community Center by School shall automatically terminate upon the construction of the new charter school.

SECTION XIII: LIABILITY

- A. The School shall defend, hold harmless and indemnify the County from and against any and all claims, actions, damages, liability, cost and expense, including those arising from bodily injury, death and/or property damage or any other lawful expense, including but not limited to attorney's fees and court costs, brought by third parties arising from the acts or omissions of the School, its agents, employees, contractors or during the School's use of the County's property.
- B. The County will be liable for money damages in tort for any injuries to or

losses of property, personal injury, or death caused by the negligent or wrongful acts(s) or omission(s) of any official or employee of the County while acting within the scope of the official's or employee's office or employment under circumstances in which a private person would be held to be liable in accordance with the general laws of the State of Florida, subject to the limitations as set out in section 768.28, Florida Statutes, as it may be revised or amended from time to time.

SECTION XIV: NOTICES AND INVOICES

All notices required to be served upon the School will be served by Registered or Certified Mail, Return Receipt Requested at: The Island School, Inc., P.O. Box 1090, Boca Grande, Florida 33921-1090 and copy to Mr. James T. Humphrey, Esq. % Fowler, White, Boggs & Banker, 2201 2nd Street, 5th Floor, Wachovia Building, Fort Myers, FL 33901 and all notices required to be served upon the County will be served by Registered or Certified Mail, Return Receipt Requested, at: Mr. John Yarbrough, Director, Parks and Recreation, P.O. Box 398, Fort Myers, Florida 33902.

SECTION XVIII: DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. The parties shall each pay 50 percent of

any costs for the services provided by such a third party as such costs are incurred.

The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

SECTION XIX: WRITTEN AGREEMENT

This Lease contains the entire Agreement between the Parties hereto.

It may be modified only with the Agreement to such modification by the County, and by Resolution approved by the Board of County Commissioners.

This Lease Agreement shall be interpreted pursuant to the laws and administrative rules of the State of Florida, and the United States, when applicable.

IN WITNESS WHEREOF, the County and the School have caused this Lease Agreement to be executed by their respective and duly authorized officers the day and year first written above.

ATTEST: CHARLIE GREEN
CLERK OF COURTS

Lessor:
LEE COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

By: Michelle L. Cooper
Deputy Clerk

By: [Signature]
Vice-Chairman

APPROVED AS TO FORM:

By: [Signature]
Office of the County Attorney



Lessee:
The Island School, Inc.

[Signature]
Witness

[Signature]

[Signature]
Witness

By: SUSAN C. SLIGAR
CO-PRESIDENT

Building construction availabililty as of May 18, 2005

| | |
|-----------------------------------|-----------|
| Capital account cash on hand | 653,649 |
| Accounts receivable | 1,742,503 |
| To be transferred from securities | 37,500 |
| | <hr/> |
| | 2,433,652 |

Accounts receivable detail:

| | |
|---------------------------------------|-----------|
| Amount due by June 30, 2005 | 1,658,652 |
| Amount due September 30, 2005 | 25,000 |
| Amount due upon permitting* | 250,000 |
| Amount due at 50% completion* | 250,000 |
| Amount due at substantial completion* | 250,000 |
| | <hr/> |
| | 2,433,652 |

* Single donor pledge of \$750,000 with phased-in payments