COUNCIL ITEM 12B
DATE 5/14/12

MEMORANDUM

TO: MAYOR & CITY COUNCIL

FROM: GREGORY J. ORAVEC, CITY MANAGER

SUBJECT: RAVENSWOOD CENTER PROJECT

DATE: MAY 11, 2012

As we have discussed, I am disappointed that the City administration has not already delivered the Ravenswood Center Project (or "Project") to our community and to one of our partners, Indian River State College. As you are aware, the Project involves:

- Reconstructing a new, bigger and better community center/gymnasium of approximately 26,000 square feet to replace our aging Ravenswood Center. The new Ravenswood Center was to be constructed on a larger parcel acquired from the Indian River State College Foundation in return for building Indian River State College, a 10,000 square foot educational building, to replace its existing adult education building. A site plan is attached for your reference.
- Allowing the St. Lucie County Fire District to construct a new firehouse on the overall site to replace its old Prima Vista firehouse. The City sold approximately 1.5 acres of the site it acquired from the IRSC Foundation to the Fire District at $300,000 (or $200,000 per acre).
- The following contracts:

Vendor	Estimate of Current Contract Amount/Cost	Anticipated Change Order/Anticipated Charges	Total
City Staff	$ 901,592.15	$ 125,000.00	$ 1,026,592.15
Staff Capitalized Expenditures	$ 156,414.65		$ 156,414.65
Culpepper & Terpening	$ 462,975.50	$ 18,263.00	$ 481,238.50
Kast Construction, Inc.	$ 5,009,512.00		$ 5,009,512.00
LEB	$ 32,415.00		$ 32,415.00
Total	$ 6,562,909.30	$ 143,263.00	$ 6,706,172.30

The Project has experienced many starts and stops for a multitude of reasons, including positives, such as securing grant funding, and negatives, such as litigation relating to the bid process; but, put more plainly, this project has been troubled and fraught with missteps. As a result, I expect this project to exceed the current project budget of $7.7 million in a time when I would suggest that the City has more pressing priorities, especially as it relates to the recurring expenses necessary to operate the Ravenswood Center once it is completed. I had hoped that we could engineer a clean break and a true win-win by offering IRSC the City's Rosser Road Police Station; however, IRSC found it to be too far from their current student base. As a result, I feel compelled to outline the following difficult circumstances associated with the Project:

- It has been almost five years since the then City Council voted unanimously to move forward with this Project.
- The City has spent over $1.9 million to date. In the end, I fully expect it to cost another $5 million or more.
- There are several unresolved issues, including the resignation of the project's architect from the community center/gym portion of the Project and building specification discrepancies (e.g. trusses, etc.).
- This Project has not yet gone vertical; and even if we move full steam ahead it will not likely be complete until the Summer of 2013 or beyond.
- It would take approximately $500,000 per year to operate the Ravenswood Center based upon on our experience with similar facilities. Given the current budget conditions, I cannot recommend such an expenditure when we have the Civic Center, Community Center and the Minsky Gym available to our citizens and the Civic Center is not yet paid off.
- The funds utilized to pay for the yet to be constructed Ravenswood Center could be used to help pay off the already constructed Civic Center and Village Square.
- Even if we locked the doors to the Ravenswood Center and kept it closed to the public, it would still cost us $100,000 or more per year to maintain the building and exercise the various building systems. I would also suggest that there are better uses of this money.
- While our obligations to the St. Lucie County Fire District have been addressed, our promise to IRSC is currently unfulfilled.

Given these difficult circumstances, I would appreciate your guidance on how the City Council would like to proceed with this Project. In order to help frame your discussion, I would like to offer you the following range of options with corresponding analysis:

1. <u>Proceed with the currently conceptualized Project.</u>
   Pro's: The City's current investment will not be "wasted"; the long-awaited project comes to life. Con's: We will not be able to operate the Center without cutting or taking from somewhere else within the Budget. It will reduce the funds available to help pay off the Civic Center and Village Square, recreational facilities which are already constructed.

2. <u>Proceed with the construction of the IRSC Building only.</u>
   Pro's: This fulfills our contractual obligation to IRSC. Cutting the community center/gym portion of the Project would save approximately $2.3 million in capital expenditures, allowing that money to be utilized towards paying off the Civic Center and Village Square and avoids the City having to fund the operation of the community center/gym. Con's: The previously desired recreational facility is not provided to the public. We would only save $2.3 million rather than the $3.9 million assigned to the "Ravenswood Center/Gym" in the existing contract with Kast due to the work which has already been completed to date. Therefore, the City would not receive a full return on its investment of $1.6 million in the Kast contract and all of the other expenditures to date.

3. <u>Cease the current project, amend the Interlocal and Lease Agreements with IRSC to purchase the land, leave it as a passive park until the economy improves.</u>

Pro's: Our promise to IRSC is fulfilled. It would save us approximately $2.8 million in capital expenditures, maximizing the money available to help pay off the Civic Center and Village Square. It secures the site for future development and use by the City. The City does not throw away good money after bad. We are no longer exposed to any potential pitfalls or problems associated with the aforementioned unresolved issues. Con's: A large portion of the City's investment in the Project does not show a return.

Please be advised that Mr. Barry Keim, Vice President of IRSC, has indicated that he will present this concept to the Board of the IRSC Foundation at its next regular meeting. More specifically, he stated that he would support "Counterproposal #1" as outlined in my letter of May 7, 2012, which is included in the enclosures. (Please be advised that "Counterproposal #1" is set forth in the enclosures and is not specifically enumerated in the body of this memorandum. In considering how I conceptualized Counterproposal #1, please be advised of the following:

- Essentially, the City did "purchase" the subject property from IRSC. It just agreed to pay through the construction of a 10,000 square foot building rather than cash.
- The proposed purchase price is based upon an appraisal completed around the time that City staff conceptualized a deal with IRSC staff, not the current market value. This is to be fair to IRSC.
- Our current agreement with IRSC states that the "City accepts and agrees that the estimated cost of the new IRCC facility is $2 million". Consequently, we essentially agreed to pay up to $2 million for 5.23 acres or about $382,409 per acre.

4. <u>Take other action as set forth by the City Council.</u>
   Pro's and Con's not yet determined.

I believe that the recurring costs of the community center/gym are untenable in the current economic climate and that there are more pressing needs in our operating and capital funds. As a result, even though we have spent a lot of time and money on the Ravenswood Center, I believe the City would be best served by: 1) completing an outright purchase of the property from IRSC Foundation, in order to live up to our contractual obligation and 2) pursuing the project at a more opportune time in the future. Please find the below table which illustrates the positive impact this proposed action would have on the #307 Fund in combination with the expected drop in the cost of constructing Canal Park next year (construction plans are currently being prepared).

	2011-2012	**2011-2012 Proposed Revision**
REVENUES:	-------	
Distribution of Ad Valorem Taxes from County	$ 1,433,688	$ 1,433,688
FEMA $'s for Ravenswood facility	779,712	-
Budgeted Cash Carryfoward	3,030,689	8,930,579
Budgeted Cash Carryforward - Ravenswood	5,205,693	0
Interest Income & Other	25,000	39,000
Totals	$ 10,474,782	$ 10,403,267

EXPENDITURES:

RAVENSWOOD RECREATION FACILITY - #307-7203		
Ravenswood Facility- Construction, #26016	$ 5,718,128	$ 2,172,765
Personnel Services - Construction	245,244	186,704
Operating Expenses	22,035	7,579
Totals	$ 5,985,407	$ 2,367,048
PARKS DEPARTMENT - #307-7210		
Torino Park- Construction, 4 fields & related Project #26016	$ -	$ -
Torino Park-Permit Compliance and Monitoring	15,000	-
Dog Park	-	-
Boat Launch Facility - Canal Park	3,300,000	106,469
Southwest Neighborhood Park	-	-
Totals	$ 3,315,000	$ 106,469
PARKS MSTU CIP FUND TOTALS	$ 9,300,407	$ 2,473,517
Contingency for Future Years		-
SURPLUS/<DEFICIT>	$ 1,174,375	$ 7,929,750

I have not fully investigated every administrative action that was taken on the Ravenswood Center Project, but I feel very strongly that the City administration needs to own the many missteps that were made, and that I, on behalf of the current administration, need to make sure they are never repeated. As you know, the City's Construction Division has been closed.

Whatever your direction, I look forward to implementing it with excellence, integrity and commitment and showing you results.

If you have any questions or require additional information, please do not hesitate to contact me.

Thank you.

Encl.

MEMORANDUM

TO: JERRY A. BENTROTT, ASSISTANT CITY MANAGER

FROM: DONALD B. COOPER, CITY MANAGER

SUBJECT: RAVENSWOOD COMMUNITY CENTER

DATE: JUNE 19, 2007

As you are aware, the City Council voted to proceed with the proposed Ravenswood project including the agreements between the IRCC Foundation and the St. Lucie County Fire District. Subsequent to that we may also include Port St. Lucie Boys and Girls Club. Presently, there is $400,000 allocated in this fiscal year for the commencement of design with construction of the center contemplated in Fiscal Year 2007-2008 with the city acting as General Contractor in a manner similar to the golf course construction.

I would ask that you proceed to develop the interlocal agreements for consideration by this office and subsequent approval by the City Council and that the agreement should reflect in specific terms what is expected from each party as it applies to the construction of this facility. Once that agreement is approved, I will proceed with the development of a financing plan to ensure that we have adequate funding for the project, providing that estimates are also provided in conjunction with the documents.

If you have any questions or need any additional information, please advise.

DBC:mv

C: Roger G. Orr, City Attorney
Gregory J. Oravec, Assistant City Manager/CRA Director
David K. Pollard, Director of OMB
Chuck Proulx, Parks & Recreation Director
Marcia Dedert, Finance Director/City Treasurer

COUNCIL ITEM 13D
DATE 6/18/07

MEMORANDUM

TO: CITY COUNCIL

FROM: DONALD B. COOPER, CITY MANAGER

SUBJECT: STATUS OF RAVENSWOOD COMMUNITY CENTER REPLACEMENT

DATE: JUNE 11, 2007

As the Council is aware, the Ravenswood Community Center was severely damaged in the hurricanes and as such is no longer in operation. Also, the city has entered into discussions (pursuant to City Council previous direction) with IRCC Community College and the St. Lucie County Fire District for the construction of a new facility on a much larger piece of property that would include; replacement classrooms for IRCC (owners of the land), whose classrooms were also damaged during the hurricanes, and the Fire District for the construction of a new fire station to replace the one on Prima Vista Boulevard. To that end, the city had allocated $400,000 for design funds and had anticipated entering into a construction contract utilizing the city's workforce, in a manner similar to the golf course for the construction of the Ravenswood Community Center commencing at the beginning of Fiscal Year 2007-2008.

It was also contemplated in the budget, that the city would receive a $2.5 million grant from the State of Florida and potentially a grant from the Boys and Girls Club at approximately $1 million, with financing proceeds funding $4.5 million and the remaining funds coming from existing on-hand funds with the city.

As the Council is aware, the Governor vetoed the proposed grant from the State of Florida and the $1 million grant from the Boys and Girls Club, although a potential remains uncertain.

Presently the Ravenswood Community Center is being used to store items confiscated by the Police Department as part of the "pot grow house arrests". Mostly consisting of the materials needed necessary to grow the pot plants (electrical and hydroponic components), that type of thing.

The issue facing the city is whether or not to enter into the agreements between the City of Port St. Lucie, IRCC Foundation and the St. Lucie County Fire District, which will govern the transfer of property from the IRCC Foundation and the construction of the proposed replacement center. In addition, whether or not to

proceed with developing a financing package that will allow the city to proceed with said construction. The uncertainty of this is compounded by the actions being taken by the state legislature and their dramatic impact on the city's General Fund operations and revenue capacity as it applies to the General Fund, more specifically to the city's ability to fund its Parks and Recreation programs.

No new staff were contemplated for the operation of the replacement of the Ravenswood facility and it was anticipated that the city would be able to pay the financing requirements for the new Ravenswood Community Center through either/and funds derived from the .0910 mil for General Fund Capital Improvements and the MSTU Funds. However, both of those funding sources may in fact be in jeopardy as a result of state legislative action, even though the MSTU Funds had been approved by the voters countywide.

I believe the options facing the city are the following:

1. Do nothing. In which case, I would recommend that the $400,000 set aside for design of the new center be diverted to pay debt service for those projects whose debt service is supported by ad valorem sources. Thereby reducing the overall debt service.

2. Proceed with the project as contemplated. Developing the agreements and the design necessary for the center and then proceed with the construction of the center utilizing either financing proceeds or funds on-hand.

3. Demolish the center and sell the property at market price to whomever will pay said price. This will result in a significant inconvenience to the Police Department, as the Police Department will have to acquire secured storage or get approval for the disposal of the materials that are being stored within the Ravenswood facility now, which may or may not have an impact on the criminal cases involving the "Grow House arrests".

I would request direction from the City Council as to how they would like the staff to proceed. I do not believe that we are going to have in the very near term a clear and concise answer out of Tallahassee as to how the city's revenues will be impacted concerning the MSTU Funds. I think there is a great likelihood that given the super exemption proposal and how it will be implemented, that voter approved taxation and/or debt may be dramatically and negatively impacted. Although I have received repeated assurances from Senator Pruitt that those types of issues will not be impacted by the actions taken by the legislature, it is

very clear given the materials that are coming out of Tallahassee, that might not be the case. It also may be extremely difficult in the future to provide for any borrowing, including voted borrowing, given the unreliability of revenue sources within the State of Florida, for such borrowing.

Direction is needed from the City Council. As I have previously indicated there is interest on the part of the Fire District in moving forward with the program and the IRCC Foundation would like to get a determination whether or not the city is going to go forward with the project. In addition, as the Council is aware, we have staff members whose futures are in the air and that are dramatically impacted given the status of this project.

I would be happy to provide any additional information the Council may have, (if available) and would request direction from the Council.

DBC:mv

C: Jerry A. Bentrott, Assistant City Manager
Acting Fire Chief Ron Parrish
Gregory J. Oravec, Assistant City Manager/CRA Director
David K. Pollard, Director of OMB

the future?" The City Manager responded, "Assuming there's no change in regulations at a later date. The design is good for as long as the regulations are good." Councilman Cooper **moved** to table Item 13 c) to the first meeting in February 2008. Councilwoman Bartz **seconded** the motion. The City Clerk restated the motion as follows: to table Item 13 c) to the first meeting in February 2008. The **motion passed unanimously** by roll call vote.

d) DISCUSSION OF STATUS OF RAVENSWOOD COMMUNITY CENTER REPLACEMENT, CITY MANAGER

The City Manager said, "I need some direction from the Council whether or not to proceed with this project. As you're aware, the City had requested a grant from the state, and the grant was approved. Subsequently, it was vetoed by the Governor. Our initial budgeting for this project included a $2.5 million grant from the state. We had tried for a $4.5 million grant, and it was vetoed by the Governor. We do have $400,000 set aside for design funds in this fiscal year, and we actually contemplated design of the building this year, and actual construction to commence next year. However, before such construction can take place, not only does design have to occur, but we also have to have a three-party interlocal agreement involving the Fire District and the IRCC Foundation to make this project a reality. The contemplation was to expand Ravenswood, which was heavily damaged as a result of the hurricanes, and is no longer usable as a recreation center or a community center. It is presently being used to store paraphernalia confiscated from the drug house busts. Without some direction from the Council, I'm reluctant to get staff into negotiations with the Fire District and the IRCC Foundation, because those entities will then make plans dependent upon the City going forward."

The City Manager continued, "Basically, what's going to occur is that the fire station on Prima Vista will be shut down and replaced with one adjacent to this site. The classrooms IRCC uses for adult education, which were also damaged by the hurricanes, will be demolished and reconstructed on this site physically adjacent to the existing Ravenswood Center. The Ravenswood Center will be demolished and replaced with a larger building more suitable to meet the needs of that community. The Ravenswood Center would be constructed as a hurricane shelter capable of withstanding the wind load, as well as having emergency generating capacity. There is some discussion about the possibility of working a cooperative venture with the Boys and Girls Club, which may lead to additional funding being available. That remains to be seen, and has to be worked out. Before we, as a City, can go forward with this project, we need to be able to represent both to the IRCC Foundation and the Fire District that, in fact, we are going to go forward with this project. The IRCC Foundation is providing land. The Fire District will be doing all of the site work associated with overall site. The City will be constructing its building. There has been some

discussion at the Fire Board; however, I don't know how far that discussion has gone talking to the City about using the Bentrott/Hempel construction company to also help build their fire station simultaneously. If there can be savings associated with that, we would hope to do that. We've reached a point where we can no longer have this in limbo. We either need to move forward or not move forward, so the other jurisdictions know what they have to do to satisfy their particular needs."

Vice Mayor Kelly stated, "This is one item that should take preference, and it should be a priority. This is a four-way partnership, and it has a benefit to our constituents. The Boys and Girls Club is involved in this, and this is in a lower-income section of the City. Operational funds are the big worry. The Boys and Girls Club said that they would do at least 50% and do the interior maintenance. They would take over even more than that if they had to. We have been trying to get rid of the fire station on Prima Vista. It's a total safety hazard. If there's a fire at 5:30 p.m., we can't get the engines out of the firehouse. That station has to be moved. It would also be a hurricane shelter."

Chief Parrish, St. Lucie County Fire District, said, "The Fire District has a long history with trying to find another location for Fire Station 3, which is at Prima Vista and Airoso. As the Vice Mayor stated, it's not getting better as far as traffic. Trying to get in and out of that station for emergency response is getting pretty bad. We started approximately four years ago trying to find a location, and when this came up, IRCC, the City Manager, and the Fire District met, and got into some serious discussions in regard to it. We actually engaged with our architectural firm to do a site plan feasibility study to see if we could put all three of the buildings on that site, which came to be a good finding. We've also budgeted to build a Fire Station, and our funding is in place. We are in strong support of getting this done as soon as possible, and any help that you could give us would certainly be appreciated."

Councilwoman Bartz noted, "I think it is a great partnership with IRCC and the Fire District, and anytime that we can do things in partnership speaks well. We share in the cost, the work, and it all benefits the citizens in that area. The idea of it being a hurricane shelter is very important. I like the idea of having a hurricane shelter where I can knock on the door, and the fire station is right there." Councilwoman Berger commented, "One of the things we were talking about was how to take care of the issues if we don't have the funding coming in. This is replacement of an area that already existed. The staff, operations, and funds that are currently coordinated with the Ravenswood Center already exist. We're not adding to, but putting it back in place. The people who work there are now working out of another facility, and most of the programs have moved over. I wanted to say that so that the people who are concerned about us cutting funding can rest assured that

this really is an opportunity to look at it that way. We're creating these partnerships, and it's ideal. I don't think we've done this anywhere else in the county, and certainly nowhere else in the region. I'm looking forward to making that happen, and to getting the Parks and Recreation staff back to their home. The community really misses them. Most of the people walk to the programs, and that's an area of our community we can't forget about."

Vice Mayor Kelly commented, "I'm glad we started this with the four-way partnership, because you can really save a lot. The $4.5 million got through the Senate, but got rejected by the Governor." The City Manager interjected, "It got all the way to the Governor's office, and the Governor vetoed it. As long as the record will reflect that it was a consensus to proceed with this, then we will begin putting together the interlocal agreement. I do want to remind the Council that if we get into an interlocal agreement, we will have to perform under the terms and conditions of the agreement." Councilwoman Bartz pointed out, "We talked about setting priorities, and we had determined that this was a major priority. We've also determined that we're going to table Torino, but with the idea of those monies possibly going to help with this partnership and us all working together. It's a very important issue that we need to follow through with. I **move** to move forward with this project." Councilman Cooper **seconded** the motion. The City Clerk restated the motion as follows: for approval to move forward with Item 13 d). The **motion passed unanimously** by roll call vote.

e) REQUEST BY THE MARKS FAMILY TO ELIMINATE ROUNDABOUTS AT DARWIN BOULEVARD/BECKER ROAD, THOMAS R. BOLF

Vice Mayor Kelly said, "Is Mr. Bolf present? He's not here. If someone puts an item on the agenda and they're not here we pass over it." The City Manager stated, "Mr. Bolf is the counsel for the Marks family. I indicated that I would present it to the City Council. You have discussed this very issue before, and rejected it. Unless there is a disagreement by the City Council, I will advise them that it has not been approved by the City Council. I have dealt with this twice, and I don't want to have to deal with it a third time if I can help it." Councilman Cooper noted, "I appreciate that you were going to represent them, but we've already given direction on what to do with this road. I wish we would go forward and build this. I appreciate peoples' concerns, but they've had their public input. They can't come back every three months and ask us to redesign the road. What does that do the project?" The City Manager pointed out, "It drives the cost way up." Councilman Cooper remarked, "We've approved this project over and over again." Vice Mayor Kelly said, "We've had three people sign up to speak on this, but the decision has been made. I thank Mrs. Bristol, Mr. Conklin, and Mrs. Craw for showing up."

COUNCILMAN COOPER - FIRE BOARD

Councilman Cooper said, "We narrowed the selection for Fire Chief down to three. We had a number of good candidates from within. Under the Consent Agenda, we approved two new rescue trucks. As you know, the brush trucks used to be built by prisoners, and we actually saved a lot of money. I understand that the person who was in charge of that is getting out, so they're not going to continue building brush trucks. We had to put that out for an RFP to find a new supplier for brush trucks. As you know, Port St. Lucie is going to put in a bid for building Station 3 to replace the station at Prima Vista and Airoso. I think it's important that people remember to donate to MDA when they see the firefighters out there. That money stays in your community, and I think that's the important thing. A number of people are so concerned that the money is going to Jerry Lewis's salary. I've done the telethon for years, and actually answered the phones. A number of people have been pretty irate about that. The important thing is that when you give in St. Lucie County, that money stays in St. Lucie County. Don't ignore those guys when they're out there. Throw in a buck or two, or throw change in, because it all adds up. Last year, I believe they collected $80,000."

Councilwoman Berger stated, "You had mentioned that the City of Port St. Lucie was going to be part of the bid process for building the fire station. If I understand it correctly, that's our staff that's looking to put in the bid." Councilman Cooper answered, "Correct." Councilwoman Berger noted, "My concern is that this is being done without it coming to this Council first. If our staff is going to be looking to do bids or creating an entirely new line of work, I think the discussion should happen with the City Council first, and we should give permission for our staff to do this." Vice Mayor Kelly commented, "We did." Councilman Cooper noted, "I was under the assumption that we did that several meetings ago." Councilwoman Berger pointed out, "Then I will need to have the minutes from that meeting." Councilman Cooper remarked, "If not, I will be more than happy to place it on the agenda. We're not going to utilize any resources that we would not be reimbursed for. I understand your concern, and I think it's important that we have the opportunity to build public safety complexes within our City. I think it's a win/win for us and the community, because we're cutting costs and we're actually involved in the process." Councilwoman Berger said, "I just want to have that conversation. We have not had the conversation where we say yes we like it, and then we ask our City Manager to allow our group to do that. Our City Manager doesn't even have negotiations or have conversations with anyone before asking us. So, I know this conversation didn't happen, and I would like it to."

Councilman Cooper stated, "I know that we've reported on it with my Fire Board presentation before, and I know that the City Manager

has discussed it with us during a meeting." Vice Mayor Kelly noted, "You're right. We did not have a formal discussion, and I think maybe you should put a memo out, and we will discuss it at a meeting. I remember we had a very brief discussion about it, because that was the first time I heard the City Manager say Bentrott/Hempel Construction Company. It's also important to mention that at the Fire Board meeting. We also asked other governmental agencies to submit RFQ's. It made it fairer, and that was a concern we had." Councilman Cooper asked, "Can we put it on the July 9 meeting?" Councilwoman Berger pointed out, "Or the Retreat. Whatever you're comfortable with." Councilman Cooper remarked, "The sooner the better, because I believe they're going to start working on that during the month of July." Vice Mayor Kelly said, "Let's get it on the next meeting then. This is another proactive way to keep staff busy, because we're looking at not having the General Funds that we had before."

VICE MAYOR KELLY - MPO/TPO

Vice Mayor Kelly said, "We have a meeting this Wednesday, and I just wondered if I was going to have other people with me at that meeting, because the Mayor is not going to be there. We have a joint meeting with Martin County this Wednesday." Councilwoman Bartz stated, "I will be there." Vice Mayor Kelly noted, "Okay, there will be two of us at the meeting. That's just for the long-range plan that we have with Martin County. We have to approve that together, because we're under state statutes. We have to meet twice a year." Councilwoman Berger asked, "Is this a scheduled meeting, or something that they're inviting us to?" Vice Mayor Kelly replied, "It's a scheduled meeting."

VICE MAYOR KELLY - TAX REFORM

Vice Mayor Kelly stated, "They don't know how they're going to protect the firemen or sheriffs. I'm concerned that this tax reform was made up as it went along. I'm also encouraged by the article in the Palm Beach Post yesterday that Governor Crist was panned by many economists over the State of Florida and the United States for his plan saying that it was going to revitalize real estate, and that we wouldn't have to worry about the enterprise fund for Planning and Zoning, because all of this would come back again. Many people have said that it's not going to come back. Portability is not part of the plan. It's not in there, and I think that would have the biggest impetus to bring back our real estate marketThe more I read, the more I'm sure that this plan was made up as it went along. I'm very discouraged. We all want tax reform. We all know that it's out of balance. There's enough blame to go around from the federal government to the local government, but it seems we get blamed for everything. We can cut corners and tighten our belt, and that's what we're trying to do. The way it was given to us will really be hard to do. It may have an adverse affect on what

Greg Oravec

From: Eric Plotke [eplotke@kastbuild.com]
Sent: Wednesday, May 09, 2012 5:12 PM
To: Greg Oravec
Subject: RAVENSWOOD COMMUNITY CENTER / IRSC BUILDING
Attachments: Ravenswood Deductive CO (Delete Community Center) 050812.pdf

Good Afternoon Greg,

Pursuant to our last meeting, please see (attached) revised proposal, to delete the Community Center and complete the IRSC Building and remaining Sitework.

Please note the following revisions, from our proposal dated 04/06/12 to 05/08/12:

1) We have reduced the cost of our general conditions to complete, by creating an overlap of Phase I vs. Phase II. In short, we shortened the duration from (9.5) months to (8) months, and will need assistance to allow demolition to start (6) six weeks prior to Phase I completion. Anticipating the restart on 06/01/12, seven months to complete the IRSC Building, will require the demolition of the existing building to start on 12/01/12 vs. 01/15/13. This will move up our anticipated completion from 03/15/13 to 02/01/13. This reduced our proposal by $73,010.

2) We have removed the cost of the IRSC Building Breezeway. See recap at bottom of summary. This reduced our proposal by $85,500.

3) We have (again) gone back to all trades and challenged our Sub.'s on the cost to only build the IRSC Building. As such, we have reduced values across multiple disciplines. This reduced our proposal by $97,428.

4) We removed the cost of the Fire Alarm System from our proposal. This reduced our proposal by $21,750.

5) We removed the cost of the fire Sprinkler System from our proposal. This reduced our proposal by $29,450.

In total, we reduced our proposal $307,138, from $2,417,705 to $2,110,567.

In reference to your questions, about the comparison of numbers from our base bid vs. the proposal to complete the IRSC Building and remaining Sitework, please find the following:

1) Our (base bid) proposal included the cost of the site lighting in the Community Center Electrical. This added $87,500 to our Sitework proposal.

2) Our (base bid) proposal included the cost of low voltage (for both buildings) in the Community Center Electrical. This added $21,325 to our IRSC Electrical proposal.

This represents $108,735, not previously included in our (base bid) cost to complete the IRSC Building

or Sitework, but now included in the (attached) proposal. In addition, our proposal includes $50,000 in subcontractor costs to date, incurred at the Community Center, for Engineering and Shop Drawings.

In closing, please review the revised proposal, and call me with any questions. If needed, we can set-up a time to meet and review in person.
I hope these reductions help and allow the City to continue with the completion of the project.

Eric Plotke
Vice President of Field Operations
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561-236-1360 cell

KAST construction

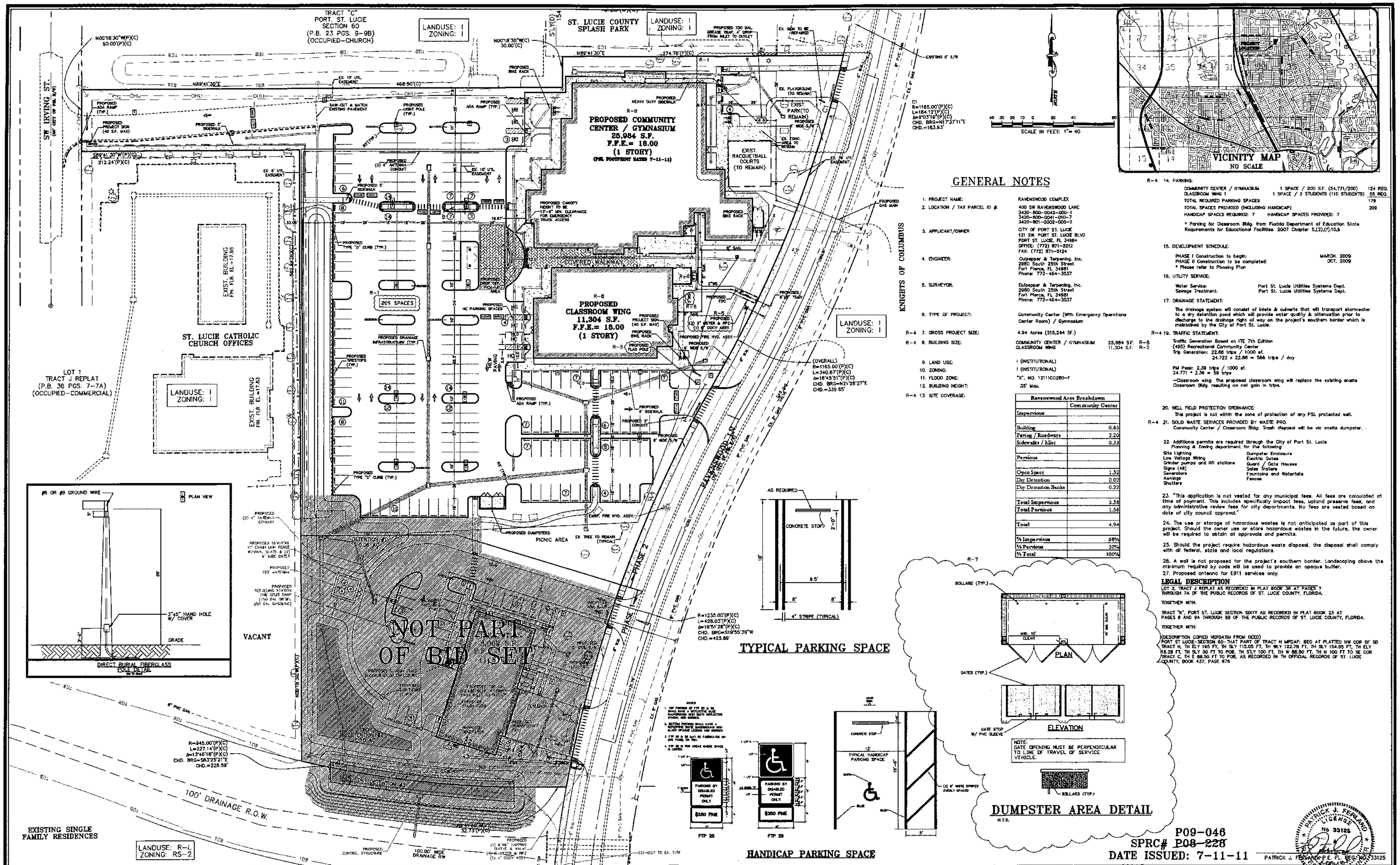
Project: Ravenswood Community Center & IRSC Classroom building
Subject: Estimate of Cost to build IRSC Classroom building as stand alone project
and Proposal to eliminate Community Center
Date: May 08, 2012

Item	Firm	04/06/12	05/08/12	Adjustment
General Conditions thru 01/25/13:	KAST	**$379,010**	**$306,000**	($73,010)
Sitework				
Surveying & Mapping	C&T	$10,648	$10,648	$0
Earthwork	ICON	$20,000	$20,000	$0
Parking, Curb & Land Markings	Cert. Builders	$287,063	$287,063	$0
Site Lighting	Fineline	$95,250	$87,500	($7,750)
Concrete Pavers	TBD	$16,000	$16,000	$0
Underground Utilities	ICON	$7,000	$7,000	$0
Screening Walls / Barriers	TBD	$18,000	$18,000	$0
Bicycle Racks	TBD	$1,500	$1,500	$0
Flagpoles	TBD	$2,600	$2,600	$0
Landscaping (IRSC)	TBD	$40,000	$40,000	$0
Landscape (SITE)	TBD	$40,000	$40,000	$0
Bahia Sod (CC Bldg.) No irrigation	TBD	$6,500	$6,500	$0
Total Sitework:		**$544,561**	**$536,811**	($7,750)
Concrete Shell	TNT Builders	$176,649	$165,000	($11,649)
Total Concrete:		**$176,649**	**$165,000**	($11,649)
Unit Masonry (IRSC)	TNT Builders	$64,880	$61,000	($3,880)
Total Masonry:		**$64,880**	**$61,000**	($3,880)
Structural Steel (IRSC)	TNT Builders	$116,849	$108,000	($8,849)
Total Metals:		**$116,849**	**$108,000**	($8,849)
Cabinets / Vanities (IRSC)	TBD	$35,491	$31,000	($4,491)
Rough Carpentry	TNT Builders	In CABINETS	In CABINETS	In CABINETS
Rough Carpentry (Set-up Code)		In CABINETS	In CABINETS	In CABINETS
Rough Carpentry (IRSC)	TNT Builders	In CABINETS	In CABINETS	In CABINETS
Total Carpentry:		**$35,491**	**$31,000**	($4,491)
Roofing (IRSC)	TBD	$139,089	$134,000	($5,089)
Fluid Appied Waterproofing (IRSC)	TBD	In ROOFING	In ROOFING	In ROOFING
Building Insulation (IRSC)	TBD	In ROOFING	In ROOFING	In ROOFING
Total Roofing/Waterproofing/Insulation:		**$139,089**	**$134,000**	($5,089)
Doors, Frames and Hardware (IRSC)	Key Mart	$26,450	$26,450	$0
Folding Doors / Grills (IRSC)	American Roll-up	$3,400	$3,400	$0
Aluminum Storefront (IRSC)	Glass Professional	$38,230	$32,150	($6,080)
Total Windows/Doors/Hardware:		**$68,080**	**$62,000**	($6,080)
Drywall (IRSC)	TBD	$214,400	$204,000	($10,400)
Stucco (IRSC)	TBD	In DRYWALL	In DRYWALL	In DRYWALL
Ceramic / Granite Tops (IRSC)	TBD	In DRYWALL	In DRYWALL	In DRYWALL
Suspended Acoustical Ceilings (IRSC)	TBD	In DRYWALL	In DRYWALL	In DRYWALL
Specialty Flooring	TBD	In DRYWALL	In DRYWALL	In DRYWALL
Wood Flooring	TBD	In DRYWALL	In DRYWALL	In DRYWALL
Resilient and Carpet Flooring (IRSC)	TBD	In DRYWALL	In DRYWALL	In DRYWALL
Painting and Wallcovering (IRSC)	TBD	In DRYWALL	In DRYWALL	In DRYWALL
Total Finishes:		**$214,400**	**$204,000**	($10,400)

Toilet Compartments (IRSC)	TBD	$14,718	$14,718	$0
Wall Corner Guards (IRSC)	TBD	In SPEC.	In SPEC.	In SPEC.
Fire Protection Equipment (IRSC)	TBD	In SPEC.	In SPEC.	In SPEC.
Toilet & Bath Accessories (IRSC)	TBD	In SPEC.	In SPEC.	In SPEC.
Signage (IRSC)	TBD	In SPEC.	In SPEC.	In SPEC.
Total Specialties:		**$14,718**	**$14,718**	**$0**
Fire Alarm (IRSC?) Not in base contract	Fineline Elec.	$21,750	$0	($21,750)
Total Fire Alarm:		**$21,750**	**$0**	**($21,750)**
Fire Protection (IRSC?) Not in base contract	Superior Fire	$29,450	$0	($29,450)
Plumbing (IRSC)	Vincent Plumbing	$44,250	$44,250	$0
HVAC (IRSC)	AirTex Corp.	$249,000	$226,000	($23,000)
Total Mechanical/Plumbing/FP:		**$322,700**	**$270,250**	**($52,450)**
Electrical (IRSC)	Fineline Elec.	$154,240	$138,000	($16,240)
Electrical (SITE) - Moved to SITE above...	Fineline Elec.	$0	$0	$0
Voice / Data / CATV (IRSC)	Fineline Elec.	$21,325	$21,325	$0
Total Electric:		**$175,565**	**$159,325**	**($16,240)**
Summary of Estimate to Build IRSC Classroom				
General Conditions thru 01/25/13:		$379,010	$306,000	($73,010)
Remaining Sitework:		$544,561	$536,811	($7,750)
Subtotal Div 3-16:		$1,350,171	$1,209,293	($77,598)
See Below: - Delete Breezeway and IRSC Covered Walkway:		$0	($85,500)	($85,500)
Subtotal Hard Costs:		$2,273,742	$1,966,604	($307,138)
Overhead & Fee:		$143,963	$143,963	$0
Total Estimate IRSC:		**$2,417,705**	**$2,110,567**	**($307,138)**
Change Order Calculation to delete Community Center:				
IRSC Stand Alone Building Estimate:		$2,417,705	$2,110,567	($307,138)
Subcontractor Costs through April 30, 2012:		$318,207	$318,207	$0
Cost through April 30, 2012 for GC's:		$195,527	$195,527	$0
Subtotal:		**$2,931,439**	**$2,624,301**	**($307,138)**
Total of Costs for IRSC, Remaining Sitework, plus Cost to Date:		$2,931,439	$2,624,301	($307,138)
Less KAST Original Contract for Entire Project:		($5,009,512)	($5,009,512)	$0
Proposed Deductive CO to Eliminate Community Center:		**($2,078,073)**	**($2,385,211)**	($307,138)

Delete Breezeway and IRSC Covered Walkway:

Foundations:	($15,000)
Pavers:	($12,000)
Concrete Sidewalk:	$6,000
Masonry:	($7,500)
Structural Steel:	($18,000)
Wood Trusses and Sheathing:	($6,500)
Roofing:	($22,500)
Stucco:	($7,500)
Paint:	($2,500)
Total:	**($85,500)**



GENERAL NOTES

1. PROJECT NAME: RAVENSWOOD COMPLEX
2. LOCATION / TAX PARCEL ID #: 400 SW RAVENSWOOD LANE
   3420-800-0042-000-1
   3420-920-0241-000-7
   3420-801-0002-000-2
3. APPLICANT/OWNER: CITY OF PORT ST. LUCIE
   121 SW. PORT ST. LUCIE BLVD
   PORT ST. LUCIE, FL. 34984
   OFFICE: (772) 871-5212
   FAX: (772) 871-5124
4. ENGINEER: Culpepper & Terpening, Inc.
   2980 South 25th Street
   Fort Pierce, FL. 34981
   Phone: 772-464-3537
5. SURVEYOR: Culpepper & Terpening, Inc.
   2980 South 25th Street
   Fort Pierce, FL. 34981
   Phone: 772-464-3537
6. TYPE OF PROJECT: Community Center (With Emergency Operations Center Room) / Gymnasium
R-4 7. GROSS PROJECT SIZE: 4.94 Acres (215,244 SF.)
R-4 8. BUILDING SIZE:
   COMMUNITY CENTER / GYMNASIUM 25,984 S.F. R-8
   CLASSROOM WING 11,304 S.F. R-2
9. LAND USE: I (INSTITUTIONAL)
10. ZONING: I (INSTITUTIONAL)
11. FLOOD ZONE: "X", NO. 12111C0280-F
12. BUILDING HEIGHT: 35' Max.
R-4 13. SITE COVERAGE:

Ravenswood Area Breakdown	Community Center
Impervious	
Building	0.83
Paving / Roadways	2.20
Sidewalks / Misc	0.33
Pervious	
Open Space	1.32
Dry Detention	0.02
Dry Detention Banks	0.22
Total Impervious	3.38
Total Pervious	1.56
Total	4.94
% Impervious	68%
% Pervious	32%
% Total	100%

R-4 14. PARKING:

COMMUNITY CENTER / GYMNASIUM	1 SPACE / 200 S.F. (24,771/200)	124 REQ.
CLASSROOM WING 1	1 SPACE / 2 STUDENTS (110 STUDENTS)	55 REQ.
TOTAL REQUIRED PARKING SPACES		179
TOTAL SPACES PROVIDED (INCLUDING HANDICAP)		209

HANDICAP SPACES REQUIRED: 7 HANDICAP SPACES PROVIDED: 7

* Parking for Classroom Bldg. from Florida Department of Education State Requirements for Educational Facilities. 2007 Chapter 5,(2),(f),10,b

15. DEVELOPMENT SCHEDULE:
    PHASE I Construction to begin: MARCH, 2009
    PHASE II Construction to be completed: OCT, 2009
    * Please refer to Phasing Plan
16. UTILITY SERVICE:
    Water Service: Port St. Lucie Utilities Systems Dept.
    Sewage Treatment: Port St. Lucie Utilities Systems Dept.
17. DRAINAGE STATEMENT:
    The drainage system will consist of inlets & culverts that will transport stormwater to a dry detention pond which will provide water quality & attenuation prior to discharge to the drainage right of way on the project's southern border which is maintained by the City of Port St. Lucie.
R-4 19. TRAFFIC STATEMENT:
    Traffic Generation Based on ITE 7th Edition
    (495) Recreational Community Center
    Trip Generation: 22.88 trips / 1000 sf.
    24.722 x 22.88 = 566 trips / day
    PM Peak: 2.39 trips / 1000 sf.
    24.771 * 2.39 = 59 trips
    -Classroom wing: The proposed classroom wing will replace the existing onsite Classroom Bldg. resulting no net gain in trips.
20. WELL FIELD PROTECTION ORDINANCE:
    This project is not within the zone of protection of any PSL protected well.
R-4 21. SOLID WASTE SERVICES PROVIDED BY WASTE PRO.
    Community Center / Classroom Bldg. Trash disposal will be via onsite dumpster.
22. Additional permits are required through the City of Port St. Lucie Planning & Zoning department for the following:
    Site Lighting, Low Voltage Wiring, Grinder pumps and lift stations, Signs (All), Generators, Awnings, Shutters, Dumpster Enclosure, Electric Gates, Guard / Gate Houses, Sales trailers, Fountains and Waterfalls, Fences
23. "This application is not vested for any municipal fees. All fees are calculated at time of payment. This includes specifically impact fees, upland preserve fees, and any administrative review fees for city departments. No fees are vested based on date of city council approval."
24. The use or storage of hazardous wastes is not anticipated as part of this project. Should the owner use or store hazardous wastes in the future, the owner will be required to obtain all approvals and permits.
25. Should the project require hazardous waste disposal, the disposal shall comply with all federal, state and local regulations.
26. A wall is not proposed for the project's southern border. Landscaping above the minimum required by code will be used to provide an opaque buffer.
27. Proposed antenna for E911 services only.

LEGAL DESCRIPTION

LOT 2, TRACT J REPLAT AS RECORDED IN PLAT BOOK 36 AT PAGES 7 THROUGH 7A OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA.

TOGETHER WITH:

TRACT "K", PORT ST. LUCIE SECTION SIXTY AS RECORDED IN PLAT BOOK 23 AT PAGES 9 AND 9A THROUGH 9B OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA.

TOGETHER WITH:

(DESCRIPTION COPIED VERBATIM FROM DEED)
PORT ST LUCIE-SECTION 60--THAT PART OF TRACT H MPDAF: BEG AT PLATTED NW COR OF SD TRACT H, TH ELY 195 FT, TH SLY 115.05 FT, TH WLY 122.78 FT, TH SLY 154.95 FT, TH ELY 98.28 FT, TH SLY 30 FT TO POB, TH SLY 100 FT, TH W 88.50 FT, TH N 100 FT TO SE COR TRACT C, TH E 88.50 FT TO POB, AS RECORDED IN TH OFFICIAL RECORDS OF ST. LUCIE COUNTY, BOOK 437, PAGE 678.

TYPICAL PARKING SPACE

DUMPSTER AREA DETAIL
N.T.S.

HANDICAP PARKING SPACE

P09-046
SPRC# ~~P08-226~~
DATE ISSUED: 7-11-11

PATRICK J. FERNANDEZ P.E. FL. REG. NO. 53125

NOTES:
1) ALL ELEVATIONS AND BENCHMARKS SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN VERTICAL DATUM (N.A.V.D.) OF 1988.
2) AN APPROXIMATE CONVERSION FROM N.A.V.D. TO THE NATIONAL GEODETIC VERTICAL DATUM OF 1929 (N.G.V.D.) CAN BE OBTAINED BY ADDING 1.475 TO THE N.A.V.D. ELEVATION.

CALL 48 HOURS BEFORE YOU DIG IN FLORIDA
1-800-432-4770
IT'S THE LAW!
SUNSHINE STATE ONE CALL OF FLORIDA, INC.

COMPUTER FILE REF.	FIELD BK./PG.
05-524 BASE	

CULPEPPER & TERPENING, INC
CONSULTING ENGINEERS | LAND SURVEYORS
2980 SOUTH 25th STREET • FORT PIERCE, FLORIDA 34981
PHONE 772-464-3537 • FAX 772-464-3497 • www.ct-eng.com
STATE OF FLORIDA BOARD OF PROFESSIONAL ENGINEERS AUTHORIZATION NO. 4284

- REVISIONS -	BY	DATE
R-1 REVISED PER CITY OF PSL	RN	4-22-09
R-2 REVISED PER ARCHITECTURAL CHANGES	DRP	09/14/09
R-3 REVISED FOR BID SET	DRP	10/16/09
R-4 REVISED GENERAL NOTES	RN	12-18-09
R-5 REVISED FLAG LOCATION	RN	01-04-10
R-6 REVISED PER FIRE DESIGN ENG.	RN	02-08-10
R-7 REVISED DUMPSTER DETAIL	RC	10-28-10
R-8 REV. BUILDING FOOTPRINT & SIDEWALK PER ARCH. PLANS	RN	7-11-11

	BY	DATE
DESIGNED	PPP	7-10-08
CALCS.		
DRAWN	RN	7-10-08
DETAILED		
CHECKED	PPP	02-08-10
APPROVED	PPP	02-08-10

RAVENSWOOD COMPLEX

SITE PLAN

DATE: 02-08-10
HORIZ. SCALE: 1"=40'
VERT. SCALE: NA
JOB No. 08-239
SHEET 2 OF 24

CITY OF PORT ST. LUCIE

"A CITY FOR ALL AGES"

May 7, 2012

Mr. Barry Keim
Vice President
Administration and Finance
Indian River State College
3209 Virginia Avenue
Fort Pierce, Florida 34981

Re: Ravenswood Project

Dear Mr. Keim:

I would like to thank you and Mr. Bottorff for taking the time to meet with me on April 27, 2012, regarding the long overdue Ravenswood Project. As we discussed, I regret that the City administration is behind schedule in carrying out those City obligations to Indian River State College (IRSC) and the IRSC Foundation (Foundation) set forth by the Interlocal Agreement and Lease. However, as we also discussed, given the below described circumstances, perhaps we would be better served by moving in a new direction:

- The City cannot afford approximately $500,000 per year to operate a new Ravenswood Gymnasium in the current economic climate.
- Even if the City were to construct the Ravenswood Gymnasium and then keep it closed, it would pay a minimum of $100,000 per year for basic maintenance of the building (air conditioning, maintenance of the building systems and site maintenance). The City would be better served by investing this money in higher priorities.
- The possibility that IRSC might expand its programming at FAU's St. Lucie West Campus.

I greatly appreciate you offering just such a new direction through the following proposal:

- Rather than constructing a new IRSC Building, the City would complete an outright purchase of the Foundation's Ravenswood Property.

I believe that your proposal is very fair because in essence the City did "purchase" the property. It just agreed to pay through the construction of a 10,000 square foot building instead of cash.

As you know, at our meeting, you suggested a purchase price of $2 million based upon the value of the property at the time the original project was conceptualized and the current Interlocal Agreement, which states that the cost of the IRSC Building, to be constructed by the City, will not exceed $2 million. This purchase price equates to about $382,409 per acre for the 5.23 acres. In evaluating your suggested purchase price, I considered the following factors:

- The current Interlocal and Lease, dated May 2008 and February 2009, respectively;
- Mr. Bottorf's e-mail of October 13, 2005, outlining comparable sales in the range of $317,814 to $360,902 per acre.
- An Appraisal of The Improved Property Located at 419 Irving Street Prepared for IRCC Foundation as of February 10, 2006, by Callaway & Price, Inc., which valued the property at $1.5 million.
- An Appraisal in a summary report of The Ravenswood Center Located at 419 Irving Street Prepared for the City as of October 4, 2007, by Appraisal & Acquisition Consultants, Inc., which valued the property at $1.4 million.
- The City is currently engaged in a construction contract with Kast Construction for the completion of the Ravenswood Project. The contract is split into two parts: Part 1 is for the Gym, and Part 2 is for the IRSC Building. The Part 2 contract amount is $1,099,218.87. Additionally, if the City only constructed Part 2, it would still need to construct the parking lot, which has a cost of $287,063.40, in Part 1. Therefore, it is fair to state that the IRSC portion of the contract is approximately $1,386,282.

After considering these factors, I concluded that the suggested purchase price was a little too high for the City. Accordingly, I would like to offer the following counterproposals for your consideration:

<u>Counterproposal #1</u>

- The City would purchase the subject property for $1.4 million.
- The City would lease the existing building back to IRSC at a cost of $1 per year for a period of 45 years or for another term as mutually agreed upon by the parties. IRSC would be responsible for all costs associated with maintenance of the building.

OR

<u>Counterproposal #2</u>

- We create a parcel of approximately 1.98 acres for the existing IRSC Building and carve it out so that it can be owned by the Foundation.
- The City would purchase the resulting 3.25 acres of "excess land" (5.23 acres less 1.98 acres) for $650,000. This purchase price equates to $200,000 per acre, which is the same price per acre at which the City sold Tract "B" to the St. Lucie County Fire District. It is also worth noting that this price per acre is in excess of the raw land valuation provided in the Appraisal of February 10, 2006, which was stated as $3.25 per square foot or $141,570 per acre.

I hope you find one of these counterproposals acceptable and that we can come to a meeting of the minds on how we can best serve our constituents. If we can come to terms, I will make a recommendation to the City Council, as any City actions on this matter require City Council approval.

I look forward to your response. If you have any questions or would like to discuss this matter further, please do not hesitate to contact me.

Thank you.

Very truly yours,

Gregory J. Oravec
City Manager

Attachments:
Current Site Plan
Interlocal
Lease
Appraisal by Callaway & Price, Inc.
Appraisal by Appraisal & Acquisition Consultants, Inc.
Kast Construction Contract
Proposed IRSC Parcel in Counterproposal #2

cc: Mayor & City Council
Roger G. Orr, City Attorney
Pam Booker, Senior Assistant City Attorney

INTERLOCAL AGREEMENT BETWEEN THE DISTRICT BOARD OF TRUSTEES OF THE INDIAN RIVER COMMUNITY COLLEGE, THE INDIAN RIVER COMMUNITY COLLEGE FOUNDATION, INC., AND THE CITY OF PORT ST LUCIE

For construction of an educational facility and the transfer of real property located at 451 SW Ravenswood Drive, Port St. Lucie Florida, more particularly described as Tract J Replat lot 2 (5.2 acres)

This Interlocal Agreement is entered into on this 12 Th day of MAY 2008, by and between the City Of Port St. Lucie, a Florida Municipal Corporation ("City") and the Indian River Community College Foundation Inc, ("Foundation") a Florida not-for-profit corporation, and the District Board of Trustees of Indian River Community College (IRCC).

Whereas, the City, Foundation and IRCC have determined that it is in the parties best interest to co-operate in the conveyance, construction, operation, planning and design of an educational facility and re-construction of the Ravenswood facility; and

Whereas, IRCC currently operates the Prima Vista site as an adult education, General Equivalency Diploma (GED), and English as a second language (ESL) program, collectively referred to as "Programs"; and

Whereas, the Foundation is the current owner of Tract J, according to the Replat of lot 2, which is approximately 5.2 acres; and

Whereas, the City owns Tract K, in Port St Lucie Section 60, and operated the Ravenswood facility from this location; and

Whereas, the Ravenswood facility was severely damaged as a result of the hurricanes and the City has opted not to repair the existing facility due to the extraordinary cost associated with the repairs; and

Whereas, the City, IRCC and the Foundation have agreed that better use of both parties' properties can be achieved through the joint efforts of combining both Tract K and Tract J, into one parcel of land for development purposes; and

Whereas, the Foundation has agreed to convey Tract J to the City in exchange for the City constructing a new facility for IRCC to operate its' Educational Programs from, based upon a Forty-Five (45) year lease with an automatic annual renewal; and

Whereas, the City has agreed to accept the conveyance of Tract J and to construct a 10,000 square feet facility on the combined Track J/K for IRCC to lease on a long term basis;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the Agreement, and intending to be legally bound, the parties hereby agree to the following:

1. **Definitions**: All defined terms used herein and not otherwise defined shall have the meaning ascribed hereto.

2. **Obligations of IRCC and Foundation:**

A. **Conveyance of Property:** The Foundation shall convey to the City, Tract J, according to the replat of lot 2, which is approximately 5.2 acres. The parcel I.D. number for this parcel is 3420-801-002-000/2. Said parcel shall be conveyed to the City within 30 days after execution of this Agreement. The legal description for Tract "J" is attached hereto as Exhibit "A".

B. **Operation in Existing Facility:** IRCC shall be allowed to continuously operate its' existing Programs out of the existing building on the site of Tract J during the construction of the new facility. IRCC shall be responsible for all expenses associated with the operation of programs from this facility including but not limited to water and sewer, electric, telephone, and garbage

C. **Design of New Facility:** IRCC shall co-operate with the City in the planning and design of the new IRCC facility. IRCC acknowledges that the City will act as the General Contractor for the construction of the new facility and the City's new Ravenswood Center. The new IRCC facility shall have a separate entrance from the Ravenswood facility.

D. **Cost of Construction:** IRCC acknowledges that the estimated cost of the new IRCC facility is $2,000,000.00, including a contingency. This includes but is not limited to the construction of 10,000 square feet of typical classroom space. The parties agree that if the cost shall exceed the $2,000,000.00 estimate, the parties shall meet to perform value engineering to reduce the cost of construction, so that it will be constructed within budget. Should IRCC want to fund items in excess of the $2,000,000.00 cost of construction, IRCC may fund such additional expenditures. The City shall not be obligated to fund additional construction costs in excess of the $2,000,000.00.

E. **Utility Service**: IRCC shall be responsible for monthly utility service to the new IRCC facility, including but not limited to water, sewer, electric, telephone, gas, cable, internet/dsl, and garbage. A separate meter for water, sewer and electric shall be provided for the new IRCC facility.

F. **Lease Agreement**: The parties shall enter into a Lease Agreement for use of the new IRCC facility within 90 days after execution of this Agreement or 60 days prior to moving into the new IRCC facility. The lease shall be for a term of 45 years with an automatic annual renewal. If at any time during the lease term, IRCC fails to utilize the IRCC facility for the purposes intended herein for a period of six months or more, said lease shall terminate with 30 days written notice from the City.

The Trustees may sublease the Leased Premises to other parties for educational uses with the prior written consent of the City without violating the terms and conditions of this Lease Agreement. The City shall have the right to refuse the subleasing of the Leased Premises for parties and/or uses which are not compatible with the uses at the adjacent Ravenswood Center. Upon termination of said lease, the new LEASED PREMISES facility shall remain with the City. Said Lease Agreement shall be in substantially the form as the attached Exhibit "B".

G. **Insurance Requirement**: During the term of the Lease, IRCC shall maintain insurance coverage in accordance with the terms of the applicable Lease.

3. **City's Obligations**:

A. **Acceptance of Conveyance, Design and Construction**: Upon acceptance of title to Tract J, the City shall proceed with design of the IRCC facility and the new Ravenswood Center. The City shall be responsible for all clearing, permitting, platting design and construction for the new facilities. The design shall be completed within eight months from the date of execution of this Agreement. Once the design is complete, the City shall have eighteen months to construct the new facilities. Within thirty days receipt of the certificate of occupancy, IRCC shall move into the new IRCC facility. The City shall be responsible for demolition of the old IRCC facility within 30 days of vacancy by IRCC.

B. **Cost of Construction**: The City accepts and agrees that the estimated cost of the new IRCC facility is $2,000,000.00, including a contingency. This includes but is not limited to the construction of

10,000 square feet of typical classroom space. The estimate does not include furnishing, fixtures and equipment. IRCC shall be solely responsible for the cost of furnishings, fixtures and equipment. The parties agree that if the design and construction cost exceed the $2,000,000.00 estimate, the parties shall meet to perform value engineering to reduce the cost of construction, so that the IRCC facility will be designed and constructed within budget. Should IRCC want to fund items in excess of the $2,000,000.00 cost for design and construction, IRCC may fund such additional expenditures. The City shall not be obligated to fund additional design and construction costs in excess of the $2,000,000.00.

Any cost increases beyond the two million ($2,000,000.00) shall be mutually agreed to on writing by the parties prior to commencement of any work.

4. Representations and Warranties

A. Representations and Warranties of City. As a material inducement to IRCC to enter into this Agreement and to consummate the transactions contemplated hereby, City hereby represents and warrants to IRCC and the Foundation, as of the Effective Date, as follows:

a. City is a Florida municipal corporation, which is located in St. Lucie County.

b. City has all requisite power and authority to execute, deliver and perform this Agreement.

c. This Agreement has been duly authorized by all necessary action of the Council, executed and delivered by City and constitutes a valid and binding agreement of City, enforceable against City in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as such enforcement is subject to general principles of equity (whether in a proceeding in equity or at law).

B. Representations and Warranties of IRCC and the Foundation. As a material inducement to City to enter into this Agreement and to consummate the transactions contemplated hereby, IRCC and the Foundation hereby represents and warrants to City, as of the Effective Date, as follows:

a. IRCC and the Foundation are duly incorporated, validly existing and in good standing as a nonprofit corporation under the laws of the State of Florida.

b. IRCC and the Foundation have all requisite power and authority to execute, deliver and perform this Agreement.

c. This Agreement has been duly authorized, executed and delivered by IRCC and the Foundation constitutes a valid and binding agreement of IRCC and the Foundation, enforceable against IRCC and the Foundation in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as such enforcement is subject to general principles of equity (whether in a proceeding in equity or at law).

d. The authorization, execution, delivery and performance of this Agreement as of the date hereof by IRCC and the Foundation do not require the consent, approval, authorization, order, registration or qualification of, or filing with, any governmental authority, court or arbitrator having jurisdiction over IRCC or its assets or properties.

e. Neither the (i) authorization, execution and delivery of this Agreement; nor (ii) undertaking of any of the obligations set forth in this Agreement by IRCC and the Foundation, conflict with, result in a breach or violation of, or constitute a default under (A) the IRCC and the Foundation's organizational documents, (B) any contract, indenture, mortgage, deed of trust, loan agreement, credit agreement, note, lease or other agreement or instrument to which IRCC and the Foundation are a party, or (C) any statute, rule or regulation or any judgment, order or decree of any governmental authority, court or arbitrator applicable to IRCC.

5. **Default**: The occurrence of any one or more of the following events shall constitute a "Default" hereunder:

A. City Event of Default:

a. a material failure to observe or perform any of the terms, covenants, conditions, obligations or provisions of this Agreement to be observed or performed by City where such failure continues for a period of thirty

(30) days after written notice thereof from IRCC to City; provided, however, that if the nature of such failure is such that more than thirty (30) days are reasonably required for City to complete its cure, then City shall not be deemed to be in Default if City has commenced such cure within the thirty (30) day period and thereafter diligently pursues such cure to completion; or

b. the material breach of any representation or warranty by City contained in this Agreement, if such material breach is not cured after written notice from IRCC to City and a reasonable opportunity to cure such material breach.

B. IRCC Events of Default. The occurrence of any one or more of the following events shall constitute a "IRCC Default" hereunder:

a. a material failure to observe or perform any of the terms, covenants, conditions, obligations or provisions of this agreement to be observed or performed by IRCC where such failure continues for a period of thirty (30) days are reasonably required for IRCC to complete its cure, then IRCC shall not be deemed to be in default if IRCC commenced such cure within the thirty (30) day period and thereafter diligently pursues such cure to completion; or

b. failure to continuously operate the Permanent new IRCC facility, for educational purposes and programs, on and after occupancy of the new IRCC Facility including any approved subleases;

c. the material breach of any representation or warranty by IRCC contained in this Agreement that could reasonably be expected to result in a Material Adverse Effect, if such material breach is not cured after written notice from City to IRCC and a reasonable opportunity to cure such material breach;

6. **Termination:** This Agreement may be terminated by mutual consent of the parties; after a certificate of occupancy is issued for the new IRCC facility.

7. **Entire Agreement:** This Agreement and the Lease supersedes all prior discussions and agreements among the parties with respect to the subject

matter hereof and thereof and contain the sole and entire agreement among the parties with respect to the subject matter hereof and thereof.

8. **Waiver:** Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

9. **Notices:** All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given if delivered by: (i) hand delivery; (ii) certified mail, return receipt requested (postage prepaid); (iii) nationally recognized overnight commercial courier (charges prepaid); or (iv) facsimile (with confirmation of transmission) to each of the parties as follows:

If to City:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, Florida, 34984
Attention: City Manager
Phone Number: (772) 871-5163
Facsimile Number: (772) 871-5248

with a copy to:

City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, Florida, 34984
Attention: City Attorney
Phone Number: (772) 871-5255
Facsimile Number: (772) 344-4298

If to IRCC:

Indian River Community College
3209 Virginia Avenue
Fort Pierce, Florida 34981-5596
Attn: President
Phone: 772 -462-4701
Fax: 772-462-4602

with copies to:

Indian River Community College
3209 Virginia Avenue
Fort Pierce, FL 34981-5596
Attn: Dean of Facilities Planning
Phone: 772-462-7360
Fax: 772-462-4416

Indian River Community College Foundation
3209 Virginia Avenue
Fort Pierce, FL 34981-5596
Attn: Executive Director
Phone: 772-462-7240
Fax: 772-462- 4602

College Attorney
Neill, Griffin, Tierney, Neill & Marquis
311 S. Second Street
Fort Pierce, Florida 34957-1270
Phone: 772-464-8200
Fax: 772-464-2566

10. Amendment: This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each party.

11. Invalid Provisions: If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

12. Governing Law: This Agreement shall be governed by the laws of the State of Florida, without regard to principles of conflicts of laws. Any litigation arising out of this Agreement shall be held in St. Lucie County Florida.

13. Time is of the Essence: With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

WITNESSES:

Print Name

Print Name

INDIAN RIVER COMMUNITY COLLEGE FOUNDATION, INC.

By: _____
Susanne Clemons, Chairman

By: _____
Ann L. Decker, Executive Director

Date: 4/21/08

WITNESSES:

Suzanne Parsons

Print Name

Kim Chambley

Print Name

DISTRICT BOARD OF TRUSTEES OF INDIAN RIVER COMMUNITY COLLEGE

By: _____
Edwin R. Massey, Ph.D., President

By: _____
Cheryl Kirton, Chairman

Date: March 25, 2008

By: _____
Chester B. Griffin, College Attorney

Approved as to Form
and Sufficiency

By: _____
Pam E. Booker Hakim,
Senior Assistant City Attorney

CITY OF PORT ST. LUCIE, a
Florida Municipal Corporation

By: _____
Patricia P. Christensen, Mayor

ATTEST:

By: _____
Karen ~~Phillips~~, City Clerk

denise/contracts/rcc and City (interlocal

COUNCIL ITEM 7F
DATE 5/12/08

MEMORANDUM

TO: DONALD B. COOPER, CITY MANAGER

FROM: JERRY A. BENTROTT, ASSISTANT CITY MANAGER

DATE: MAY 1, 2008

SUBJECT: RAVENSWOOD PROPERTY TRANSFER

Attached to this memorandum are two documents concerning the Ravenswood Community Center project. As you know, the project will replace the hurricane damaged community center at the Ravenswood site. The City will also build a classroom building for use by Indian River Community College on the combined site and the St. Lucie County Fire District will build a new Fire Station 3.

The first document is an Interlocal Agreement between the District Board of Trustees of the Indian River Community College, the Indian River Community College Foundation, Inc., and the City of Port St. Lucie. The Agreement transfers the 5.2 acres of property currently owned by the Foundation to the City in exchange for the City building a 10,000 square foot classroom building for use by the College on the site. The College's lease will be in exchange for the Foundation transferring ownership of the property. The College may not sublease the facility without the prior written approval of the City.

The second document is a Lease Agreement between the District Board of Trustees of Indian River Community College and the City of Port St. Lucie. The Lease states that the College will have the classroom building available for its use in exchange for the transfer of the property, but will be responsible for the operational costs of the facility. The City will be the owner of the classroom building and will maintain ownership if the College should choose to not utilize the site.

A separate agreement with the Fire District will be forwarded at a later date. With your concurrence, please place the two agreements on the agenda for the May 12 City Council Meeting. It is recommended that the agreements be approved.

JAB:ca

cc: Gregory J. Oravec, Assistant City Manager

RECEIVED

MAY 0 1 2008

City Manager's Office

LEASE BETWEEN
DISTRICT BOARD OF TRUSTEES OF
INDIAN RIVER STATE COLLEGE
AND THE CITY OF PORT ST. LUCIE, FLORIDA

for Real Property for Construction of an educational facility
otherwise known as the Ravenswood Center,
located at Prima Vista Boulevard, Port St. Lucie.

The LEASE for Real Property for Construction of a College educational facility otherwise known and referred to as the "Ravenswood Center," located at Prima Vista Boulevard, Port St. Lucie, Florida ("LEASE") bearing an effective date of February 24, 2009, is between the DISTRICT BOARD OF TRUSTEES OF INDIAN RIVER STATE COLLEGE, a political subdivision of the State of Florida ("TRUSTEES") and the CITY OF PORT ST. LUCIE, a Florida municipal corporation ("CITY").

BACKGROUND RECITALS

A. Effective May 12, 2008, an INTERLOCAL AGREEMENT (hereinafter defined), was made by and among the CITY, Indian River State College Foundation, Inc., a Florida not-for-profit corporation (the "FOUNDATION"), and the TRUSTEES.

B. The purpose of the INTERLOCAL AGREEMENT is to have the parties cooperate through joint efforts to construct better facilities for both parties. Therefore, the Foundation has agreed to convey Tract "J" to the City of Port St. Lucie in exchange for the CITY constructing a new Ravenswood Center, which would incorporate a 10,000 square foot educational facility to be leased to IRSC, TRUSTEES, located at Prima Vista Boulevard, Port St. Lucie, St. Lucie County, Florida, on approximately 5.23 acres of buildable land at RAVENSWOOD CENTER combined with sufficient parking for RAVENSWOOD CENTER users.

C. The RAVENSWOOD CENTER project contemplated under the INTERLOCAL AGREEMENT shall encompass the planning, design, construction, and equipping of an educational facility at the RAVENSWOOD CENTER, located at Prima Vista Boulevard; and

D. The CITY finds that the educational facility contemplated in this LEASE will serve a public purpose and will benefit the CITY.

E. The TRUSTEES find that the educational facility contemplated in this LEASE will serve a public purpose and will benefit the CITY, the St. Lucie County community, as well as the students, faculty, and staff of Indian River State College.

F. Pursuant to applicable Florida law, the TRUSTEES have the legal ability to enter into a capital facilities lease with the CITY.

G. In furtherance of the provisions of the INTERLOCAL AGREEMENT and this LEASE, the parties hereto have determined that it would be to the mutual advantage of the parties to provide for the cooperative use of the RAVENSWOOD CENTER by an Interlocal Agreement and have executed an Interlocal Agreement on May 12, 2008, ("INTERLOCAL").

NOW, THEREFORE, in consideration of the mutual advantages accruing to the parties and the benefits, promises and considerations set forth herein, TRUSTEES and CITY do hereby agree as follows:

1. DEFINITIONS. All defined terms used herein and not otherwise defined shall have the meaning ascribed thereto in the INTERLOCAL.

2. DESCRIPTION OF LEASED PREMISES. The CITY hereby leases to the TRUSTEES, and the TRUSTEES hereby leases from the CITY, the existing IRSC facility during construction of the new Ravenswood facility. Upon completion of the new Ravenswood facility, which shall include the approximately Ten Thousand Square Feet IRSC facility, the leased property shall be the new approximate one (1) plus or minus acre of real property depicted on Exhibit "A", attached hereto and made a part of this LEASE ("LEASED PREMISES"). The parties acknowledge and agree that Exhibit "A" is a delineation of the general area of the LEASED PREMISES on a portion of a proposed schematic drawing of the Master Plan (as such term is defined in the INTERLOCAL). Promptly upon execution and the survey of the LEASED PREMISES to be performed, the parties acknowledge and agree that: i) the location of the LEASED PREMISES will not be changed from that shown on "Exhibit "A".

3. USE OF LEASED PREMISES. The TRUSTEES shall use and operate the LEASED PREMISES exclusively for educational purposes. The City shall construct the Ravenswood Center and the LEASED PREMISES as part of the RAVENSWOOD

CENTER located at 451 SW Ravenswood Lane, Port St. Lucie, FL as more particularly provided in the INTERLOCAL.

4. TERM. It is the intent of the parties that this LEASE is a long-term lease. The term of this LEASE shall be for Forty - Five (45) years commencing on the Effective Date of this LEASE, subject to early termination pursuant to the INTERLOCAL. The Lease shall contain an automatic annual renewal provided the Lease has not terminated.

5. RENT. The rent under LEASE shall be One Dollar ($1.00) per year. The additional consideration for this LEASE shall consist of the CITY's contribution for construction of the RAVENSWOOD CENTER and the 10,000 square foot leased premises with affiliated parking and the FOUNDATION conveyance of Tract "J" to the City of Port St. Lucie.

6. APPROVALS, PERMITS, AND UTILITIES.

a. It shall be the responsibility of the CITY to obtain any and all required governmental or governmental agency approvals and permits associated with the construction of the proposed RAVENSWOOD CENTER and Leased Premises; provided, however, that the TRUSTEES shall fully cooperate with the CITY to obtain any and all of the foregoing governmental approvals, and permits; and further provided that, to the extent necessary, the TRUSTEES shall be a co-applicant with the CITY for any such required approvals or required governmental approvals, easements, or permits, it shall be the responsibility of the CITY to obtain any and all necessary or required governmental approvals, easements, or permits (i) in connection with the LEASED PREMISES; and (ii) specifically required due to the nature of the Leased Premises with respect to the construction of the RAVENSWOOD CENTER and the LEASED PREMISES.

b. Nothing herein shall be deemed to waive or imply waiver of any City of Port St. Lucie regulations or fees applicable to the review of the RAVENSWOOD CENTER, or the site plans of the RAVENSWOOD CENTER and the LEASED PREMISES.

c. The CITY and the TRUSTEES shall cooperate in facilitating the provision of all utility services to the RAVENSWOOD CENTER and the LEASED PREMISES.

d. Nothing herein shall be deemed to waive or imply waiver on the TRUSTEES' rights, responsibilities, and duties set forth under Florida Statutes Chapter

1013 and in the Florida Department of Education's adopted States Requirements for Educational Facilities.

7. REPRESENTATIONS AND WARRANTIES OF THE FOUNDATION. As a material inducement to the CITY to enter into this LEASE, the TRUSTEES make the following representation and warranties to the CITY: (a) The TRUSTEES have the full right and authority to enter into this LEASE and the FOUNDATION has the full right and authority to convey Tract "J" to the CITY; (b) There are no required consents or approvals of any governing body or agency of the State of Florida, including without limitation, the State of Florida Department of Education, with respect to entering this LEASE; and (c) This LEASE is entered into by the FOUNDATION in compliance with any and all statutes, rules and governing documents of the FOUNDATION applicable thereto.

8. MAINTENANCE OF LEASED PREMISES.

a. The routine maintenance of the interior and exterior of the LEASED PREMISES shall be the responsibility of the TRUSTEE during the initial term and any and all renewal terms of the LEASE. All major repairs including replacement of HVAC and roofs will be the responsibility of the City during the initial term and all renewal terms of the LEASED PREMISES.

b. During the initial term and any and all renewal terms of this LEASE, the routine exterior maintenance of the LEASED PREMISES shall be the responsibility of, and funded by, the TRUSTEES. The CITY shall receive bids on the exterior maintenance of the leased area and the RAVENSWOOD CENTER. The CITY shall provide notice to the TRUSTEES of any and all required maintenance prior to undertaking said work. The TRUSTEES shall fund their portion of routine maintenance and upkeep of the LEASED PREMISES.

9. CLEANING. The interior and exterior of the RAVENSWOOD CENTER and LEASED PREMISES shall be kept clean. During the initial term and any and all renewal terms of this LEASE, the TRUSTEES shall provide interior and exterior cleaning services for the LEASED PREMISES.

10. UTILITIES. The TRUSTEES shall be responsible for all utilities necessary to serve the leased premises, including but not limited to, water/sewer, telephone, cable, internet/dsl, electric, gas, and garbage collection.

11. SECURITY. The TRUSTEES shall provide security for the interior of the LEASED PREMISES during the initial term and any and all renewal terms of this LEASE. In addition, the TRUSTEES may provide a security system for the LEASED PREMISES. The alarm system for leased premises will be a stand-alone system. The parties acknowledge and agree that: (a) the Indian River State College currently uses a standard lock specification; and (b) the TRUSTEES employ a locksmith.

12. PARKING. There shall be a parking lot adjacent to the RAVENSWOOD CENTER built by the CITY for the use of TRUSTEES, its officers, agents, employees, invitees, licensee, and students, as well as RAVENSWOOD CENTER patrons and staff. In addition, CITY shall construct parking in such manner as to ensure access to and from the RAVENSWOOD CENTER from the public streets adjacent to the RAVENSWOOD CENTER and LEASED PREMISES during the term of the LEASE. Nine spots shall be reserved for IRCC use only.

13. DAMAGE OR DESTRUCTION OF RAVENSWOOD CENTER. In the event of any damage, destruction, or casualty loss to the RAVENSWOOD CENTER BUILDING and the LEASED PREMISES, the CITY and the TRUSTEES agree to cooperate with respect to insurance proceeds received in connection with the RAVENSWOOD CENTER and LEASED PREMISES to achieve the goal of a fully functioning RAVENSWOOD CENTER and LEASED PREMISES

14. OWNERSHIP NO ENCUMBRACES. Pursuant to the provisions of the INTERLOCAL, the CITY shall own the RAVENSWOOD CENTER and lease a portion to the TRUSTEES. During the term of this LEASE neither the CITY nor the TRUSTEES shall sell, mortgage, or encumber any part of the RAVENSWOOD CENTER or LEASED PREMISES.

15. INSURANCE. The CITY and the TRUSTEES are responsible for their respective insurance obligations.

16. CONSTRUCTION OF RAVENSWOOD CENTER. The RAVENSWOOD CENTER shall be designed and constructed according to the schematic design approved by the CITY and the TRUSTEES.

17. SIGNS. The location and design of all and any signage shall be mutually agreed upon by the TRUSTEES and the CITY. The CITY may have external signage

identifying the RAVENSWOOD CENTER and the TRUSTEES shall have signage for the LEASED PREMISES. The TRUSTEES may have external signage identifying the RAVENSWOOD CENTER as a college facility, as mutually agreed upon by the parties.

18. NOTICE. Any notice, request, demand, consent, approval or other communication required or permitted by this LEASE shall be given or made in writing and shall be served (as elected by the party giving such notice) by any of the following methods:

(i) Hand delivery to the other party; or

(ii) Delivery by commercial overnight courier service; or

(iii) Mailed by registered or certified mail (postage prepaid), return receipt requested.

For purposes of notice the address are as follows:

TRUSTEES:

President
Indian River State College
3209 Virginia Avenue
Fort Pierce, Florida 34981

CITY:

City Manager
City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984

Required Copy to:

College Attorney
Neill, Griffin, Tierney, Neill & Marquis
311 S. Second Street
Fort Pierce, Florida 34957-1270

Required Copy to:

City Attorney
City of Port St. Lucie
121 SW Port St. Lucie Boulevard
Port St. Lucie, FL 34984

Notice given in accordance with the provisions of this Section shall be deemed to be delivered and effective on the date of hand delivery or on the second day after the date of the deposit with an overnight courier or on the date upon which the return receipt is signed or delivery is refused or notice is designated by the postal authorities as not delivered if mailed.

19. TERMINATION. This LEASE shall be terminated in the event the TRUSTEES fail to use the facilities for educational purposes for six months or longer. The TRUSTEES may sublease the LEASED PREMISES to other parties for educational uses with the prior written consent of the CITY without violating the terms and conditions of this Lease Agreement. The CITY shall have the right to refuse the subleasing of the LEASED

PREMISES for parties and/or uses which are not compatible with the uses at the adjacent RAVENSWOOD CENTER

20. RECORDATION. This LEASE shall be recorded in the Official Records of St. Lucie County.

21. EXECUTION. This LEASE shall be executed in any number of counterparts, each of which shall be original.

22. BACKGROUND RECITALS. The Background Recitals are true and correct and form a material part of this Lease.

IN WITNESS WHEREOF, the DISTRICT BOARD OF TRUSTEES OF INDIAN RIVER STATE COLLEGE and the CITY OF PORT ST. LUCIE have made and executed this LEASE effective as of February 24, 2009.

WITNESS:

Suzanne Parsons
Suzanne Parsons
Print Name

Kim M Chambley
Kim M. Chambley
Print Name

DISTRICT BOARD OF TRUSTEES
INDIAN RIVER STATE COLLEGE

By: Edwin R. Massey
Edwin R. Massey, Ph.D., President

By: Cheryl Kirton
Cheryl Kirton, Chairman

DBOT approved on Feb. 24, 2009

CITY OF PORT ST. LUCIE,
A FLORIDA MUNICIPAL CORPORATION

By Patricia P. Christensen
Patricia P. Christensen, Mayor

Approved As To Form
and Sufficiency:

Pam E B Hakim
Pam E. Booker Hakim,
Senior Assistant City Attorney

City approved on January 12, 2009

AN APPRAISAL OF

THE IMPROVED PROPERTY
LOCATED AT 419 IRVING STREET,
IN PORT ST. LUCIE, FLORIDA

PREPARED FOR

IRCC FOUNDATION

AS OF

FEBRUARY 10, 2006

BY

STEPHEN G. NEILL, MAI
CALLAWAY & PRICE, INC.

Callaway & Price, Inc.

Real Estate Appraisers and Consultants

Licensed Real Estate Brokers

■WEST PALM BEACH■
Michael R. Slade, MAI, SRA, CRE
St.Cert.Gen.REA RZ116
Daniel P. Hrabko, MAI
St.Cert.Gen.REA RZ48
Stephen D. Shaw, MAI
St.Cert.Gen.REA RZ1192
Joe R. Price, MAI, SRA
St.Cert.Gen.REA RZ555
Robert J. Callaway, MAI, SRA
St.Cert.Gen.REA RZ505

■FORT PIERCE / STUART■
Harry D. Gray, MAI, SRA
St.Cert.Gen.REA RZ662
Stephen G. Neill, Jr., MAI
St.Cert.Gen.REA RZ2480
■BOCA RATON■
Daniel P. Hrabko, MAI
St.Cert.Gen.REA RZ48
■MELBOURNE■
Curtis L. Phillips, MAI
St.Cert.Gen.REA RZ2085

Please reply to Ft. Pierce Office
E-mail cpfp@bellsouth.net

February 21, 2006

Mr. Karl Guettler
IRCC Foundation
3209 Virginia Avenue
Fort Pierce, Florida 34981

Dear Mr. Guettler:

We have made an investigation and analysis of the improved property located at 419 Irving Street, in Port Saint Lucie, Florida. The purpose of this investigation and analysis was to provide our opinion the Market Value of the Fee Simple Estate of the Subject Property as of February 10, 2006 in a Complete Summary Appraisal Report.

This report has been prepared for our client, IRCC Foundation. The intended use was to assist the client in evaluation for internal purposes. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other uses.

As a result of our investigation and analysis of the information obtained therefrom, as well as a general knowledge of real estate valuation procedures, it is opinion that the Market Value of the Fee Simple Estate of the Subject Property as of February 10, 2006 was:

ONE MILLION FIVE HUNDRED THOUSAND DOLLARS
($1,500,000)

WEST PALM BEACH	-	1639 Forum Place, Suite 5, West Palm Beach, FL 33401	(561)686-0333 / Fax (561)686-3705
FT. PIERCE	-	500 South US Hwy 1, Suite 107, Ft. Pierce, FL 34950	(772)464-8607 / Fax (772)461-0809
BOCA RATON	-	PMB #87, 4400 N. Federal Hwy, Ste 210, Boca Raton, FL 33431	(561)998-8088 / Fax (561)686-3705
STUART	-	500 South US Hwy 1, Suite 107, Ft. Pierce, FL 34950	(772)287-3330 / Fax (772)461-0809
MELBOURNE	-	114 6th Avenue, Suite 3, Indialantic, FL 32903	(321)726-0970 / Fax (321)726-0384

This appraisal assignment is reported in a **summary format** as defined by the Appraisal Institute. It is considered a **Summary Appraisal Report** because it contains summary discussions of the data, reasoning, and analyses that were used to develop the opinion of value. It also includes summary descriptions of the Subject Property, the property's locale, the market for the property type and the appraiser's opinion of highest and best use. Any data, reasoning, and analyses not discussed in the Summary Appraisal Report are retained in the appraiser's work file.

A description of the property appraised, together with an explanation of the valuation procedures utilized, is contained in the body of the attached report. For your convenience, an Executive Summary follows this letter. Your attention is directed to the Limiting Conditions and underlying assumptions upon which the value conclusions are contingent.

Respectfully submitted,

CALLAWAY & PRICE, INC.

Stephen G. Neill, MAI
State-Certified General Real Estate Appraiser RZ2480

Chris A. Blackwell
State-Registered Trainee Real Estate Appraiser RI10869

SGN/CXB:06-55072
Attachments

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

PROPERTY TYPE	: Improved Institutional Property
LOCATION	: The Subject Property is located on the east side of Irving Street, south of Prima Vista Boulevard, with a physical address of 419 Irving Street, Port Saint Lucie, Florida.
OWNER OF RECORD	: IRCC Foundation
DATE OF VALUATION	: February 10, 2006
PURPOSE OF APPRAISAL	: To provide our opinion of the Market Value of the Fee Simple Estate of the Subject Property as of the appraisal date.
PROPERTY DESCRIPTION:	
LAND	: The Subject Property is irregular in shape and contains 236,716 square feet, or approximately 5.43 acres. In our opinion approximately 126,716 square feet, or 2.91 acres would be considered excess land. This will be discussed in detail further in this report.
BUILDING	: The building improvements include an educational building containing a total of 5,392 square feet of building area. This building contains four classrooms, one lab, and an office area. These will be discussed in detail further in this report.
ZONING	: Institutional, by Port Saint Lucie County
LAND USE PLAN	: Institutional, by Port Saint Lucie County

EXECUTIVE SUMMARY
(Continued)

HIGHEST AND BEST USE:

AS IF VACANT	:	Institutional Development. This would include any educational, day-care, or religious facility.
AS IMPROVED	:	Continued use an educational facility.

AS IS VALUE INDICATIONS:

COST APPROACH	:	$1,460,000
SALES COMPARISON APPROACH	:	$1,510,000
INCOME CAPITALIZATION APPROACH	:	N/A

MARKET VALUE OF THE FEE SIMPLE ESTATE OF THE SUBJECT PROPERTY AS OF FEBRUARY 10, 2006	:	$1,500,000

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Qualifications:
Stephen G. Neill, MAI
Chris A. Blackwell

INTRODUCTION

CERTIFICATION

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, unbiased professional analyses, opinions, and conclusions.

3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

7. The analyses, opinions, and conclusion were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) and FIRREA.

8. Stephen G. Neill, MAI and Chris A. Blackwell have made a personal inspection of the property that is the subject of this report.

9. Chris A. Blackwell has provided significant professional assistance to Stephen G. Neill, MAI and both are signing this report.

10. The use of this report is subject to the requirements of the State of Florida relating to review by the Florida Real Estate Appraisal Board.

11. The reported analyses, opinions and conclusions were developed, and this report was prepared in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and the Standards of

Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.

12. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

13. We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

14. As of the date of this report, Stephen G. Neill, MAI, has completed the requirements under the continuing education program of the Appraisal Institute.

_____

Stephen G. Neill, MAI
State-Certified General Real Estate Appraiser RZ2480

_____

Chris A. Blackwell
State-Registered Trainee Real Estate Appraiser RI10869

SGN/CXB:06-55072

LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents the opinion of the Market Value or the Value Defined AS OF THE DATE SPECIFIED. Market Value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.

2. The value estimated in this appraisal report is gross, without consideration given to any encumbrance, restriction or question of title, unless specifically defined.

3. This appraisal report covers only the property described and any values or rates utilized are not to be construed as applicable to any other property, however similar the properties might be.

4. It is assumed that the title to the premises is good; that the legal description is correct; that the improvements are entirely and correctly located on the property described and that there are no encroachments on this property, but no investigation or survey has been made.

5. This appraisal expresses our opinion, and employment to make this appraisal was in no way contingent upon the reporting of predetermined value or conclusion.

6. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered. In the performance of our investigation and analysis leading to the conclusions reached herein, the statements of others were relied on. No liability is assumed for the correctness of these statements; and, in any event, the appraisers' total liability for this report is limited to the actual fee charged.

7. Neither all nor any part of the contents of this report (especially any conclusions, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or any of its designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without our prior written consent and approval.

8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less

valuable. The Appraiser assumes no responsibility for such conditions or the engineering, which might be required to discover these factors.

9. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such proximity thereto that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The Subject is an operating self-service Restaurant/Lounge. It should be emphasized that the existence of contamination could be present on the property and this condition has not been examined by us.

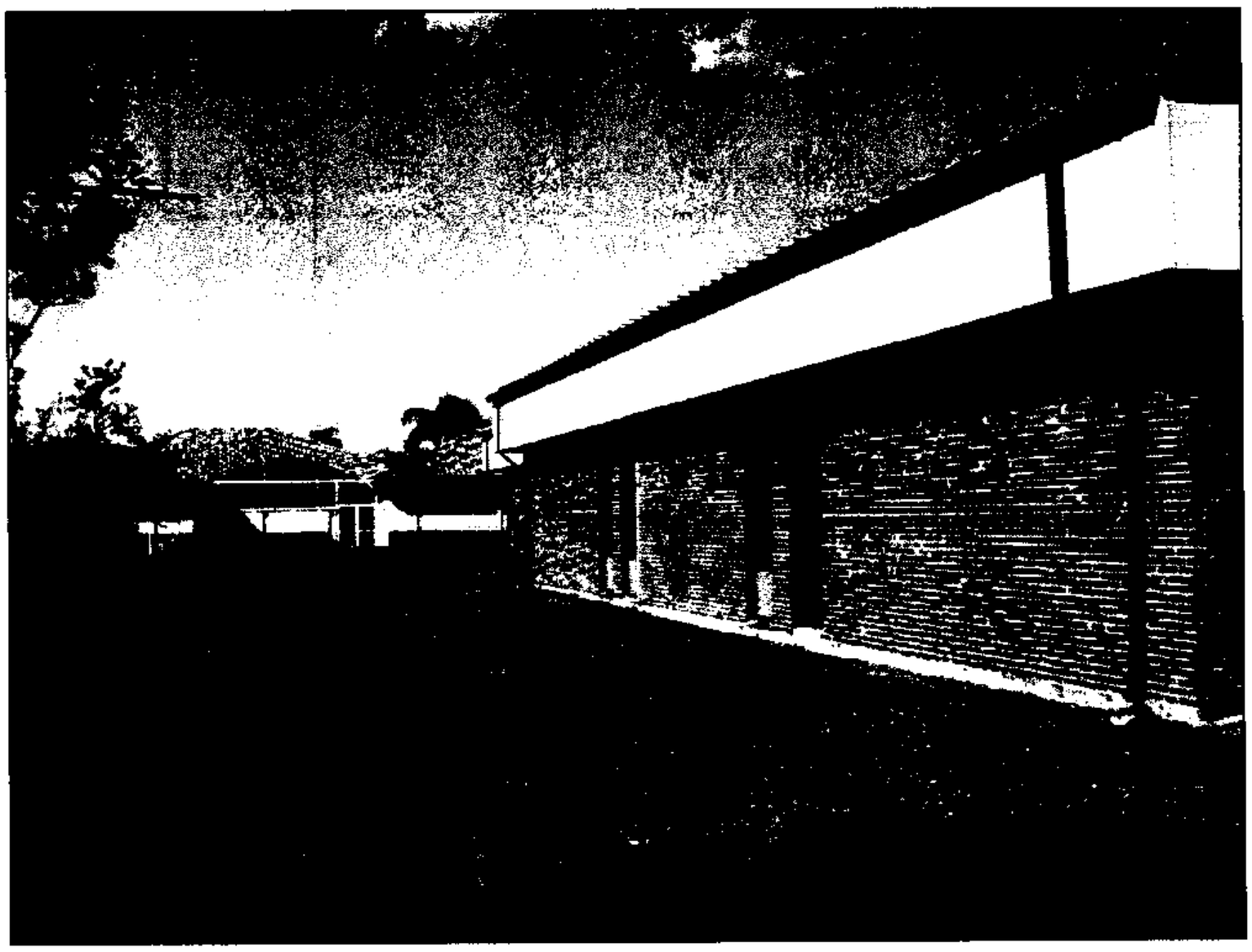
10. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

11. Our opinion of value was based on the assumption of competent marketing and management regarding the Subject Property. If there is no competent marketing and management, then the value contained herein may not apply.

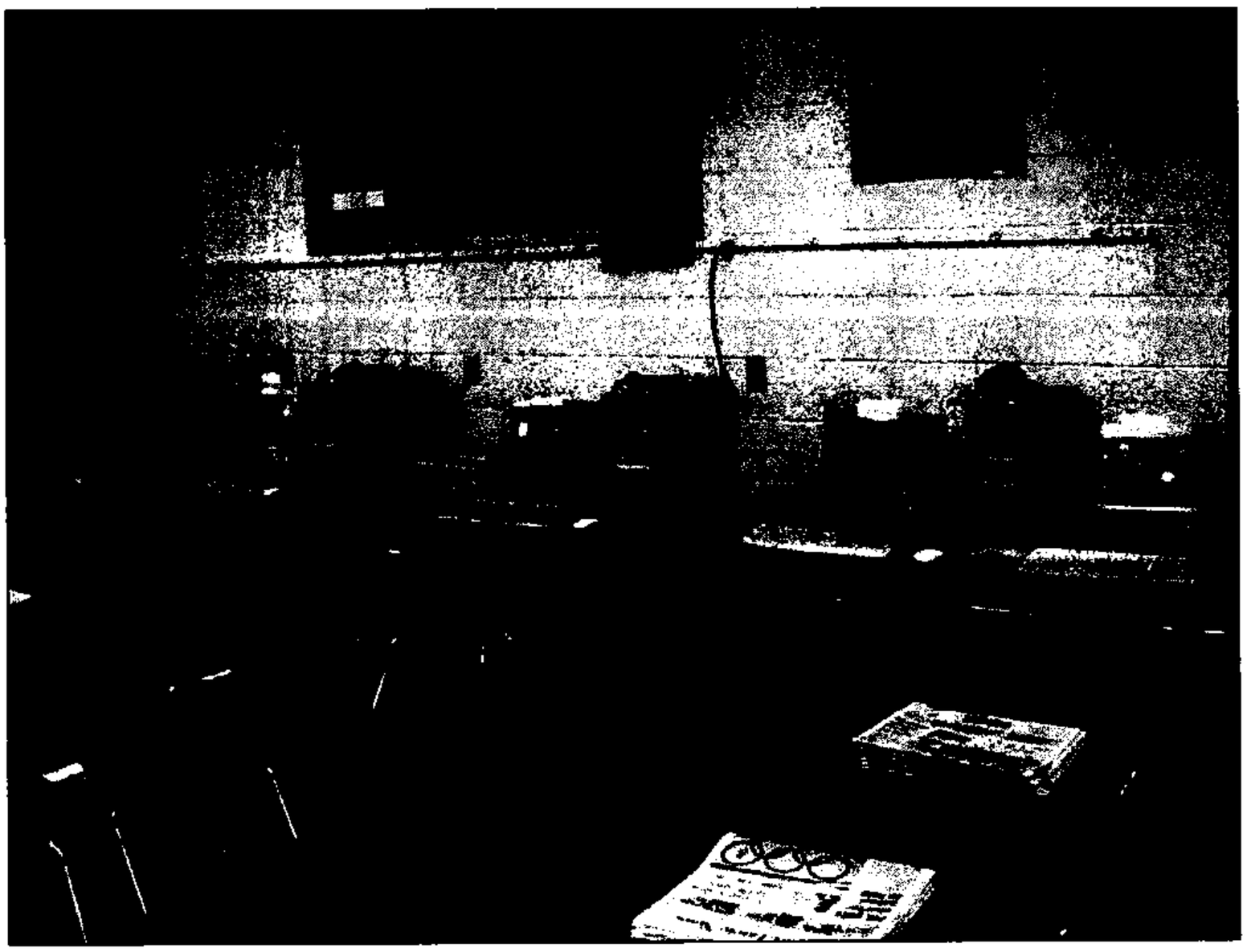
12. This appraisal assignment is reported in a **summary format** as defined by the Appraisal Institute. It is considered a **Summary Appraisal Report** because it contains summary discussions of the data, reasoning, and analyses that were used to develop the opinion of value. It also includes summary descriptions of the Subject Property, the property's locale, the market for the property type and the

appraiser's opinion of highest and best use. Any data, reasoning, and analyses not discussed in the Summary Appraisal Report are retained in the appraiser's work file. It is our opinion that the resulting work product and the estimate of value is not so limited in scope and analysis than it would tend to mislead or confuse the restricted user of this report.

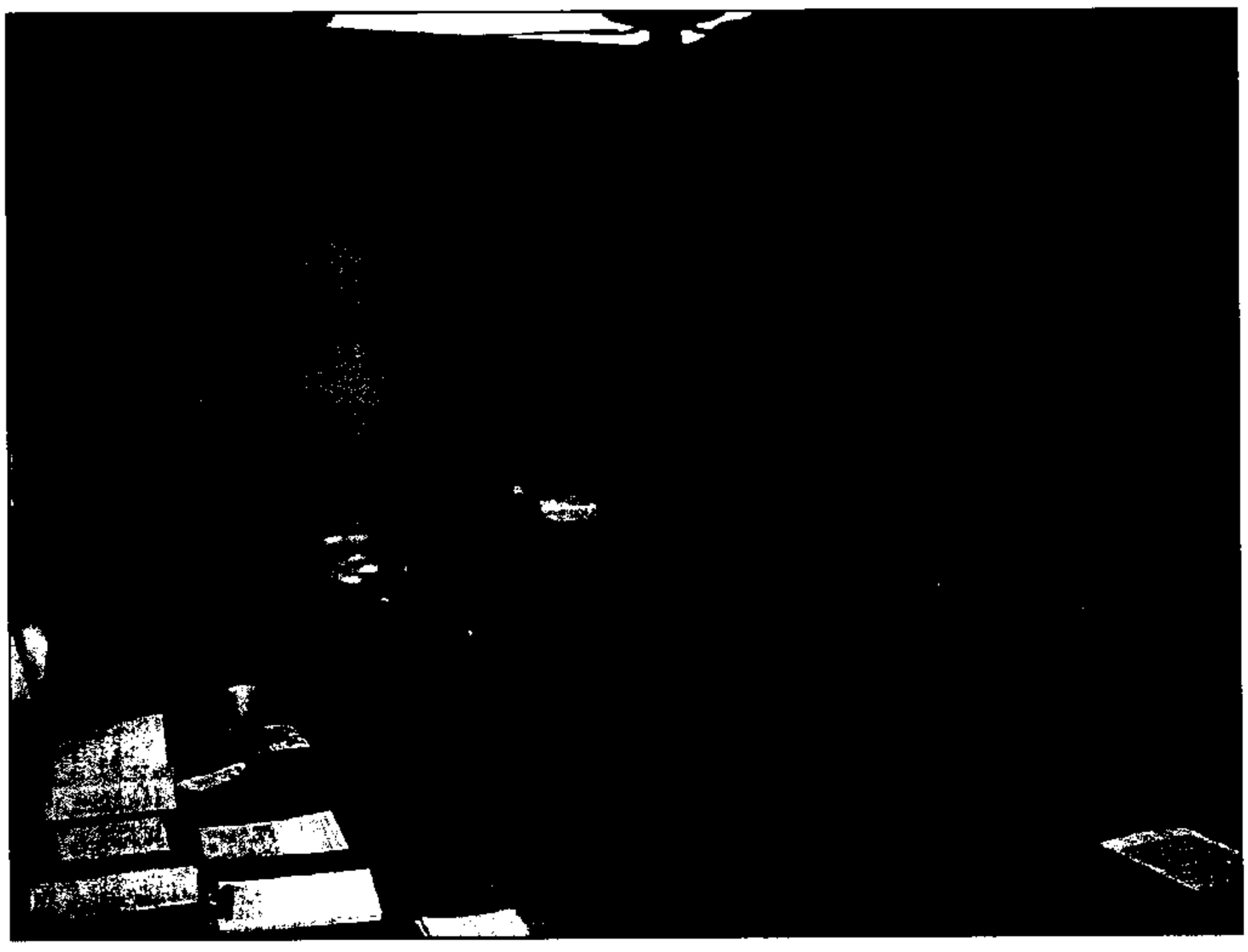
FRONT VIEW OF THE SUBJECT PROPERTY



REAR VIEW OF THE SUBJECT PROPERTY



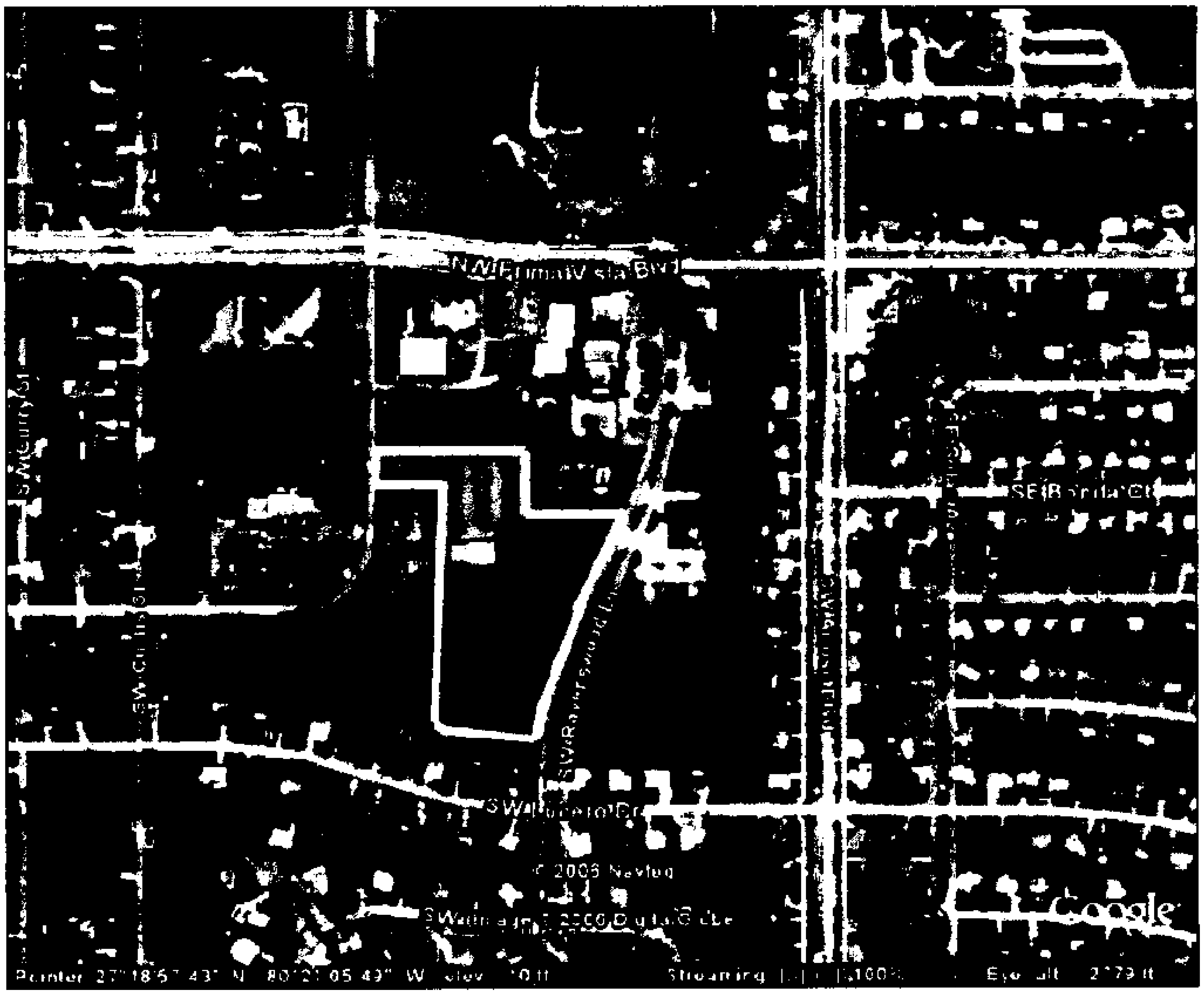
VIEW OF SUBJECT PROPERTY – CLASSROOM AREA



VIEW OF SUBJECT PROPERTY – OFFICE

VIEW OF SUBJECT PROPERTY – PARKING AREA

VIEW OF SUBJECT PROPERTY – STREET SCENE



SUBJECT PROPERTY - AERIAL VIEW

GENERAL INFORMATION

GENERAL INFORMATION

Purpose and Date

The purpose of this investigation and analysis was to provide our opinion of the Market Value of the Fee Simple Estate of the Subject Property as of February 10, 2006.

Intended Use and User of Appraisal

This report has been prepared for our client, IRCC Foundation. The intended use is to assist the client in evaluation for internal decision making purposes. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other use.

Market Value

Section 1110 of Financial Institutions Reform, Recovery, and Enforcement Act's (FIRREA) instructions to the Office of Thrift Supervision uses the definition of Market Value below as developed by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and adopted by the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice.

> "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
>
> a. buyer and seller are typically motivated;
>
> b. both parties are well informed or well advised, and acting in what they consider their best interests;
>
> c. a reasonable time is allowed for exposure in the open market;
>
> d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Interest Appraised

The interest appraised herein is the Fee Simple Estate of the Subject Property.

Fee Simple Estate

The Dictionary of Real Estate Appraisal, Fourth Edition 2002, by the Appraisal Institute, defines Fee Simple Estate on page 140 as follows:

"Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Legal Description

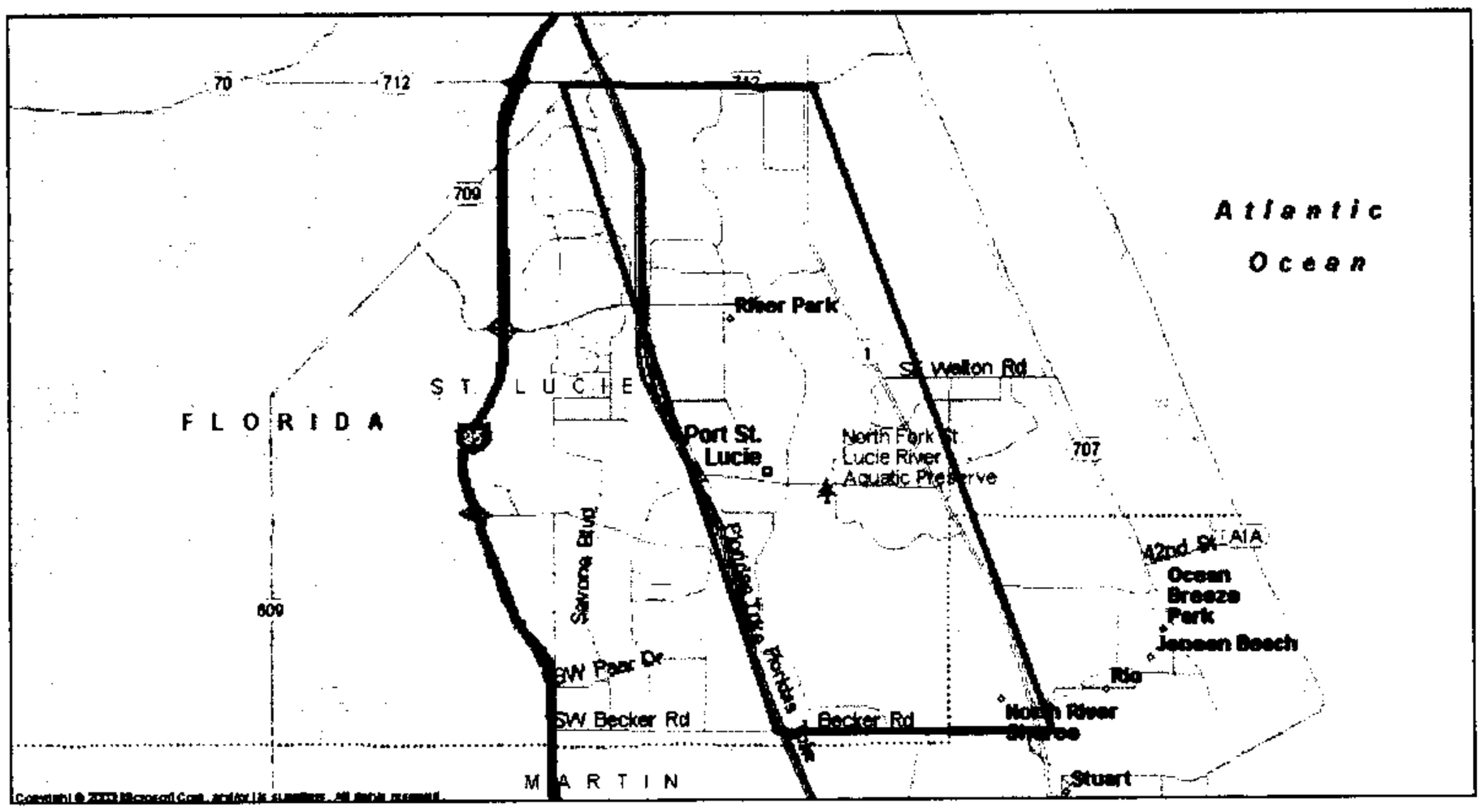
Tract J, Replat Lot 2, recorded in Plat Book 36, Page 7 of the Official Records of St. Lucie County.

Source: Public Records

NEIGHBORHOOD ANALYSIS

The relationship of the Subject Property with surrounding properties forms the basis of neighborhood analysis. The Appraisal of Real Estate, 12th Edition 2001, states: "Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property. As a result, they affect the value of the subject property. Although physical boundaries may be drawn, the most important boundaries are those that identify factors influencing property values. The area of influence, commonly called a neighborhood, can be defined as a group of complementary land uses."

Neighborhood Map



The neighborhood is considered to be within St. Lucie County, with its boundaries defined as follows:

North - N. Midway Road
South - Becker Road
East - U.S. Highway 1
West - Florida's Turnpike

The above boundaries describe an area that is a combination of residential and commercial development. U.S. Highway 1 is the main commercial thoroughfare in the area and provides the bulk of retail shopping facilities for St. Lucie County and the City of Port St. Lucie. From studying current aerial photographs along with our knowledge of the general area, the Subject

neighborhood appears to be approximately 50% to 60% built out. The growth rate over the past five years has been rapid.

Neighborhood Characteristics

Most of Subject neighborhood as defined lies within the City of Port St. Lucie that was originally developed by General Development Corporation (GDC), now known as Atlantic Gulf Communities. The neighborhood is typically characterized by retail/commercial uses along U.S. Highway 1 and office/commercial uses located along Port St. Lucie Boulevard between U.S. Highway 1 and Bayshore Boulevard. Office and limited commercial uses are also found along Prima Vista Boulevard and Midway Road, both east and west of U.S. Highway 1. Residential improvement are located both east and west of U.S. Highway 1 throughout the described area. The neighborhood began development approximately 30 to 40 years ago.

In general, the neighborhood characteristics have been that of mixed uses, with over-development occurring in the mid to late 1980s with retail, office, and warehouse properties. However, population growth since the late 1980s has allowed the Subject neighborhood to absorb the majority of the excess space constructed during that time.

Major Neighborhood Roadways

The closest I-95 access point is Prima Vista Boulevard (St. Lucie West Boulevard), which runs west from U.S. Highway 1. Typical driving time is approximately five minutes, but varies with the season.

Other major roads in the area include U.S. Highway 1 and Bayshore Boulevard running north and south. Floresta Drive and Airoso Boulevard are two-lane traffic arteries running north and south. Port St. Lucie Boulevard and Prima Vista Boulevard are major four to six-lane traffic arteries that run east and west.

The section of U.S. Highway 1 south of Rio Vista has recently undergone extensive road work to widen it to six lanes. Port St. Lucie has experienced congestion along U.S. Highway 1 for the last few years. New road construction has cured this problem with all six lanes being completed. According to the latest statistics provided by the Metropolitan Planning Organization, U.S. Highway 1 is operating at a "B" level of service. This section of U.S. Highway 1 north of the Subject Property is in the initial planning stages of widening to six lanes. Port St. Lucie Boulevard is

currently under construction to widen from four lanes to six lanes from U.S. Highway 1 to Bayshore Boulevard.

Neighborhood Development Trends

Located within the Subject neighborhood are numerous shopping centers and strip centers such as St. Lucie Square, Fiesta Square, Village Green, East Port Plaza, Fountain Plaza, North Plaza, Town Centre, and some retail buildings. The majority of these retail centers were constructed in the mid 1980s and are generally 85% to 100% occupied, with the exception of some less desirable properties.

Where the major east west streets of Midway Road, Prima Vista Boulevard, Walton Road, and Port St. Lucie Boulevard intersect with U.S. Highway 1 are found numerous commercial improvements such as shopping centers, gasoline stations, and office buildings. We have found that land values and rental rates generally rise toward the southerly end of the neighborhood, which is closest to the developed areas of Port St. Lucie and the Treasure Coast Mall, a regional shopping mall located just south of St. Lucie County, at the intersection of Jensen Beach Boulevard and U.S. Highway 1 in Jensen Beach. At the intersection of Prima Vista Boulevard and U.S. Highway 1 is a commercial development which has been completed with a new Walgreen's drugstore, a McDonald's restaurant, and a new Publix grocery store, which is situated at the northeast corner of this intersection.

Office space and office parks within the neighborhood are primarily medically-related due to the proximity to the Port St. Lucie Medical Center. Rental rates for these medical units are limited, as many are owner-occupied condominium-type buildings; however, the rentals available range from $15.00 to $20.00 per square foot. Vacancy rates for these spaces range from 5% to 10%.

Multifamily development within the Subject neighborhood consist of one, two and three-bedroom units developed in two-story, garden-style development communities that offer pools, clubhouses, fitness rooms, and tennis courts. Pine Summit is the newest developed apartment complex and is located just north of the intersection of Prima Vista Boulevard and the newly constructed Lennard Road Extension. This subdivision is permitted for 320 residential apartments and contains a gross area of 69.25 acres.

The next newest apartment community is Bella Vista Apartments, located at 1900 Bella Vista Way, along Savannah Club Boulevard. The total community contains 268 units, of which 128 are one-bedroom/one-bath split between

one-bedroom/one-bath with a patio, and one-bedroom/one-bath with office/den areas, and 140 two-bedroom/two-bath units with a similar split. Rental rates initially ranged from $700 to $750 for the one-bedroom/one-bath units and $810 to $850 for the two-bedroom/two-bath units. This community offers amenities such as boat/RV parking, garages and carports, laundry room, fitness center, clubhouse, pool area, car wash area, and putting greens.

Other apartment communities within the neighborhood consist of Whispering Pines, Walton Lakes Apartments, Tiffany Club, Hillmoor Village, and St. Lucie Oaks. It appears that there is an adequate supply of apartment communities within the Subject neighborhood, with additional units being recently constructed within Pine Summit and Buena Vista. It is projected that the neighborhood will not require additional multifamily units within the next few years.

Conclusion

The City of Port St. Lucie is one of the fastest growing cities in Florida and the United States. The City approved the Community Redevelopment Agency (CRA) in January 2001. The purpose of the CRA is to guide the redevelopment and the revitalization of a 1,700-acre area straddling U.S. Highway 1 between Village Green Drive and the City Limits to the south. According to the Master Plan, a Town Center is proposed for the Village Green shopping center. The creation of a new "old downtown" for Port St. Lucie along U.S. Highway 1 as well as the proposed development guidelines will create a "park" area for the city residents and visitors. The city presently has two major east/west routes, Port St. Lucie Boulevard and Prima Vista Boulevard, with an additional route known as the West Virginia Corridor to be located along the West Virginia Drive realignment.

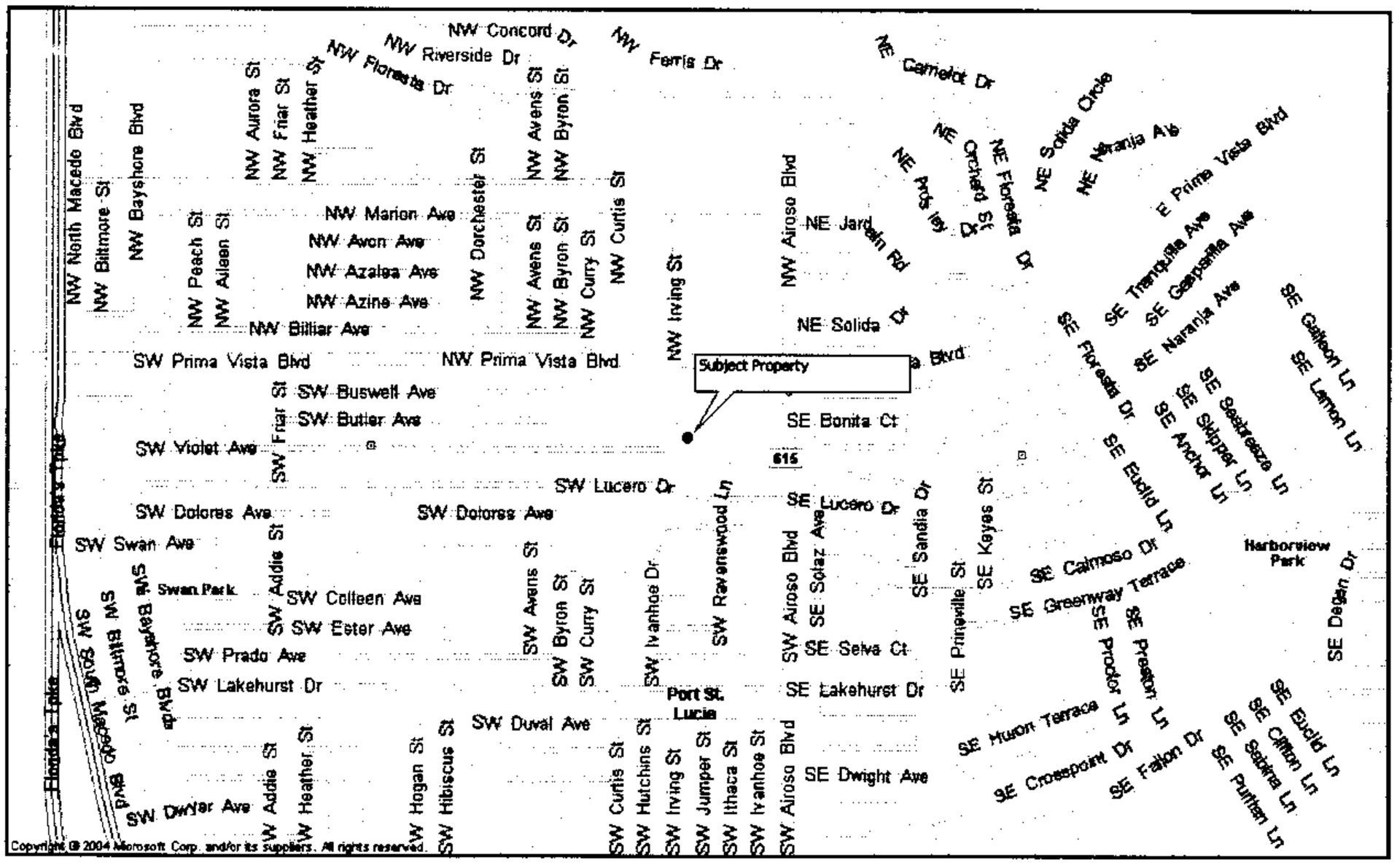
With the current and future development planned, we expect property values within the area to continue to increase into the near future.

PROPERTY DATA

Location

The Subject Property is located on the east side of Irving Street, south of Prima Vista Boulevard, with a physical address of 419 Irving Street, Port Saint Lucie, Florida. Located below is a map depicting the location of the Subject Property.

Location Map



Zoning

The Subject Property is zoned Institutional, by Port Saint Lucie County. This district is intended primarily suited for the development and maintenance of uses of an institutional nature to serve the residents of the city. Principal uses include churches, clubs, schools, ACLF, and other similar uses. From all indications the existing use conforms to the current zoning classification.

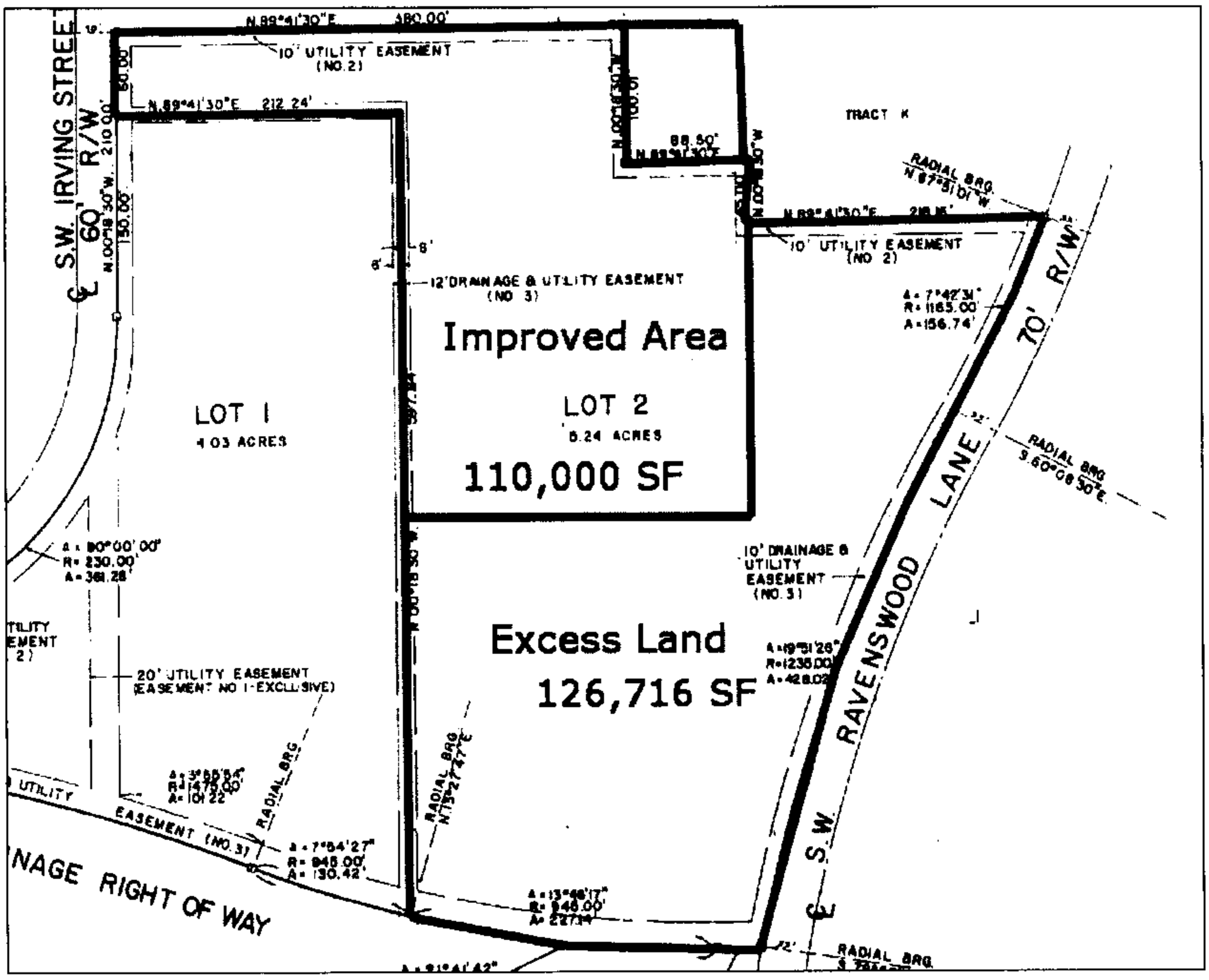
Land Use Plan

The Subject Property is located within the Institutional Classification. This conforms to the existing zoning classification.

Site Size, Shape and Access

The Subject Property is irregular in shape and contains a total of 236,716 square feet, or 5.43 acres. The site contains approximately 60 feet of frontage along Irving Street and approximately 500 feet of frontage along Ravenswood Lane. Located below is a plat map of the Subject Property. We have also depicted the location of our estimate of the excess land portion of the Subject Property. In our opinion the Subject Property has 126,716 square feet, or 2.91 acres of excess land. Please note that all sizes were estimated for valuation purposes.

Plat Map



Utilities

Water and Sewer is currently provided by City Water and Sewer. The Subject site has electricity supplied by FPL and telephone by Bellsouth.

Topography

The Subject site is generally level and at road grade. An inspection of the site's topographic features indicates that there are similar properties in the immediate area.

Hazardous Waste Conditions

There are no hazardous waste sites that were observed during our inspection of the Subject Property.

Easements

No adverse easements or encroachments were noted during the inspection of the Subject Property. It is an assumption that utility-related easements are in place associated with the Subject Property.

Property History

The Subject Property is currently owned by the IRCC Foundation and it is used as an Adult Learning Center. Public records did not indicate any sales of the Subject Property within the past five years.

Flood Hazard Zone

The Subject Property lies within Flood Zone "X", according to the Flood Insurance Rate Map (Panel Number 12111C0280F), dated August 19, 1991, and prepared for the National Flood Insurance Program of the U.S. Department of Housing and Urban Development (HUD). Flood Zone "X" is not considered an area that is prone to flooding as it lies outside the 500-year flood plain.

Assessed Value and Taxes - 2005

The total assessed value and taxes for the Subject Property for 2005 are as follows:

2005 Taxes				
Subject Property Parcel Control Number	**Land Assessment**	**Building Assessment**	**Total Assessment**	**Total Taxes**
3420-801-0002-000-2	$546,900	$301,200	$848,100	$0
3420-800-0041-010-7	$5,000	$0	$5,000	$0
Totals	**$551,900**	**$301,200**	**$853,100**	**$0**

* There are no taxes due to the institutional use as a adult learning center through IRCC.

Concurrency

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regional Act (Chapter 163, Part II, Florida Statutes), commonly referred to as "The Growth Management Act".

Pursuant to Section 163.3177(10)(h), F.S., "it is the intent of the Legislature that public facilities and services needed to support development shall be available concurrent with the impacts of such development." From this statement, the term "concurrency" was derived, and is commonly used to refer to the above act and its requirements.

The basis of the concurrency concept is Rule 9J-5.0055 of the Florida Administrative Code, which states that:

> "To ensure that facilities and services needed to support development are available concurrent with the impacts of such development, a local government must adopt a concurrency management system. Prior to the issuance of a development order or development permit, the concurrency management system must ensure that the adopted level of service standards required for roads, potable water, sanitary sewer, solid waste, drainage, parks and recreation, and mass transit, if applicable, will be maintained."

The Subject Property is an improved adult learning facility; therefore, no concurrency issues are prevalent.

DESCRIPTION OF IMPROVEMENTS

The Subject Property is improved with a 5,392-square-foot-education facility that was constructed in 1987. The property has four classrooms, a lab, and an office area. There is also a 504-square-foot-covered area that is not considered in the size.

Land Improvements

The Subject Property has minimal land improvements. The asphalt-parking area contains 84-parking spaces. The property also had perimeter fencing and a large sign.

Building Improvements

Details on the construction are as follows:

Type of Building	:	Educational Facility
Date of Construction	:	1987
Height	:	One-story
Type of Construction	:	Brick Over Concrete Block
Roof	:	Flat, Built-up
Exterior Walls	:	Brick
Windows	:	Fixed
Floor	:	Painted concrete, carpet, and tile
Ceilings	:	Acoustical Drop Ceilings
Conditioning & Heat	:	Central HVAC
Electricity	:	Assumed adequate
Lighting	:	Assumed adequate
Plumbing	:	Adequate men's and women's restrooms
Equipment	:	None

Condition and Comments : The Subject Project is considered to be in good condition. No items of deferred maintenance were noted.

The Subject's incurable physical depreciation is summarized as follows:

Total Economic Life	:	50 years
Effective Age	:	9 years
Remaining Economic Life	:	41years
Indicated Physical Deterioration	:	18%

HIGHEST AND BEST USE

The Dictionary of Real Estate Appraisal, Fourth Edition 2002, by the Appraisal Institute defines Highest and Best Use on page 135 as follows:

> "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

To estimate the Highest and Best Use of the Subject, we have considered those uses which are legally permissible, physically possible, economically feasible, and maximally productive. Consideration was given to individual features of the land such as size, shape, location, access to roadways, and the availability of utilities. Consideration was also given to the surrounding land uses and the demand for property in the current real estate market.

In cases where properties are improved, the Highest and Best Use of the site "as though vacant" and the Highest and Best Use of the property "as improved" may be different. This is due to the principle of "contribution" which holds that if an improvement adds value to the site over and above land value, the Highest and Best Use of the property is as improved until such time as the improvements add no contributory value to the property.

In order to determine the Subject's land value, we must first determine the Highest and Best Use of the site "as if vacant" in order to determine which use would provide the highest land value. We then use sales of comparable properties that have similar Highest and Best Uses in order to estimate the land value of the Subject Property and ultimately the Highest and Best Use of the property "as improved".

As if Vacant

Legally Permissible

The current land use plan and zoning requirements of Port Saint Lucie would allow this site to be developed with only institutional type uses. These include religious facilities, day care facility, educational facilities, and other uses that serve the city.

Physically Possible

The topography of the site is generally level and at road grade, and appears to have adequate drainage. While a soil survey was not provided, observation of the Subject and surrounding parcels indicate that the soil and subsoil conditions would not present any unusual problems with construction. Therefore, a variety of uses could physically be located on the Subject Property.

Financially Feasible

Of those uses that are both legally permissible and physically possible, we must determine which of these are financially feasible. According to The Appraisal of Real Estate, 12th Edition 2001, "If the physically possible and legally permissible uses are income-producing, the analysis of financial feasibility will often focus on which potential uses are likely to produce an income (or return) equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization of the investment. To determine the financial feasibility, the appraiser estimates the future gross income that can be expected from each use. Vacancy and collection losses and operating expenses are then subtracted from each gross income to obtain the likely net operating income (*NOI*) from each use. A rate of return on the invested capital can then be calculated for each use. If the net revenue capable of being generated from a use is sufficient to satisfy the required market rate of return on the investment, the use is said to be financially feasible."

Do to a rapid growth in Port Saint Lucie, institutional type uses are in demand. No other uses are legally permitted on the site. Therefore, a institutional type of use is the only financially feasible use of the property.

Maximally Productive

The maximally productive use of a site is that use of those that are financially feasible that will generate the highest rate of return to the underlying land. In the case of the Subject Property, it is our opinion that an institutional use, in accordance with all requirements for development, would be maximally productive use of the site.

Conclusion – As Improved

The Highest and Best Use of the Subject is for continued use of the existing improvements. The improvements are institutional in nature and contribute to the overall value of the site. In addition the excess land could be developed with another institutional use.

VALUATION

VALUATION

Preface to Value/Scope of the Assignment

The Subject Property was personally inspected by Stephen G. Neill, MAI and Chris A. Blackwell. The building sizes were based upon field measurements as well as site plans and building plans provided by the client. Site information such as zoning, utilities, et cetera, was based upon discussions with various representatives mentioned within those discussions. Cost data was obtained from nationally published sources along with local builders as noted herein.

Comparable data was gathered from our files, MLS, Real Quest, Public Records, and various sources noted throughout this report. The different publications utilized and persons and titles of persons contacted are listed along with the information given within this appraisal. Confirmation of all sales and rent comparables used within this appraisal was made by contacting local brokers, investors, owners and through physical inspection. Confirmations were with buyers, sellers, property managers, brokers, or attorneys involved with or who had knowledge of the transaction or leasing information. This information is retained in our files and available if necessary.

All three conventional approaches to value are applicable to the Subject Property. In the Valuation section of this report, the Cost, Sales Comparison and Income Approaches are applied utilizing data applicable to each.

The Cost Approach has as its premise the valuation of the site by direct comparison with similar sites that have recently sold, and the addition of the depreciated cost to replace the improvements. In the case of the Subject Property this approach was used.

The Sales Comparison Approach has as its premise a comparison of the Subject Property with others of similar design, utility and use that have sold in the recent past. To indicate a value for the Subject Property, adjustments are made to the comparables for differences from the Subject. We have used this approach in our analysis.

The Income Capitalization Approach, as used for investment properties, has as its premise the estimation of the amount of net income, which when capitalized in a manner which is commensurate with the risk and life expectancy of the improvements, will indicate the present value of the income stream. Due to the fact that institutional properties are not typically bought for their income potential, this approach was not used.

The three approaches are then correlated into a final estimate of Market Value. This reconciliation is a weighing of the strengths and weaknesses of each approach.

COST APPROACH

Preface

The Dictionary of Real Estate Appraisal, by the Appraisal Institute (Fourth Edition 2002), defines Cost Approaches on page 81 as follows:

> "A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducted accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the Subject property to reflect the value of the property interest being appraised."

The first step in the Cost Approach is to estimate the value of the site as vacant. This is accomplished by comparison of the site with others of similar size, zoning, and overall utility that have recently sold. On the next page, a summary of the most recent and similar applicable sales from the general area can be found.

Land Value Analysis

The 12th Edition of The Appraisal of Real Estate indicates that an appraiser can use several techniques to obtain an indication of land value:

- Sales comparison
- Extraction
- Allocation
- Subdivision development
- Land residual
- Ground rent capitalization

Usually the most reliable way to estimate land value is by sales comparison. When few sales are available, however, or when the value indications produced through sales comparison need additional support, procedures like extraction or allocation may be applied.

The Sales Comparison Approach can be used to value land which is actually vacant or is being appraised "as if vacant". This is the preferred method to be used when comparable sales are available. In the Sales Comparison Approach, similar parcels of land are analyzed and compared to the Subject Property with appropriate adjustments made to indicate the market value of the Subject.

Discussion of Vacant Land Sales

In order to estimate the value of the Subject site, a search was made for sales with development potential similar to the Subject. We analyzed the Subject Property based on price per square foot basis, as this is the most recognized unit of comparison in this market. All of the comparables were considered with regard to property rights appraised, financing, conditions of sale, time or market conditions, location, size, site quality, and zoning. The three comparable sales indicated a non-adjusted range from $2.88 to $2.98 per square foot.

Comparable Sales
IRCC Foundation
Callaway & Price, Inc. #06-55072

Sale Number	Subject	1	2	3
Record ID Number		**529**	**530**	**531**
ORBK/PG	-	2203-1473	2152/1476	2109/2965
Sale Price		$1,229,700	$650,000	$282,000
Size - Acres	5.42	10.04	5.00	2.25
Size Square Foot	236,716	437,342	217,800	98,010
Price/SF		$2.81	$2.98	$2.88
Location	East side of Irving Street, south of Prima Vista Boulevard	NEC NW Peacock Boulevard and California Boulevard	NWC of N. Wakefield Circle and Kestor Drive	North side of Jeanne Avenue, west of Tumble Street
County	St. Lucie	St. Lucie	St. Lucie	St. Lucie
Arm's Length		Yes	Yes	Yes
Property Rights		Fee	Fee	Fee
Date of Sale (Contract)		Mar-05	Jan-05	Nov-04
Date of Value	Feb-06			
Zoning	Institutional	GU	Institutional	Institutional
Future Land Use	Institutional	Commercial	Institutional	Institutional
Time Interval (Months)	-	-	12	15
Market Condition Adj.		5.0%	10%	10%
Adjusted Price Per SF		**$2.95**	**$3.28**	**$3.16**
Physical Adjustments				
Location		0%	0%	0%
Size		10%	0%	0%
Site Quality		0%	0%	0%
Zoning		0%	0%	0%
Total Physical Adjustment		10.00%	0.00%	0.00%
Adjusted Price Per SF		$3.25	$3.28	$3.16

	Price Per SF
Average	$3.23
Minimum	$3.16
Maximum	$3.28
Median	$3.25

Property Rights Conveyed

All the sales in this analysis were transferred on a Fee Simple Estate basis, with the buyers receiving full property rights ownership. We are also unaware of any adverse deed restrictions or any other property rights limitations which would have affected the sales. Therefore, no adjustment was considered necessary for property rights conveyed.

Terms of Financing (Cash Equivalency)

The transaction price of one property may differ from that of a similar property due to atypical financing arrangements. In a case where favorable financing is established, a cash equivalency adjustment is often necessary. However, all of the sales analyzed herein involved either market terms or cash to Grantor. Therefore, no adjustments were made, nor any cash equivalency performed.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and seller at the time of conveyance. Within the confirmation process, detailed attention was made to ensure the conditions of each sale. No adjustments were required to the sales for this factor.

Time or Changes in Market Conditions

Market conditions generally change over time and may be caused by inflation, deflation, fluctuations in supply and demand, or other factors. The sales occurred between November of 2004 to July of 2005. Due to the ages of all of the comparables, a time adjustment was warranted for each of comparables.

Location

All of the comparables are located within the Port Saint Lucie market. In our opinion no adjustments is warranted for location.

Size

The Subject Property contains 5.43 acres, or 236,716 square feet. The comparable sales indicate a range from 2.25 acres to 10.04 acres. In our opinion the only adjustment warranted is for Comparable One. This comparable is almost twice the size of the Subject Property. Typically,

larger sites sell for less on a per-square-foot basis than smaller sites. Therefore, a size adjustment was needed.

Site Quality

All of the properties are considered similar in regards to site quality and no adjustments were warranted.

Zoning

The Subject Property is zoned Institutional. The only comparable not located within the institutional classification is Comparable One. This property was located within a superior General Use/General Commercial classification. This classification only allows for limited development, however a zoning change can be made. Therefore, a slight downward adjustment was needed.

Conclusion

As can be seen on the comparable sales chart displayed earlier, the sales indicate an adjusted range from $3.16 to $3.28 per square foot. Considering the indications from the comparables, it is our opinion that the Market Value of the Subject site "as if vacant" is best represented by $3.25 per square foot. This indicates that the land value of the Subject Property is $200,000. This is calculated as follows:

236,716 Sq.Ft.	x	$3.25/Sq.Ft.	=	$769,327
			Say,	$770,000

Excess Land Conclusion

As previously mentioned the Subject Property contains excess land. Information provided indicates that the excess land portion of the Subject Property is 126,716 square feet or approximately 2.91 acres. Therefore, our excess land conclusion is $410,000. This is not added to the Cost Approach, as it is included in the land value estimate above. This will be added to the Sales Comparison Approach. This is calculated as follows:

126,716 Sq.Ft.	x	$3.25/Sq.Ft.	=	$411,827
			Say,	$410,000

Cost Justification

In order to estimate the replacement cost new of the Subject improvements, we have utilized Marshall Valuation Service. Marshall Valuation Service (MVS) is widely utilized by appraisers, architects, developers and engineers to estimate construction costs. Based on Marshall Valuation Service descriptions, the Subject was considered to be most similar to a good "Class C" Classroom Building. Shown below are the indications from MVS.

Construction Cost Estimate

Space Type	Construction Class / Quality	Marshall Valuation	Cost/ Sq. Ft.
Hard and Soft Construction Costs:			
Classrooms	C / Good	Section 18, Page 14	$98.18
Multipliers were applied as follows:			
		x Area/Perimeter	1.01
		x Story Multiplier	1.00
		x Current Cost (1)	1.07
		x Local Multiplier	0.89
Adjusted Construction Cost/Sq.Ft.	Classrooms		$94.06
Site Improvement Costs:	Marshall Valuation	Cost	Unit
Parking Spaces - Avg to Good	Section 66, Page 1	$1,200	Per Space

(1) Marshall - Section 99, Page 3

MARSHALL

The cost estimates from MVS include architectural fees, engineering fees, interest expenses, contractor's overhead and profit, insurance fees, permit fees, site costs, and general legal fees. Also shown on the chart are the various site improvements at the Subject and their estimated costs based on MVS.

Depreciation Analysis

According to The Appraisal of Real Estate, Twelfth Edition, published by the Appraisal Institute, "Depreciation is the difference between the contributory value of an improvement and its cost at the time of appraisal. Depreciation in an improvement can result from three major causes operating individually or in combination. These causes are physical deterioration, functional obsolescence, and external obsolescence."

Physical Deterioration

The Appraisal of Real Estate, Twelfth Edition, published by the Appraisal Institute, defines "physical deterioration" on page 363 as "wear and tear from regular use and the impact of the elements." Physical deterioration may be classified as either curable or incurable each of which is discussed below.

Curable Physical Deterioration

This form of physical deterioration is for items of deferred maintenance which are economically feasible to cure. The Subject Property was in good condition for its age. Our inspection did not reveal any items of curable physical deterioration.

Incurable Physical Deterioration

This category of physical deterioration is used to estimate those items which cannot be practically or economically corrected. No matter how well a building is maintained, there are portions of it called the "core" or the "bone structure" which will suffer some incurable physical deterioration. This is the section of the building which typically lasts the longest and upon which the age/life of the building is determined.

The typical economic life for a project like the Subject Property is considered to be 50 years. The improvements were completed in 1987. In our opinion that the Subject has an effective age of 9 years. Therefore, the Subject Property has a remaining economic life of 41 years based on the previously mentioned estimate of economic life.

Using the Age/Life method of depreciation, the percentage of incurable physical deterioration is calculated as follows:

9 Years Estimated Age divided by 50 Years Life = 18.0%

Percent of Cost New		Depreciated Depreciation		Value
$676,365	x	18%	=	$554,619

Functional Obsolescence

In addition to physical depreciation, we also considered if any functional and/or external obsolescence was present at the Subject Property. Functional obsolescence is a loss in value resulting from a deficiency or by a superadequacy. In the case of the Subject Property, there appears to be no incurable functional obsolescence.

External Obsolescence

External obsolescence is the adverse effect on value resulting from influences exterior to the property. It often results from changing property or land use patterns, shifting business districts, or deteriorating economic conditions, with the latter either temporary or permanent depending upon the specific factor creating the loss. In the case of the Subject, no external obsolescence was noted.

Entrepreneurial Incentive

In addition to the hard, soft, and site improvement costs, entrepreneurial incentive is generally required as an incentive for a developer to undertake the construction of a project like the Subject. Simply stated, a prudent developer would not purchase the site, construct the building, and then sell the property at cost. He would expect to receive a profit for his skill and the risks inherent in the project.

In the typical South Florida market, most developers would demand a 10% to 20% entrepreneurial incentive, in order to undertake a project. In the case of the Subject Property, we have applied an entrepreneurial incentive of 10%. The low end of the range was warranted due to the property being an institutional use.

Cost Approach Summary

Land Value							$770,000
Site Improvements							
Parking Area	84	Spaces @	$1,200	Per Space	$100,800		
Total Site Costs						$100,800	
Hard Costs							
Classrooms	5,896	Gross Sq.Ft.	$94.06	Per Sq.Ft.		$554,565	
					Total	$655,365	
Soft Costs (1)							
Architechtural & Engineering					Incl. Above		
Supervision, Overhead & Contingency					Incl. Above		
Loan Origination & Taxes (2)					$21,000		
Total Soft Costs:						$21,000	
Total Building Costs:			$114.72	PER SQ.FT. (3)		$676,365	
Less Physical Depreciation							
Curable (Deferred Maintenance)					$0		
Incurable	18.0%				$121,746		
Less Functional Obsolescence					$0		
Less Extermal Obsolescence					$0		
Total Depreciation						$121,746	
Depreciated Value of Improvements							$554,619
Total Project Costs:							$1,324,619
Plus Entrepreneurial Profit			10.0%				$132,462
Total Value Indication Via the Cost Approach							$1,457,081
					Rounded		$1,460,000
Market Value on a Gross Square Foot Basis							$247.63

(1) See Cost Justification.

(2) Loan Origination Fees:

Fees:	1.0%	Of	$655,365	(Hard, site and soft costs new, not including financing.)	$6,554
Real Estate Taxes During Construction					
Current Land Assesement		Millage	X Years		
	$551,900	0.0268	1		$14,791
Total Construction Loan Cost					$21,345
				Rounded	$21,000

(3) Costs Include Hard, Site and Soft Costs

SALES COMPARISON APPROACH

Preface

The Dictionary of Real Estate Appraisal, Fourth Edition 2002, by the Appraisal Institute defines Sales Comparison Approach on page 255 as follows:

> "A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available."

In order to estimate the Market Value of the Subject Property utilizing this approach to value, it was necessary to abstract and analyze sales of similar type buildings. These sales were compared to the Subject on a price per square foot of net area. The institutional buildings we found in our research ranged from day-care facilities to religious facilities. In our opinion these buildings are considered to be the most similar to the Subject Property. Typically, educational facilities such as the Subject Property do not sell. Therefore, we analyzed similar type use facilities.

A summary of the sales is shown on the following page with an improved sales map included in the Addenda.

Discussion of Improved Sales

As noted, the Subject is an educational facility which is currently owner occupied. A search for similar sales was conducted in the Subject area and those sales considered the most comparable to the Subject Property are summarized in chart form below. They were compared on a price per square foot of net rentable area (NRA), which was considered the best unit of comparison and the one most considered by buyers and sellers within the marketplace.

IMPROVED SALES
IRCC Foundation - 419 Irving Street
Callaway & Price, Inc. #06-55072

Sale Number	Subject	1	2	3	4	5
Record ID Number		**171**	**172**	**173**	**174**	**175**
Name	IRCC Foundation	Abundant Life Ministries	Riverbend Learning Center	Learning Achievers Academy	La Petite Academy	La Petite Academy
OR BK/PG		2102-1690	2253-164	2312-1392	1909-523	Listing
Location	419 Irving Street	751 SE Central Parkway	2235 SE Midport Road	6708 Gaddy Street	410 SW Bethany Drive	1460 Village Green Drive
City	Port Saint Lucie	Stuart	Port Saint Lucie	Fort Pierce	Port Saint Lucie	Port Saint Lucie
Date of Sale		Jan-06	May-05	Jul-05	Mar-04	Current
Sale Price		$1,600,000	$825,000	$475,000	$955,500	$800,000
Net Leaseable Area	5,392	9,800	4,417	1,642	5,369	4,682
Land Size	110,000	212,572	31,798	20,232	45,738	30,492
Price/Square Foot		$163.27	$186.78	$289.28	$177.97	$170.87
Land to Building Ratio	20.40	21.69	7.20	12.32	8.52	6.51
Year Built	1987	1990	1989	1968	1991	1985
Age At Time of Sale	17	16	16	37	13	21
Conditions of Sale		0%	0%	0%	0%	-5%
Time Adjustment		0%	0%	0%	10%	0%
Adj. Price Per SF		**$163.27**	**$186.78**	**$289.28**	**$195.76**	**$162.32**
Physical Adjustments						
Location		0%	0%	10%	0%	0%
Size		10%	0%	-50%	0%	0%
Age & Condition		0%	-10%	0%	0%	0%
Land-to-Building Ratio		0%	10%	10%	10%	10%
Total Physical Adjustment		10%	0%	-30%	10%	10%
Adjusted Price Per SF		$179.60	$186.78	$202.50	$215.34	$178.55

	Price Per SF
Average	$192.55
Minimum	$178.55
Maximum	$215.34
Median	$186.78

We have carefully reviewed all of the comparables and considered each with regard to property rights conveyed, financing, date of sale, location (access and exposure), size, age and condition, and land-to-building ratio. As shown, on an unadjusted basis the sales ranged on a rentable square foot basis from $163.27 to $289.28.

Property Rights Conveyed

All the sales in this analysis were transferred on a Leased Fee or a Fee Simple Interest, with the buyers receiving full property rights ownership. We are also unaware of any adverse deed restrictions or any other property rights limitations which would have affected the sales. Therefore, no adjustment was considered necessary for property rights conveyed.

Terms of Financing (Cash Equivalency)

The first adjustment considered was for advantageous financing. Since all the sales took place under typical financing terms, no adjustments were required, nor were any cash equivalencies performed on the sales.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and seller at the time of conveyance. Within the confirmation process, detailed attention was made to ensure the conditions of each sale. Based on the research performed, it is our opinion that all of the sales involved arm's-length transactions without the presence of duress or adverse market influences. The only adjustment required for Conditions of Sale was for the current listing. According to the seller the property has been on the market with some activity. In our opinion a downward adjustment is needed.

Time or Changes in Market Conditions

The next adjustment considered was for any increase or decrease in value with respect to time. Typically, the best indication of a time adjustment is the sale and resale of the same property. None of the sales analyzed in this report have had a sale and resale within the last three years, as far as we could determine. In our opinion the only sale that required an adjustment was Comparable Three. This property was sold in 2004. Property values have generally increased since this sale.

Discussion of Sales

Comparable One is the recent sale of the 9,800-square-foot facility located at 751 SE Central Parkway in Stuart, Florida. This property is a religious facility with an underlying land use of institutional. This property was purchased in January of 2006 for $1,600,000, or $163.27 per square foot. The property contained 4.88 acres with a land-to-building ratio of 21.69. The only adjustment required for this sale was for size. Typically, larger facilities sell for less on a per square foot basis than smaller buildings. Therefore, an upward adjustment was needed. No other adjustments were

required. **The effective price per square foot of Comparable One is $179.60.**

Comparable Two is the May 2005 sale of the 4,417-square-foot facility located at 2235 SE Midport Road, in Port Saint Lucie, Florida. This property is a day-care facility with an underlying land use of institutional. This property was purchased for $1,100,000, however this included the business value. According to the buyer the real estate only was $825,000, or $186.78. The property contained 0.729 acres with a land-to-building ratio of 7.20. The only adjustments required for this sale were for age/condition and for land-to-building ratio. Based on visual inspection it is our opinion that the condition of Comparable Two is superior to that of the Subject Property. Therefore, a downward adjustment is needed. The next adjustment required was for land-to-building ratio. The Subject Property has a land-to-building ratio of 20.40 (not including excess land), which is superior to Comparable Two. Therefore, an upward adjustment is required for this characteristic. No other adjustments were required. **The adjusted price per square foot of Comparable Two was $186.78.**

Comparable Three is the July 2005 sale of the 1,642-square-foot-facility located at 6708 Gaddy Street, in Fort Pierce, Florida. This property is a day-care facility with an underlying land-use of Commercial Neighborhood. This property was purchased for $475,000 or $289.28 per square foot. The property contained 0.46 acres with a land-to-building ratio of 12.32. The adjustments needed for this comparable were for location, size, and land-to-building ratio. The location for Comparable Three is inferior to the Subject Property, therefore requiring an upward adjustment. The next adjustment was for size. The Subject Property size is over three times the size of Comparable Three. Typically, smaller facilities sell for more on a per-square foot basis than larger buildings. Therefore, a downward adjustment was needed. The last adjustment was for land-to-building ratio. The land-to-building ratio for Comparable Three is inferior to the Subject Property, so an upward adjustment was needed. No other adjustments were required. **The adjusted price per square foot of Comparable Three was $202.50.**

Comparable Four is the sale of the 5,369-square-foot facility located at 410 SW Bethany Drive in Port Saint Lucie, Florida. This property is a day-care facility with an underlying land use of Institutional. This property was purchased in March 2004 for $955,500, or $177.97 per square foot. The property contained 1.05 acres with a land-to-building ratio of 8.52. The only adjustment required for this sale was for land-to-building ratio. The land-to-building ratio of Comparable Four is inferior to the Subject Property, therefore an upward adjustment was needed. No other adjustments were required. **The adjusted price per square foot of Comparable Four was $215.34.**

Comparable Five is a current listing of a 4,682 square foot facility located at 1460 Village Green Drive in Port Saint Lucie, Florida. This property is a day-care facility with an underlying land use of Commercial. The property is currently listed for $800,000 or $170.87 per square foot. The property contains 0.7 acres with a land-to-building ratio of 6.51. The only adjustment required for Comparable Five was for land-to-building ratio. The land-to-building ratio for Comparable Five is inferior to the Subject Property, therefore an upward adjustment was needed. No other adjustments were required. **The adjusted price per square foot of Comparable Four was $187.96.**

Conclusion

As can be seen on the comparable sales chart displayed earlier, after the sales were adjusted, they ranged in value from $178.55 to $215.34 per square foot of building area. The average indication from the adjusted sales was $192.55 per square foot. In our opinion $200.00 per square foot (not including excess land) best represents the Subject Property. This is calculated below:

$200.00/Sq.Ft.	x 5,392 Sq.Ft.	=	$1,078,400
	Rounded,		$1,100,000

In addition to this value, we have also considered the value of the excess land. As previously stated it is our opinion a portion of the site is excess land. Therefore, $455,000 would need to be added to the Sales Comparison Approach. This is calculated below:

Improved Parcel	$1,100,000
Excess Land	$ 410,000
Total	$1,510,000

RECONCILIATION

The values indicated for the Market Value of the Fee Simple Estate of the Subject Property as of the appraisal date, were:

COST APPROACH	**$1,460,000**
SALES COMPARISON APPROACH	**$1,510,000**
INCOME CAPITALIZATION APPROACH	**N/A**

The Cost Approach is based on the assumption that a potential purchaser would pay no more for the property than the cost of constructing a substitute property with the same utility as the Subject. This approach is most reliable when the improvements are generally new and suffer from little depreciation. It becomes less reliable when the improvements are older and suffer from large amounts of physical and other types of depreciation. Based on the condition of the improvements and the fact that this is an owner-user property this approach is considered a generally reliable indication.

The Sales Comparison Approach is based upon the assumption that a potential and knowledgeable investor would pay no more for the property than the cost of acquiring an existing property with basically the same utility. The Sales Comparison Approach has been utilized in order to estimate the Market Value of the Subject by the comparison of similarly improved properties that have recently sold. The sales used were all recent restaurant buildings which were considered to offer a reasonable indication for the Subject. Furthermore considering that properties like the Subject Property are often purchased by owner/users, this approach has added importance. Given these factors, the Sales Comparison Approach was considered to offer a reasonable indication for the Subject Property.

The Income Capitalization Approach converts anticipated future benefits of property ownership into an estimate of present value. Given the fact that properties similar to the Subject Property are typically purchased by owner-users this approach was not considered.

Based on the available market data and the resulting analysis, we have concluded that both approaches should be given equal emphasis in our final analysis. Therefore, it is opinion that the Market Value of the Fee Simple Estate of the Subject Property, as of February 10, 2006 was:

ONE MILLION FIVE HUNDRED THOUSAND DOLLARS
($1,500,000)

ADDENDA

RECEIVED FEB 0 8 2006

Callaway & Price, Inc.

Real Estate Appraisers and Consultants
Licensed Real Estate Brokers

■WEST PALM BEACH■
Michael R. Slade, MAI, SRA, CRE
St.Cert.Gen.REA RZ115
Daniel P. Hrabko, MAI
St.Cert.Gen.REA RZ48
Stephen D. Shaw, MAI
St.Cert.Gen.REA RZ1192
Joe R. Price, MAI, SRA
St.Cert.Gen.REA RZ555
Robert J. Callaway, MAI, SRA
St.Cert.Gen.REA RZ505

■FORT PIERCE / STUART■
Harry D. Gray, MAI, SRA
St.Cert.Gen.REA RZ662
Stephen G. Nelli, Jr., MAI
St.Cert.Gen.REA RZ2480
■BOCA RATON■
Daniel P. Hrabko, MAI
St.Cert.Gen.REA RZ48
■MELBOURNE■
Curtis L. Phillips, MAI
St.Cert.Gen.REA RZ2085

Please reply to Fort Pierce Office
E-mail opfp@bellsouth.net

February 8, 2006

Mr. Karl Guettler
IRCC Foundation
3209 Virginia Avenue
Fort Pierce, FL 34981

VIA FAX: 772-462-4415

RE: IRCC Foundation Parcel – Prima Vista Boulevard

Dear Mr. Guettler:

We would be pleased to prepare a Complete Summary Appraisal of the improved institutional parcel located south of Prima Vista Boulevard in Port St. Lucie, Florida. It is our understanding that the purpose of this appraisal is to estimate the current Market Value of the Subject Property for valuation purposes.

This report will be prepared for the addressee. The intended use is to assist the client in determination of Market Value. The scope of work performed is specific to the needs of the intended user and the intended use. No other use is intended, and the scope of work may not be appropriate for other use.

The fee would be $3,500. The fee will be due and payable upon delivery of the report. We will provide three copies of the final report.

Please provide any additional information you deem appropriate.

We will have the report completed in approximately two weeks, or by February 22, 2006.

If the above is agreeable to you, please sign below as our authorization and return it together with the any additional information and we will begin work immediately. This agreement is subject to the Agreements and Conditions listed on the attached page, a copy of which should also be signed and returned to us. Our work will be done in accordance with the Appraisal Institute Code of Ethics and Standards of Professional Practice. Thank you for the opportunity to be of service.

Respectfully submitted,

CALLAWAY & PRICE, INC.

Stephen G. Neill, MAI
St.Cert.Gen.REA RZ2480

SGN:jbt
Attachments

Client: IRCC FOUNDATION

Accepted By\Date: Janice Anne Heisler 2/8/06
Signature Date

Name and Title (Printed or Typed): Janice Anne Heisler

Client Fed ID# or SS#:

Conditions of Agreement

1. Premise: The completed report shall comply with the professional and ethical standards of the Appraisal Institute. The report will be addressed to the Client, or as directed by the Client.

2. Compensation: The fee is due and payable as designated in the contract letter; the retainer is to be sent to the Appraiser along with the signed contract letter, which constitutes authorization to commence the assignment. The Appraiser's/Consultant's compensation is in no event contingent upon a predetermined value or conclusion.

3. Completion Date: Every effort will be made to deliver the report as per the specified date in the contract letter. If delays occur for reasons beyond the control of the Appraiser/Consultant, such as not receiving necessary data requested from the Client in a timely manner, changes in the scope of services of the assignment, acts of God, et cetera, the due date shall be extended.

4. Changes: The Appraiser/Consultant shall, to the best of his ability, complete the assignment in compliance with professional and ethical standards of the appraisal industry. Changes that are not in keeping with these standards will necessitate a new contract letter and renegotiation of the original fee, or billed on a time basis plus the original fee.

5. Cancellation: The Client may cancel this agreement by written notice, or telephone followed by written notice. Appraiser/Consultant shall submit a statement based on professional time and expenses accrued, if applicable, for all services expended to the date of cancellation.

6. Additional Report Copies: Additional copies will be furnished upon request, and prepayment of $1.00 per page per report.

7. Collection: All fees and expenses are due upon delivery of the final report. A late charge of 1.5% per month shall be imposed on balances unpaid 30 days after the statement date. If collection efforts become necessary, all costs for same, including court costs and attorney's fees, will be added to the balance due. We are currently operating under an agreement with a collection agency, which charges us 53.8%. If their collection services are required, Client's total balance due will be increased by 53.8%.

8. Limiting Conditions: This agreement and the completed report shall be subject to the Limiting Conditions (included in said report).

9. Confidential Data: Data assembled for the assignment will remain the property of the Appraiser/Consultant. Data provided by the Client will be held in our file, unless otherwise instructed by the Client, and considered confidential. Appraiser/Consultant is authorized by the Client to disclose the report to appropriate representative of the Appraisal Institute to comply with the Bylaws and Regulations of this professional organization.

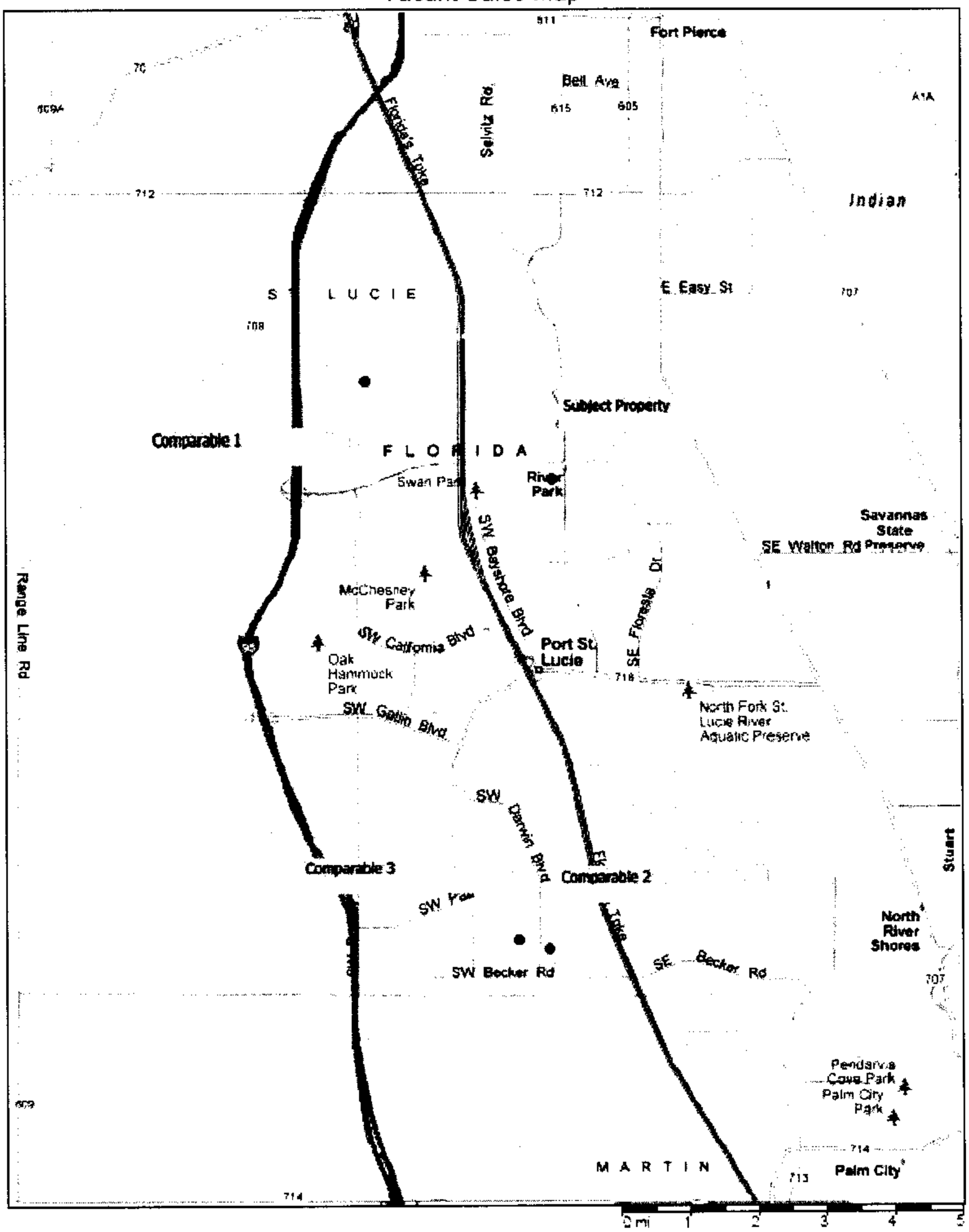
I hereby agree to the Conditions of Agreement outlined above.

Jimmie Ann Hinsley — Client

2/8/06 — Date

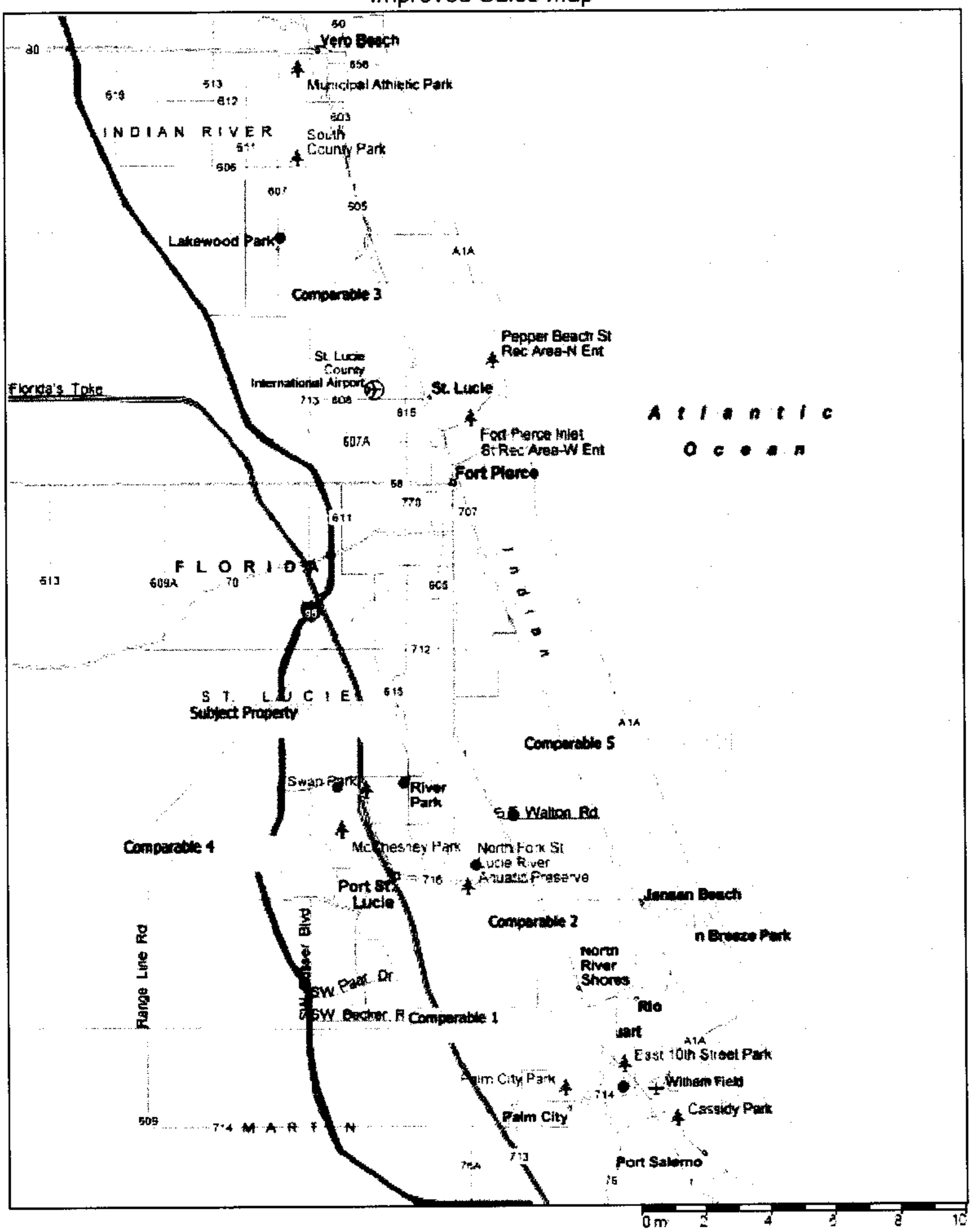
VACANT SALES MAP

Vacant Sales Map



IMPROVED SALES MAP

Improved Sales Map



QUALIFICATIONS

Callaway & Price, Inc.

QUALIFICATIONS - STEPHEN G. NEILL, JR., MAI

Professional Designations\Licenses\Certifications

Member, Appraisal Institute, MAI Designation #12248
Florida State Certified General Real Estate Appraiser #RZ2480
Florida Licensed Real Estate Broker #BK-0660406
International Right of Way Association Certified Right of Way Appraiser R/W-A/C

Professional Experience

Principal, Callaway & Price, Inc. – Since January 2006
Appraisal Consultant, Callaway & Price, Inc. – 7/02 – 12/05
Appraisal Consultant, Diskin Property Research - 4/00 – 6/02
Appraisal Consultant, Callaway & Price, Inc. – 5/97 – 4/00

Education

Bachelor of Science Degree in Business/Real Estate, Florida State University
Associates of Arts Degree, Indian River Community College
Appraisal Institute Course,
- 410 Standards of Professional Practice, Part A
- 420 Standards of Professional Practice, Part B
- 510 Advanced Income Capitalization
- 520 Highest and Best Use and Market Analysis
- 530 Advanced Sales and Cost Approaches
- 540 Report Writing
- 550 Advance Applications

International Right of Way Course
- 103 Ethics and the Right of Way Profession
- 400 Principles of Real Estate Appraisal
- 401 The Appraisal of Partial Acquisitions

Qualified Expert Witness

Bay County

QUALIFICATIONS – STEPHEN G. NEILL, JR., MAI (Continued)

Appraising\Consulting Expertise

ACLFs
Aircraft Hangers
Apartment Complexes
Branch Banks
Car Dealership
Citrus Groves
Condominium Projects
Eminent Domain
Luxury RV Parks
Mining Operations
Mini-Warehouses
Mobile Home Parks
Multifamily Residential
Office Buildings
Restaurants
Retail Buildings
Salvage Yard
Single-Family Residential
Sports Complexes
Subdivisions
Truckstops/Gas Stations
Warehouses

Callaway & Price, Inc.

CHRIS A. BLACKWELL

Professional Designations/Licenses/Certifications

Florida State Registered Trainee Real Estate Appraiser #RI10869

Professional Experience

Appraisal Researcher, Callaway & Price, Inc. – July 2005 to Present

Education

Appraisal Institute – USPAP
Gold Coast School of Real Estate – Course AB1
Appraisal Institute – Course 310

Appraising/Research Expertise

Agricultural Land
Citrus Groves
Single-Family Residential
Vacant Land

Organizations and Affiliations

Southern Kingfish Association
FLW Outdoors

A&A

AN APPRAISAL
IN A SUMMARY REPORT
OF

THE RAVENSWOOD CENTER
LOCATED AT
419 IRVING STREET
PORT ST. LUCIE, FLORIDA

PREPARED FOR

THE CITY OF PORT ST. LUCIE
121 S.W. PORT ST. LUCIE BOULEVARD
PORT ST. LUCIE, FL 34984-5099

BY

JOHN R. UNDERWOOD, JR., MAI, SRA
APPRAISAL & ACQUISITION CONSULTANTS, INC.

A&A

APPRAISAL & ACQUISITION CONSULTANTS, INC.

October 16, 2007

Ms. Pam Booker Hakim, Senior Assistant City Attorney
The City of Port St. Lucie
121 S.W. Port St. Lucie Boulevard
Port St. Lucie, FL 34984-5099

RE: Ravenswood Center
Port St. Lucie, FL

Dear Ms. Hakin:

As requested, I have made an investigation and analysis of the property located at 419 Irving Street, Port St. Lucie, Florida. The purpose of this investigation and analysis was to estimate the market value of the fee simple estate of the subject property.

As a result of my investigation and analysis, as well as general knowledge of real estate valuation procedures, it is my opinion that the market value of the fee simple estate of the subject property, as of October 4, 2007 was:

ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
($1,400,000)

Included in the value is excess land of $365,000.

The market value definition includes a reasonable marketing time. The above value estimate is based on a specific date wherein a theoretical exposure time in the market has already occurred.

A description of the property appraised, the assumptions and limiting conditions upon which valuation is predicated, as well as an explanation of the valuation procedures utilized are contained in the body of the attached report. This appraisal is presented in a summary report.

Thank you for the opportunity to have been of service.

Respectfully submitted,

John R. Underwood, Jr., MAI, SRA
State Certified General Appraiser #0000706

JRU/dlm

A&A

EXECUTIVE SUMMARY

The subject property is an Adult Education Center, operated by Indian River Community College. According to the Property Appraiser's records, the total size of the parcel is 5.23 acres. It is estimated that 1.47 acres of the property is used for the Adult Education Center and 3.76 acres remains vacant, and is excess land. The property is zoned Institutional, with an Institutional land use. Surrounding lands are zoned Residential, and the land is valued on the basis as residential land.

Date of Valuation:	October 4, 2007
Location:	419 Irving Street, Port St. Lucie
Property Appraised:	One-story classroom building and excess land
Land Area:	5.23 acres, including 3.76 acres of excess land
Building Area:	5,416 square feet
Year Built:	1987
Ownership:	IRCC Foundation, Inc. 3209 Virginia Avenue Ft. Pierce, FL 34981
Zoning:	I, Institutional, by City of Port St. Lucie
Land Use:	I, Institutional, by City of Port St. Lucie
Tax I.D. #:	3420-801-0002-000-3
Flood Zone:	According to F.I.R.M. Panel #12111C0280F, dated August 19, 1991, the property is located in Flood Zone "X".

EXECUTIVE SUMMARY – Continued

Appraisal Purpose:	To estimate the market value of the fee simple estate of the subject property.
Highest and Best Use:	As vacant – residential development As improved – existing improvements
Value Indications:	
Cost Approach:	$1,400,000
Sales Comparison Approach:	$1,395,000
Income Capitalization Approach:	N/A
Market Value:	$1,400,000, including excess land of $365,000
Appraisers:	John R. Underwood, Jr., MAI, SRA
File #:	07C055.000.000

A&A

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ADDENDA

Qualifications

INTRODUCTION

A&A

CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this report:

1. John R. Underwood, Jr. has personally inspected the property that is the subject of this appraisal report.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.

3. We have no present or prospective interest or bias with respect to the subject matter of this appraisal report, the parties involved, or the property that is the subject of this report.

4. To the best of our knowledge and belief, the statements of facts contained in the appraisal report, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct and no pertinent facts affecting value have been knowingly withheld.

5. This appraisal report sets forth all the limiting conditions imposed by the terms of this assignment or by the undersigned affecting the analyses, opinions and conclusions in this report.

6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. The appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.

9. William H. Crickenberger provided significant real property appraisal assistance to the person signing this certification.

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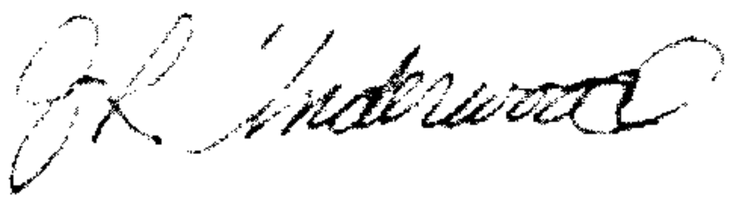
CERTIFICATION - Continued

10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. As of the date of this report, John R. Underwood, Jr. has completed the continuing education program of the Appraisal Institute.



John R. Underwood, Jr., MAI, SRA
State Certified General Appraiser #0000706

JRU:dlm

A&A

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of market value or the value defined as of the date specified. Market value of real estate is affected by national and local economic conditions and consequently will vary with future changes in such conditions.

2. Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. The physical reports remain the property of the appraiser for the use of the client, the fee being for analytical services only. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of an officer of the appraisal firm (APPRAISAL & ACQUISITION CONSULTANTS, INC.) and then only in its entirety. This report is not to be utilized in any manner for public offerings involved in the syndication of the subject property.

3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without the written consent and approval of an officer of APPRAISAL & ACQUISITION CONSULTANTS, INC., nor may any reference be made in such a public communication to the Appraisal Institute or the MAI or SRA designations.

4. The appraiser may not divulge material contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing, except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.

5. This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analyses which are set forth in the report were prepared by the appraiser(s) whose signature(s) appears on the appraisal report unless indicated as review appraiser. No change of any item in the report shall be made by anyone other than the appraiser, and the appraiser and firm shall have no responsibility if any such unauthorized change is made.

6. No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear unless otherwise stated in particular parts of the report.

ASSUMPTIONS AND LIMITING CONDITIONS - Continued

7. No responsibility is assumed for accuracy of information furnished by or from others, the client, his designee or public records. We are not liable for such information or the work of possible subcontractors. Comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit. All are considered appropriate for inclusion to the best of our factual judgment and knowledge.

8. The contract for appraisal, consultation or analytical service is fulfilled and total fee payable upon completion of the report. The appraiser or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part nor engaged in post-appraisal consultation with the client or third parties except under separate and special arrangement and at additional fee.

9. Liability of APPRAISAL & ACQUISITION CONSULTANTS, INC. and its employees or subcontractors is limited to the fee collected for preparation of the appraisal. There is no accountability or liability to any third party.

10. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status as of the date of the photographs.

11. It is assumed there are no hidden or unapparent conditions of the property, subsoil or structures which make it more or less valuable. The appraiser assumes no responsibility for such conditions or engineering which might be required to cover these facts. No topographical survey was provided.

12. Distribution of the total valuation in this report between land and improvements applies only under the existing program of use. Separate valuations for land and building must not be used in conjunction with any other appraisal, no matter how similar, and are invalid if so used.

13. No environmental or impact study, special market study or analysis, highest and best use analysis or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any subsequent such study or analysis or previous study or analysis subsequently becoming known to him.

ASSUMPTIONS AND LIMITING CONDITIONS - Continued

13. Continued:

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic waste, which may or may not be present on the property, was not observed by me; nor do I have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. I (we) urge the client to retain an expert in this field if desired.

14. The market value estimated and the cost used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

15. This appraisal expresses our opinion and employment to make this appraisal was in no way contingent upon reporting a predetermined value or conclusion. The fee for this appraisal or study is for the service rendered and not for time spent on the physical report.

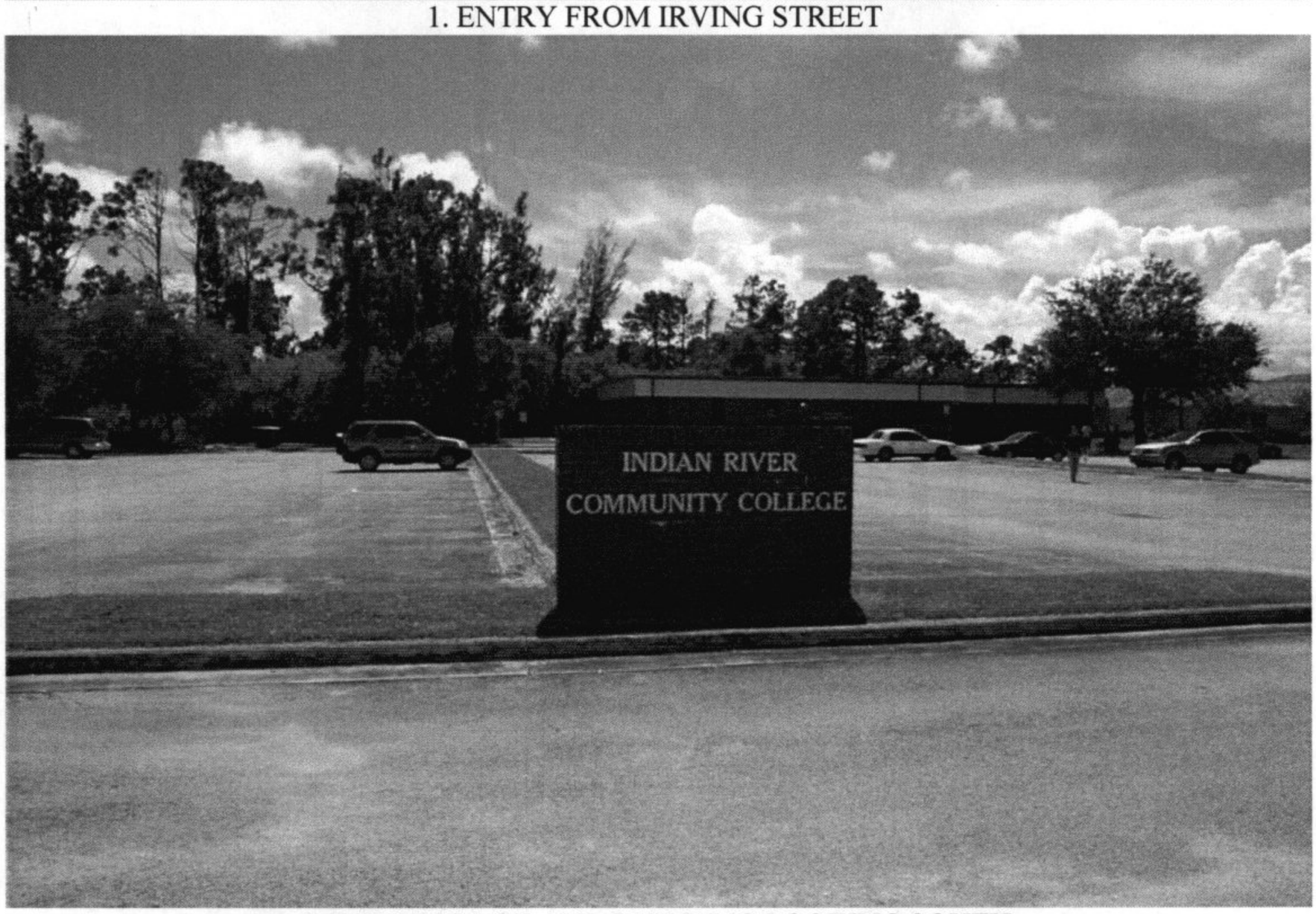
16. The value estimated in this appraisal report is gross without consideration given to any encumbrance, restriction or question of title unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon race, color or national origin of the present owners or occupants or properties in the vicinity of the property appraised.

17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

18. Authentic copies of this report are signed in brown ink. Any copy that does not have the above is unauthorized and may have been altered.

19. ACCEPTANCE AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

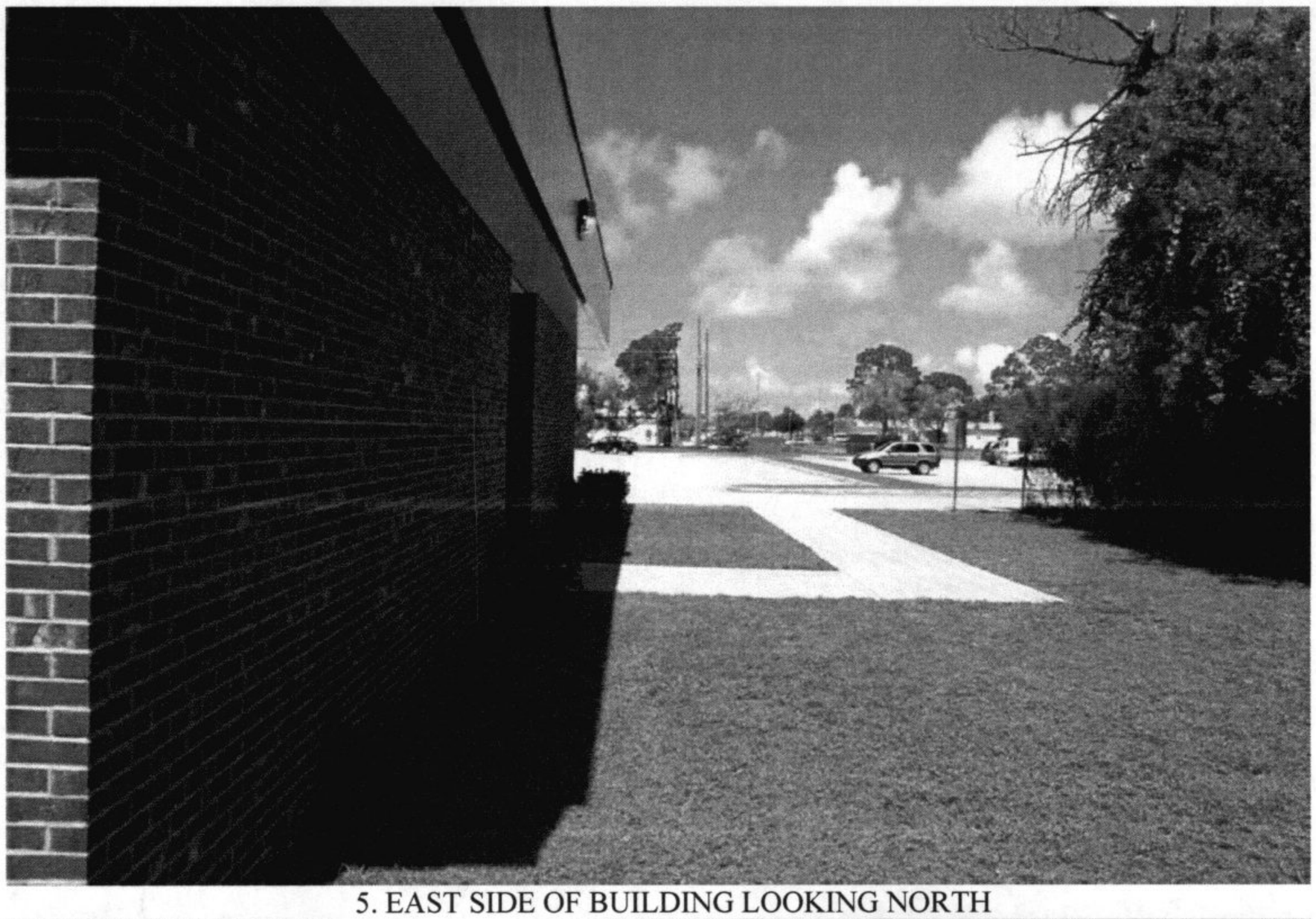
1. ENTRY FROM IRVING STREET



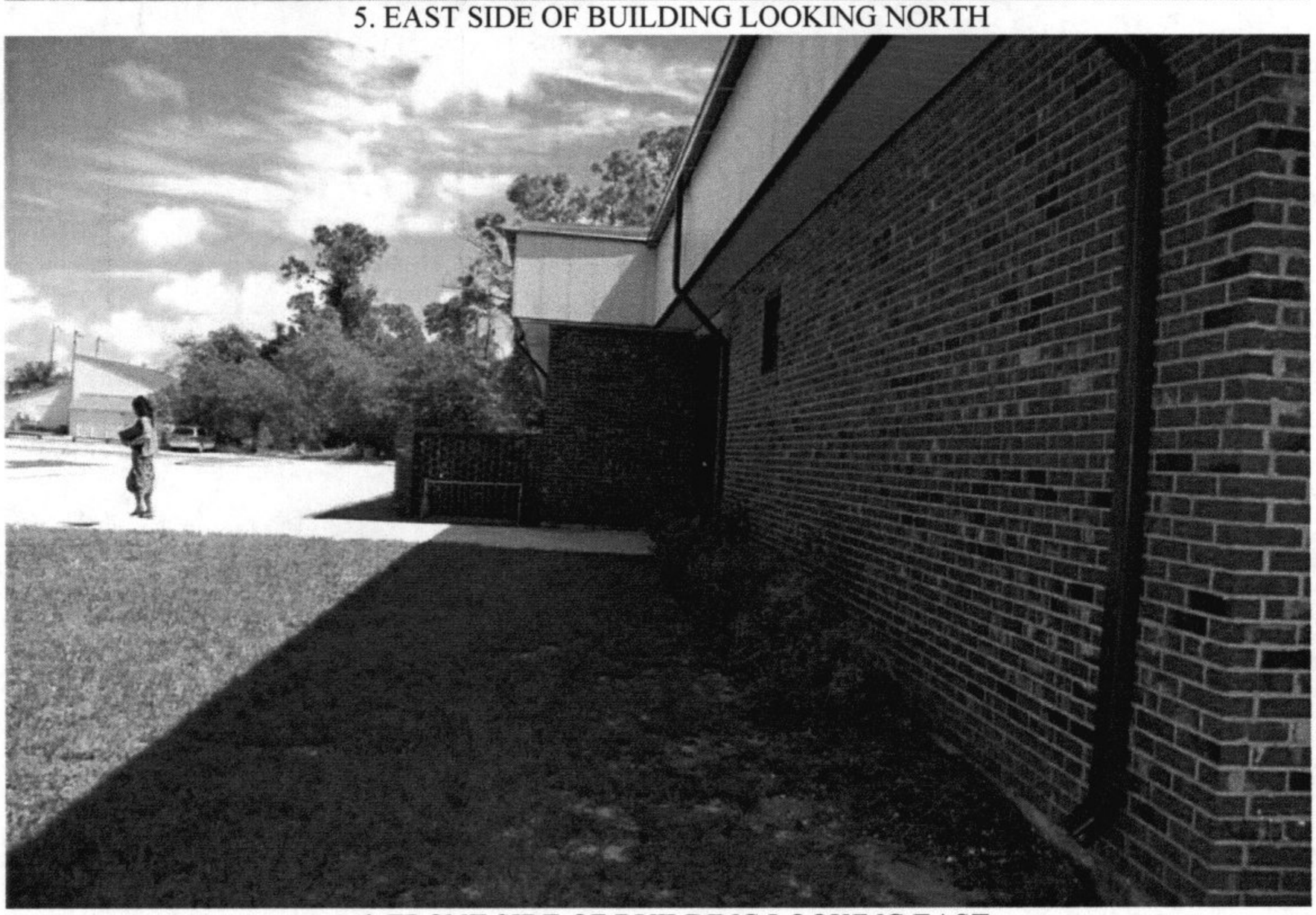
2. PARKING LOT AND BUILDING LOOKING SOUTH

3. FRONT VIEW OF BUILDING

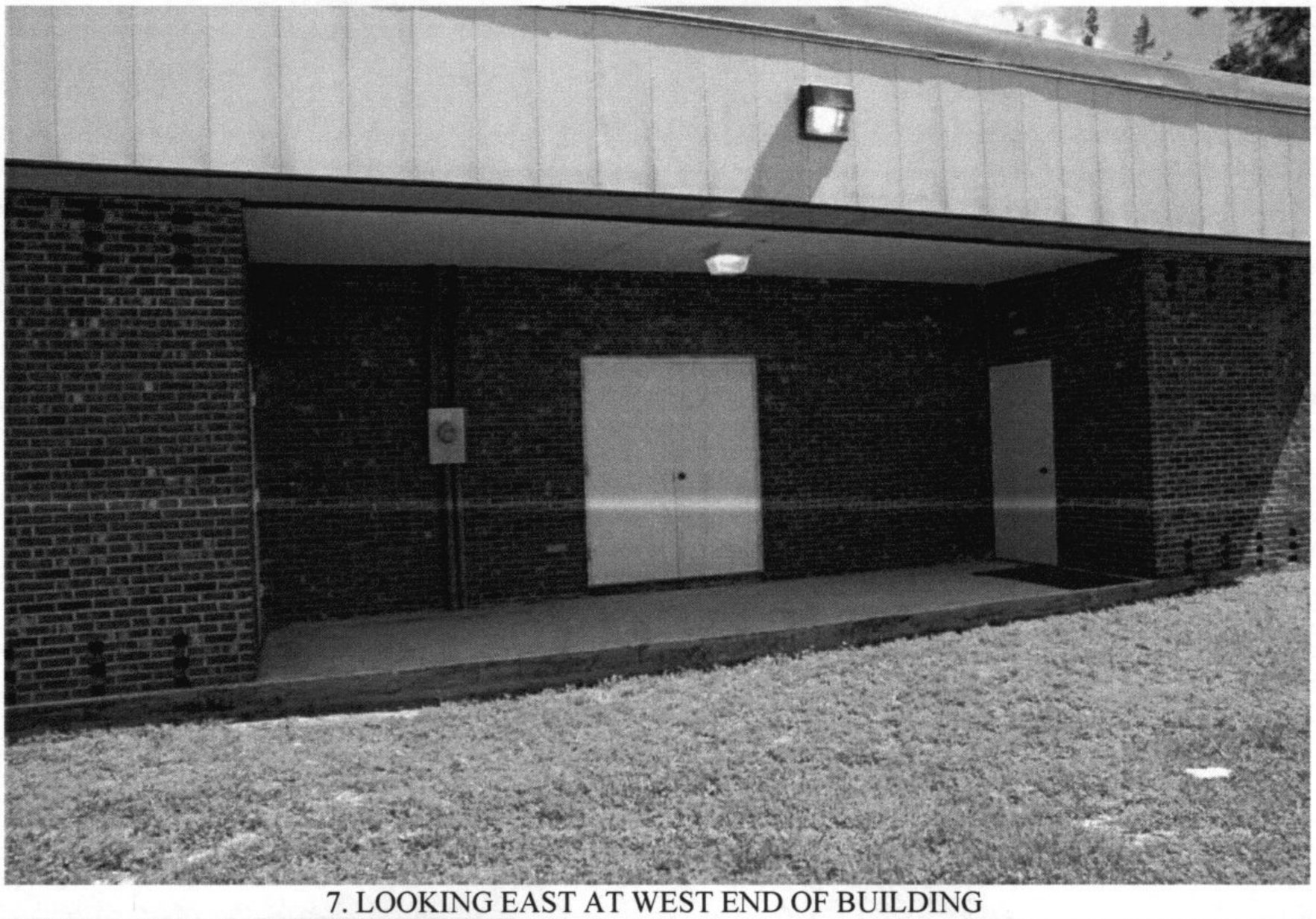
4. REAR VIEW OF BUILDING LOOKING WEST



5. EAST SIDE OF BUILDING LOOKING NORTH

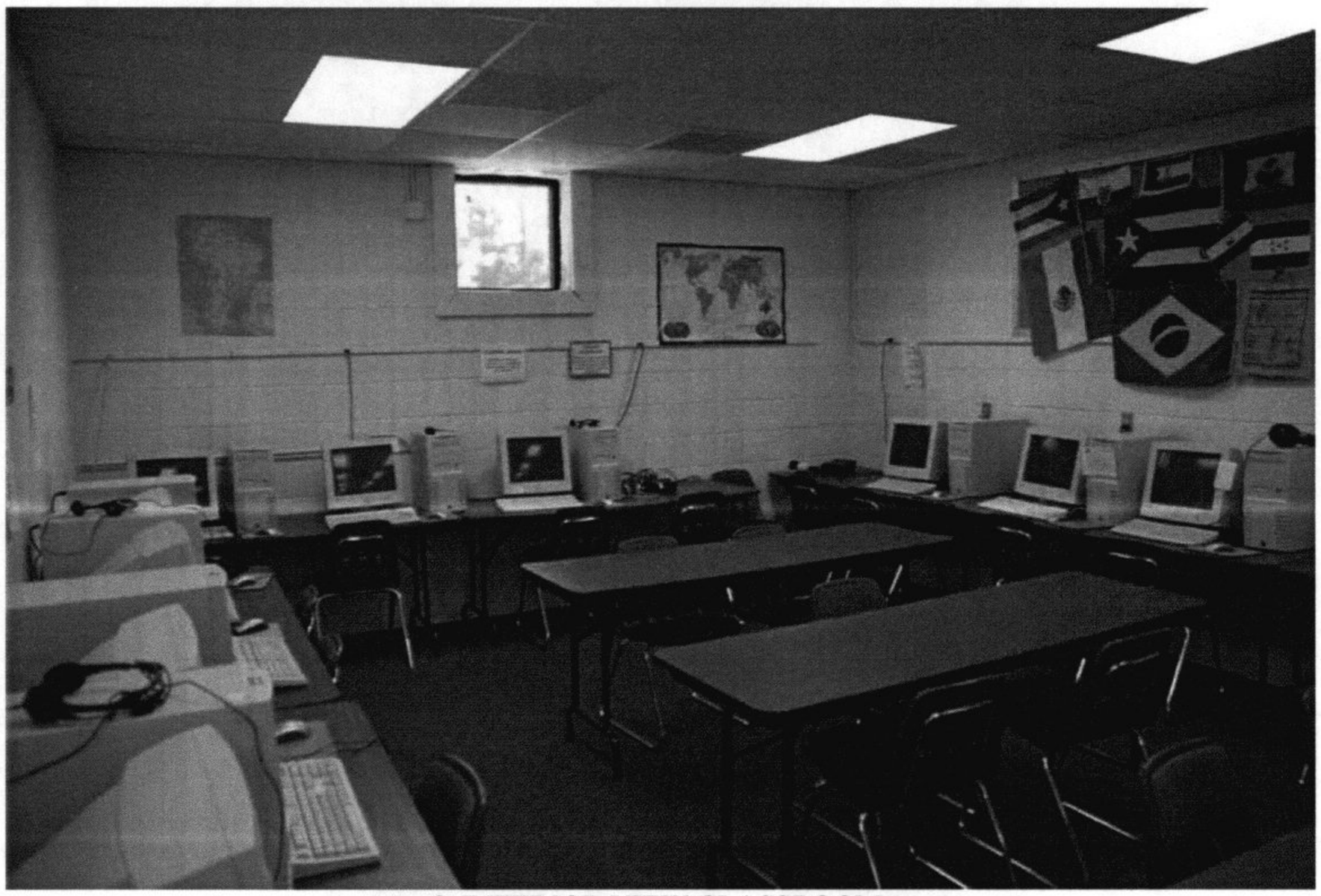


6. FRONT SIDE OF BUILDING LOOKING EAST



7. LOOKING EAST AT WEST END OF BUILDING

8. LOOKING SOUTH AT COVERED AREA BETWEEN BUILDINGS

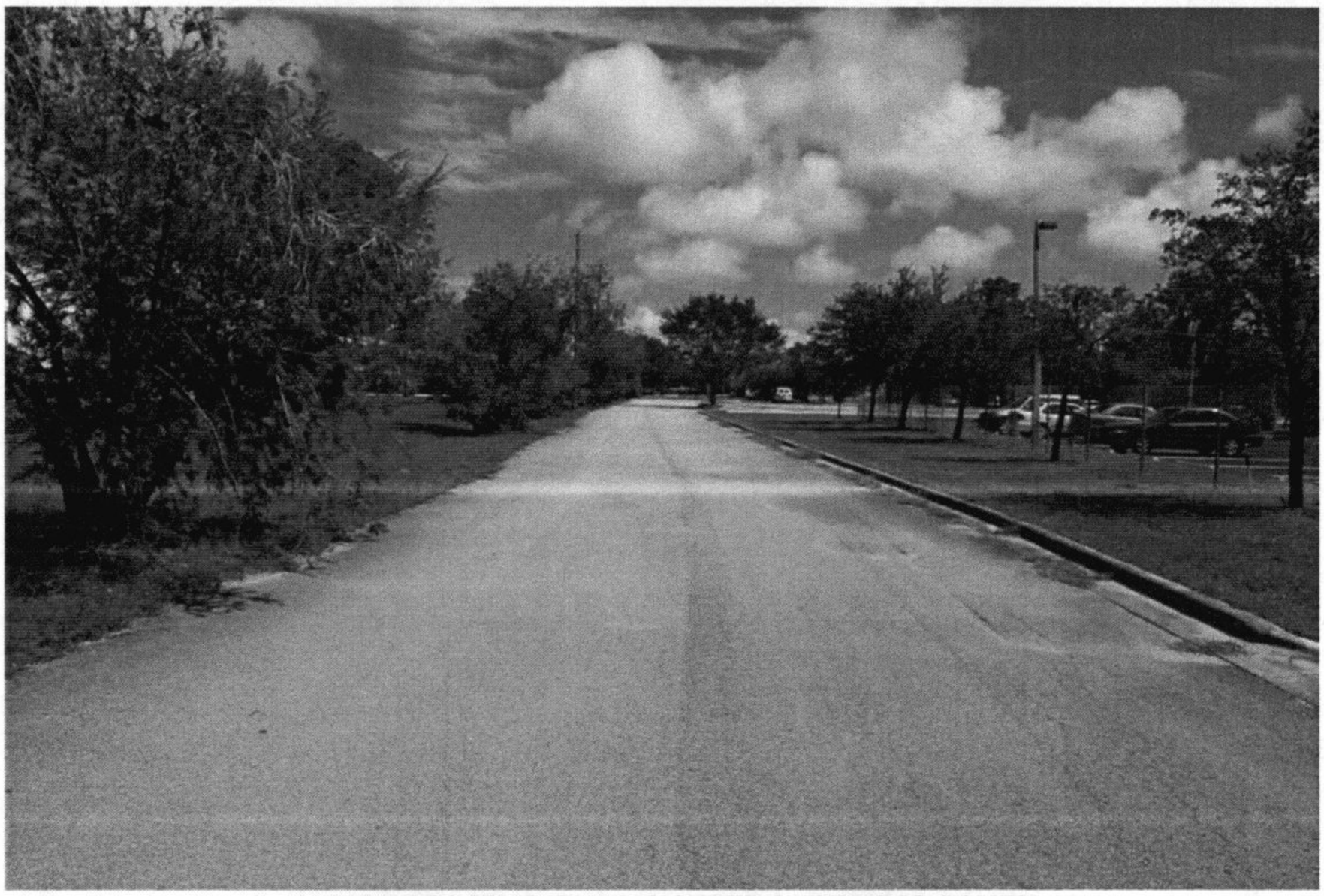


9. INTERIOR VIEW CLASSROOM

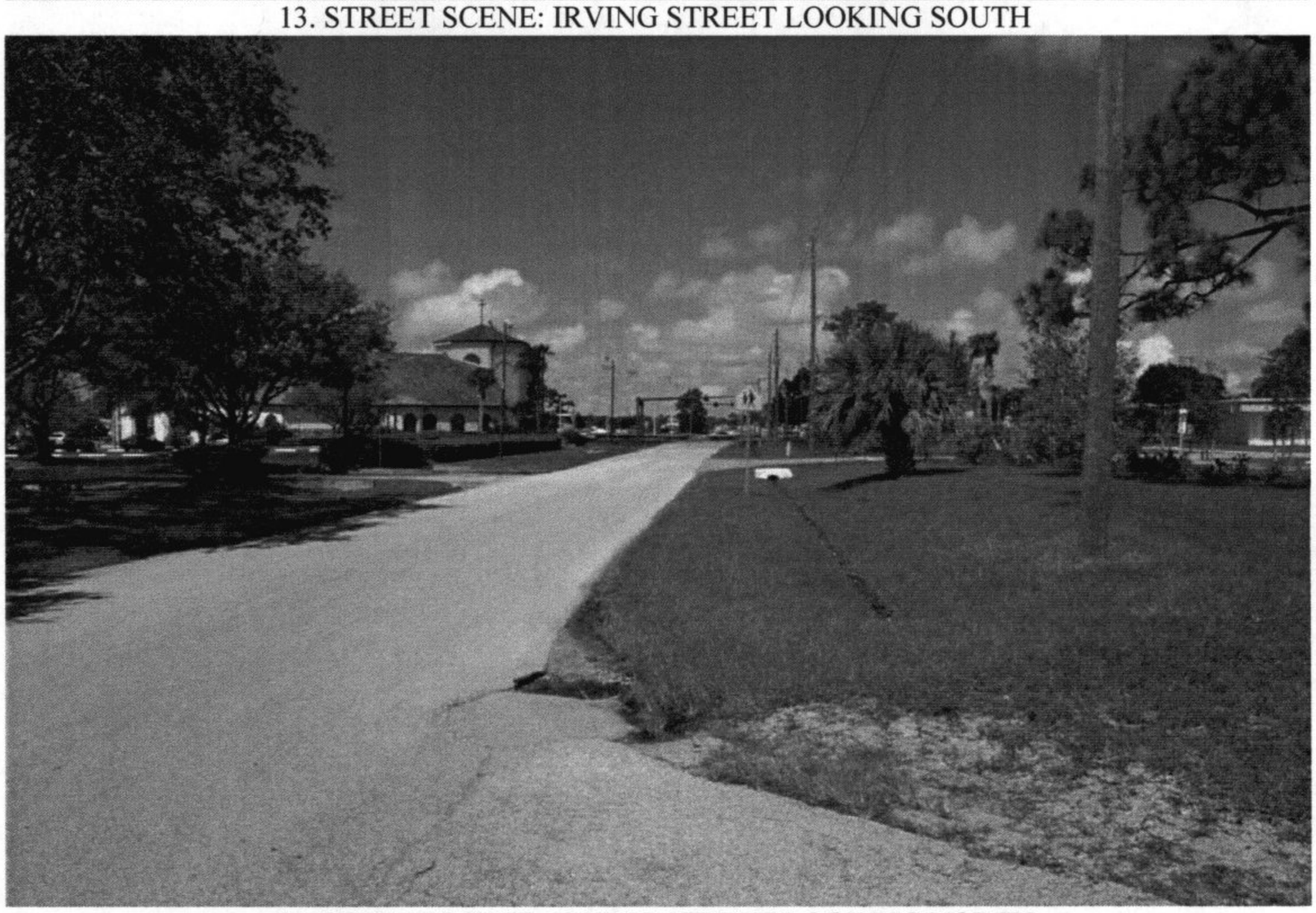
10. PARKING LOT LOOKING NORTH

11. LOOKING NORTH AT NORTH END OF PROPERTY

12. LOOKING WEST ALONG ENTRY ROAD



13. STREET SCENE: IRVING STREET LOOKING SOUTH



14. STREET SCENE: IRVING STREET LOOKING NORTH

15. STREET SCENE: RAVENSWOOD LANE LOOKING SOUTH

16. UNDEVELOPED PORTION OF PROPERTY LOOKING SOUTHWEST

GENERAL

INFORMATION

AND

ANALYSES

GENERAL INFORMATION AND ANALYSIS

Property Type and Location

The subject property consists of a one-story CBS Adult Education Center, with a total of 5,416 square feet, on a site with 5.23 acres, including 3.76 acres of excess land. The property is known as 419 Irving Street, Port St. Lucie, Florida.

Legal Description

A legal description was provided. The legal description is as follows:

Tract J, according to the Replat of Lot 2, Map ID: 34/29S

Purpose, Function and Date

The purpose of this appraisal is to estimate the market value of the property. The function of this report is to aid the client/user, The City of Port St. Lucie, in internal decision making. The date of value is October 4, 2007. This is a summary report.

Intended User/Intended Use

The intended user of this report is The City of Port St. Lucie. The intended use of this report is for internal decision making.

GENERAL INFORMATION AND ANALYSIS – Continued

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1) buyer and seller are typically motivated;

2) both parties are well informed or well advised, and each acting in what he considers his own best interest;

3) a reasonable time is allowed for exposure in the open market;

4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Definition of Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Marketing/Exposure Time

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Based on the analysis of the sales, and discussions with real estate professionals in the area, the marketing and exposure time of the property is six to nine months.

GENERAL INFORMATION AND ANALYSIS – Continued

Current Ownership and Sales History

No title report was provided to the appraiser. Based on Property Appraiser's records, the current owner of the property is IRCC Foundation, Inc. 3209 Virginia Avenue, Fort Pierce, FL 34981-5541. There has been no transfer of the property in the past five years.

Taxes and Assessed Value Analysis

The property is assessed under property control number 3420-801-0002-000-2. The assessment is as follows:

Land	$546,900	
Improvements	349,200	
Total	$896,100	(2007)
Property Tax		
Ad Valorem	-0-	(2007)

The property is publicly owned is not subject to ad valorem taxes.

GENERAL INFORMATION AND ANALYSIS – Continued

Scope of the Appraisal

A) Assignment Elements

The client is the City of Port St. Lucie. There are no other intended users. The intended use of the report is to aid the client/user in decision making for purchase of the property. The value requested is market value. The date of value is October 4, 2007. The property being valued is the Adult Education Center at 419 Irving Street, Port St. Lucie, Florida, and the excess land. The report requested is a summary report. The approaches to be completed are the Cost and Sales Comparison Approaches.

B) Determining and Performing the Scope of Work

The scope of this appraisal involves the systematic research and analysis necessary to reach a market value conclusion for the subject property. The initial step was to investigate the property, the general market area and the neighborhood. After investigating the area regarding economic, political, social, and physical factors, research was conducted relevant to the valuation process, including gathering improved sales, rents and other information pertinent to the valuation process.

The improvements on the site were built in 1987.

C) Changes in the Scope of Work

There were no changes in the scope of work which were caused by information or conditions during the course of the assignment.

ST. LUCIE COUNTY AREA ANALYSIS

Geographic Location

St. Lucie County is located on the east coast of Florida approximately 120 miles north of Miami, 60 miles north of West Palm Beach and 220 miles south of Jacksonville. The county is bordered on the north by Indian River County, on the south by Martin County, on the east by the Atlantic Ocean and on the west by Okeechobee County. There are approximately 22 miles of coastline along the Atlantic Ocean and approximately 572 square miles of land area.

Population

According to the U.S. Census Bureau, the county's estimated population as of 2006 totaled 252,724, or an increase of approximately 31% over the 2000 population of 192,695.

The largest municipality in St. Lucie County in terms of land area and population is Port St. Lucie which is located south of Fort Pierce. Port St. Lucie was begun by General Development Corporation. The tremendous growth rate and population can be attributed primarily to General Development's aggressive marketing program. Numerous buyers are transplanted northerners who have relocated to Florida for the primary purpose of enjoying Florida's climate in their retirement years. General Development declared bankruptcy in 1990 and now operates as Atlantic Gulf Communities. An example of a city within a city, St. Lucie West, is a billion dollar project encompassing seven square miles which includes residential, commercial and industrial development.

As the more populated counties to the south (Miami-Dade, Broward and Palm Beach) become more saturated and the quality of life declines increased growth pressures are being placed on Martin and St. Lucie counties.

Climate and Topography

The climate of coastal St. Lucie County is classified as subtropical. The relatively close proximity of the county to the gulfstream current in the Atlantic Ocean is the largest single contributing factor to the area's generally favorable weather; it brings a warm flow north from the tropics which is passed inland by prevailing ocean breezes.

ST. LUCIE COUNTY DATA – Continued

Climate and Topography - Continued

St. Lucie County's mean annual temperature is 73.7 degrees with a spread of 16.7 degrees between the extremes of winter and summer temperatures. January is typically the coldest month of the year with a normal temperature of approximately 65.1 degrees Fahrenheit. The warmest month of the year is August with an average temperature of 81.8 degrees Fahrenheit. Average annual rainfall totals 49.77 inches. Typically, the wettest month of the year is September with an average rainfall of 7.25 inches.

The climate of St. Lucie County and South Florida in general is a major attraction to tourists and is a major factor in the in-migration of residents from the northeast. In addition, the subtropical climate appeals to industrialists in that their construction and maintenance costs are lower. Work stoppages due to weather are fewer. Employee efficiency is higher. Operating costs are lower and typically there is less absenteeism due to foul weather. In addition to the above, weather is the primary reason for the county's strong agricultural economy. Growing seasons are typically much longer than those found in northern states and the typically mild winters are directly responsible for the burgeoning citrus industry in St. Lucie County. St. Lucie County is generally flat with altitudes ranging from 5 to 32 feet above sea level. The eastern portions of the county are criss-crossed with a network of drainage canals designed to aid the runoff of water into the inland waterway. The generally low profile of the county makes these canals necessary to allow for development and agricultural uses in the inland areas.

Soil types vary proceeding westerly from the coast. The eastern areas of the county have mainly sandy, well-drained, rather alkaline soils. These soils are found along the coastal ridge and beaches and are typically best suited for development. As one proceeds westerly, soils become more varied with numerous sandy flat lands dotted with ponds and sloughs. Many portions of the westerly areas require excessive drainage and often must be de-mucked or filled before construction. The soil in St. Lucie County is generally well suited for the growth of citrus and, as a result, the county is one of the largest citrus producing areas in the state.

Economic Base and Employment

St. Lucie County had a civilian labor force of 116,730. The unemployment rate for May 2007 was 4%, up from 3.4% in May 2006. This compares to the rate of 3.2% for the State of Florida for May 2007 which is up from 3.1% in May 2006.

ST. LUCIE COUNTY DATA – Continued

Economic Base and Employment - Continued

The largest employers in St. Lucie County as of August 2004 are as follows:

1)	St. Lucie County School District	3,689
2)	St. Lucie County Government	1,832
3)	Liberty Medical Supply	1,828
4)	Indian River Community College	1,766
5)	Wal-Mart Stores (Including Sam's Club)	1,750
6)	State Government	1,421
7)	Lawnwood Regional Medical Center	1,260
9)	City of Port St. Lucie	985
10)	QVC	975
11)	Publix	939
12)	Florida Power & Light	913

The economy of St. Lucie County is based on agriculture, tourism, and construction, with light industrial industries becoming of increasing importance. South Florida's subtropical climate, the Port of Fort Pierce and plentiful undeveloped land at a reasonable price are primary factors in contributing to St. Lucie County's desirability for the small but growing portions of the county's economic base.

As discussed previously, it can be anticipated that a gradual change in the county's economic base will take place as the more populated counties to the south exert growth pressures on St. Lucie County. The economy will most probably become more diversified and, as a result, will become stronger in that less reliance will be placed on a single segment.

Taxes

The major form of revenue for St. Lucie County's taxing bodies is the "ad valorem" or real estate tax. Some major changes in the tax burden have recently occurred for these reasons:

1. A constitutional amendment passed in 1980 raising homestead exemptions for five year residents to $20,000 in 1981 and $25,000 in 1982. This amendment shifts more of the actual tax burden from homestead to non-homestead properties. The Save Our Homes Amendment capped the yearly increase in assessments for homesteaded properties at 3%. There are currently additional constitutional amendments which would change the homestead amount.

ST. LUCIE COUNTY AREA ANALYSIS- Continued

Taxes - Continued

2. Both past and present state laws require county assessments to be at 100% of taxable value (market value less expenses of sale). This had never been enforced and assessments were typically much lower. To enforce the 100% assessment requirement, each county's tax roll must be certified at 100% of value or residents will not be eligible for higher homestead exemptions. The effect of this requirement has been typically higher assessments throughout the state moving closer to the 100% required by law.

The result of these factors is that most non-owner occupied property owners in St. Lucie County have had higher tax bills since changes in the law. Despite these increases, Florida remains a low tax state and should remain attractive to new residents from a tax viewpoint when compared to other states in the country. There is no state income tax and only a 6% sales tax in addition to the ad valorem tax.

Utilities and Municipal Services

Water is provided in St. Lucie County by a combination of county, municipal and private utility systems. There are also innumerable private wells providing water to properties not in the service area of utility systems. Waste water treatment is also provided by a combination of county, municipal and private systems. Septic tanks are prevalent in outlying areas not serviced by a waste water system.

Electricity is provided county wide by Florida Power and Light Company. Florida Power and Light operates a nuclear power plant on Hutchinson Island located south of Fort Pierce and east of Port St. Lucie. Power produced from this plant is distributed throughout much of South Florida. AT&T and other private carriers provide county wide telephone service.

Municipalities provide their own police and fire protection. Unincorporated areas are served by the St. Lucie County Sheriff's Department. The Fort Pierce/St. Lucie County Fire District provides fire protection for the entire county including the municipalities of Port St. Lucie, Fort Pierce and St. Lucie Village.

ST. LUCIE COUNTY DATA - Continued

Utilities and Municipal Services - Continued

The St. Lucie County government is managed on a day-to-day basis by a salaried administrator and is governed by an elected 5-member board of commissioners. Commissioners represent specific districts but are elected on a county wide basis to serve staggered four year terms.

St. Lucie's county seat is Fort Pierce. The city is run by a 5-member commission which oversees a professional city manager. A mayor/commissioner presides over the City Commission. Commissioners serve staggered two year terms and are elected on a non-partisan citywide basis, although two commissioners represent the north portion of the city and two represent the south portion.

The City of Fort Pierce has a total independent body known as the Fort Pierce Utility Authority which is charged with the responsibility of overseeing the city's electric, water, gas and sewage services. The Authority is comprised of 5 members; four are appointed by the City Commission with the fifth being the city mayor. Appointees serve four year terms. Day-to-day operations of the Authority are supervised by a professional utilities director.

Port St. Lucie, the most populated city of St. Lucie County, is also governed by a 5-member City Council which oversees a mayor-councilman. The mayor and commissioners serve staggered four year terms. The mayor is elected at large but councilmen are elected within separate districts.

Transportation

Major highways constitute the backbone of the transportation system in St. Lucie County. The Florida Turnpike (a four-lane, divided, toll road, super highway) and I-95 (a six-lane, divided, road from the Martin County line to just north of Okeechobee Road and a four-lane, divided road from there to the Indian River County line) pass through the county from north to south. In addition, U.S. 1, a four-lane highway in most areas, provides a means of local north-south travel throughout the county. A1A, located along Hutchinson Island, provides a scenic route for those wishing to drive along the Atlantic Ocean. East/west travel is facilitated primarily by four-lane state and county roads.

Bus transportation is provided by Greyhound and Trailways in the Fort Pierce area. The Florida East Coast Railroad has lines to Jacksonville to the north and Miami to the south for freight, but does not have passenger traffic. Fort Pierce is a major distribution center for the FEC Railroad and is a terminal point for the cut-off line to Lake Okeechobee area.

ST. LUCIE COUNTY DATA – Continued

Transportation – Continued

Palm Beach International Airport located 58 miles south in West Palm Beach is the closest commercial airport. St. Lucie County International Airport which boasts two paved runways of 5,000 feet in length is the major airport in St. Lucie County. The St. Lucie County Airport is a full-service, general aviation center with rental car availability, facilities for care and storage of private aircraft and U.S. Immigration and agricultural inspection departments.

The Port of Fort Pierce, which was renovated in 1979, is a deep-water port primarily handling transportation of citrus, vegetables and fertilizer. Port facilities are served by Spur Tracks to the Florida East Coast Railroad. The Port is federally maintained.

Education

The St. Lucie County public school system includes 33 schools. The public school system has a total enrollment of approximately 37,000 students and has over 4,300 employees, including 2,800 teachers.

In addition to the public school system, there are a number of religious and secular private schools located in the Fort Pierce area as well as numerous private nurseries and kindergarten schools for pre-schoolers.

Indian River Community College, with its headquarters in Fort Pierce, is a fully accredited, two year junior college serving St. Lucie, Indian River, Martin and Okeechobee Counties. The school offers various programs resulting in Associate of Arts and Associate of Science degrees.

Florida Atlantic University, headquartered in Boca Raton approximately 100 miles south of Fort Pierce, operates an extension program in cooperation with Indian River Community College. Programs leading to Bachelor's degrees in Elementary Education, Criminal Justice and Health Management Services are offered. Graduate and Ph.D. programs are offered in Education Administration. Bachelor's degrees in Business and Social Services can be obtained through an extension service offered by Barry University in cooperation with Indian River Community College.

ST. LUCIE COUNTY DATA – Continued

Health Care

Medical facilities include the Lawnwood Regional Medical Center and Heart Institute, a 341-bed acute care facility. The Lawnwood Pavilion has a 24-bed psychiatric facility and a 34-bed in-patient and out-patient physical rehabilitation center. The St. Lucie Medical Center of Port St. Lucie, is a private hospital. This medical center includes 150 beds and has complete emergency facilities, a coronary rehabilitation center, breast clinic, rehabilitation facility, sports medicine clinic and occupational physical therapy.

In addition to the above referenced hospitals, there are several full-service nursing homes located in the Fort Pierce/Port St. Lucie area.

Conclusion

St. Lucie County population will be the greatest factor affecting every area of analysis in the near future. The county has experienced growth since 1970 and has been one of the fastest growing areas in Florida and the United States. The national economy has an effect on the local economy although, perhaps, not as substantial effect as it has on the more urbanized, manufacturing areas in the north. If interest rates remain at acceptable levels and the housing slowdown ends, then the area will continue to improve.

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AREA MAP

SELVITZ RD

CR 712

E MIDWAY RD

E MIDWAY RD

CR 707

S OCEAN DR

ST JAMES DR

NE SAINT JAMES DR

NE AIROSO BLVD

E PRIMA VISTA BLVD

PRIMA VISTA BLVD

SE AIROSO BLVD

CR 701

S OCEAN DR

S OCEAN DR

Indian River

Atlantic Ocean

FLORIDA'S TPKE

FLORIDA'S TPKE

Port Saint Lucie

SE PORT SAINT LUCIE BLVD

FLORIDA'S TPKE

CR 707

Jensen Beach

North Fork St Lucie River

NW FEDERAL HWY

NW DIXIE HWY

NE DIXIE HWY

NE PALMER ST

CR 707

CR 707

Stuart

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Scale 1 : 100,000

1" = 1.58 mi

Data Zoom 11-0

NEIGHBORHOOD ANALYSIS

The subject property is located just south of Prima Vista Boulevard, east of Florida's Turnpike, and within the city limits of Port St. Lucie. The immediate area of the subject has a Catholic church and related properties, Methodist church and related properties, private day care, Knights of Columbus, fire station, county park, and a BellSouth/AT&T facility. The surrounding area, not on Prima Vista Boulevard, is residential, both within the city limits and the St. Lucie County area. Prima Vista Boulevard runs east to U.S. 1 and runs west and becomes St. Lucie West Boulevard and has an interchange with I-95. The area along Prima Vista Boulevard is commercial in character, with most of the property having a land use designation of Residential/Office/Institutional, with portions being Commercial Limited.

The City of Port St. Lucie has 157,000 residents and covers 114 square miles. The City of Port St. Lucie has been one of the fastest growing cities in the United States, with most of the growth in the western portion of the City, including the St. Lucie West and Tradition areas. With the fall-off of housing, the growth in the area has slowed. Over the long term, the area is expected to continue its growth, as more of the residents in the South Florida area move further north to avoid the high cost of housing and retirees continue to move south.

The Tradition area has plans for a large regional shopping center similar to the Wellington Green Mall in Wellington. The area is also looking to the development of some bio-tech company facilities.

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NEIGHBORHOOD MAP

SUBJECT

Port Saint Lucie

Scale 1 : 24,000

1" = 2,000.0 ft

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SITE ANALYSIS

Location

The subject site is located between Irving Street and Ravenswood Lane, with access to the developed portion available from Irving Street, south of Prima Vista Boulevard. The property is known as 419 Irving Street, Port. St. Lucie, Florida.

Size and Shape

The subject site is irregular in shape with approximately 60 feet of frontage on Irving Street. According to the Property Appraiser's records, the property has a total of 5.23 acres.

Zoning

The property is zoned I, Institutional, by the City of Port St Lucie. The purpose of the Institutional zoning district shall be to locate and establish areas within the City which are deemed to be uniquely suited for the development and maintenance of uses of an institutional nature to serve the residents of the City; to designate those uses and services being appropriate and proper for location and development, within that development, within flood zone and district, and to develop development standards and provisions as are appropriate to ensure proper development and functioning of uses within that zoning district.

The property has a land use designation of Institutional, by the City of Port St. Lucie. There are usually few, if any sales, of properties zoned Institutional. This zoning is typically placed on a property after acquisition by government. It is not appropriate to use sites acquired by government for institutional, as those sites are purchased based on the highest and best use prior to acquisition. Thus, in valuing properties zoned Institutional, for vacant land, the property is valued as if it has zoning typical of the area. The typical zoning in the area is RS-2, Residential. The purpose of the Residential Single Family Zoning District, RS-2, shall to be to locate and establish areas within the City which are deemed to be uniquely suited for the development and maintenance of low density residential living of an urban character. The property development regulations are: minimum lot requirement, 10,000 square feet; minimum width, 60 feet; maximum building height, 35 feet; minimum living area, 1,200 square feet and 1,400 square feet of ground per one-story house, or 1,400 square feet of living area and 1,300 ground area for a two-story house; setbacks – front yard 25 feet, sideyard 10 feet, rear yard 25 feet.

SITE ANALYSIS – Continued

Access and Exposure

Access to the site is available from Irving Street and Ravenswood Lane. The property has good exposure from Ravenswood Lane and adequate exposure from Irving Street.

Topography and Soil Conditions

The site is basically level and at street grade. No engineering report was provided. The soil appears to be a sandy mulch typical of the area.

Flood Zone

According to F.I.R.M. Panel #12111C0280F, dated August 19, 1991, the property is located in Flood Zone "X". Flood Zone "X" are areas determined to be outside of 500-year flood plain.

Concurrency

Concurrency is a guideline which is the result of the State of Florida's Growth Management Act. Concurrency means "conformance" to standards set by either the county or governing municipality in the areas of traffic, water, sewer, fire protection, drainage, recreation, and environmental issues. At the time of development approval, either a concurrency approval or concurrency exemption must be obtained. This approval is site specific, use specific and good only at a point in time.

Easements and Encroachments

No survey was provided. No easements or encroachments were noted on the site.

Utilities

All public utilities are available to the site.

Conclusion

The subject site has good access and exposure. The property, if vacant, would be available to be put to its highest and best use.

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SUBJECT LOCATION MAP

NW CORNE

NW PLACID AVE

NW ARGOSY AVE

NW LA BREA AVE

NW HEATHER ST

NW MONICA ST

NW LONGWOOD TER ST

NW HAVEN ST

NW COLONIAL ST

NW GRENADA ST

NW AVENS ST

NW REBECCA AVE

NW TYLER AVE

NW SALEMORE TER

NW ARGO CT

NW HUTCHINS ST

NW RIVERSIDE DR

NW FLORESTA DR

NW GRANADEER ST

NW HOGAN ST

NW HIBISCUS ST

NW BROADVIEW ST

NW AVENS ST

NW BYRON ST

NW CURRY ST

NW KILPATRICK AVE

NW MARION AVE

NW AVON AVE

NW AZALEA AVE

NW AZINE AVE

NW BILLIAR AVE

NW HIBISCUS ST

NW DORCHESTER ST

NW BROADVIEW ST

NW AVENS ST

NW BILLIAR AVE

NW BYRON ST

NW CURRY ST

NW CURTIS ST

PRIMA VISTA BLVD

NW BUSWELL AVE

NW BUTLER AVE

NW VIOLET AVE

SW HEATHER ST

SW HIBISCUS ST

SW DORCHESTER ST

SW AVENS ST

SW BYRON ST

SW CURRY ST

SW CURTIS ST

SW IRVING ST

SW VIOLET AVE

SW DOLORES AVE

SW BUXTON AVE

SW BROADVIEW ST

SW CALMOSA DR

SW BOLIN CT

SW RAVENSWOOD LN

SW GOODRICH ST

SW RAVENSWOOD WAY

SW GRANADEER ST

SW CYNTHIA ST

SW EMPIRE ST

SW HOGAN ST

SW COLLEEN AVE

SW ESTER AVE

SW PRADO AVE

SW LAKEHURST DR

SW DUVAL AVE

SW DUXBURY AVE

SW ABINEY DR

SW REYNOLDS AVE

SW LAKEHURST DR

SW DUVAL AVE

SUBJECT

SE ARGOSA LN

SE SOLAZ AVE

SE BONITA CT

SE EL SITIO CT

SE CASTANA CT

SE LUCERO DR

SE PLACITA CT

SE SONETO CT

SE FESTIVO CT

SE TIERRA CT

SE SELVA CT

SE SANDIA DR

SE AIRLOCH BLVD

SE LAKEHURST DR

SE DUVAL AVE

SE DUXBURY AVE

NE ARGOSA TER

NE JETTIE TER

NE SURFSIDE AVE

NE FAIRWATER

NE COMMICAN TER

NE ARGOSA BLVD

NE MAINSAIL ST

NE MIDVALE ST

NE FLORESTA DR

NE PENLYNN AVE

NE MAINSAIL ST

NE SUMMER RD

NE HEMET ST

NE BRACKEN RD

NE SURREY ST

NE TUNISON AVE

NE LOBSTER RD

NE SOLIDA DR

NE HAP ST

NE SKYLINE DR

NE ESTA CT

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Scale 1 12 000

1" = 1,000.0 ft

Data Zoom 14-1

IMPROVEMENTS ANALYSIS

The property is improved with a one-story CBS Adult Education Center with a total 5,416 square feet. The building was built in 1987.

Site Improvements

Site improvements consist of asphalt driveway and parking area and landscaping. There are 83 parking spaces, including three handicapped spaces.

Building Improvements

The building has a total of 5,416 square feet. There are two buildings connected by a covered area. The larger building has three classrooms, an office area, and two restrooms. The smaller building has a classroom and a storage closet. The buildings are of CBS construction with brick fascia.

Construction Details

The following construction details are based on an inspection of the property, and knowledge of construction methods and techniques.

Foundation:	Poured reinforced deepened slab reinforced
Roof:	Flat membrane roof over lightweight concrete with a metal fascia
Floors:	Vinyl tile, carpet and ceramic tile over concrete
Exterior Walls:	Concrete block with brick fascia
Interior Walls:	Drywall over 2'x 4' metal studs

IMPROVEMENTS ANALYSIS – Continued

Construction Details – Continued

Ceilings:	Acoustical tile
Lighting:	2' x 4' fluorescent lights
Windows:	Aluminum frame with upper portion designed to swing open
Heat/AC:	Central
Plumbing:	American Standard, or equivalent
Other:	Ceiling fans, fire alarm system, security system
Quality:	Good
Condition:	Good

Physical Depreciation

This is a loss in value due to deferred maintenance and normal wear and tear in the structural elements of the building. The building was built in 1987. The condition of the building is good.

Functional Obsolescence

This is a loss in value due to poor planning or non-functional layout of the property. The building does not suffer from functional obsolescence.

External Obsolescence

This is a loss in value due to adverse influences outside of the subject boundaries. This obsolescence can be based on locational or economic influences. There are no apparent adverse conditions in the neighborhood that would have a substantial negative impact on the subject value.

IMPROVEMENTS ANALYSIS – Continued

Actual Age:	20 years
Effective Age:	12 years
Remaining Economic Life:	38 years

HIGHEST AND BEST USE ANALYSIS

"The reasonably probable and legal use of vacant, or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum productivity. " (*Dictionary of Real Estate Appraisal, 4th Edition*)

Implied in the preceding definition is that both improvements and land can have a highest and best use. A good check on the highest and best use of a site is to examine each segment of the definition. If a proposed use is favorable when considering each segment, it will represent one of the highest and best uses of the site.

As Vacant

Legal Permissibility

The subject property is zoned I, Institutional, by the City of Port St. Lucie. In valuing Institutional properties, the typical zoning of surrounding properties is utilized. The surrounding zoning, not Institutional, is RS-2, Single Family Residential. Thus, it is legally permissible to develop the site with single family dwellings.

Physical Possibility

The subject site is irregular in shape and has a total of 5.23 acres. The property could be developed with single family lots.

Financial Feasibility

The areas near the subject property are some of the older areas of Port St. Lucie. The market for single family homes, as has the market for individual vacant lots. It is still financially feasible to develop the site with a single family home, particularly for owner occupancy.

Maximum Productivity

Based on the zoning of the site, with the surrounding properties having an RS-2 designation, the maximally productive use of the site is for single family residential development based on an economic highest and best use. The site could also be used for a variety of institutional uses.

HIGHEST AND BEST USE ANALYSIS – Continued

Conclusion – As Vacant

The highest and best use of the site, as vacant, is for single family development.

As Improved

A portion of the subject site is improved with an Adult Education facility. This portion of the property is utilizing approximately 1.47 acres of the site. The improvements add value to the site and, as such, the highest and best use of this portion of the site is the current improvements.

Conclusion – As Improved

The highest and best use of the improved portion of the property is the current improvements.

VALUATION

APPRAISAL PROCESS

This is a systematic analysis of the factors that bear upon the value of real estate. It is an orderly program where the problem is defined, work necessary to solve the problem is planned and data required to solve the problem is acquired, classified, analyzed and interpreted into an estimate of value. In this process, three basic approaches are used by the appraiser: 1) the SALES COMPARISON APPROACH, 2) the INCOME CAPITALIZATION APPROACH, and 3) the COST APPROACH.

The SALES COMPARISON APPROACH is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring a similar property with like utility. In this approach, similar properties that have recently sold are compared to the subject through appropriate units of comparison. Notable differences in the comparable units are adjusted to the subject. Comparisons are made on the basis of time of sale, age, location, physical characteristics, financing and terms of sale. Adjustments are abstracted from actions of buyers and sellers in the market. The value range indicated by the adjusted comparable sales is correlated into a reliable indication of value where an active market provides sufficient quantities of reliable, verifiable data.

The INCOME CAPITALIZATION APPROACH is a process in which the anticipated flow of future benefits (dollar income or amenities) is discounted to a present worth figure through the capitalization process. The appraiser's concern is with arriving at potential gross income from rentals of competing properties. From this, a deduction is made for applicable vacancy and rent losses, the remainder being effective gross income. Expenses attributable to the real estate are then deducted from effective gross income to arrive at net income. When business is involved in the income stream, all income attributable to the business is also deducted. Net income is capitalized into value by market-abstracted rates using techniques applicable to the subject.

The COST APPROACH is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject. The appraiser must first value the subject site as if vacant by comparing it to similar sites that have recently sold. Reproduction cost of new improvements as determined by comparison of cost of similar properties is estimated. From reproduction cost new, depreciation from all sources is subtracted to arrive at an indicated value. This approach is most appropriate when improvements are new and represent the highest and best use.

Reconciliation is the process by which the appraiser weighs the relative significance, applicability and defensibility of the indication of value from each approach. Most weight and reliance is placed on the approach which best approximates market response to the subject property. Reconciliation is an examination of conscience by which the appraiser evaluates his own analyses.

APPRAISAL PROCESS - - Continued

Schools, for the most part, are not rented and the subject property is publicly owned. There is not enough information for an Income Capitalization Approach to be utilized. Therefore, only the Cost and Sales Comparison Approaches are utilized in this analysis.

COST APPROACH

This approach is based on the proposition that an informed purchaser will pay no more for a property than the cost of land and construction of a substitute property with the same utility as the subject. The steps in this approach are:

1. Estimate land value.

2. Estimate reproduction cost new. Site improvements are calculated on a contributory basis.

3. Estimate all forms of depreciation applicable.

4. Depreciated building value is estimated by deducting depreciation from reproduction cost new.

5. Indication of property value is estimated by adding land value and depreciated improvement value.

COST APPROACH - Continued

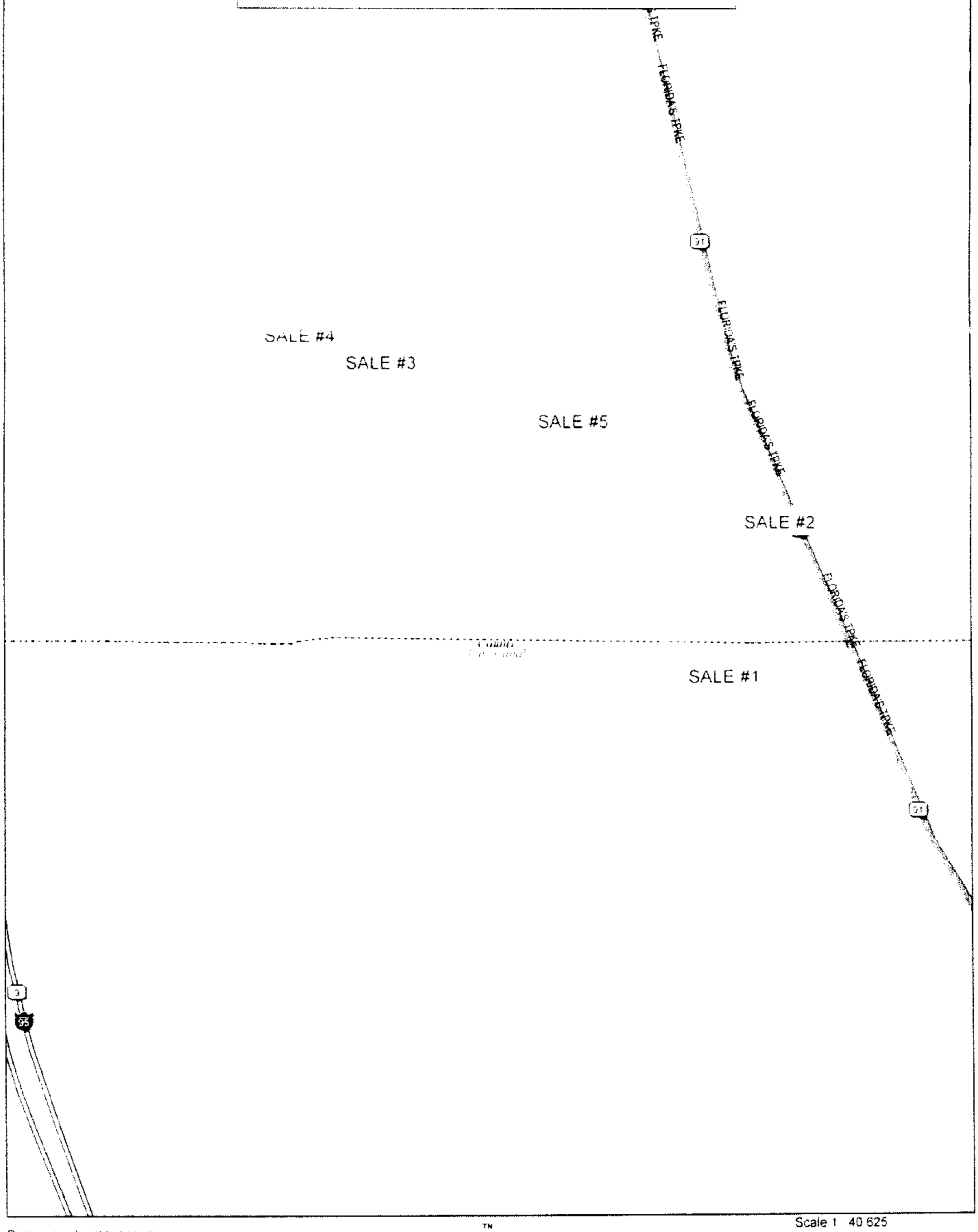
LAND VALUATION ANALYSIS

A search was made of the Public Records of St. Lucie County for acreage sites similar to the subject. No recent transactions were found. As an alternative a search was made land sales of residential lots. The eastern section of Port St. Lucie is fully developed requiring sale to be from further west in the city. Eight sales were located and represent the sales of standard lots in Port St. Lucie. A summary of the sales is included on the chart on the following page. After these sales were found, the site was analyzed to determine how many lots could be accommodated. A discount was then applied to determine what one purchaser would pay for the lots as a package.

VACANT LAND SALES CHART
419 IRVING ST
PORT ST LUCIE

	1	2	3	4	5	6	7	8
Lot/Blk/Sec	13/2388 PSL 34	17/2436 PSL 34	18/2299 PSL 33	3/2254 PSL 33	38/2391 PSL 34	12/1177 PSL 8	30/1179 PSL 8	29/1179 PSL 8
Location	S side of SW Milburn Circle W of SW Sea Lion Rd Port St. Lucie	N side of SW Ridgecrest Dr W of SW Darwin Rd Port St. Lucie	N side of SW Kappa Ave W of Port St Lucie Blvd Port St. Lucie	E side of SW Winslow St S of SW Paar Dr Port St. Lucie	W side of SW Mill Ct W of SW Milburn Cir Port St. Lucie	1598 SW Janette Ave Port St. Lucie	1642 SW Bellevue Ave Port St. Lucie	1602 SW Cycle St Port St. Lucie
Sale Price	$33,000	$41,000	$37,000	$40,000	$46,000	$44,000	$40,000	$40,000
Sale Date	7/27/2007	8/17/2007	8/1/2007	7/6/2007	7/11/2007	4/23/2007	4/11/2007	4/17/2007
Cond of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Property Interest	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Zoning	RS - 2	RS - 2	RS - 2	RS - 2	RS - 2	RS - 2	RS - 2	RS - 2
Site Size - SF	10,000	10,000	10,000	10,019	10,320	10,000	10,000	10,625
Site Size - AC	0.23	0.23	0.23	0.23	0.24	0.23	0.23	0.24

VACANT LAND SALES MAP #1



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MN (5.6° W)

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Scale 1 40 625

1" = 3 385 4 ft

Data Zoom 12-3

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VACANT LAND SALES MAP #2

SALE #6

SALE #7

SALE #8

Scale 1 : 25 000

1" = 2,083.3 ft

Data Zoom 13-0

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DISCUSSION OF SALES

The sales took place between April 11 and August 17, 2007, and ranged in price from $33,000 to $46,000. The median sale price of the sales was $40,125, and the standard deviation was $3,980. The sales range in size from 10,000 to 10,625 square feet.

Conclusion

There are a large number of residential lots and, at current sales levels, it would take four years to absorb the lots. The median sale price of single family homes has decreased and, thus, fewer will be built, also helping to slow sales of residential lots. Giving consideration to each of the sales, I have arrived at a value of $40,000 per site. The subject property has a total of 5.23 acres. The property could be developed with 3.5 lots per acre, for a total of 18 lots. The 1.4 acres utilized for the adult education center would allow for five and the excess land would allow 13 lots.

We have located sales of multiple lots and these lots have sold at a 20% discount from the price of individual lots. The multiple lot sales are retained in the appraiser's file. In today's market, sales have slowed considerably and the outlook is not very positive. Therefore, an additional 5% adjustment will need to be made for the sale of multiple lots. Thus, a discount of 25% is applied for the five lots which could be developed at the location of the adult education center. An additional 5% will be deducted for the excess land as the property is not developed. The value for the land is calculated as follows:

Developed Portion:	
5 Lots x $40,000/lot – 25% Discount =	$150,000
Excess Land:	
13 Lots x $40,000/lot – 30% Discount =	$364,000
Rounded to,	$365,000
Total Value of the Land	$515,000

Building Cost Estimate

The appraiser has utilized a cost service manual prepared by *Marshall Valuation Service*. The building was valued from Section 18, Page 27, Class "C" Good, dated February 2007. The base cost is $149.75 per square foot. The base cost is adjusted by deducting $22.90 for hot and chilled air conditioning, and adding $18.40 for warm and cool air conditioning, for an adjusted base cost of $141.65 per square foot. A floor area perimeter multiplier of 1.0, a height multiplier of 1.0, a current cost multiplier from Section 99, Page 3, dated September 2007 was 1.05, and the local multiplier is 1.0. Applying the multipliers to the base cost, indicates an adjusted building cost of $148.73 per square foot, rounded to $149.00. A cost of approximately 25%, or $38.00 per square foot, is applied to the covered area connecting the two buildings. The cost of the buildings is as follows:

5,416 sq.ft. x $149.00/sq.ft. =	$806,984
744 sq.ft. x $38.00/sq.ft. =	28,272
Total	$835,256

Indirect Costs

Indirect costs include professional fees and impact fees, as well as real estate taxes on the land for the period of construction. The cost also includes builder's risk insurance. The total indirect costs are estimated at 5%. The indirect costs are calculated as follows:

Building Cost: $835,256 x 5% =	$41,763

The total cost new is $877,019.

Site Improvements

Site improvements consist of asphalt paving and parking area, landscaping, sprinkler system, drainage, and signage. The contributory value of the site improvements is estimated at $125,000.

COST APPROACH - Continued

Entrepreneurial Profit

Entrepreneurial incentive is what the developer expects to receive for his contribution to a project and the risk involved. Entrepreneurial incentive typically ranges from 10% to 15%. Based on the type of property, entrepreneurial incentive is projected at the low end, or 10% of the total cost including the site improvements and land.

Accrued Depreciation

The building was built in 1987 and is 20 years old. The effective age is 12 years, with a remaining economic life of 38 years, indicating a 24% depreciation. The accrued depreciation is calculated as follows:

Total Cost New	$877,019
Depreciation (24%)	-210,485
Depreciated Cost of Building	$666,534

COST APPROACH - Continued

COST CALCULATIONS

Building Cost	$ 835,256
Indirect Costs	41,763
Total Cost New	$ 877,019
Less Depreciation (24%)	- 210,485
Depreciated Cost of Building	$ 666,534
Contributory Value of Site Improvements	125,000
Site Value Allocated to the Building	150,000
Total Cost Before Entrepreneurial Incentive	941,534
Entrepreneurial Incentive (10%)	94,153
Total Cost	$1,035,687
Rounded to,	$1,035,000
Excess Land	365,000
Total	$1,400,000

A&A

SALES COMPARISON APPROACH

Methodology

The Sales Comparison Approach to value is based on the principle of substitution; that is, when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable property assuming no costly delay in making the substitution.

The traditional appraisal technique involves collection and analysis of sales of various properties having as many similar characteristics to the subject being evaluated as possible. The validity of this approach is dependent upon the availability, quantity, relevancy, and quality of the data.

A search was made of the Public Records of St. Lucie and Martin Counties for sales of similar buildings. None were found. As an alternative, pre-school or daycare centers were utilized as the best comparables available. Three sales were located which have similarities to the subject and are utilized in this analysis.

SALES COMPARISON APPROACH – Continued

IMPROVED SALE #1

Sale #1 is located at 1633 S.E. Lennard Road, Port St. Lucie. The property sold in March 2007 for $1,230,000. The sale included three vacant lots on the north side of the property, which extended to Avalon Road. The seller valued the lots at $350,000. Also included in the sale was the business and FF&E which was valued at $100,000, indicating a net sale price of $780,000. The daycare center is licensed for 115 children, for an indicated sale price per licensed child of $6,783, and $243.75 per square foot of building. The location is east of U.S. 1 and south of Walton Road. The center was operating at capacity as of the date of sale.

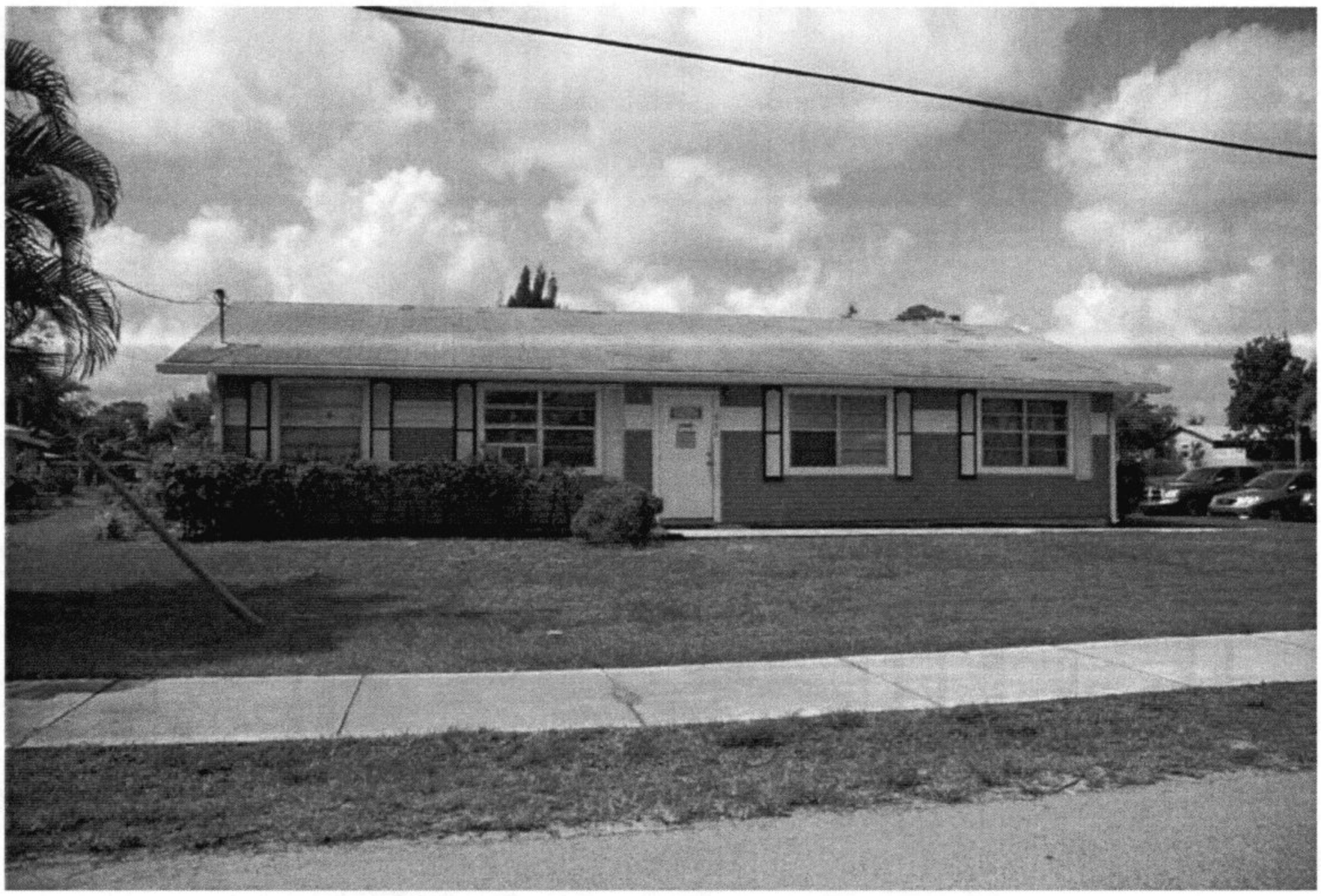
SALES COMPARISON APPROACH – Continued

IMPROVED SALE #2

Sale #2 is located at 907 S.E. Bywood Avenue, Port St. Lucie. The property sold in June 2006 for $610,000. The sale price included business and FF&E valued at $200,000, indicating a net sale price of $410,000. The center is licensed for 75 children, for an indicated sale price per licensed child of $5,467, and $208.44 per square foot of building. The location is approximately 3 miles southeast of the subject. The property is located on a main feeder road through an established residential community and is across from Floresta Elementary School. There is also a church across from the daycare, and a funeral home. The center was operating at capacity as of the date of sale.

SALES COMPARISON APPROACH – Continued

IMPROVED SALE #3

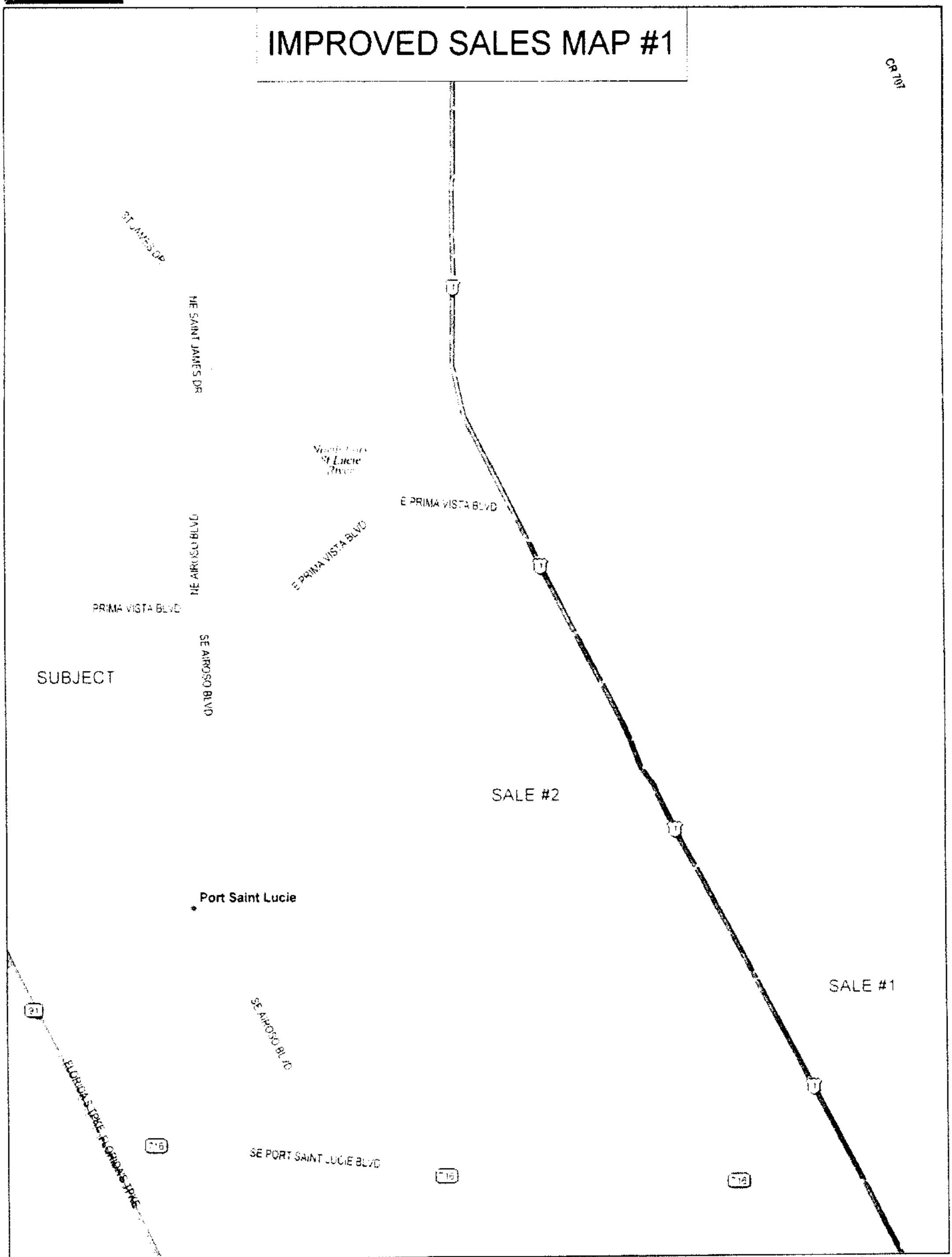


Sale #3 is located at 938 S.W. 28th Street, Palm City (Martin County). The property sold in February 2006 for $450,000 and included real estate only. The business and FF&E was an additional $50,000. The center is licensed for 60 children, for an indicated sale price per licensed child of $7,500, and $288.46 per square foot of building. The daycare center is located in the middle of an older residential area and is not a main or feeder roadway. The center was operating at capacity as of the date of sale.

IMPROVED SALES CHART
419 IRVING ST
PORT ST LUCIE

	Subject	1	2	3
Location	419 Irving St Port St Lucie	1633 SE Lennard Rd Port St Lucie	907 SE Bywood Ave Port St Lucie	938 SW 28th St Palm City
Sale Price		$780,000	$410,000	$450,000
Sale Date		Mar-07	Jun-06	Feb-06
Cond of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Property Interest	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Year Built	1987	1989	1983	1977
Site Size - SF	64,000	20,098	10,000	20,038
Building Size	5,416	3,200	1,967	1,560
Land to Bldg Ratio	11.82	6.28	5.08	12.84
SP/SF-Building		$243.75	$208.44	$288.46

IMPROVED SALES MAP #1



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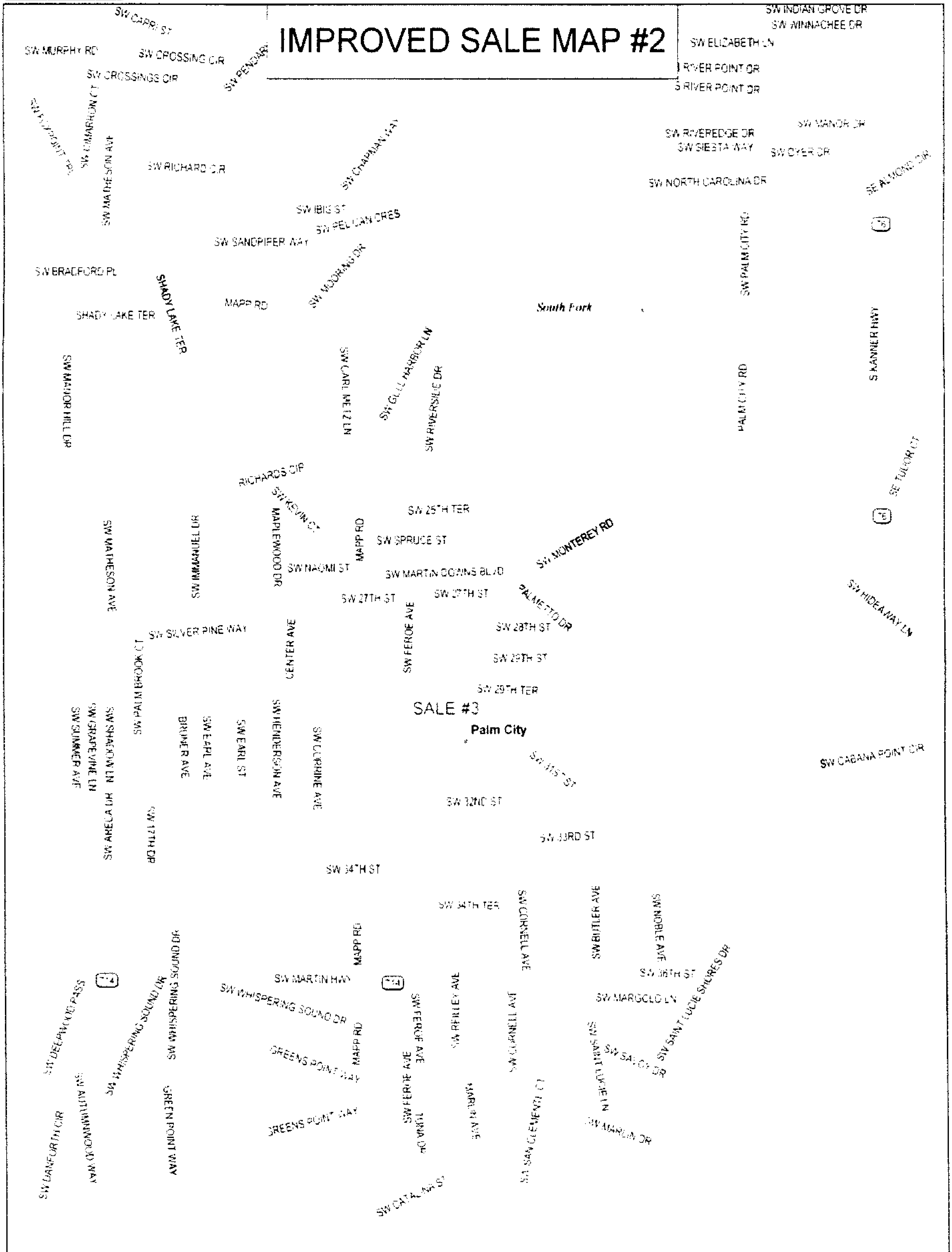
Scale 1 : 46,875

1" = 3,906.3 ft

Data Zoom 12-1

IMPROVED SALE MAP #2



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Scale 1 : 16 000
1" = 1 333.3 ft
Data Zoom 13-6

SALES COMPARISON APPROACH - Continued

DISCUSSION OF THE ADJUSTMENT PROCESS

Adjustments were considered for time, financing, terms of sale, and physical characteristics. I have utilized a qualitative analysis in this report, with no direct adjustments. The differences between the subject and the sales will be considered and the sales ranked from highest to lowest value with the subject falling into a relative position to arrive at an opinion of value.

Time

Real estate values had been increasing in the area over the past few years. Some markets appear to have come to a "screeching halt" in the 4th Quarter, 2005 and early 2006. Increases in residential markets and multifamily appears to have stopped and have declined. The commercial, both vacant and improved, continues an upward trend due mainly to strong demand and a shortage of supply.

Location

The subject property is located in an area with churches, utilities and other public uses on a secondary roadway. Sale #1 is located east and south of the subject on a secondary road in a primarily residential area. Sale #2 is located in a residential area, across from a school and church. Sale #3 is located in a residential area on a residential street.

Size

The subject is considerably larger than the sales with 5,416 square feet, while the sales range from 1,560 to 3,200 square feet. Typically, the larger the unit of comparison, the lower the price per unit. This is due to economies of scale.

SALES COMPARISON APPROACH - Continued

DISCUSSION OF THE ADJUSTMENT PROCESS – Continued

Quality, Age and Condition

The subject property was built in 1987 and is in good condition. The sales were built between 1977 and 1989. No interior inspection of the sales was available, but the exterior of the sales was in average condition. The subject does not have any kitchen facilities, while each of the sales do. The subject has a much larger parking area than the sales.

Conclusion

No direct adjustments to the sales were made. A qualitative analysis was employed. The sales range from a low of $208.44 to a high of $288.46 per square foot of building. The highest sale is located in Palm City. As discussed, the subject is considerably larger than the sales and does not have a kitchen, but does have more parking than the sales. A ranking of the sales is as follows:

Sale #3	$288.46
Sale #1	$243.75
Sale #2	$208.44

In conclusion, the subject is most similar to Sale #2, but because of the larger size and lack of kitchen, the subject would fall below Sale #2. I have concluded at $190.00 per square foot of building. The indicated value is calculated as follows:

5,416 square feet x $190/sq.ft. =	$1,029,040
Rounded to,	$1,030,000
Plus Excess Land	365,000
Total	$1,395,000

RECONCILIATION

The purpose of the reconciliation is to examine the strengths and weaknesses of each approach to determine which is most indicative of value for the subject. In a more perfect and orderly market, all approaches would theoretically indicate the same value. Due to discrepancies in the real estate market, lack of data and uniqueness of individual properties, this rarely occurs.

The appraiser has developed each applicable approach into an indication of value. The value indication for the fee simple estate of the subject property from each approach is as follows:

Cost Approach	$1,400,000
Sales Comparison Approach	$1,395,000
Income Capitalization Approach	N/A

The Cost and Sales Comparison Approaches are utilized in this analysis and are supportive of each other.

Based on this analysis, it is my opinion that the market value of the fee simple estate of the subject property, as of October 4, 2007 was:

ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
($1,400,000)

Included in the value is excess land of $365,000.

ADDENDA

A&A

QUALIFICATIONS

JOHN R. UNDERWOOD, JR., MAI, SRA

Academic Degree: Bachelor of Science Degree, 1970
Florida State University
Tallahassee, Florida

Resident of Florida since 1948, licensed by Real Estate Commission, State of Florida since 1973; presently Registered Real Estate Broker, and member of the Association of Eminent Domain Professionals.

State Certified General Appraiser #0000706

Professional Designations

Member, Appraisal Institute, MAI designation #6541, awarded 1982.

Member, Appraisal Institute with SRA (Senior Residential Appraiser) designation, awarded 1984.

Prior to the formation of the Appraisal Institute, I also held the SRPA and SREA designations awarded by the Society of Real Estate Appraisers.

The Appraisal Institute conducts a continuing education and recertification program for designated members; I am currently certified in this program.

Appraisal Education

Completed and passed the following courses by the American Institute of Real Estate Appraisers:

Course 1B	Capitalization Theory & Techniques
Course II	Urban Properties
Course VI	Investment Analysis
Course	Standards of Professional Practice Part A and B

Completed and passed the following courses by the Society of Real Estate Appraisers:

Course 101	An Introduction to Appraising Real Property
Course 201	Principles of Income Property Appraising
Course 301	Special Applications of Appraisal Analysis

A&A

QUALIFICATIONS - JOHN R. UNDERWOOD, JR., MAI, SRA - Continued

Appraisal Education - Continued

Attended numerous other seminars sponsored by the Society of Real Estate Appraisers, American Institute of Real Estate Appraisers, and the Appraisal Institute as well as many lending seminars and courses.

Currently approved instructor for the following Appraisal Institute courses and seminars:

The Appraiser as an Expert Witness: Preparation and Testimony
Litigation Appraising: Specialized Topics and Applications
Condemnation Appraising: Basic Principles & Applications
Condemnation Appraising: Advanced Topics & Applications
Uniform Appraisal Standards for Federal Land Acquisitions
Analyzing Operating Expenses
Litigation Skills for the Appraiser
Small Hotel/Motel Valuation
Appraising the Tough Ones
Analyzing Commercial Lease Clauses
Appraisal Consulting: A Solutions Approach for Professionals
Rates and Ratios: Making Sense of GIMs, OARs, and DCFS
The Road Less Traveled: Special Purpose Properties
Analyzing Distressed Real Estate
Office Building Valuation: A Contemporary Perspective
Online: Eminent Domain and Condemnation

Appraisal Experience

As of 1/83	President, Appraisal & Acquisition Consultants, Inc.
12/80 to 1/83	Vice President/Appraisals, Southern Federal Savings & Loan Association of Broward County (became Home Savings of America, 1981)
3/80 to 12/80	Self-employed fee appraiser, Lake Worth Realty & Investment
1971 to 3/80	Staff appraiser, First Federal Savings & Loan Association of Lake Worth, appraising residential and commercial properties

Qualified as expert witness Federal and Florida State Court.

A&A

QUALIFICATIONS - JOHN R. UNDERWOOD, JR., MAI, SRA - Continued

Related Activities

National

Chief Reviewer, The Appraiser as an Expert Witness: Preparation & Testimony
Member, Appraisal Institute's National Seminar's Division, 1998-2003
Funding Task Force, 1998
General Appraiser Board 1994- 1997
Chairman, Region X, 1993-1994
Chairman, Education Coordination Committee, 1993
Director, Appraisal Institute, 1991-1994
Vice Chairman, Region X of Appraisal Institute, 1991-1992
Chairman, Appraisal Institute's General Education Committee, 1992
Vice Chairman, Appraisal Institute's General Education Committee, 1991
Member, Appraisal Institute's Body of Knowledge Committee, 1991
Member, Appraisal Institute's Steering Committee for Unification, 1990
Member, Appraisal Institute's Level 2 Curriculum Committee, 1990
Governor, Society of Real Estate Appraisers, District 29, 1988-1990
Vice Governor, Society of Real Estate Appraisers, District 29, 1983-1987
Chairman, Society of Real Estate Appraisers National Education Committee, 1988, 1989 and 1990.
Member, Society of Real Estate Appraisers Executive Committee, 1990.
Member, Society of Real Estate Appraisers Appraisal Standards Committee, 1988, 1989 and 1990.
Member, Program Committee, Society of Real Estate Appraisers National Conference, 1989
Chairman, Program Committee, Society of Real Estate Appraisers National Conference, 1990
Vice Chairman, Society of Real Estate Appraisers National Education Committee, 1986-87
Chairman, Society of Real Estate Appraisers National Subcommittee for Continuing Education, 1984-87
Member, Society of Real Estate Appraisers National Education Committee, 1984-1989
Member, Special Committee, Appraisal Form Development, 1988 and 1989
Member, Society of Real Estate Appraisers Conference Committee, 1985

Publications

Co-Developer; Small Hotel/Motel Valuation Seminar, published by the Appraisal Institute, 1999
Co-Author/Developer; Has Government Gone Too Far? 2002
Author/Developer; Inverse Condemnation – An Appraiser's Dilemma, 2004

QUALIFICATIONS - JOHN R. UNDERWOOD, JR., MAI, SRA - Continued

Types of Properties Appraised

Appraisals made on the following types of property for individuals, attorneys, banks, corporations, government agencies, mortgage companies and savings and loans:

Adult congregate living facilities
Apartment buildings
Automobile agencies
Banks
Bowling alleys
Car Washes
Churches
Clinics
Commercial strip centers
Condominiums (individual and projects, garden, high-rise and townhouse)
Condemnations
Country clubs
Easements
Feasibility studies
Furniture stores
Golf courses
Hotels
Industrial buildings
Lots and acreage - vacant
Lumber yards
Marinas
Market studies
Mobile home parks
Motels
Nursing homes
Office buildings
Outdoor advertising signs
Ranches
Recreation leases
Residences (all types)
Resort properties
Restaurants
Right-of-ways
Service stations
Single Family Estates
Shopping centers (neighborhood and community)
Special Purpose
Store buildings
Subdivisions
Supermarkets
Warehouses
Wetlands

CITY OF PORT SAINT LUCIE
CONTRACT #20110108

This CONTRACT, executed this 22nd day of November, 2011, by and between the CITY OF PORT ST. LUCIE, FLORIDA, a municipal corporation, duly organized under the laws of the State of Florida, hereinafter called "City" party of the first part, and **Kast Construction III,** LLC, 701 S. Olive Avenue, Suite 105, West Palm Beach, Florida 33401, Telephone No. (561) 689-2910 Fax No. (561) 689-2911, hereinafter called "Contractor", party of the second part.

RECITALS

In consideration of the below agreements and covenants set forth herein, the parties agree as follows:

NOTICES

City Project Manager: Kevin Hempel, Construction Division
City of Port St. Lucie
121 SW Port St. Lucie Blvd.
Port St. Lucie, Florida 34984
Telephone: 772-873-6390 Cell: 772-528-8749
Email: khempel@cityofpsl.com

City Contract Administrator: Robyn Holder, CPPB
City of Port St. Lucie
121 SW Port St. Lucie Blvd.
Port St. Lucie, Florida 34984
Telephone: 772-871-5223 Fax: 772-871-7337
Email: rholder@cityofpsl.com

Contractor: Eric Plotke
Kast Construction
701 S. Olive Ave., Suite 105
West Palm Beach, Florida 33401
Telephone: 561-689-2910 Fax: 561-689-2911
Cell: 561-236-1360
Email: eplotke@kastbuild.com

SECTION I
DESCRIPTION OF SERVICES TO BE PROVIDED

The specific work that the Contractor has agreed to perform pursuant to the E-Bid Specifications #20110108 consisting of pages 1 - 71, Project Manual prepared by Treasure Coast Building Engineers, Inc. consisting of pages 1 – 978 dated July 4, 2011, all Addenda and Attachments, and Construction Plans consisting of pages 1 – 134 dated July 11, 2011 and include the following incorporated herein by this reference.

- Civil Plans - pages 1 to 24

- Landscape Plans – pages 1 to 2
- Irrigation Plans – pages 1 to 5
- Architectural Plans – Community Center – pages A1 to A12
- Architectural Plans – IRSC – pages A1I to A11I
- Architectural Plans – Product Spec Sheets – pages SPX-1 to SPX 16
- Electrical Plans – Community Center – pages E0.1 to E6.1
- Mechanical Plans – Community Center – pages M0.1 to M8.1
- Plumbing Plans – Community Center – pages P0.1 to P5.1
- Electrical Plans – IRSC – pages E0.1I to E5.1I
- Mechanical Plans – IRSC – pages M0.1I to M8.1I
- Plumbing Plans – IRSC – pages P0.1I to P5.1I
- Conduit Plans – pages C-1 to C-3
- Fire Protection – pages FP0 to FP1
- Lightning Protection – pages EL1.0 to EL2.0
- Kitchen Exhaust Hood – pages 1 to 2
- Structural Plans – pages S-1 to S-5

SECTION II
TIME OF PERFORMANCE

Contract period shall commence on January 9, 2012 and continuing three hundred sixty-five (365) calendar days with January 13, 2013, as the date set for final completion. The Contract period shall terminate on January 14, 2013, unless otherwise extended by written agreement or change order. In the event all work required in the bid specifications has not been completed by the specified date, the Contractor agrees to provide work as authorized by the Project Manager until all work specified in the bid specifications has been rendered.

SECTION III
COMPENSATION

The total amount to be paid by the City to the Contractor is on a lump sum basis in the amount of **$5,009,512.44** as indicated on Schedule "A" attached hereto and made a part hereof. This amount includes the ten-dollar ($10.00) payment for indemnification as provided in Section V herein. Contractor shall invoice the City for the amount of the indemnification payment and said invoice shall accompany the signed Contracts. Payments will be disbursed in the following manner:

Visa Payment Procedures - for Contractor and the City:

1. A Visa account with Bank of America (BOA) will be established for this project. The account dollar limit will be established by the Project Manager's estimate of monthly expense. The account will also have limits as per the MCC code. Reasonable total invoice amounts will also be established. The account will be entered with the proper expense codes.

2. A purchase order to the Contractor with reference to a Visa vendor number will be issued, encumbering funds for this project.

3. The Contractor will send the Project Manager, by the 1st of each month, an estimate of work and materials that will be accomplished/used by the 25th of the same month. This is known as the Pay Estimate.

4. The Project Manager will approve the pay estimate by the 6th of the same month. The Project Manager is signing and agreeing that the labor and material estimates are reasonable and feasible as to being completed by the 25th of the same month.

5. The Project Manager will prepare a letter to the Contractor stating that the estimated work and materials request (pay estimate) is appropriate as to expected completion by the 25th of the same month. A copy of this memo along with the original pay estimate will be sent to the City's Office of Management & Budget, Attention: Karen Roger, Procurement Card Administrator.

6. The Contractor will be contacted by OMB, or his/her designee, to place pay estimate on the Visa account established for the project. The Contractor may not place the charge on the account earlier than the 6th of each month. Under no circumstances will the card be used between the 1st and 5th of the month.

7. The Contractor will send the standard pay application with all required documents as per the Contract to the Project Manager by the 25th of each month. The pay application numbers should match the previously submitted pay estimate numbers for the same work period.

8. The Project Manager will audit to determine that work and materials that are being billed have been completed and installed as per the Contract specifications. The Project Manager will sign documents that state the payment is correct and payment by the City is authorized. This is the Payment Request that will authorize the City to pay the bank provider-Bank of America.

9. The Project Manager will have the signed original payment request documents sent to the Procurement Card Administrator for compliance no later than the 8th of each month.

10. The Project Manager will mark any invoice that should not be paid and provide explanation.

11. OMB will balance statement and issue all dispute items.

12. OMB will produce summary sheet and send all documentation to Finance for payment.

<u>Pay Estimate does not Equal Pay Request</u>

The City will allow up to 15% of the estimated work not to be completed by the 25th of the month and still approve the pay request. However, the Contractor on the 5th of the following month must indicate the adjustment amount as a credit on a separate invoice included in the estimated pay request.

Over estimates of 15% for three consecutive months will be considered abuse. The Project Manager will be responsible for establishing the correct estimated amounts in the following months.

If there is an act of God or extenuating circumstances that the Contractor has no control over, the Project Manager will approve the overpayment. However, the Contractor on the 5th of the following month must indicate the adjustment amount as a credit on a separate invoice included in the estimated pay request.

If during the month the Project Manager that the estimated pay request amount cannot be reached by more than 15% and it is due to the performance of the Contractor, a credit must be issued. The Contractor, as soon as possible, and no later than the 1st of the month, will place a credit for the entire amount of work and materials that will not be completed on the procurement account. This credit will be issued on the Visa account for the full amount.

The Contract Sum - Work to be paid for on the basis of per unit prices: each, lump sum, linear feet, square yards, system, etc.

Progress Payments- The City will make partial payment during the progress of the work as follows: Partial payments, calculated from quantities of work in place multiplied by the Contract unit prices will be made by Visa Net 10 days after the receipt of the Pay Request. Retainage will be held as per Florida Statutes Section 218.735 8(a)-(b) of ten percent (10%) on each invoice submitted. The City will make payment unless the City feels there are grounds for withholding the payment of Retainage. If the City makes payment of the Retainage to the Contractor then the Contractor shall timely remit payment of such Retainage to all subcontractors and suppliers attributable to the labor, services or material supplied. All remaining retained amounts will be released to the Contractor Net 30 days after final completion of work and the City's acceptance of project. Partial Release of Liens from all Contractors, subcontractors, suppliers for materials and sub-sub contractors are to be attached to each invoice.

Acceptance and Final Payment - Upon receipt of written notice that the work is ready for final inspection and acceptance, the City will promptly make such inspection. When City finds the work acceptable under the terms of the Contract and the work is fully performed, City will promptly issue a final certificate stating that the work provided for in this Contract has been completed, and that the City's final acceptance of the Contractor's work under the terms and the conditions of the Contract is recommended, and the entire balance due the Contractor, subject to any liquidated damages, if any assessed against the Contractor, will be paid to the Contractor by the City net thirty (30) calendar days after the date of the City's issuance of said final certificate of work completion and acceptance.

Before the City issues the final certificate of work completion and acceptance, the Contractor shall submit evidence that all payrolls, material bills and other indebtedness connected with the work have been paid. Final Release of Liens from all contractors, subcontractors, suppliers for materials and sub-sub contractors are to be attached to the final invoice.

The Contractor shall not be paid additional compensation for any loss, and/or damage arising out of the nature of the work, from the action of the elements, or from any delay or unforeseen obstruction or difficulties encountered in the prosecution of the work, or for any expenses incurred by, or as a consequence of the suspension or discontinuance of the work.

Payments shall be made provided the submitted invoice is accompanied by adequate supporting documentation and approved by the Project Manager as provided in Section XV.

No payment for projects involving improvements to real property shall be due until Contractor delivers to City a complete release of all claims arising out of the Contract or receipts in full in lieu thereof, and an affidavit asserting personal knowledge that the releases and receipts include labor and materials for which a lien could be filed.

All invoices and correspondence relative to this Contract must contain the Contract number and the last (four) digits of the Visa account number.

SECTION IV
CONFORMANCE WITH BID

It is understood that the materials and/or work required herein are in accordance with the bid made by the Contractor pursuant to the Invitation to Bid and Specifications on file in the Office of Management and Budget of the City. All documents submitted by the Contractor in relation to said bid, and all documents promulgated by the City for inviting bids are, by reference, made a part hereof as if set forth herein in full.

SECTION V
INDEMNIFICATION/INSURANCE

The Contractor agrees to indemnify, defend, and hold harmless the City, its officers and employees, from liabilities, damages, losses and costs, including but not limited to, reasonable attorney's fees, to the extent caused by the negligent acts, recklessness, or intentional wrongful misconduct of the Contractor and persons employed or utilized by the Contractor in the performance of the construction contract. As consideration for this indemnity provision the Contractor shall be paid the sum of ten dollars ($10.00), which will be added to the contract price, and paid prior to commencement of work.

The Contractor shall, on a primary basis and at its sole expense, agree to maintain in full force and effect at all times during the life of this Contract, insurance coverage, limits, including endorsements, as described herein. The requirements contained herein, as well as City's review or acceptance of insurance maintained by Contractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Contractor under the Contract.

The parties agree and recognize that it is not the intent of the City of Port St. Lucie that any insurance policy/coverage that may be obtained pursuant to any provision of this Contract will provide insurance coverage to any entity, corporation, business, person, or organization, other than the City of Port St. Lucie and the City shall not be obligated to provide any insurance coverage other than for the City of Port St. Lucie or extend its sovereign immunity pursuant to Section 768.28, Florida Statutes, under its self insured program. Any provision contained herein to the contrary shall be considered void and unenforceable by any party. This provision does not apply to any obligation imposed on any other party to obtain insurance coverage for this project, or any obligation to name the City of Port St. Lucie as an additional insured under any other insurance policy, or otherwise protect the interests of the City of Port St. Lucie as specified in this Contract.

The Contractor shall agree to maintain Workers' Compensation Insurance & Employers' Liability in accordance with Section 440, Florida Statutes. Employers' Liability must include limits of at least $100,000 each accident, $100,000 each disease/employee, $500,000 each disease/maximum. A Waiver of Subrogation endorsement must be provided. Coverage should apply on a primary basis. Should scope of work performed by Contractor qualify its employee for benefits under Federal Workers' Compensation Statute (example, U.S. Longshore & Harbor Workers Act or Merchant Marine Act), proof of appropriate Federal Act coverage must be provided.

Commercial General Liability insurance issued under an Occurrence form basis, including Contractual liability, to cover the hold harmless agreement set forth herein, with limits of not less than:

Each occurrence	$1,000,000
Personal/advertising injury	$1,000,000
Products/completed operations aggregate	$2,000,000
General aggregate	$2,000,000
Fire damage	$100,000 any 1 fire
Medical expense	$10,000 any 1 person

An Additional Insured endorsement **must** be attached to the certificate of insurance and must include coverage for Completed Operations (should be ISO CG20101185 or CG20371001 & CG20100704) under the General Liability policy. Products & Completed Operations coverage to be provided for a minimum of 5 years from the date of possession by owner or completion of contract. Coverage is to be written on an occurrence form basis and shall apply as primary. A per project aggregate limit endorsement should be attached. Defense costs are to be in addition to the limit of liability. A waiver of subrogation is to be provided in favor of the City. Coverage for the hazards of explosion, collapse and underground property damage (XCU) must also be included when applicable to the work performed. Coverage shall extend to independent contractors and fellow employees. Contractual Liability is to be included. Coverage is to include a cross liability or severability of interests provision as provided under the standard ISO form separation of insurers clause. There shall be no exclusion for Mold, Silica or Respirable Dust or Bodily Injury or Property Damage arising out of heat, smoke, fumes or ash from a hostile fire.

Except as to Workers' Compensation and Employers' Liability, said Certificate(s) and policies shall clearly state that coverage required by the Contract has been endorsed to include the City of Port St. Lucie, a political subdivision of the State of Florida, its officers, agents and employees as Additional Insured with a CG 2026-Designated Person or Organization endorsement, or similar endorsement, added to its Commercial General Liability policy and Business Auto policy. The name for the Additional Insured endorsement issued by the insurer shall read "**City of Port St. Lucie, political subdivision of the State of Florida, its officers, employees and agents, and the Department of Emergency Management Services, Contract #20110108 for the Construction of the Ravenswood Community Center Project shall be listed as additionally insured.**" The Certificate of Insurance and policy shall unequivocally provide thirty- (30) day written notice to the City prior to any adverse changes, cancellation, or non-renewal of coverage thereunder. Said liability insurance must be accepted by and approved by the City as to form and types of coverage. In the event that the statutory liability of the City is amended during the term of this Contract to exceed the above limits, the Contractor shall be required, upon receipt of thirty - (30) days written notice from the City, to provide coverage at least equal to the amended statutory limit of liability of the City. Copies of the Additional Insured endorsements including Completed Operations coverage should be attached to the Certificate of Insurance. All independent contractors and subcontractors utilized in this project must furnish a Certificate of Insurance to the City in accordance with the same requirements set forth herein.

The Contractor shall agree to maintain Business Automobile Liability at a limit of liability not less than $500,000 each accident covering any auto, owned, non-owned and hired automobiles. In the event, the Contractor does not own any automobiles; the Business Auto Liability requirement shall be amended allowing Contractor to agree to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto Coverage form. Certificate holder must be listed as additional insured. A waiver of subrogation must be provided. Coverage should apply on a primary basis.

The Contractor shall agree by entering into this Contract to a Waiver of Subrogation for each required policy. When required by the insurer, or should a policy condition not permit an Insured to enter into a pre-loss

Contract to waive subrogation without an endorsement then Contractor shall agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy where a condition to the policy specifically prohibits such an endorsement, or voids coverage should Contractor enter into such a Contract on a pre-loss basis.

Contractor shall purchase and maintain Builder's Risk insurance in an amount equal to 100% of the completed value of the project including any amendments thereto (without coinsurance). Contractor's policy shall be written on an "ALL Risk" Builders Risk form that shall cover physical loss or damage to the Work, temporary buildings, construction forms and scaffolding, materials and equipment in transit or in storage/at temporary locations, and should extend coverage to foundations, excavations and other underground property. Coverage shall insure against at least the following perils or causes of loss: fire, lightning, windstorm/and hail, theft (including theft of materials whether or not attached to any structure), vandalism and malicious mischief, flood, earthquake, collapse, and such other perils or causes of loss as may be specifically required. The policy should include coverage for pollutant cleanup, debris removal, demolition and increased cost of construction, water damage, backup of sewers and drains, testing and startup of building systems (including hot testing), and mold & fungus remediation. The Builders Risk coverage should include a Permission to Occupy clause to allow for partial utilization of the property by the City and a waiver of subrogation rights endorsement.

The "ALL RISK" Builder's Risk Insurance must also cover soft costs, including additional advertising/promotional, additional license and permit fees, additional legal/accounting fees, insurance premiums including builder's risk, and architects' and engineers' fees that may be necessary to provide plans and specifications and supervision of work for the repair and/or replacement of property damage caused by a covered peril.

The policy must include as Insured the City, Contractor, Subcontractors, Architect/Engineer and Consultants for their interest in covered property. The City's policy will not provide coverage for any new construction.

The contractor has the right to purchase coverage or self-insure any exposures not required by these specifications, but shall be held liable for all losses, deductibles, self-insurance for coverages not required.

The Contractor is responsible for all deductibles including those for windstorms.

It shall be the responsibility of the Contractor to ensure that all subcontractors comply with the same insurance requirements referenced above.

All deductible amounts shall be paid for and be the responsibility of the Contractor for any and all claims under this Contract.

The Contractor may satisfy the minimum limits required above for either Commercial General Liability, Business Auto Liability, and Employers' Liability coverage under Umbrella or Excess Liability. The Umbrella or Excess Liability shall have an Aggregate limit not less than the highest "Each Occurrence" limit for either Commercial General Liability, Business Auto Liability, or Employers' Liability. When required by the insurer, or when Umbrella or Excess Liability is written on Non-Follow Form, the City shall be endorsed as an "Additional Insured."

The City, by and through its Risk Management Department, reserves the right, but not the obligation, to review and reject any insurer providing coverage.

Performance and Payment Bonds

The Contractor shall furnish an acceptable Performance and Payment Bond complying with the statutory requirements set forth in Section 255.05, Florida Statutes, in the amount of 100% of the contract price. The City will execute the Contract, however, it is agreed and understood that the City will not be bound by the Contract unless and until it has been duly authorized by the City Council and has been executed by the City Manager. A fully authorized Surety, licensed by the State of Florida shall execute the Performance and Payment Bond. The Performance and Payment Bond shall remain in effect until one (1) year after work required has been completed and accepted by the City.

The Payment and Performance Bonds may be an alternate security as per Florida Statutes, Section 255.05 (7). In lieu of the bond the City will accept cash, a money order, a certified check, a cashier's check, an irrevocable letter of credit, or a security of a type listed in part II of Chapter 625. The amount of the alternate form of security is $500,000.00. The City will accept an Irrevocable Letter of Credit backed by a Certificate of Deposit. The City will be made beneficiary of the Irrevocable Letter of Credit and it will remain in effect for the entire length of the contract.

The failure on the part of the Contractor to execute the Contract and/or punctually deliver the required Insurance Certificates and other documentation will be cause for the annulment of the award.

SECTION VI
PROHIBITION AGAINST FILING OR MAINTAINING LIENS AND SUITS

Subject to the laws of the State of Florida and of the United States, neither Contractor nor any Subcontractor, supplier of materials, laborer or other person shall file or maintain any lien for labor or materials delivered in the performance of this Contract against the City. The right to maintain such lien for any or all of the above parties is hereby expressly waived.

SECTION VII
WORK CHANGES

The City reserves the right to order work changes in the nature of additions, deletions or modifications without invalidating the Contract, and agrees to make corresponding adjustments in the Contract price and time for completion. Any and all changes must be authorized by a written change order signed by the City Manager or his designee as representing the City. Work shall be changed and the Contract price and completion time shall be modified only as set out in the written change order. Any adjustment in the Contract price resulting in a credit or a charge to the City shall be determined by mutual agreement of the parties before starting the work3involved in the change.

SECTION XVIII
FIELD CHANGES

The Project Manager shall have the authority to order minor changes in amounts up to $25,000.00 or accumulated change orders totaling less than $25,000.00, or minor extensions of the Contract Time. Such changes shall be effected by written order and signed by both the Project Manager and the Contractor. The Contractor shall

carry out such written orders promptly. Change orders in amounts exceeding $25,000.00 require City Council approval.

SECTION IX
CLEANING UP

The Contractor shall, during the performance of this Contract, remove and properly dispose of resulting dirt and debris, and keep the work area reasonably clear. Upon completion of the work, Contractor shall remove all of Contractor's equipment and all excess materials, and put the work area in a neat, clean, sanitary and safe condition.

SECTION X
COMPLIANCE WITH LAWS

The Contractor shall give all notices required by and shall otherwise comply with all applicable laws, ordinances and codes and shall, at his own expense, secure and pay the fees and charges for all permits required for the performance of the Contract. All materials furnished and works done are to comply with all local, state and federal laws and regulations. Contractor will comply with the requirements of 28 C.F.R. § 35.151.

Further, the Contactor shall be bound by the terms of FEMA Contract #10HM-88-10-66-02-0213, shall be bound by all applicable state and federal laws and regulations, and the Contractor shall hold the Division and the City harmless against all claims of whatever nature arising out of the Contractor's performance under the FEMA Agreement, to the extent allowed and required by law.

SECTION XI
JESSICA LUNSFORD ACT

The Contractor, his subcontractors, vendors and suppliers who are to be permitted access to the Ravenswood Site/IRSC Site shall obtain Level 2 background screening in accordance with Florida Statute FS1012.32 and FS1012.465 – Jessica Lunsford Act.

Level 2 screening excludes personnel working on the Ravenswood property who have criminal records that include sexual offender, sexual misconduct with developmentally disabled or mental health patients, terrorism, murder, kidnapping, lewd, lascivious or indecent acts or exposure, incest, child abuse or neglect.

Persons screened as noted above with other types of criminal history may be allowed on Ravenswood grounds provided under following conditions:

- The Contractor, subcontractors, vendors and suppliers shall be under continuous direct supervision of the Project Manager or Level 2 screened and cleared employee as noted above.
- Persons with current Level 2 clearance who are subsequently arrested for disqualifying offenses shall be disqualified from access the site and shall immediately surrender their Photo ID Badge to their employer who shall be responsible for returning badge to St. Lucie County School District's Department of Human Resources with 48 hours of arrest or notice of arrest or criminal offense.
- Persons failing to notify their employer and St. Lucie County School District's Department of Human Resources with 48 hours of arrest will be charged with 3rd degree felony, punishable by up to five years imprisonment and $1,000 fine.

- Employers of persons having been arrested for disqualifying offenses who subsequently allows said employee to continue working on the Ravenswood Site/IRSC Site may also be charged with 3rd degree felony; punishable by up to five years imprisonment and $1,000 fine.
- Contractor, his subcontractors, vendors and suppliers working on the Ravenswood/IRSC sites shall be fingerprinted and obtain work badges.
- Contractor, his subcontractors, vendors and suppliers have worked and obtained in other school districts must be screened to obtain new badges.
- Questions regarding fingerprinting or identification badge processing may be directed to District Personnel Department at (772) 429-7504.
- Fingerprinting services are provided by private vendor through Florida Dept. of Education. DOE sponsored website will direct individuals to nearest fingerprinting location.
- Cost of fingerprinting is approximately $81.25 per person and shall be prepaid either by money order to Fingerprinting Services, LLC or by credit card payment via Internet. Website is http://www.flprints.com. For information, telephone (877)357-7456.
- After fingerprinting and criminal background check is complete, individuals shall make appointment for photo ID's by making appointments at St. Lucie County School District Personnel Department located at 4204 Okeechobee Road, Ft. Pierce, Florida 34947.
- Appointments for ID photo badges shall be made after completion of fingerprinting with. St. Lucie County School District Personnel Department by phone at (772) 429-7504.
- Cost of Photo ID's is $6.00. Payment may be made with company check, money order or personal check.

SECTION XII
CLEANING UP

Contractor shall, during the performance of this Contract, remove and properly dispose of resulting dirt and debris, and keep the work area reasonably clear. On completion of the work, Contractor shall remove all Contractors' equipment and all excess materials, and put the work area in a neat, clean and sanitary condition.

SECTION XIII
NOTICE OF PERFORMANCE

When required materials have been delivered and required work performed Contractor shall submit a request for inspection in writing to the Project Manager.

SECTION XIV
DELIVERY DOCUMENTATION

Not applicable to this Contract.

SECTION XV
INSPECTION AND CORRECTION OF DEFECTS

In order to determine whether the required work was performed in accordance with the terms and conditions of the Contract Documents, the Project Manager shall conduct inspection as soon as practicable after receipt of the Contractor's of a Notice of Performance. If such inspection shows that the required work performed

in accordance with the terms and conditions of the Contract Documents and that the work is entirely satisfactory, the Project Manager shall approve the invoice when it is received. Thereafter the Contractor shall be entitled to payment, as described in Section III of this Contract. If the inspection conducted by the Project Manager reveals that the work performed is not satisfactory, or substandard, then the Project Manager shall, as soon as practicable, inform the representatives or contact persons of the respective parties hereto, of the specific findings of the inspection. The City shall provide Contractor with the opportunity to correct, remedy, or fix, within a reasonable time but no longer than thirty (30) days from the date of being informed of the unfavorable inspection, the items deemed unsatisfactory or substandard, at no additional charge to the City. Such examination, inspection, or tests made by the Project Manager, at any time, shall not relieve Contractor of the responsibility or obligation to remedy any deviation, deficiency, or defect in the materials used or work performed.

SECTION XVI
ADDITIONAL REQUIREMENTS

In the event of any conflict between the terms and conditions, appearing on any purchase order issued relative to this Contract, and those contained in this Contract and the Specifications herein referenced, the terms of this Contract and Specifications herein referenced shall apply. If there is a conflict between the Contract and specifications, the Contract will control.

SECTION XVII
LICENSING

Contractor warrants that he possesses all licenses and certificates necessary to perform required work and is not in violation of any laws. Contractor warrants that his license and certificates are current and will be maintained throughout the duration of the Contract.

SECTION XVIII
SAFETY PRECAUTIONS

Precaution shall be exercised at all times for the protection of persons, including employees, member of the public and property. The safety provisions of all applicable laws and building and construction codes shall be observed.

SECTION XIX
ACTS OF GOD

The Contractor shall be responsible for all preparation of the site for Acts of God, including but not limited to; earthquake, flood, tropical storm, hurricane or other cataclysmic phenomenon of nature, rain, wind or other natural phenomenon of normal intensity, including extreme rainfall. No reparation shall be made to the Contractor for damages to the work resulting from these Acts. The City is not responsible for any costs associated with pre or post preparations for any Acts of God.

SECTION XX
ASSIGNMENT

Contractor shall not delegate, assign or subcontract any part of the work under this Contract or assign any monies due him hereunder without first obtaining the written consent of the City.

SECTION XXI
TERMINATION, DELAYS AND LIQUIDATED DAMAGES

A. Termination of Contract. If the Contractor refuses or fails to deliver material as required and/or prosecute the work with such diligence as will insure its completion within the time specified in this Contract, the City by written notice to the Contractor, may terminate Contractor's rights to proceed. Upon such termination, the City may take over the work and prosecute the same to completion, by Contract or otherwise, and the Contractor and his sureties shall be liable to the City for any additional cost incurred by it in its completion of the work. The City may also in event of termination obtain undelivered materials, by Contract or otherwise, and the Contractor and his sureties shall be liable to the City for any additional cost incurred for such material. Contractor and his sureties shall also be liable to the City for liquidated damages for any delay in the completion of the work as provided below. If the Contractor's right to proceed is so terminated, the City may take possession of and utilize in completing the work such materials, tools, equipment and facilities as may be on the site of the work and necessary therefore.

B. Liquidated Damages for Delays. If material is not provided or work is not completed within the time specified in this Contract, including any extensions of time for excusable delays as herein provided, (it being impossible to determine the actual damages occasioned by the delay) the Contractor shall provide to the City two thousand dollars ($2,000.00) for each calendar day of delay until work is completed. The Contractor and his sureties shall be liable to the City for the amount thereof that is due to the City as a result of said delay of work completion.

C. Excusable Delays. The right of the Contractor to proceed shall not be terminated nor shall the Contractor be charged with liquidated damages for any delays in the completion of the work or delivery of materials due to: (1) any adverse acts of the Federal Government, including controls or restrictions or requisitioning of materials, equipment, tools or labor by reason of war, national defense or any other national emergency, (2) any willful or wrongful acts of the City, (3) causes not reasonably foreseeable by the parties at the time of the execution of the Contract that are beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of another Contractor in the performance of some other Contract with the City, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargos and weather of unusual severity such as hurricanes, tornadoes, cyclones and other extreme weather conditions, and (4) any delay of any subcontractor occasioned by any of the above mentioned causes. However, the Contractor must promptly notify provide written notice to the City of the delay in performing work. Contractor shall provide such written notice of delay within two (2) days of the event that caused the delay. the City in writing within two (2) days of the cause of delay. If, on the basis of the facts and the terms of this Contract, the delay is properly excusable, then the City shall extend the time for completing the work for a period of time commensurate with the period of excusable delay.

D. The City may terminate this Contract with or without cause by giving the Contractor thirty (30) days notice in writing. Upon delivery of said notice and upon expiration of the thirty (30) day period, the Contractor shall discontinue all services in connection with the performance of this Contract and shall proceed to cancel promptly all related existing third party Contracts. Termination of the Contract by the City pursuant to this paragraph shall terminate all of the City's obligations hereunder.

SECTION XXII
LAW AND VENUE

This Contract is to be construed as though made in and to be performed in the State of Florida and is to be governed by the laws of Florida in all respects without reference to the laws of any other state or nation. The venue of any action taken to enforce this Contract shall be in St. Lucie County, Florida.

SECTION XXIII
REIMBURSEMENT FOR INSPECTION

The Contractor agrees to reimburse the City for any expenditures incurred by the City in the process of testing materials supplied by the Contractor against the specifications under which said materials were procured, if said materials prove to be defective, improperly applied, and/or in other manners not in compliance with specifications. Expenditures as defined herein shall include, but not be limited to, the replacement value of materials destroyed in testing, the cost paid by the City to testing laboratories and other entities utilized to provide tests, and the value of labor and materials expended by the City in the process of conducting the testing. Reimbursement of charges as specified herein shall not relieve the Contractor from other remedies provided in the Contract.

SECTION XXIV
APPROPRIATION APPROVAL

The Contractor acknowledges that the City of Port Saint Lucie's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the City Council. The Contractor agrees that, in the event such appropriation is not forthcoming, the City may terminate this Contract and that no charges, penalties or other costs shall be assessed against the City.

SECTION XXV
RENEWAL OPTION

"Not Applicable"

SECTION XXVI
ENTIRE CONTRACT

The written terms and provisions of this Contract shall supersede and take precedence over any and all prior and contemporaneous verbal or written statements of any official or other representative of the City. Any such statements shall not be effective or be construed as entering into, or forming a part of, or altering in any manner whatsoever, this Contract or Contract documents.

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IN WITNESS WHEREOF, the parties have executed this Contract at Port St. Lucie, Florida, the day and year first above written.

CITY OF PORT ST. LUCIE FLORIDA

By: _____
City Manager

ATTEST:

By: _____
City Clerk

By: _____
Authorized Representative of Kast Construction III, LLC

State of: _____

County of: _____

Before me personally appeared: _____)
(please print)

Please check one:

Personally known _____

Produced Identification: _____
(type of identification)

Identification No. _____

and known to me to be the person described in and who executed the foregoing instrument, and acknowledged to and before me that _____ executed said instrument for the purposes therein expressed.
(he/she)

WITNESS my hand and official seal, this _____ day of _____, 2011.

_____
Notary Signature

Notary Public-State of _____ at Large.

My Commission Expires _____.

(*seal*)

CYNTHIA L PERLIH
Notary Public - State of Florida
My Comm. Expires Jun 17, 2015
Commission # EE 101434
Bonded Through National Notary Assn.

Schedule "A"

ITEM	DESCRIPTION	QTY	Unit of Measure	Total Cost
	PART 1			
	GENERAL CONDITIONS, SITE WORK & COMMUNITY CENTER / GYM			
	INDEMNIFICATION FEE	1	LS	$10.00
1	01- GENERAL CONDITIONS	1	LS	$540,534.23
2	02- SITEWORK	1	LS	$524,044.95
3	FURNISH & INSTALL CONCRETE PAVEMENT-DRIVEWAY / PARKING LOT	1	LS	$287,063.40
4	03- CONCRETE-COMMUNITY CENTER/GYM	1	LS	$820,868.10
5	04- MASONRY-COMMUNITY CENTER/GYM	1	LS	$19,500.00
6	05- METALS-COMMUNITY CENTER/GYM	1	LS	$24,180.00
7	06- WOOD/PLASTIC-COMMUNITY CENTER/GYM	1	LS	$49,394.77
8	07- THERMAL / MOISTURE PROT.- COMMUNITY CENTER/GYM	1	LS	$251,827.88
9	08- DOORS/WINDOW/GLASS-COMMUNITY CENTER/GYM	1	LS	$91,521.30
10	09- FINISHES-COMMUNITY CENTER/GYM	1	LS	$273,458.74
11	10- SPECIALTIES-COMMUNITY CENTER/GYM	1	LS	$26,114.40
12	11- EQUIPMENT-COMMUNITY CENTER/GYM:	1	LS	$0.00
13	13- SPECIAL CONSTRUCTION-COMMUNITY CENTER/GYM:	1	LS	$23,100.00
14	15- MECHANICAL-COMMUNITY CENTER/GYM	1	LS	$537,175.82
15	16- ELECTRICAL-COMMUNITY CENTER/GYM	1	LS	$441,500.00
16	RAVENSWOOD CENTER / GYM TOTAL PART 1		$3,910,293.58	

PART 2

BREEZEWAY AND IRSC BUILDING

17	03- CONCRETE-CLASSROOM WING IRSC	1	LS	$153,608.33
18	04- MASONRY-CLASSROOM WING IRSC	1	LS	$54,066.68
19	05- METALS-CLASSROOM WING IRSC	1	LS	$97,373.25
20	06- WOOD/PLASTIC-CLASSROOM WING IRSC	1	LS	$29,576.24
21	07- THERMAL / MOISTURE PROT.- CLASSROOM WING IRSC	1	LS	$120,946.80
22	08- DOORS/WINDOW/GLASS-CLASSROOM WING IRSC	1	LS	$54,935.40
23	09- FINISHES-CLASSROOM WING IRSC	1	LS	$186,435.11
24	10- SPECIALTIES-CLASSROOM WING IRSC	1	LS	$13,379.93
25	12- FURNISHINGS-CLASSROOM WING IRSC:	1	LS	$0.00
26	15- MECHANICAL-CLASSROOM WING IRSC	1	LS	$251,297.13
27	16- ELECTRICAL-CLASSROOM WING IRSC	1	LS	$137,600.00
	SUBTOTAL			
28	TOTAL PART 2 CLASSROOM WING IRSC			$1,099,218.87
29	GRAND TOTAL PART 1 + PART 2			$5,009,512.44

0 10 20 30 40
GRAPHIC SCALE IN FEET
1" = 40'

NORTH

LEGEND & ABBREVIATIONS

OHU	DENOTES OVERHEAD UTILITIES
□	DENOTES DRAINAGE CATCH BASIN
℄	DENOTES CENTERLINE

Exhibit

Proposed IRSC Parcel

File: 08-239area exhibit.DWG
Date: 4-30-12
Scale: 1"=40'
Drawn by: S.B.
Checked by: J.P.T.

CULPEPPER & TERPENING, INC
CONSULTING ENGINEERS | LAND SURVEYORS
2980 SOUTH 25th STREET
FORT PIERCE, FLORIDA 34981
PHONE 772-464-3537 FAX 772-464-9497
www.ct-eng.com
STATE OF FLORIDA CERTIFICATION No. LB 4286