

Palm Beach Military Academy

1295 N.E. 4th Court
Boca Raton, Florida 33432
561-394-9483

June 29, 2005

School District of Palm Beach County
Department of Charter Schools
Sherry Morris
3308 Forest Hill Blvd., Suite C-206
West Palm Beach, Florida 33406

RECEIVED
JUN 29 2005
CHARTER SCHOOLS

Dear Ms. Morris,

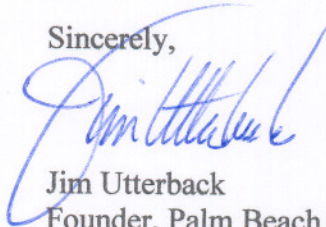
Thank you for all your support with regard to the start-up of the Palm Beach Military Academy. Briefly, here is PBMA's property situation. We have looked at numerous locations throughout the county. The challenge with each is either zoning or renovation. Neither can be resolved in time to open a school in August.

As you are aware, the initial application review, application approval, and charter contract approval were behind last year's schedule. In addition, the grant application for start-up funds available through the Department of Education was almost six weeks later than originally scheduled.

These delays, although understandable, lessened the probability of opening a school in August. Our real estate agent has been happy to show properties, but until the contract was approved, potential landlords were unwilling to discuss leasing. Not having grant funding also made negotiating a lease problematic. There are several properties that hold promise for a delayed opening including a facility in Boynton Beach, Riviera Beach, and one next to Pratt & Whitney. Those involved with these properties are still interested in discussing leases if the time frame for getting the properties ready is realistic.

Given these factors, we are requesting an amendment to our contract to open Palm Beach Military Academy in January 2006. This will provide sufficient time for us to prepare for a successful opening.

Sincerely,



Jim Utterback
Founder, Palm Beach Military Academy

c. Members of the Board, Palm Beach Military Academy