

JEKYLL ISLAND-STATE PARK AUTHORITY

May 11, 2006

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The Jekyll Island-State Park Authority met in public called session on Thursday, May 11, 2006, in the conference room of the Authority administration building, Jekyll Island, Georgia. Chairman Wood called the meeting to order at 2:30 p.m.

Members present in person: Richard Wood, Chairman
Ed Boshears

Members present speakerphone: Mike Hodges, Secretary
Jack Collins
Tom Lewis
Sybil Lynn
Becky Kelley
Steve Scheer

Members absent: J. Y. Jones

Legal Counsel present spkr.phone: Alison Spencer, Asst. Attorney General
Brooks Stillwell, Special Asst. Attorney General

Staff Present: Bill Donohue, Executive Director
Laura Bonds, Deputy Dir./CFO

Also present: Vance Hughes, JOO; Tise Eyler, Chuck McManuus, Frank Mirasola (JICA newsletter); Jim Morrison, Golden Islander; Mary Star, The Brunswick News

[Mr. Donohue established speakerphone contact with Board members and legal counsel as noted above. Hereafter, "present" means both those persons present in person and those present on speakerphone.]

Rules Committee: Chairman Wood called the meeting to order, greeted members, legal counsel, staff and others present. Before addressing agenda items, Mr. Wood requested that members submit to the Robert's Rules Committee by Friday, May 19, 2006, those portions of Robert's Rules they wished the Committee to consider for the Board's adoption at the June meeting. Members present agreed.

Jekyll Ocean Oaks and Lodgian Transaction: Chairman Wood requested a report on the status of JOO and Lodgian final documents. Brooks Stillwell responded that the Authority had agreement on all terms with JOO, that there remained about four issues to be resolved with Lodgian as a back-up for JOO, and that he expected these issues to be resolved and final versions of all documents to be ready next week. Board members indicated by their comments that this was acceptable to them, and Chairman Wood specifically asked Vance Hughes, JOO representative, if he agreed with and accepted this timetable. Mr. Hughes responded that we just needed to be patient with the lawyers and it would get done.

Called to Order

Attendance

Rules Committee

JOO & Lodgian

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Buccaneer & Oceanside Assignment: Chairman Wood then opened discussion of the assignment of the Buccaneer and Oceanside Leases to Georgia Coastal Holdings (GCH). Mr. Donohue described in detail the "Ten-point Summary" he had circulated to GCH and Board members a little earlier that day (which are attached and made a part of the minutes), and stated the Staff recommends approval of the assignments, given the quick and agreeable response of GCH on all points. Mr. Donohue's points were designed to make certain there were no gray areas among the parties on critical issues outlined in the summary memo including term of lease, as rent, capital improvements, required six per cent reserves, the security bond, new licenses and the WULA release, this last an issue still to be finally resolved. Mr. Donohue noted that while Staff gives a positive approval, they still have to close the deal.

Mr. Hodges and Mr. Lewis questioned whether there had been any disagreements or objections from GCH: Mr. Donohue said no; and if GCH responses had been timely: Mr. Donohue said yes, within minutes. Ms. Lynn queried the status of Mr. Donohue's memo; Mr. Donohue said all ten points had actually been discussed and agreed to by GCH, and that all would be incorporated in closing documents, except perhaps nos. 3, 7 and 10, which are part of the Lease itself, already accepted by GCH.

Chairman Wood generated a further discussion among all members, Staff and legal counsel concerning the release of WULA. Ms. Bonds stated the release actually originated with GCH after the Monday Board meeting; they felt the risks were minimal and were willing to accept the liability.

Chairman Wood stated two big areas bothered him, no. 1 and no. 10. No. 1 (Term of Lease) should also be made very clear to GCH that there will be no lease extension until after the RFI (Request for Information) process has been completed possibly sometime in January 2007. Item no. 10 (Conditional Release) Chariman Wood felt GCH must understand that they will be accepting all unknown liabilities which WULA are responsible for during the next two years if they, GCH, accepts the lease as it is written.

Staff and members discussed GCH's next-day deadline to close their WULA deal, that the GCH offer will ultimately benefit the people of Georgia, and that attorneys for the Authority and for GCH had already agreeably documented almost all issues. Members generally felt they were satisfied with all GCH responses and it would not be fair to GCH to delay Authority approval of the assignments given GCH's very timely and agreeable answers to all Authority questions. Members stated it would be possible to document no. 1 and no. 10 in the manner described by Chairman Wood and move forward today with approval of the assignments. Chairman Wood asked Mr. Donohue what Staff could do to help GCH with their due diligence. Mr. Donohue responded the Board

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could approve the assignment of the two Leases with the stipulation that (Atty.) Stillwell would add language addressing the issues of the lease extension and the WULA release.

Chairman Wood recommended Mr. Donohue's statement to the Hotel Committee, which responded immediately by voice vote "Yes". Chairman Wood then asked for a motion, and Mr. Boshears moved the Board approve the assignment of the Buccaneer and Oceanside Leases to GCH with the stipulation that the issues of the Lease extensions and the WULA release would be addressed to Authority satisfaction in the final documents. Mr. Lewis seconded the motion. Chairman Wood asked if there were any opposition. There was none. All members did voice vote "yes". The motion carried.

Chairman Wood, after motion, second and vote, adjourned the meeting.

ATTEST:

APPROVED:

William A. Donohue
Executive Director

Richard V. Wood
Chairman

Motion Approval

Meeting Adjourned

Attachments

Ten Point Summary