

DRAFT

JIA – Linger Longer Revitalization Partnership Agreement  
Amended Business Points  
October 8, 2009

1. Retail treatment in RPA.

- a. Retail to be divided into two components: Phase 1 and Phase 2. Parties to agree on boundary lines, to be shown on the development plan to be attached to amendment to RPA. Phase 1 will not be included in the property which Linger Longer will lease. JIA may lease this property to one or more other developers, or develop the property itself, and lease to tenants. Current thinking for the phases:
  1. Phase 1 is the land parcel located to the west of the internal road designated in the current site plan and includes the four buildings (B1, B2, B3, and B4); and uses to include Island essential services (grocery, bank, pharmacy, and post office, etc.), and possibly lofts.
  2. Phase 2 is the land parcel located to the east of the internal road designated in the current site plan and includes three buildings (B5, B6, and B7); and uses to include retail and loft product.
  3. Phase 1 and 2 definition to be further refined with pursuit of Phase 1 development partner and further market assessment for all product types.
- b. Linger Longer to serve as Development Manager for the Authority for the Phase 1 retail, which will entail identifying and helping the Authority in securing retail investors, planning the retail transition to temporary facilities, and identifying and selecting tenants for temporary and Phase 1 retail space,. These services will be provided as part of the partnering obligations of Linger Longer. JIA or its new developer of the Phase 1 space will handle leasing for Phase 1.
- c. Linger Longer will not invest in temporary facility space or Phase 1 retail space in village.
- d. For Phase 2 retail Linger Longer is entitled to build some to-be-determined amount of commercial square footage, such that the total commercial square footage in both Phase 1 and Phase 2 will not exceed 30,000 square feet. Linger Longer is also entitled to build up to 50 units of loft product; the final number of units to be determined with further market demand studies, unit type configuration, and site and building planning. Phase 2 will be subject to the termination provisions identified below. If market demand and economics justify the development of more than 30,000 square feet of retail, Linger Longer and the JIA will consider for Phase 2.
- e. Legal documents (RPA, PMSC) will articulate Linger Longer's specific role and responsibilities (including "Development Manager" role) to eliminate any ambiguity going forward.

2. Partnering Payments (Linger Longer to JIA). Linger Longer to pay \$3,500,000 in partnering payments to the JIA according to the following schedule:
  - a. \$300,000 upon execution of RPA amendment, PMSC, and agreement on lease forms
  - b. \$300,000 6 months later.
  - c. \$600,000 associated with hotel 1 (\$300,000 upon financial closing (taking possession of land), \$300,000 upon opening)
  - d. \$600,000 associated with hotel 2 (\$300,000 upon financial closing (taking possession of land), \$300,000 upon opening)
  - e. \$1,000,000 associated with vacation ownership/cottages (\$500,000 upon financial closing (taking possession of land), \$500,000 upon opening). Linger Longer has the option to develop either vacation ownership or cottage product on this site.
  - f. \$200,000 associated with Phase 2 retail/lofts (\$100,000 upon financial closing (taking possession of land), \$100,000 upon opening)
  - g. \$500,000 associated with loft unit sales at \$10,000 per unit, for any individual unit of any project component sold by Linger Longer or its assigns to a third party, paid at time of unit closing to third party buyers. There will be no changes to the rental rates in the presently effective term sheets. In the event the RPA is terminated as described below, this provision shall survive the termination, with respect to project components which have been closed prior to termination of the RPA.
3. Partnering Payments (JIA to Linger Longer). JIA to pay \$760,000 in partnering payments to Linger Longer:
  - a. \$100,000 12 months following the initial execution of RPA amendment, PMSC, and agreement on lease forms.
  - b. \$100,000 6 months after the first JIA payment to Linger Longer.
  - c. \$100,000 6 months after the second JIA payment to Linger Longer.
  - d. \$100,000 6 months after the third JIA payment to Linger Longer.
  - e. \$360,000 at the time of financial closing of Hotel I.
4. Program Management Fees and Reimbursable Expenses (JIA to Linger Longer).
  - a. Fees – \$1,250,000.

- b. Reimbursable Expenses - \$600,000.
- c. Fees and Reimbursable Expenses to be paid in equal monthly payments over 30 months starting in the first month after execution of RPA amendment, PMSC, and agreement on lease forms.
- d. Payments will be tied to services rendered associated with program management of public investment. Obligations of JIA to LL which were accrued under the existing RPA prior to the date of the amendment will not be paid. All payments will be made in accordance with the terms of the PMSC.
- e. Detail of specific program manager services to be provided and will be included in the PMSC. These responsibilities will include duties of a project manager as described in standard GSFIC forms, including review and signoff on all pay applications of material men and contractors, project inspections services, budget control responsibilities for the public portions of the project within limitations of available funding, and standard state termination provisions.
- f. Linger Longer will provide invoices detailing all services, and provide backup documentation as required by PMSC for all payments. Detailed invoices are required in order to obtain reimbursement of bond funds from GSFIC.
- g. PMSC will contain standard default and termination for convenience language included in GSFIC contracts.
- h. In the event that the program management extends beyond 30 months, JIA has the right to either extend the role for Linger Longer for actual costs not to exceed \$27,000 per month or terminate the services (post-30 months) with 3 months notice

#### 5. JIA RPA Termination Rights

- a. Prior to January 15, 2012. JIA shall have no right to terminate the RPA if financing is not available for one of the hotels prior to January 15, 2012. If financing is available prior to January 15, 2012 and Linger Longer chooses to proceed, Linger Longer will have up to 7 months from the date of financing availability to provide a notice to proceed with construction. If financing is available prior to January 15, 2012 and Linger Longer chooses not to proceed, the JIA shall have the right to terminate the RPA or in the JIA's sole discretion extend the RPA.
- b. In order to exercise its right to termination as stated in the preceding paragraph, JIA must exercise its right to terminate by giving notice to Linger Longer within 90 days of the date upon which it receives notice that Linger Longer is not proceeding if financing is available.
- c. Financing shall be deemed to be available at a time when (i) financing for at least 60% of the investment cost, and at a maximum rate of 1-year LIBOR plus 650 basis points, and is non-recourse is available for one of the hotel projects on

Jekyll Island. The JIA to consider any non-economic changes to leases as requested by lenders in order to secure necessary financing.

- d. The parties will commit to collaboratively investigate the availability of financing during the period prior to each financial closing, at least every 6 months, and Linger Longer will commit to close the financing (provide a notice to proceed with construction) for the first hotel within 7 months of the time such financing is available, as defined above.
  - e. If terminated at that time, JIA to retain partnering payments made to date and JIA will purchase the plans and specifications which have been prepared for Linger Longer for the initial hotel project which has not been built, so long as such plans are sealed by the Architect and issued for construction, for the actual and reasonable costs which have been paid by Linger Longer for such plans.
  - f. Between January 15, 2012 and January 15, 2014. JIA shall have no right to terminate the RPA if financing for one of the hotels is not available during this period. If financing is available for one of the hotels during this period and Linger Longer chooses to proceed, Linger Longer shall have up to 7 months from the date of financing availability to provide a notice to proceed with construction. If financing is available for one of the hotels during this period and Linger Longer chooses not to proceed, the JIA shall have the right to terminate the RPA or in JIA's sole discretion extend the RPA.
  - g. Post January 15, 2014. JIA shall have an additional right to terminate if financial closing for all projects (hotels, timeshare/cottages, and retail/lofts) has not occurred by January 15, 2014. If financing is not available for all projects by January 15, 2014, Linger Longer has the option to take down the land, pay the associated partnering payment and begin lease payments under the terms previously agreed, and JIA shall have no right of termination. Should Linger Longer fail to proceed by January 15, 2014, the JIA can either terminate the RPA or in the JIA's sole discretion extend the RPA. No reimbursement of partnering payments shall be due Linger Longer for termination.
6. Partnering Projects outside the Beach Village Area. JIA and Linger Longer will proceed with their revitalization partnership as defined in the existing executed Revitalization Partnership Agreement including, but not limited to paragraphs 1.6, 1.7 and Article 4 as revised to reflect present conditions and amendments.
  7. Schedule. Once both parties have agreed to the statements as presented above, then a revised RPA and all other legal documents must be completed by December 1, 2009, or this agreement is null and void.