

## Lighthipe Property History

October 2010

The following is a history of the Episcopal Church involvement with the Lighthipe Property. The original material has been kindly provided by the Diocese, and has been reviewed by those directly involved in the transactions. This is an edited version of part of the documentation provided to us. The entire document is available through the Church Office.

**1. May 1998** - Property (approximately 55 acres west of Bethany) deeded to the Trustees of the Diocese with the following stipulations:

- The Diocese makes a good faith effort to locate a school on the property within 3 years.
- If the decision was made not to establish a school, the property would be held by the Trustees for the benefit of St. Martha's for its use to expand its mission in the community. Use included, but not limited to, expanding its worship space, its religious education, residential space for its clergy and lay persons and its community outreach activities.
- If after 25 years, St. Martha's had not used the property, the Trustees could dispose of the property and use the proceeds for the general mission and purposes of the Diocese.

**2. Spring 2000** - School Steering Committee formed and Preliminary Vision report given to Diocesan Council in May. Committee envisions a secondary school on the property and the report gives a summary of their vision for the school.

**3. May 2001** - The School Steering Committee updates Diocesan Council. The update includes list of financial supporters, including five Episcopal churches in surrounding area. The Committee also requests a time extension to complete their work. The Council votes to allow an up to two year extension.

**4. January to June 2002** - School Steering Committee updates Diocesan Council. Updates included:

- Reports from consultants on a market study and feasibility.
- Time line for the opening of the school.
- Responses to questions from Council.
- Report from the Bishop on consultation with outside experts. His report indicated the experts raised serious questions about the feasibility of a school on the property.

**5. September 2002** - School Steering Committee presents final report to Diocesan Council recommending the establishment of a secondary school on the property.

**6. January 2003** - Diocesan Council passed a resolution supporting the idea of an Episcopal School in Sussex County, but not on the Lighthipe property.

**7. February 2003** - Council Decision conveyed to School Steering Committee, St. Martha's leaders and other involved parties.

**8. May 2004 to 2006** - Reverend Bill Wickham starts his ministry at St. Martha's. In accordance with the Bishop's discussion with St. Martha's vestry, parish search for potential use of property begins as part of Reverend Wickham's ministry. Over next two years, Peninsula United Methodist Homes(PUMH) is identified as a potential partner in the use of the property. PUMH intends to develop a Continuing Care Community. An initial good faith payment is made to St. Martha's.

**9. August 2006** - Trustee's and St. Martha's sign Agreement in Principle with PUMH and other parties with adjoining properties. The agreement sets out joint development of the properties and addresses access issues for the Lighthipe and surrounding properties.

**10.** Trustees and St. Martha's petition to have small part of property (one-half acre) referred to as "the neck," annexed from the county into the town of Ocean View. Annexation will allow future access roads to be constructed.

**11. October 2006**

- St. Martha's vestry passes a resolution which approves the signing of a Purchase Agreement with PUMH.
- Standing Committee approves the sale of property to PUMH.

**12. October 25, 2006** - Trustees and St. Martha's sign Purchase Agreement with PUMH. Provisions of the Agreement include:

- Purchase of 42+ acres for a price of \$157,500 per acre. Price determined without formal appraisal through negotiations and consultations with parish members with real estate knowledge. Parish received higher offers from developers but wanted to work with PUMH.
- PUMH to pay \$10,000 upon signing, and \$7,500 quarterly, until closing or the termination of the agreement.
- Closing to take place no later than two years from signing of agreement.

**13. January 2007** - Trustees and St. Martha's sign two additional agreements:

- Purchase and Sale Agreement-Supplement # 1 clarifying payments made and due for period prior to signing of Purchase Agreement.
- Agreement and Assumption Contract assigning PUMH's rights to Martha's Light, a subsidiary of PUMH.

**14. April 2007** - Delaware Chancery Court issues Order and Judgment allowing Trustees to sell all or portion of property to PUMH with proceeds to be held and used for the benefit of St. Martha's.

**15. 2007-2008** - PUMH continues to develop plan for development of property. Quarterly payments are made as specified in the Purchase Agreement. St. Martha's develops plan to add to and modify their buildings to better meet future needs.

**16. Summer 2008** - PUMH indicates the need to extend the contract to delay settlement for up to two years. Several meetings involving representatives from Trustees, St. Martha's, and PUMH take place to negotiate new terms which will allow St. Martha's to proceed with construction plans.

**17. November 2008** - Trustees and St. Martha's and PUMH sign Purchase and Sale Agreement-Supplement #2. Provisions include:

- Closing date extended by one year until September 30, 2009.
- PUMH given option to close by June 30, 2009, with price reduction of \$250,000.
- Additional Deposit of \$500,000 to be paid by January 30, 2009.
- Interest payments on unpaid balance to commence with signing and continue until closing.
- PUMH's corporate entity for project is now Mariposa at Bethany.

**18. November 2008** - St. Martha's obtains a \$200,000 line of credit from the Advance and Development Fund of the Diocese. Funds are to be drawn, as needed, for bridge financing for the construction project until payments are received from PUMH.

**19. January 2009** - PUMH indicates that due to economic situation, the public finance market has collapsed. PUMH will be unable to fulfill the contract as agreed, and requests renegotiation of the contract terms. The parties meet several times, and agree to leave the contract in suspension until the credit markets improve and look at situation at that time.

**20. Spring-Summer 2009** - PUMH continues to experience difficulty arranging financing for their project. They engage in a process to identify potential partners to bring into the

project to assist in obtaining financing. ACTS Retirement-Life Communities emerges as the leading candidate.

**21.** The Trustees and St. Martha's sign an agreement with DNREC to lease a portion of the property for a confined disposal facility for dredged material. The material is from the dredging of the Assawoman Canal. The Trustees and St. Martha's receive income and the appreciation of local legislators in return for allowing disposal of material. All appropriate testing is performed on material. DNREC assumes total responsibility for process. After a settling period of up to two years, DNREC will remove material or re-grade the area.

**22. December 2009** - PUMH advises that ACTS will be absorbing PUMH and the due diligence process is underway. Representatives of the Trustees, St. Martha's, PUMH and ACTS meet. ACTS says that the project will be one of the first items on their agenda, once merger is complete. The estimated decision date is March 31, 2010.

**23.** ACTS asks for extension until May 30, 2010 to communicate a decision about Mariposa project.

**24. July 2010** - ACTS informs the Trustees and St. Martha's that they will not be pursuing the Mariposa at Bethany project.