



November 22, 2021

VIA CERTIFIED MAIL & EMAIL

Hall County Board of Commissioners
P.O. Drawer 1435
Gainesville, Georgia 30503
Attention: Richard Higgins, Commission Chairman
Email: rhiggins@hallcounty.org

Re: Lease Agreement, dated February 11, 1998, between Hall County, Georgia ("County"), as lessor, and PS Marinas 3, a California limited partnership, ("PS3"), as lessee (the "Lease"), pursuant to which the County demised to PS3 that certain real property known as Sunrise Cove Marina (the "Marina")

Dear Mr. Higgins:

As we have previously discussed with your staff, we are contemplating a transfer of the Marina by PS3 ("**Assignor**") to Sunrise Cove SMI Westrec, LLC, a Delaware limited liability company ("**Assignee**"), an indirectly wholly owned subsidiary of Suntex Marina Investors LLC, a Delaware limited liability company ("**Suntex**").

In order to transfer the Marina, Assignor desires to assign its interest in the Lease to Assignee, and Assignee desires to assume Assignor's obligations under the Lease ("**Assignment and Assumption**"). We are writing to formally request the County's approval for such Assignment and Assumption and to notify the County of our intent to exercise the option to extend the initial term of the Lease.

I. Exercise of Option to Extend Term

Section 1 of the Lease provides that the initial term of the Lease, which commenced on October 1, 1998, expires on July 31, 2023 ("**Initial Term**"). Pursuant to Section 24 of the Lease, PS3 may extend the Initial Term for an additional six (6) years by providing written notice to the County and the District Engineer of the U.S. Army Corps of Engineers, Mobile District ("**Army Corps of Engineers**") at least eighteen (18) months prior to expiration of the Initial Term. Section 24 of the Lease mandates that the lease rate for the six (6) year extension option shall be equal to the greater of (i) four percent (4%) of retail sales and service, one percent (1%) of boat sales, and eight percent (8%) of rental operations or (ii) the percentage rental that the Army Corps of Engineers is leasing to other comparable marinas on Lake Sidney Lanier.

We are writing to formally exercise PS3's option to extend the Initial Term for six (6) years so that the Lease will not expire until July 31, 2029. We have sent written notice of the same to the Army Corps of Engineers under separate cover.

II. Standard of Approval for Assignment

Section 10 of the Lease provides that the Lease cannot be assigned without the prior written consent of the County, and pursuant to Section 26 of the Lease, except as otherwise provided, where any provision of the Lease requires prior consent by either party, such consent shall not be unreasonably withheld nor unduly delayed. Under Section 22 of the Lease, any notice required to be given under the Lease shall be sufficient if delivered by certified or registered mail to the Hall County Board of Commissioners at the address listed above. Thus, by transmittal of this letter, we are requesting the County's written consent to the Assignment and Assumption.

III. Suntex Reputation and Ownership

As previously indicated, Assignee is an indirectly wholly owned subsidiary of Suntex. Suntex operates as a Real Estate Investment Trust with numerous investors and over \$1 billion in assets. Suntex owns and operates 32 marinas around the country and is one of the largest owners of marinas in the world. The principals and management teams of Suntex and Westrec Marina Management, Inc. ("**Westrec**"), an affiliated entity of Assignor, are well known to each other and share common values and similar management practices.

IV. Management of the Marina

Following the transfer of the Marina to Assignee, the Marina will be operated by Westrec SMI OpCo, LLC, a Delaware limited liability company ("**OpCo**"), which will have the same officers as Westrec, except for Chief Executive Officer Bryan Redmond who serves as the current Chief Executive Officer of Suntex. William W. Anderson, the current President of Westrec, will be the President of OpCo, Jeffrey K. Ellis, the current Chief Financial Officer of Westrec, will be the Chief Financial Officer of OpCo, and Ruth A. Black, the current Vice President of Finance of Westrec, will be the Vice President of Finance of OpCo. In that regard, the Westrec team will continue to operate the Marina after the transfer to Assignee, and the County can expect operations, management, and communication to remain as it currently is under the new ownership.

V. County's Consent

We would appreciate if you would provide your written consent to the Assignment and Assumption discussed in this letter. We will provide you with a copy of the Assignment and Assumption of Lease between Assignor and Assignee, which will have a location for the County to signify its consent. We would also appreciate if, upon receipt of this letter, you would acknowledge in writing that the Initial Term of the Lease has been extended to July 31, 2029.

If you need any additional information or if you have any questions or comments going forward, please contact Alex Laidlaw (alaidlaw@westrec.com), William W. Anderson (bander4382@aol.com), Jeffrey K. Ellis (jeffkellis@aol.com), Ruth A. Black (rablack1@aol.com), Suzanne Amaducci-Adams (samaducci@bilzin.com), or Jon Chassen (jchassen@bilzin.com). We look forward to hearing from you, and we appreciate your time and consideration in this matter.

Sincerely,



Jeffrey K. Ellis

Director and President of Westrec Investors, Inc.,
on behalf of PS Marinas 3