



June 16, 2016

Dear Jekyll Island Authority Board Members,

Since April 18, we have been involved in due diligence exploration with Mandala Holdings LLC ("Mandala"), the apparent successful proposer for RFP-321 Beach Village Limited Service Hotel. As you know, during this process we uncovered some unusual issues pertaining to the criminal background of Vinay Rama, and we have tried to fully explore this situation. Additionally, we have met with team members from Mandala to review their site concept, and to recommend appropriate revisions. Even though the Mandala proposal scored high and had many attributes, during our discussions and communications, we have been emphatic that a comprehensive and committed financial package would be essential to move their project forward.

In recent correspondence, I continued to stress how important it was for us to receive written evidence of a strong financial commitment, availability of funds, and construction capability to secure JIA Board approval. Late Friday afternoon, June 10, Lee Babcock, Chief Financial Officer of Mandala Holdings, had a telephone conference with Jim Broadwell and me to inform us that even though Mandala has enough financial resources to continue with the design and development phase of the project, their plan to secure additional money from the Rama family did not materialize. Consequently, they would have to secure other financing for their project. Timeframe and source of funds were unknown. Mandala would be unable to present a detailed financial plan to the JIA Board on June 20. Based on our due diligence and the discussion with Lee Babcock, I confirmed with him that I would NOT be in a position to recommend to the JIA Board that we continue our discussions with Mandala toward a land lease.

I have discussed this situation with Chairman Royal and our legal counsel in the Attorney General's Office, and during the JIA meeting next week, I will be providing an update recommending that we discontinue our discussions with Mandala Holdings LLC and that we terminate RFP-321. To avoid additional delays in providing a limited service hotel in the Beach Village, I will recommend for your consideration a new RFP:

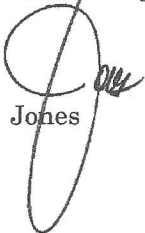
RFP-326, for a Beach Village Limited Service Hotel. (Attachment)

No doubt, we would prefer this situation had not occurred. Ultimately, I feel the action outlined will allow us to move forward in a positive manner.

Should you have any questions, please give me a call.

I hope to see you next week.

Kindest regards,



Jones