

Who were the members of the Gwinnett Instructional SC LLC? As we have discussed, Jamie Wilson with Merchant Capital was our contact for this financing. It is my understanding that NRFC WA Holding II, LLC and K-12 Development Partners, LLC were the members.

Wilbanks said the school district gained \$27 million from the sale-leaseback arrangement (A press release cited \$24 million). I know that the sale itself brought in \$17 million. Could you explain where the other \$10 million came from? In addition to the \$17 million that the school system received from the sale of the land and the building, you have to factor in the original purchase price of \$12.5 million. This provided the district with a \$4.5 million gain on the sale. This gain, plus the \$25 million amount originally included in the SPLOST II budget for ISC renovations that were freed up, minus the ISC lease payments of \$3.7 million made from SPLOST II, is what brings us to the school district's net gain of \$25.8 million.

Wilbanks said the money obtained from the sale-leaseback allowed the school district to build two and a half schools. Which schools were built with this money? Mulberry, Lovin, and Patrick elementary schools were funded in whole or part.

What was Gwinnett Instructional SC LLC's involvement in the renovation work that was done while they owned the property?

Gwinnett Instructional SC had an oversight and monitoring role. The actual day-to-day management and administration of the contracts was handled by the school system. GCPS designed, bid, and supervised the buildout, paid the contractor, and was reimbursed for expenses.

How did Gwinnett Instructional SC LLC pay for the renovation work? Did the contractor bill Gwinnett Instructional SC LLC directly? How did the money get from the corporation to the contractor? The school system paid the contractor directly and then submitted invoices for the work to Gwinnett Instructional SC for reimbursement. Reimbursements were made monthly after monthly inspections were performed of the property and work.

What was the total cost of the renovations at the Instructional Support Center? \$26,988,242

What were prices of all the bids that were submitted for this project, as well as the names of the companies that submitted them? This information is in our files and we will provide this once the files are returned from the attorney conducting the independent review of this matter.

Did the school district conduct any kind of analysis to determine that Gwinnett Instructional SC LLC was financially solvent? If so, what was done? The group's financial solvency was evidenced by the money in the bank. The group was required to have the money deposited in the trustee bank before the lease agreement was signed.

Since selling the land to Gwinnett Instructional SC LLC, how much has the school district paid to the corporation to lease the land?

Lease Payments for the Land and Buildings Made to Date:

FY06	\$670,625
FY07	\$3,052,500
FY08	\$3,644,500
FY09	\$3,644,500
FY10	\$3,644,500
FY11	\$2,733,375
TOTAL TO DATE:	\$17,390,000

What is the current amount of your monthly payment to Gwinnett Instructional SC LLC? \$303,708