



January 4, 2006

To: See Distribution

Ref: Marina Shores at Dune Harbor
Special Improvement District Bonds – Series 2005

Pursuant to the requirements outlined in Article 5.3 of the Agreement for Public Improvements for the above-referenced project, this letter will serve as a status notification to date as detailed below:

1. Sales of Single Family Lots, Condominiums, and Boat Slips
 - a. Single Family Lot Sales – 3 Waterfront Lots
 - b. Cottage Home Lot Sales – 3 Lot Sales; Home Plan TBD by Buyers; 2 Lots have been reserved by the Developer for model homes.
 - c. Condominium Sales – 3 Harbor Pointe; 1 Bayshore; 2 Williamsport
 - d. Boat Slip Rentals – We have a booth at the Chicago Boat Show which is being held January 11 through January 15 at McCormick Place. We anticipate leasing numerous slips available at the Boat Show.


2. Lot, Condominium and Slip Construction Status
 - a. Single Family and Cottage Home Lots – Sanitary sewers, storm sewers, and water lines have been completed. Indiana American Water needs to complete their water contracts to allow water taps being installed to each lot, as well as installation of the the main tap on Rt. 12. Many streets have stone installed. Building permits applications were filed for two Cottage Homes; the City of Portage has to accept the sewers before obtaining permits.
 - b. Condominiums – Sanitary and storm sewers are 75% complete. Water mains are 50% complete.
 - c. Marina – The marina wall is 100% complete. Temporary piling at the Burns Waterway / Dune Harbor intersection is in place to protect the mouth of the basin. Excavation to final grade on the east end is complete, and excavation continues towards the west end. Dewatering is currently being performed to allow further excavation. Excavation should be completed by February 1, assuming winter weather conditions remain favorable. Rip rap is being installed along bottom of marina wall on the east end, and is continuing toward the west. The seawall pier receivers and the western most piers have been received and are in storage. Fabrication continues on the remaining piers.

3. Recap of Closings with Respective Sales Prices – n/a
 - a. Single Family Lots
 - b. Cottage Home Lots
 - c. Condominiums
 - d. Boat Slip Rentals

4. Pending Litigation – none
5. Structure or Ownership Change – None
6. Status of Property Taxes and Special Assessments – Due May, 2006
7. Denial or Termination of Credit – n/a
8. Event of Bankruptcy – n/a
9. Land Use Entitlement Changes – n/a
10. Government – Imposed Precondition Delays – n/a
11. Legislative Development Changes – n/a
12. Material Changes to Development Progress – n/a

We are pleased to present this updated information to you regarding the progress at Marina Shores at Dune Harbor. If you have any questions, please do not hesitate to contact us. Thank you.

Very truly yours,



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Manager

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