

SECOND AMENDMENT TO OPERATING AGREEMENT

THIS SECOND AMENDMENT TO OPERATING AGREEMENT (“Amendment”) is made and entered into as of the _____ day of _____, 2024 (“Effective Date”), by and between the **MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH, GEORGIA**: a municipal corporation created and existed under the laws of the State of Georgia, hereinafter called “City” and **METZGER MARINE SERVICES, INC.**, a Georgia corporation hereinafter called “Operator.”

WHEREAS, City and Operator are parties to an operating agreement dated the 1st day of July, 2015, and First Amendment to Lease Agreement dated 1st July, 2019, and a letter exercising the second option renewal term dated 10th October 2023 governing the use and operation of the Coffee Bluff Marina located at 14915 Coffee Bluff Road, Savannah, Georgia 31419 (the “Premises”); and

WHEREAS, the parties hereto wish to amend certain terms and conditions of the Agreement as hereinafter set out below;

NOW, THEN, THEREFORE, for and in consideration of mutual promises and covenants contained herein and in the Agreement, and for other good and valuable consideration flowing from each party to the other, the receipt and sufficiency of which is hereby acknowledged, the Agreement is hereby amended as follows:

I. GENERAL PROVISIONS

A. **Definitions:** As used in this Second Amendment, all defined terms, as indicated by the initial capitalization thereof, shall have the same meaning ascribed to such terms in the Lease unless otherwise expressly defined herein.

II. RENEWAL TERMS

Section 4.2 of the Agreement is hereby amended to include the following:

Provided Operator is not in default of any term, condition, or covenant contained in this Agreement; the Operator is hereby granted (2) additional four (4) year optional extensions (collectively referred to as “Additional Renewal Terms”) from the Agreement’s current end date of June 30, 2027 on the same terms and conditions as provided herein.

As of the execution of this Second Amendment, Tenant hereby exercises its first Additional Renewal Term from July 1, 2027 through June 30, 2031 and therefore will have one (1) four (4) year extension remaining. The Annual Management Fee for this final Additional Renewal Term will be as negotiated and agreed by Operator and City prior to commencement of the first Additional Renewal Term. Notice of Operator’s intent to exercise such option shall be given by Operator to City in writing not later than forty-five (45) days prior to expiration of the applicable Additional Renewal Term.

III. MANAGEMENT FEES

Section 5 of the Agreement is hereby amended to include the following:

LEASE YEAR	ANNUAL MANAGEMENT FEE	MONTHLY PAYMENT
Remainder of YEAR 10 (October 1, 2024 to June 30, 2025)	\$31,000.00 (prorated)	\$2,583.33
YEAR 11 (July 1, 2025 to June 30, 2026)	\$31,930.00	\$2,660.83
YEAR 12 (July 1, 2026 to June 30, 2027)	\$32,887.90	\$2,740.66
YEAR 13 (July 1, 2027 to June 30, 2028)	\$33,874.54	\$2,822.88
YEAR 14 (July 1, 2028 to June 30, 2029)	\$34,890.78	\$2,907.56
YEAR 15 (July 1, 2029 to June 30, 2030)	\$35,937.50	\$2,994.79
YEAR 16 (July 1, 2030 to June 30, 2031)	\$37,015.63	\$3,084.64
YEAR 17 (July 1, 2031 to June 30, 2032)	\$38,126.10	\$3,177.17
YEAR 18 (July 1, 2032 to June 30, 2033)	\$39,269.88	\$3,272.49
YEAR 19 (July 1, 2033 to June 30, 2034)	\$40,447.98	\$3,370.66
YEAR 20 (July 1, 2034 to June 30, 2035)	\$41,661.42	\$3,471.78

In addition, Operator shall pay to City percentage rent equating to 10% of gross revenues exceeding \$300,000 per year. Operator shall have an annual audit of its prior year operations and finances prepared by a reputable third party certified public accountant and provide a copy of said audit to City prior to March 1 of each year. Said audit shall report annual gross revenues generated at the Premise and Operator shall remit percentage rent, if applicable, when a copy of the audit is submitted to City.

IV. CITY POLICIES

Section 6 of the Agreement is hereby modified from Director of Leisure Services to Senior Director of Real Estate Services.

V. CITY COOPERATION

Section 9 of the Agreement is hereby modified from Director of Leisure Services to Senior Director of Real Estate Services.

VI. INDEMNITY

Section 11 of the Agreement is hereby modified to add:

Notwithstanding the preceding, the Parties acknowledge that any indemnity provided by the tenant is without waiver of the City's sovereign immunity.

VII. REPORTS

Section 13.6 of the Agreement is hereby modified from Director of Leisure Services to Senior Director of Real Estate Services.

VIII. NOTICES AND CONSENTS

Section 18 of the Agreement is hereby modified; any notice address(es) outlined in the Lease for Tenant under the Lease are hereby deleted and replaced with the following notice address(es) to which any notice, demand, request, approval, consent or other instrument which may be or is required to be given to Tenant thereunder shall be delivered:

Senior Director of Real Estate Services
City of Savannah
P.O. Box 1027
Savannah, GA 31402
912-651-6524
dkeating@savannahga.gov

With a copy to:

City Attorney
City of Savannah
P.O. Box 1027
Savannah, GA 31402
blovett@savannahga.gov

Address of Operator shall be:

Michael Lill
14915 Coffee Bluff Road
Savannah, GA 31419
608-415-0932
coffebluffmarina@yahoo.com

XI. EXHIBIT A

Vessel Hoist of the Agreement is hereby modified as follows:

\$30 In-Out for a Jet Ski.
Dry Storage (limited to approximately 10-25 boats)

X. EXHIBIT B

Exhibit B of the Agreement is hereby modified as follows:

Remove # 11

XI. EXHIBIT C

Exhibit C of the Agreement is hereby modified as follows:

- 2. Wrack rakes (1)
- 9. Portable Storage Building

XII. RATIFICATION and REAFFIRMATION

A. No Further Changes. The Agreement, as modified and amended by this Second Amendment, is hereby ratified and reaffirmed by City and Operator. Except as specifically amended or modified by this Amendment, the Agreement shall remain full force and effect. In the event of a conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control. This Amendment shall be governed by and interpreted under the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties have agreed to the terms of this Second Amendment and have hereunto signed under hand and seal on the day and year first above written.

MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH

By: _____
JOSEPH A. MELDER
CITY MANAGER

ATTEST:

WITNESS:

CLERK OF COUNCIL

METZGER MARINE SERVICES, INC

By: 

MICHAEL LILL

ATTEST:

WITNESS:
