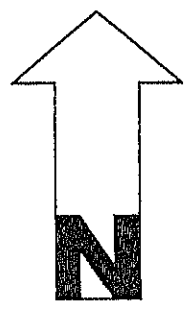


LOCATION MAP



Attachment "2"



June 14, 2012

Mr. Ross Hering
Director
Property & Real Estate Management
Palm Beach County
2300 N. Jog Road
West Palm Beach, FL 33411-2741

Re: Boynton Harbor Marina – Waterfront Preservation Easement Amendment Request

Dear Ross,

Pursuant to the Board of County Commissioners request at the May 1, 2012 meeting for the Boynton Beach CRA to assist Splashdown Divers in finding retail space within the Boynton Harbor Marina I am writing to report on those efforts.

CRA staff located retail space that was available for lease within the Boynton Harbor Marina; 100 NE 6th Street, Unit H. The space is directly behind Ms. Simmons vessel (see Exhibit 1). This is the space that Ms. Lynn Simmons stated at the May 15, 2012 CRA Board meeting that she had unsuccessfully attempted to purchase.

CRA staff arranged a meeting with the broker for the owner and Ms. Simmons to review the lease terms (See Exhibit 2). The unit is slightly smaller than the space Ms. Simmons occupied as a holdover tenant; 1,070 sq. ft. vs. 1,248 sq. ft. in the old building, a difference of 178 sq. ft. However, the space was recently built out and needs little to no work for Ms. Simmons to move in.

As a holdover tenant, Ms. Simmons had been paying \$2,652 (\$2,500 plus tax) per month for the old dive shop space or \$2 pr sq. ft. The lease term for the proposed space in Marina Village is \$1,000 per month plus 5% of gross sales and Common Area Maintenance (CAM) of \$454 per month. Ms. Simmons gross sales in 2010 were \$171,190 (See Attached Business Tax Returns – Exhibit 3) resulting in additional rent of \$713 per month for a total of \$1,713 excluding CAM for a price per sq. ft. of \$1.60.

Ms. Simmons stated at the June 12, 2012 CRA Board meeting that now, she wants to retain the space she currently has her business in and also lease the new space in Marina Village for a total of 3,070 sq. ft. of retail space. She wants the CRA to pay for the CAM for the new space for five years for a total of \$21,140 plus moving expenses and permits. She also wants the CRA to pay for rent subsidy and build-out in the existing space for a total of \$37,200.

The CRA Board voted to pay Ms. Simmons the remaining balance of her grant funds for her existing site in a lump sum so that she may use the funds to obtain the new space or to improve the space she is currently residing contingent upon the County approving the demolition of the existing building in the Boynton Harbor Marina.

Page Two

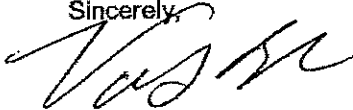
June 13, 2012

Re: Boynton Harbor Marina – Waterfront Preservation Easement Amendment Request

Also, at the June 12, 2012 CRA Board meeting, the CRA Board voted to offer to the County extending the County's Waterfront Preservation Easement to the property where the new marina building will be located on the Intracoastal. As stated previously, the new building will be solely for the marine related purposes.

We are hopeful that the information provided is sufficient to ensure that the Boynton Beach CRA has made all attempts to ensure that Splashdown Divers shop is able to relocate within the Marina. Please feel free to contact me if you need further information.

Sincerely,

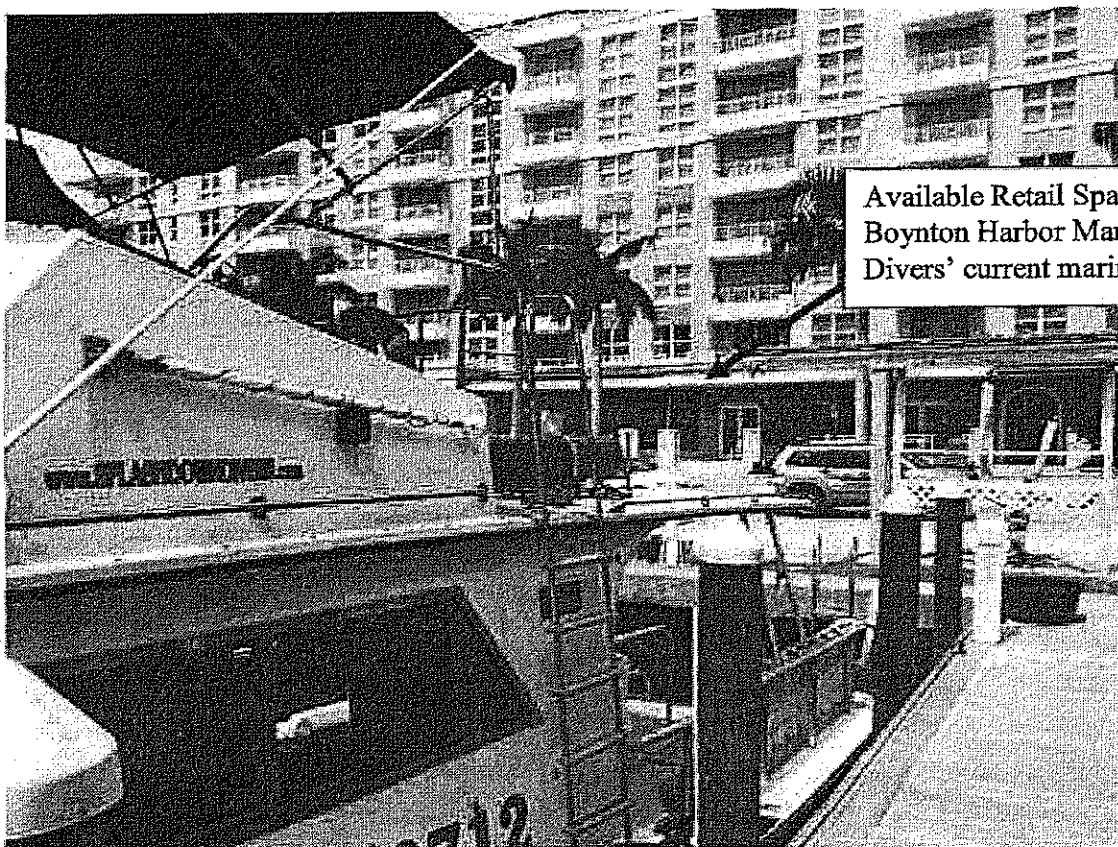


Vivian L. Brooks
Executive Director

Cc: CRA Board

EXHIBIT 1

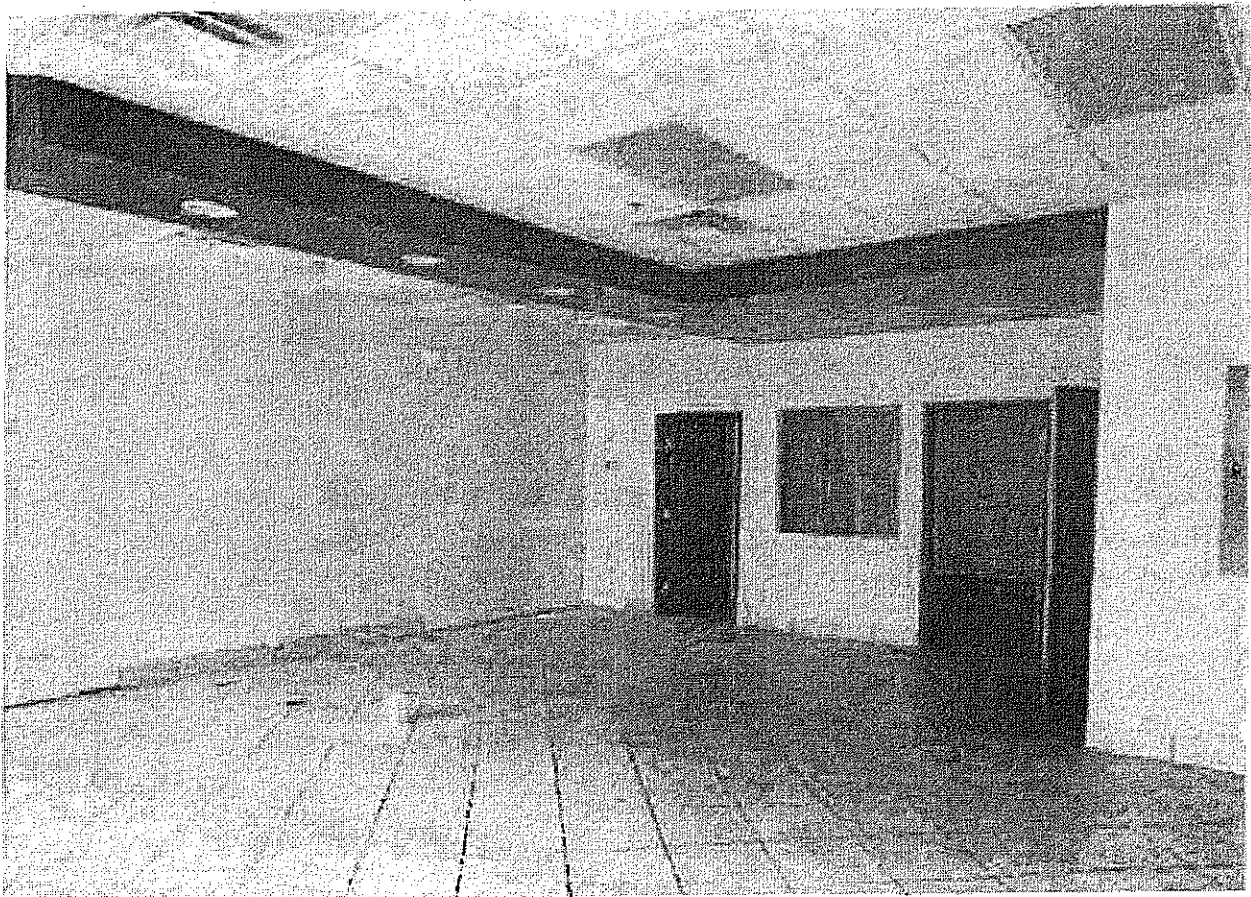
**Potential Vacant Retail Space in Marina Village
For Splashdown Divers, Inc., 100 Casa Loma Blvd., Unit 108**



Available Retail Space directly across from Boynton Harbor Marina and Splashdown Divers' current marina slip.







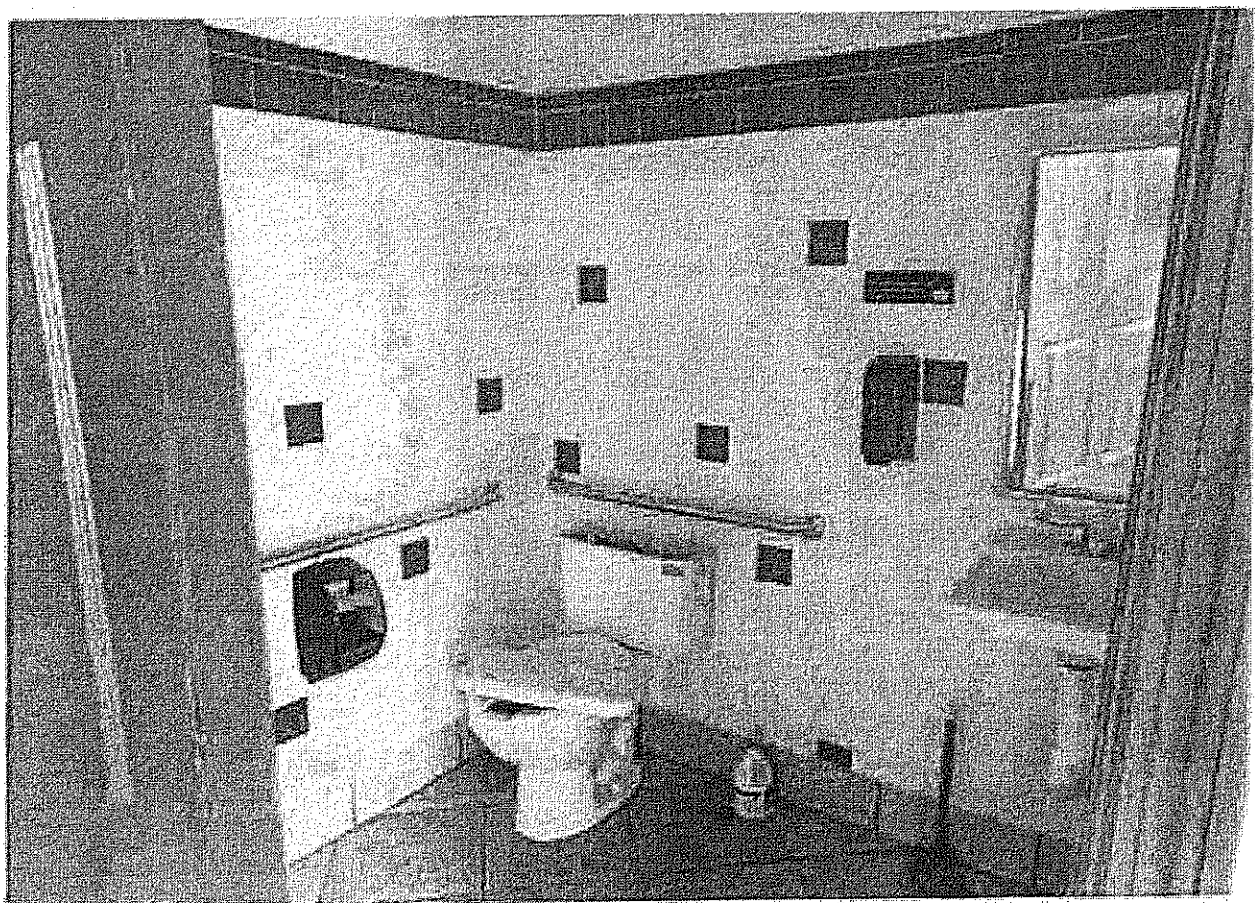




EXHIBIT 2



May 18, 2012

Sent via FedEx and Regular Mail

Lynn Simmons
Splashdown Divers, Inc.
640 E. Ocean Avenue, Unit 14
Boynton Beach, FL 33435

Re: Available Commercial Space in Marina Village

Dear Ms. Simmons:

As you are aware, at the May 15, 2012 meeting the CRA Board directed staff to facilitate a meeting between yourself and the owners of the available commercial Unit H in the Marina Village building #3.

This letter is to confirm that you will be in attendance at the meeting between yourself, the unit owner, Z Management Services, Inc., their Realtor, Adolfo Castellano, and myself scheduled to take place on **Monday, May 21, 2012, at 10am** within the offices of Z Management located at **100 NE 6th Street, Unit 107**, in Marina Village across the street from your marina slip.

Additionally, enclosed please find several pictures I took of the interior of the commercial unit while performing a recent site visit as well as the contact information for the unit's Owner and Realtor.

If you have any questions or need any additional information, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in cursive script that reads "Michael Simon".

Michael Simon
Development Director

Cc: Vivian Brooks, CRA Executive Director
Adolfo Castellano, Realtor, via email
file

EXHIBIT 3

Form 1120S

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. See separate instructions.

2010

For calendar year 2010, or tax year beginning 2010, and ending 2010

Header section containing: A Selection effective date (07/15/88), B Business activity code number (812990), C Check if Sch. M-S attached, D Employer identification no. (59-2775968), E Date incorporated (07/15/88), F Total assets (\$29,594).

G Is the corporation electing to be an S corporation beginning with this tax year? H Check if: (1) Final return, (2) Name change, (3) Address change, (4) Amended return, (5) S election termination or revocation. I Enter the number of shareholders who were shareholders during any part of the tax year: 1

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Table with 21 rows for Income and Deductions. Includes categories like Gross receipts or sales, Cost of goods sold, Compensation of officers, Salaries and wages, Repairs and maintenance, etc.

Table with 7 rows for Tax and Payments. Includes categories like Excess net passive income or LIFO recapture tax, Tax from Schedule D, 2010 estimated tax payments, etc.

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature and Preparer information section. Includes: Signature of officer (Richard Cable, CPA), Date (09/14/11), Title, Preparer's signature (Richard Cable, CPA), Date (09/14/11), Check if self-employed, PTIN (P00045494), Firm's name (MORNING STAR FINANCIAL SVCS, PA), Firm's address (639 EAST OCEAN AVE SUITE 309, BOYNTON BEACH, FL 33435), EIN (65-0103409), Phone no. ((561) 369-1004).

Schedule A Cost of Goods Sold (See the instructions)

1	Inventory at beginning of year	1	12,517.
2	Purchases	2	33,568.
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	18,448.
6	Total. Add lines 1 through 5	6	64,533.
7	Inventory at end of year	7	17,548.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	46,985.

9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c).....▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970).....▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d |

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation?..... Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory?..... Yes No
If "Yes," attach explanation.

Schedule B Other Information (See instructions)

	Yes	No
1 Check accounting method: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶		
2 See the instructions and enter the: (a) Business activity ▶ BOAT CHARTERS (b) Product or service ▶ SCUBA DIVING		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN) (b) percentage owned, and (c) if 100% owned, was a QSub election made?		X
4 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount.....▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions)		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year..... \$ 0.		
8 Are the corporation's total receipts (see the instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.....	X	
9 During the year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X

Schedule K Shareholders' Pro Rata Share Items

	Total amount
1 Ordinary business income (loss) (page 1, line 21)	1 -16,612.
2 Net rental real estate income (loss) (attach Form 8825)	2
3a Other gross rental income (loss)	3a
b Expenses from other rental activities (attach statement)	3b
c Other net rental income (loss). Subtract line 3b from line 3a	3c
4 Interest income	4
5 Dividends: a Ordinary dividends	5a
b Qualified dividends	5b
6 Royalties	6
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a
b Collectibles (28%) gain (loss)	8b
c Unrecaptured section 1250 gain (attach statement)	8c
9 Net section 1231 gain (loss) (attach Form 4797)	9
10 Other income (loss) (see instructions) ... Type ▶	10

		Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11	Section 179 expense deduction (attach Form 4562)	11		
	12a	Contributions	12a		
	b	Investment Interest expense	12b		
	c	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	12c(2)		
	d	Other deductions (see instructions) Type ▶	12d		
Credits	13a	Low-income housing credit (section 42(j)(5))	13a		
	b	Low-income housing credit (other)	13b		
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c		
	d	Other rental real estate credits (see instructions) Type ▶	13d		
	e	Other rental credits (see instructions) Type ▶	13e		
	f	Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f		
	g	Other credits (see instructions) Type ▶	13g		
Foreign Transactions	14a	Name of country or U.S. possession ▶	14b		
	b	Gross income from all sources	14c		
	c	Gross income sourced at shareholder level			
		Foreign gross income sourced at corporate level	14d		
	d	Passive category	14e		
	e	General category	14f		
	f	Other (attach statement)			
		Deductions allocated and apportioned at shareholder level:			
	g	Interest expense	14g		
	h	Other	14h		
		Deductions allocated and apportioned at corporate level to foreign source income:			
	i	Passive category	14i		
	j	General category	14j		
	k	Other (attach statement)	14k		
	Other information				
l	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l			
m	Reduction in taxes available for credit (attach statement)	14m			
n	Other foreign tax information (attach statement)				
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a		-1,391.
	b	Adjusted gain or loss	15b		
	c	Depletion (other than oil and gas)	15c		
	d	Oil, gas, or geothermal properties—gross income	15d		
	e	Oil, gas, or geothermal properties—deductions	15e		
	f	Other AMT items (attach statement)	15f		
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a		
	b	Other tax-exempt income	16b		
	c	Nondeductible expenses	16c		
	d	Property distributions	16d		
	e	Repayment of loans from shareholders	16e		
Other Information	17a	Investment income	17a		
	b	Investment expenses	17b		
	c	Dividend distributions paid from accumulated earnings and profits	17c		
	d	Other items and amounts (attach statement)			
Reconciliation	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l			18	-16,612.

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		519.		2,786.
2a Trade notes and accounts receivable				
b Less allowance for bad debts	()		()	
3 Inventories		12,517.		17,548.
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets	284,217.		284,217.	
b Less accumulated depreciation	(272,848)	11,369.	(277,457)	6,760.
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Other assets (attach statement)		2,500.		2,500.
15 Total assets		26,905.		29,594.
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 yr.				
18 Other current liabilities (attach statement)		1,130.		852.
19 Loans from shareholders		214,470.		227,249.
20 Mortgages, notes, bonds payable in 1 year or more		3,569.		10,369.
21 Other liabilities (attach statement)				
22 Capital stock		2,500.		2,500.
23 Additional paid-in capital				
24 Retained earnings		-194,764.		-211,376.
25 Adjustments to shareholders' equity (attach stmt.)				
26 Less cost of treasury stock	()		()	
27 Total liabilities and shareholders' equity		26,905.		29,594.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of schedule M-1 if total assets are \$10 million or more—see instructions

1 Net income (loss) per books	-16,612.	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Sch K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this yr. (itemize):		a Tax-exempt int. \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14i (itemize):		6 Deductions included on Schedule K, lines 1 through 12, and 14i, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3	-16,612.	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	-16,612.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	-194,764.	0.	0.
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	(16,612.)		
5 Other reductions	(0.)	()	
6 Combine lines 1 through 5	-211,376.		
7 Distributions other than dividend distributions			
8 Bal. at end of tax year. Subt. line 7 from line 6	-211,376.	0.	0.

Form **4562**

Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

2010

Department of the Treasury
Internal Revenue Service

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No. **67**

Name(s) shown on return
SPLASHDOWN DIVERS, INC.

Business or activity to which this form relates
1120S - Page 1

Identifying number
59-2775968

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than -0-) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See the instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2010	17	4,609.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B--Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only--see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C--Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see the instructions)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations--see instructions	22	4,609.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

SPLASHDOWN DIVERS, INC.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A--Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Busn./investment use percentage, (d) Cost or other basis, (e) Basis for depr., (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B--Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with columns (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Includes rows 30-36.

Section C--Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see the instructions).

Table with columns Yes No. Includes rows 37-41.

Part VI Amortization

Table with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

► **File a separate application for each return.**
► **See separate instructions.**

Type or Print File by the due date for the return for which an extension is requested. See instructions.	Name SPLASHDOWN DIVERS, INC.	Identifying number 59-2775968
	Number, street, and room or suite no. If P.O. box, see instructions. 237 AKRON ROAD	
	City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). LAKE WORTH, FL 33467	

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 706-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8812	28
Form 1120-C	34	Form 8813	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
- If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 10, or tax year beginning _____, 20____, and ending _____, 20____

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	0.
7 Total payments and credits (see instructions)	7	0.
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0.

SPLASHDOWN DIVERS, INC.
 59-2775968
 Form 1120S - For Year Ended 12/31/10

Page 1, Line 12 - Taxes and Licenses

Licenses and fees	1,541.
Payroll taxes	388.
	<u>1,929.</u>

Page 1, Line 19 - Other Deductions

Auto and truck expenses	9,983.
Bank charges	741.
Credit card fees	4,201.
Fuel	10,882.
Insurance	2,884.
Legal and professional svcs	7,856.
Postage and express services	110.
Telephone	7,062.
	<u>43,719.</u>

Page 2, Schedule A, Line 5 - Other Costs

Subcontractors	18,448.
	<u>18,448.</u>

Page 4, Schedule L, Line 14
Other Assets

	<u>Beginning</u>	<u>Ending</u>
Security Deposit - Rent	2,500.	2,500.
	<u>2,500.</u>	<u>2,500.</u>

Page 4, Schedule L, Line 18
Other Current Liabilities

	<u>Beginning</u>	<u>Ending</u>
State sales tax liability	457.	148.
Payroll taxes payable	673.	704.
	<u>1,130.</u>	<u>852.</u>

IRS Notes: Note 1

Election of accounting method under revenue procedure 2000-22

The corporation hereby elects to utilize the cash method of accounting as permitted by revenue procedure 2000-22 and notice 2001-76, 2001-52 IRB for this and all future years as permitted by the above and future IRS rulings and promulgations.

671110

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

2010

For calendar year 2010, or tax
year beginning _____, 2010
ending _____, 20__

Final K-1

Amended K-1

OMB No. 1545-0130

Shareholder's Share of Income, Deductions,
Credits, etc. ▶ See page 2 of form and separate instructions.

Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
	-16,612.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative min. tax (AMT) items
		A	-1,391.
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

*See attached statement for additional information.

Information About the Corporation

A Corporation's employer identification number
[REDACTED]

B Corporation's name, address, city, state, and ZIP code
SPLASHDOWN DIVERS, INC.
237 AKRON ROAD
LAKE WORTH, FL 33467

C IRS Center where corporation filed return
Ogden

Information About the Shareholder

D Shareholder's identifying number
[REDACTED]

E Shareholder's name, address, city, state, and ZIP code
LYNN A SIMMONS
237 AKRON ROAD
LAKE WORTH FL 33467

F Shareholder's percentage of stock ownership for tax year 100 %

For IRS Use Only

SPLASHDOWN DIVERS, INC.
Tax Return Summary
For Years 2007 - 2010

	2007	2008	2009	2010
Income				
Net sales.....	252,107.	203,708.	150,042.	171,190
Cost of goods sold.....	131,781.	84,694.	77,241.	46,985
Gross profit.....	120,326.	119,014.	72,801.	124,205
Net gain (loss) from Form 4797	-716.			
Total income.....	<u>119,610.</u>	<u>119,014.</u>	<u>72,801.</u>	<u>124,205</u>
Deductions				
Compensation of officers.....	4,340.	4,340.	11,056.	11,800
Repairs and maintenance.....	20,559.	19,100.	3,149.	20,150
Rents.....	24,834.	27,138.	25,711.	46,498
Taxes and licenses.....	2,695.	2,349.	1,741.	1,929
Interest.....	9,853.	1,349.	34.	9,040
Depreciation.....	24,213.	6,835.	4,661.	4,609
Advertising.....	896.	4,847.	2,560.	3,072
Other deductions.....	42,423.	49,705.	34,188.	43,719
Total deductions.....	<u>129,813.</u>	<u>115,663.</u>	<u>83,100.</u>	<u>140,817</u>
Net ordinary income (loss).....	<u>-10,203.</u>	<u>3,351.</u>	<u>-10,299.</u>	<u>-16,612</u>
Calculated Tax.....				
Schedule K Items to Shareholders				
Income (Loss)				
Ordinary income (loss) - page 1	-10,203.	3,351.	-10,299.	-16,612
Net section 1231 gain (loss).....	-7,500.			
Deductions				
Charitable contributions.....	5,031.	6,814.		
Foreign taxes (not reflected)				
Alternative Minimum Tax Items				
Post '86 Depreciation adjustment	-1,686.	-3,278.	-2,384.	-1,391
Items affecting SH Basis				
Non-deductible expenses.....	5,367.	6,200.		
Property distributions.....		14,700.	17,000.	

Form 1096 Department of the Treasury Internal Revenue Service		Annual Summary and Transmittal of U.S. Information Returns					OMB No. 1545-0108 2010						
FILER'S name SPLASHDOWN DIVERS, INC.						For Official Use Only <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>							
Street address (including room or suite number) 700 CASA LOMA BOULEVARD													
City, state, and ZIP code BOYNTON BEACH FL 33435													
Name of person to contact LYNN SIMMONS				Telephone number 561 736-0712									
Email address				Fax number									
1 Employer identification number 59-2775968		2 Social security number		3 Total number of forms 1	4 Federal income tax withheld \$ 0.00	5 Total amount reported with this Form 1096 \$ 5972.00							
Enter an "X" in only one box below to indicate the type of form being filed.								If this is your final return, enter an "X" here <input type="checkbox"/>					
W-2G 02	1098 81	1098-C 78	1098-E 84	1098-T 83	1098-A 80	1098-B 79	1098-C 85	1098-CAP 73	1098-DIV 81	1098-G 86	1098-H 71	1098-INT 92	1098-LTC 83
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-MISC 95	1099-DID 86	1099-PATR 97	1099-Q 31	1099-R 98	1099-S 75	1099-SA 94	3921 25	3922 25	5498 28	5498-ESA 72	5498-SA 27		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶

Title ▶

PRESIDENT

Date ▶

**EMPLOYER COPY ONLY
DO NOT FILE THIS COPY WITH THE IRS**

VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. SPLASHDOWN DIVERS, INC. 700 CASA LOMA BOULEVARD BOYNTON BEACH FL 33435 (561) 736-0712		1 Rents \$	2 Royalties \$	OMB No. 1545-0115 2010 Miscellaneous Income Form 1099-MISC
PAYER'S federal identification number 59-2775968	RECIPIENT'S identification number [REDACTED]	3 Other income \$	4 Federal income tax withheld \$	
RECIPIENT'S name MARIE ODNEY Street address (including apt no.) 5970 ITHACA CIRCLE WEST City, state, and ZIP code LAKE WORTH FL 33463		5 Fishing boat proceeds \$	6 Medical & health care payments \$	
Account number (see instructions)		7 Nonemployee compensation \$ 5972.00	8 Substitute payments in lieu of dividends or interest \$	Copy C For Payer For Privacy Act and Paperwork Reduction Act Notice, see the 2010 General Instructions for Certain Information Returns.
2nd TIN Not <input type="checkbox"/>		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$	
		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	
		15a Section 408A deferrals \$	15b Section 408A income \$	
		16 State tax withheld \$	17 State/Payer's state no. \$	
				18 State income \$

Form **1099-MISC**
DXA

Department of the Treasury - Internal Revenue Service

Attachment "3"

MAY 24 2012

SPLASHDOWN DIVERS. INC.

640 E. OCEAN AVE. #14

BOYNTON BEACH, FL 33435

Palm Beach County Board of County Commissioners

301 North Olive Avenue

West Palm Beach, FL 33401

Dear Commissioners,

May 22, 2012

This is to keep you informed of the progress being made to achieve your directives of May 1, 2012 to the Boynton Beach CRA regarding relocating the dive shop that has been displaced from the working marina in the city of Boynton Beach. As is well known by now, this marina is and has been under the protection of Palm Beach County through an easement bought in 2006 by the County from the Boynton Beach CRA for two million dollars. The easement restricts the CRA in the scope that they may use and not change the existing marina and uses that were present (and promised) at the time of the agreement. The language is clear to any reasonable person that the marina, the structure and the uses could not be changed. Period. There is no option of "getting permission" to change or waive the condition of the resolution. It in fact clearly states that "ALL resolutions contrary to the resolution are repealed..."

You have made it clear in at least two public meetings that you want what you paid for. You gave public money to achieve a specific purpose. The CRA took that public money for THAT specific purpose. Redefining that purpose should not be facilitated by ANY government agency without mitigation. When a coral reef or a protected species like mangroves are damaged or destroyed, mitigation is required. COMPLETE RESTORATION OR REPLACEMENT is required. If you allow almost 3,000 square feet of valuable commercial space to disappear, an equal amount of commercial space must be provided. The lost use must also be replaced.

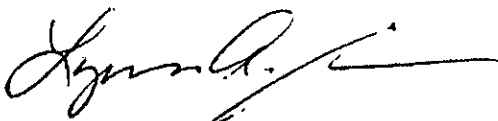
You gave the CRA an opportunity to fix what they have already done. Michael Simon of the CRA negotiated a meeting on 5/21/2012 with the owner and real estate agent for a small commercial space within Marina Village Condominium to discuss the possibilities of relocating the dive shop back into the general marina area. The owner of Splashdown Divers was also present. This space is much less than the current space which is now being used by Splashdown (1030 sq. ft. vs. 1,800 sq. ft.). It is twice the rental rate and is also less than the space which had been provided in the building which is scheduled to be demolished. It is insufficient to provide the level of service needed to qualify as a full service dive shop within the marina nor is it even in the protected parcel. A dive shop had been present for over 20

years at the time that the easement was negotiated and up to the eviction of Splashdown Divers. The only way to make this space work for Splashdown would be to reduce the services available in the marina location and retain the current space at Ocean Plaza for the classrooms, offices, and repair station. Not to mention the rescued parrots which have been a very big attraction for the tourists. There is not room for their cages and the landlord prefers not to have them on site. This option would involve maintaining two leases and all associated costs. Very difficult but with enough financial help, it could be a solution for Splashdown. It would not satisfy the requirements of the Easement.

At the last CRA Board meeting, Mr. Simon told the board that he had contacted the owner of a much larger commercial unit and that due to an A/C problem, the unit was not usable and that the owner wanted to open a spa in the space, therefore it was not really available. I have since talked with this owner and this is not exactly the information which she gave me. We have a meeting scheduled this coming Saturday to discuss possible solutions that might satisfy all parties. Yes, she would prefer to sell but for a very high price. I can afford to pay the payments but I cannot qualify for a conventional loan. My credit has been destroyed due to the financial damages caused by this situation with the CRA. If one or more of the other parties would offer to help achieve this purchase, a true "mitigation" could be accomplished.

It is with this in mind, I am requesting a meeting with any or all of you individually to discuss the progress and possibilities.

Sincerely,



Lynn A. Simmons, President

Splashdown Divers, Inc.

(561) 736-0712

P.S. As another piece of information, our primary vendor, Scubapro, has removed our dealership "due to the loss of the specific location". This is the verbal reason given by the Sales Representative and his supervisor. Before this happened, I had been made aware of attempts by the CRA to solicit other wealthier dive business owners to open a dive shop in the marina building. The day the Rep told me I was losing the dealership, he just happened to be having lunch at the little pizza restaurant next door to our new shop location with the new owner of a Boca Raton dive shop and a Pompano beach dive store. He lives in north Florida and the other man is located two towns south of me. Just happened to be in the neighborhood???

P.P.S. Please remember that this demolition issue was not disclosed to you OR the public by the CRA. They had no intentions of requesting your permission or even advising you of the impending changes. They certainly were aware of the limiting document as they were the originating entity and they signed and accepted the conditions. They also withheld the document in our previous lawsuit when it should have been disclosed in "discovery". This issue could have been settled by you two years ago. Now you are being asked to uphold and enforce your original agreement to ensure that the originally intended working marina is retained. The best way to do that is to keep the old building and renovate it. If not, mitigation should be encouraged. **Please do the right thing.** Has anyone answered the question as to why it is so important to tear down the building, costing more than half a million dollars above what it will cost to renovate it?

Cc: Commissioner Shelly Vana
Commissioner Karen Marcus
Commissioner Jesse Santa Maria
Commissioner Steven Abrams
Commissioner Burt Aaronson
Commissioner Paulette Burdick
Commissioner Priscilla Taylor
Boynton Beach CRA
City of Boynton Beach

