

Co-Op Village Foundation, Inc.

6692 E. Magnolia St.
Milton, FL 32570

Phone: (850) 623-8753
www.co-opvillagefoundation.org

Conrad N. Hilton Foundation
Attn: **Steven Hilton**, CEO
10100 Santa Monica Blvd #1000
Los Angeles, CA 90067

January 14, 2008

Dear Sir:

Very rarely in history has one man been in a position to vastly alter humanity or the planet. Like it or not, you sir are in that position! The decision you make to review this material may prevent 3 billion persons from suffering horribly and dying. Your decision here to read further may save mankind, our technology and the very planet we stand on.

This is not a request for a grant. I am well aware that you do not respond to unsolicited contacts. But this is an unusual emergency project in response to an unusual emergency world crisis, that being the damage to the planet and death of half of its inhabitants. There is no time to abide by rules. What is needed is a hero for the planet now.

The major writers who have studied the global crisis problems of global warming, probable economic collapse in this country and the world, environmental problems, post peak oil, pension problems, etc. all come to the same conclusion. We must convert to local economies in order for mankind to survive. Their shortfall is that they cannot describe such a system or how to convert to it without causing a total economic meltdown in the process. They all hit a dead-end wall.

The Co-Op Village Foundation has spent five years resolving this problem. We have the Holy Grail that the major economists are seeking - there is no other option out there. We are the only ones to advance a doable solution. It is documented and ready to be implemented now. We wish to give this to mankind for free. There is no money to be made here by us. There are no salaries here. This is truly a free solution for humanity.

We are seeking a \$10 Million construction loan collateralized by a \$50 Million asset to be repaid within 5 years at a high interest rate. This will enable us to build the first Village so that private investors will be able to see it and be enticed to finance 30,000 other Villages in this country. This is our only viable option to turn our culture into a sustainable one. The risk to your foundation is negligible, especially in comparison to the gain to the planet - that being survival of an unprecedented crisis!

Sincerely,

Jim Costa, Chairman

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Tab 1 – Executive Summary

Executive Summary

This pilot project will construct the first Co-Op Village, which will provide all housing, food, utilities, medical care, advanced education and jobs for 600 persons to live sustainably on 700 acres forever. This is purely a non-profit venture with all parties working together as a cooperative and the land and buildings being owned as a community land trust. No one involved in this project stands to make a profit from it. Ultimately, this project may spare the U.S. from an economic meltdown.

Who Are We:

We are a 501(c)(3) local organization that has developed this concept over the past five years. The concept is fully documented, published as a book, **Co-Op Villages, The Next Evolution** (2007), and is now ready to be implemented.

We intend to give this concept to the world for free.

Where: The first Village is ready to be built near Pensacola, Florida, our location.

Project Purpose:

1. **Demonstrate how communities can live at a sustainable level** the planet is now demanding and under a localized economy producing life essentials locally (i.e. food, power, water, etc.) while reducing dependence on transportation.
2. **Render immediate and permanent relief to those suffering** under our current economic culture (homeless, single parents, elderly with no pensions, unemployable, etc.).
3. **Inspire subsequent private investors**, by demonstration of actual Village operation, to recognize Village income production / loan repayment capabilities and fair market value, thus causing those investors **to finance thousands** of other Villages. The Co-Op Village Foundation will freely help the other independent Villages organize themselves and start-up.
 - a. Instead of investors taking the risk of financing individual single-family homes they will be financing entire communities that will be in a better long-term position to support the repayment of those loans.
 - b. When 30,000 Villages have been built (doable within just a few years) half of the 36 million persons in poverty in this country will no longer suffer from the effects of poverty.
4. **Micro Economic View & Benefits:**
 - The cost to each resident will be \$40,000 with the Village financing that cost for those that need it.

- Children will be admitted for free until they become adults.
- Jobs will be created for those that are financed so that the loans can be paid off within four year
- The Village will be a cashless society internally. A business office will manage its affairs.
- The Village will be governed by consensus of all members.

5. **Macro Economic View & Benefits:**

a. **Relieves pressure on current economic system:**

- Creates Jobs for all in Villages thus reducing demand for the limited number of jobs available in current economic system.
- Reduces social instability by giving an alternative to desperation.
- Greatly reduces energy and oil demands.
- Dovetails nicely within our current economic system.

b. **Insurance against U.S. financial meltdown:**

- Demonstrates a means to recover from meltdown quickly.
- The number of Villages can be controlled to maximize our current economic systems vitality.
- Is a working model to retrofit suburbia if needed due to post peak-oil.

6. **Global Benefits:**

- Will cause the United States to quickly stop the ecological damage we are causing.
- Will quickly reduce the U.S. oil dependence to a manageable level.
- Will demonstrate to the rest of the world how to accomplish the same, thus saving the planet and the currently predicted major suffering to mankind.

Peer Review Endorsements

We hold endorsements by several economists and economic visionary authors.

Funding Request:

We are seeking a \$10 Million loan (or participation) secured by a first mortgage (asset valuation of \$39 Million) offering a high interest rate, to be repaid in a minimum of 5 years. Funding would be controlled by construction draws.

Matching in-kind funding would be in the form of all construction being done by the residents themselves and completed within the first year. Repayment would be from Village resident earnings.

Tab 2 – Prospectus

Tab 3 – Loan Request: Leverage Calculation

Loan Request

Applicant: Co-Op Village Foundation, Inc.

Contact: Jim Costa

Phone: (850) 623-8753

Email: costa4669@bellsouth.net

Website: www.co-opvillagefoundation.org

Loan Purpose: Construct a community land trust eco-village of 330 homes and 20 commercial buildings.

Amount Requested: \$10,000,000

Additional Financing in Place: 2,000,000 (Land Financing)

Total Financing: \$12,000,000

FMV of completed village: \$39,000,000

Financing Leverage (\$10.8M/\$50M): 35%

Use of Funds: \$400,000 Land Down Payment

Construction Draws \$792,000 per month over 12 months

Collateral: 700 acres near Jay, FL, 330 homes, 20 commercial buildings.

Terms: \$500,000 up front,
then construction progress draws over 12 months.

No payment first year.

Planned payback of 5 years but written payback of ten years.

Note: Once we begin construction national financiers should back us as a third mortgage lender if necessary to insure success, thus reducing the risk of the second mortgage lender.

Financing Leverage

Asset Fair Market Value

Raw Land (\$3,500 per acre)	Note 1	\$	4,200,000
Homes (7 Neighborhoods) (330 Homes X 700 sq' X \$125 per sq')	Note 2		28,875,000
Trades Buildings			4,000,000
Infrastructure & Equipment		\$	2,000,000
Total Fair Market Value:		\$	<u>39,075,000</u>

Financing

First Mtg Position - Land Financing	\$	2,000,000
Second Mtg. Position		10,000,000
Total Financing	\$	<u>12,000,000</u>

Financing Leverage:

\$12,000,000.00 / \$39,075,000.00

31%

- Note 1: 75% of land still available for development.
- Note 2: Average FMV home construction cost.
- Note 3: If third Mtg. is placed, all risk shifts to it.
A fourth Mtg position will be taken by residents.

Tab 4 – Who Are We

Tab 5 – 501 (c)(3) Certification & Corporate Charter

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

CO-OP VILLAGE FOUNDATION INC
6692 E MAGNOLIA ST
MILTON, FL 32570

Employer Identification Number:
06-1747307

DLN:

17053067006017

Contact Person:

CARA D FRANCZAK

ID# 31452

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Effective Date of Exemption:

May 23, 2005

Addendum Applies:

No


Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Based on the information you submitted with your application, we have determined you are likely to qualify as a private operating foundation described in section 4942(j)(3) of the Code. Accordingly, you are treated as a private operating foundation for your first year. After that, you will be treated as a private operating foundation as long as you continue to meet the requirements of section 4942(j)(3). You are required to file Form 990-PF annually.

Please see enclosed Publication 4221-PF, Compliance Guide for 501(c)(3) Private Foundations, for some helpful information about your responsibilities as an exempt organization.

Sincerely,


Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-PF

Letter 1075 (DO/CG)

Certificate of Status

I certify from the records of this office that CO-OP VILLAGE FOUNDATION, INC. is a corporation organized under the laws of the State of Florida, filed electronically on May 23, 2005.

The document number of this corporation is N05000005300.

I further certify that said corporation has paid all fees due this office through December 31, 2005, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 050523105703-800055112508#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Twenty Third day of May, 2005



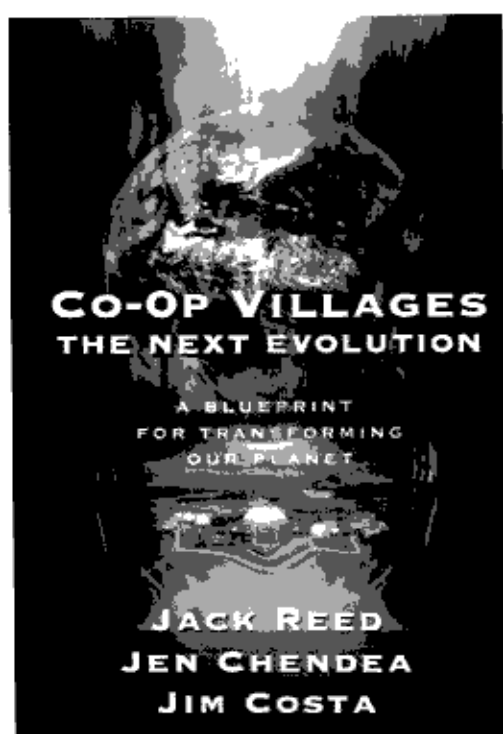
Glenda E. Hood
Glenda E. Hood
Secretary of State

Tab 6 - Peer Review Endoesement #1

Tab 7 - Peer Review Endoesement #2

Tab 8 – Book Flyer

WE CAN LIVE TOGETHER IN PEACE!



"I join Jack Reed in seeking a newer world, and I applaud his dedication, commitment, and high intention to produce a plan of action that we might investigate and discuss with real seriousness and with a genuine opportunity to, at last, alter the human experience."

Neal Donald Walsch, best selling author of *Conversations with God*.

JACK REED authored a prior award winning book **The Next Evolution**, which challenged someone to design such a village. He is a global visionary who sees the world as an interconnected whole. His studies have taken him far beyond the theoretical. For fifteen years he lived in an urban cooperative community, where he was an active leader.

If we are going to continue to even HAVE a world, we're going to have to start making it work for everyone.

A community of 500 that works!

This book details how to house 500 persons on 500 acres to live **sustainably forever**, and provide all housing, food, utilities, health benefits, transportation, job training or advanced education and living wage jobs for life for its residents. No resident will ever profit from another.

The cost to each resident is only \$40,000 with financing by the village for those who need it.

These Villages will produce their own organic food, produce their own utilities, reduce oil demand, and truly be concerned about the land they live on. Governments can't change the world but a grass roots movement such as this can.

This book boldly shows, on the level of community, how we can not only save our planet's environment, but also create the opportunity for all people everywhere to lead inspired and abundant lives on all levels.

This is probably the only current viable option for mankind to mitigate the disasters that lie ahead globally both financially and environmentally. Currently we are just silently marching towards a cliff. But if enough Villages are built, society will then have an option to choose how it will create its future.

We have designed a Village for which there is a strong demand, is a sound business investment, is blueprinted so that it can be replicated anywhere, and economically dovetails nicely with our current capitalistic system.

The first Co-Op Village is planned in NW Florida in 2008.

JIM COSTA is a former CPA, systems analyst and paralegal, continued in night school another 15 years after getting his bachelor's degree, studying all aspects of business. He left the workforce ten years ago to develop this concept as a gift to humanity, taking on the challenge laid down by Jack Reed's first book to design such a Village.

www.co-opvillagefoundation.org

Co-Op Village Foundation (850) 623-8753

6692 E. Magnolia St. Milton, FL 32570

Costa4669@bellsouth.net

AMAZON.COM & BARNES & NOBLES

Category: Ecology, Politics, Current Affairs, Economics

Edition: First

Specs: Soft Cover, 6 x 9, 306 pages

Price: \$19.95

ISBN: 978-0-9794865-0-0

Tab 9 – Business Plan

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Tab 10 - Cash Flow Projection – (5 & 10 Year)

Tab 11 – Use of Funds Statement

Cost per Phase

	<u>Quantity</u>	<u>Phase</u> <u>1</u>	<u>Phase</u> <u>2</u>	<u>Phase</u> <u>3</u>	<u>Phase</u> <u>4</u>	<u>Phase</u> <u>5</u>	<u>Total</u>
Land Acquisition		2,000,000	1,340,000	1,000,000	1,000,000	1,000,000	6,340,000
Land Improvements		200,000	102,000	50,000	40,000	10,000	402,000
<u>Neighborhood:</u>							
Homes	45	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	6,750,000
Cisterns, Septic, other	45	315,000	315,000	315,000	315,000	315,000	1,575,000
Restaurant	1	75,000	75,000	75,000	75,000	75,000	375,000
Meeting Hall	3	150,000	150,000	150,000	150,000	150,000	750,000
Laundry	3	75,000	75,000	75,000	75,000	75,000	375,000
Garage / Workshop	3	120,000	120,000	120,000	120,000	120,000	600,000
Gazebo	3	15,000	15,000	15,000	15,000	15,000	75,000
Well	3	12,000	12,000	12,000	12,000	12,000	60,000
<u>Trades Buildings</u>							
Central Operations			69,300				69,300
Communications			69,300				69,300
Construction			33,000				33,000
Maintenance			49,500				49,500
Sanitation			49,500				49,500
Warehouse			99,000				99,000
Barber / Beauty				24,750			24,750
Child Care				115,500			115,500
Social Services				59,400			59,400
Welding				6,600			6,600
Auto Shop					49,500		49,500
Business Center					69,300		69,300
Focus Groups					29,700		29,700
Gym					100,000		100,000
Health Building							

COMPLETE FINANCIAL PACKAGE

AVAILABLE UPON REQUEST

Tab 13 – At Worst Fall Back Positions

At Worst Fall Back Position #1

Due to the social, environmental and economic impact this project can have on this country, the press will be forced to cover the story once construction begins.

Considering the extremely low financing leverage and the degree of potential impacts above, private philanthropists will then become available as third mortgage lenders to insure its success, if needed. Of course, this will greatly reduce the risks to prior lenders.

At Worst Fall Back Position #2

Repossess the property.

Start a new Community Land Trust similar to the original one.

Sell memberships to 700 residents at \$40,000 each.

Walk away with the profits.

Sales Proceeds (700 X \$40,000)	\$ 28,000,000
Less Selling Expenses	(100,000)
Less Maximum Investment	<u>(13,800,000)</u>
Profit	<u>\$ 14,100,000</u>

Return on Investment:

(\$14,100,000 / \$13,800,000) **102%**

At Worst Fall Back Position #3

Total Financing	\$	13,800,000
Number of Homes		330
Cost per Home:	\$	<u>41,818.18</u>

Monthly Rent Revenue per home:	\$	500
Annual Rent Revenue Per Home	\$	6,000
Annual Rent Revenue - 330 Homes	\$	1,980,000
Annual Rent on Trades Areas	\$	-
/ Total Financing	\$	<u>13,800,000</u>

Return On Investment from Renting: 14%

Note 1: This does not include tax incentives for Low Income Rental Property.

Note 2: This still leaves 75% of land available for development with no cost associated with that land.

Tab 15 – Bio Information - Principals

James F. Costa
2001 N. Forsythe St.
Milton, FL 32570
Phone: (850) 623-8753

March 6, 2000

Dear Sir:

Please find attached my resume to be considered for the BUSINESS PROCESS ANALYST position. It should reflect that I have the following skills:

- Heavy Controller / Accounting Management background.
- Systems Analyst
- Former CPA (inactive license).
- 2 year law degree specializing in commercial law.
- Budgeting / Forecasting and Contract negotiation experience.
- Experience in business Turn Arouns and Reorganization.
- Sales Experience.
- Expert on Spreadsheets (Excel & Word), Data Bases and mainframe computerized accounting systems and programmer in several languages, including Microsoft Visual Basic (for Excel & Word).

I have been attending night school for the past twenty years learning other aspects of business besides accounting. If you are seeking someone with a heavy business and computer background, then please contact me.

Sincerely,

Jim Costa

Jim Costa

Skills	Controller	
Experience	2001–Present	Carvel Properties, Inc. Twilight Rental, Inc. Milton
	President	
	■ Purchased and renovated twenty rental properties.	
	1996–1997	Pensacola Shipyard / Fla. Drum Co. Pensacola
	General Manager & Controller	
	■ Developed 60 acres into commercial seaport.	
	■ Secured contract producing \$400,000 profit per year.	
	■ Computerized accounting system.	
	■ Implemented Risk Management & Legal Protection program.	
	1993 – 1996	Instrument & Environmental Controls, Inc. Pensacola
	Owner	
	■ Industrial Instrumentation sales, contracting & service.	
	1988 – 1998	Carvel Consulting Company Pensacola
	Consultant Controller / Owner	
	Controller for Electrical Contractor (Fillmore Electric, 1 yr.)	
	• Secured & managed \$1 million DOD contract.	
	• Wrote Drug, EEOC and ADA Policies.	
	• Computerized accounting and trained staff.	
	Controller for 100 store furniture manufacturer (2 yr.)	
	• Filed and managed Chapter 11 on its behalf.	
	Controller / Legal Officer for 175 Employee hotel (1.5 yr.).	
	• Filed and successfully managed Chapter 11 Reorganization.	
	1985 – 1988	Crown Management Services Pensacola
	Controller / CPA	
	■ 15 Divisions, 375 employees, annual sales of \$8 million.	
	■ Converted to in-house computer system.	
	■ Bid on and managed DOD contracts.	

1984 – 1985 Lakeview Center, Inc. Pensacola

Controller / CPA

- 64 departments, 350 employees, budget of \$7 million.
- Converted to in-house computer system.

1980 –1983 Digital Systems of Fla. Pensacola

Controller

- Responsible for all accounting for Fortune 500 subsidiary.
- Supervised 1 CPA and 15 Clerks.
- Managed International shipments.
- \$13 million inventory, \$10 million A/R, 4,000 monthly transactions.

1979–1980 Tom Bizzell & Assoc., CPA's Pensacola

CPA

- Financial Statements, Tax Returns, Audits.

1977–1979 Saltmarsh, Cleaveland & Gund, CPA's Pensacola

CPA

- Financial Statements, Tax Returns, Audits.

1973 – 1977 Florida National Bank Pensacola

Commercial Loan Officer

1969 - 1973 City of Pensacola Pensacola

Collector - Finance Department

Education

B..A. Accounting	GPA: 3.3/4.0	1972 - 1977	University of W. Fla.
A..A. Legal Assistance	GPA: 3.7/4.0	1987 - 1989	Pensacola Jr. College.
A..A. General	GPA: 3.7/4.0	1967 - 1969	Pensacola Jr College.
Various Computer & Business courses		1990 - 1996	UWF & PJC

James Francis Costa
Biographical Background

Contact Information:

Phone: (850) 623-8753
Email: costa4669@bellsouth.net
Address: 6692 E. Magnolia St.
Milton, FL 32570
Note: Formerly known as
2001 N. Forsythe Street
prior to street name change.

Personal History:

DOB: 8/11/48 Pensacola, Florida
Age: 59
Health: Excellent

Family History

Married To: Betty Copeland (Gibson) Costa
From 11/9/1982 to Present
Children from Marriage: 2 Stepsons

Married To: Barbara Parker Chamberlain
phone (850) 623-6594
From 1/18/1969 to 1982
Children from Marriage:
James F. Costa, Jr. (850)
Jeannette Zackowski (850) 623-0234)

EDUCATION:

B.A. Accounting GPA: 3.3/4.0 1972 - 1977 University of W. Fla.
A.A. Legal Assistance GPA: 3.7/4.0 1987 - 1989 Pensacola Jr. College.

A.A. General GPA: 3.7/4.0 1967 - 1969 Pensacola Jr. College.

Diploma Pensacola Catholic High 1967

Florida CPA 1981 License # AC0008282 (expired 10 yrs ago)

Various Computer & Business courses 1990 - 1996 UWF & PJC
(Including most coursework towards M.S.-Systems Analysis)

Address History:

6692 E Magnolia St. Milton FL
Santa Rosa County
22 Years

??? Greenbay Drive Pensacola, FL
1982 - 1983

22 Kennington Drive, Pensacola Florida
1970 - 1982 Escambia County

Criminal History:

5/25/05 Charge: Burglary of Structure
Disposition: **Dismissed** by State

Comments: Rescued python snake left in
abandoned rental property owned by me.

See Attached: Arrest Report & No Prosecution Filing

References:

Ernest Fisher	Business Partner	Phone (850) 623-2567
John Costa	Brother / Former Partner	(850) 572-8544
Tony Henderson	Asst. Public Defender	(850) 981-5600

Work History: See Attached Resume

James F Costa
08/11/1948