

A Partnership Proposal

Date: June 10, 2008

Offered To: The Panama City Beach Tourist Development Council ("TDC")

Offered By: Grand Lagoon National Foundation, Inc. on behalf of the Boatyard Restaurant, Captain Anderson' s Marina and the Lady Anderson, Captain Anderson' s Restaurant, Half Hitch Tackle, The Lighthouse Marina and Boatyard, Pirates Cove Marina, Treasure Island Marina, Treasure Ship and Captain Hook' s Restaurants. Collectively, the businesses listed above are referred to as "Investors" for the purpose of this proposal.

Grand Lagoon Foundation, Inc. ("Foundation")

The Foundation is a not-for-profit Florida corporation. It was organized for the purpose of creating and managing a saltwater fishing tournament and summer festival hosted by the marinas and restaurants of the Grand Lagoon at Panama City Beach, Florida. [The goal of the Foundation is to create an ongoing event that identifies and promotes Panama City Beach as a diverse saltwater fishing and entertainment destination affiliated with a nationally recognized tournament held annually the third week in August.](#)

Grand Lagoon National ("Tournament")

The Tournament has been specifically designed to emphasize the rich fishing resources of the St. Andrews Bay system and the waters of the northern Gulf of Mexico. [The Tournament is an all-inclusive "open tournament" featuring eight distinct divisions; Big Game, Offshore, Inshore, Flats, Charter Boat, Party Boat, Dive and Kayak.](#) Competitors will fish for a wide range of quarry, including: Blue Marlin, Swordfish, Tuna, Wahoo, Dolphin, Kingfish, Amberjack, Barracuda, Snapper (excluding red Snapper), Grouper, Trout, Trigger Fish, Sheepshead, Flounder and Red Fish. Total cash awards, including optional cash awards, are projected to approach \$1 million.

It is the considered judgment of the Foundation' s organizing committee that the variety of competitive opportunities incumbent in the multiple divisions of the Tournament will appeal to anglers from both the immediate area and the greater southeast. As an "everyman's" tournament, the Grand Lagoon National promises

cash rewards to affluent boat owners in search of big game, serious anglers familiar with offshore competitions, families and more modest boat owners interested in inshore and bay fishing, kayak fishing enthusiasts, divers and long-established Panama City Beach operators of charter and party boats.

The Investors regard the Tournament's success as fundamental to the re-identification of Panama City Beach as a fishing destination appealing to both traditional and emerging markets. The addition of inshore, bay, kayak and dive divisions, in particular, is viewed as a commitment to emerging tourism markets - just as competitions centered on charter and party boats emphasizes the historic links of Panama City Beach to more established saltwater fishing opportunities.

The Festival ("Festival")

Landside festival events will support the Tournament and are expected to draw upwards of thirty-thousand visitors from the immediate area and region. A regional marketing campaign has been launched in support of the Tournament and Festival. In addition to weigh-in festivities, the Festival will feature: two nights of fireworks, three national recording artists in concert, the selection of "Miss Grand Lagoon" , a boat parade, sponsors village, boat show, water taxis, food and beverage booths, weigh-in stage entertainment, children's programs, seafood festival and awards ceremony.

Site improvements and expansion of parking resources are planned in order to accommodate anticipated visitors and participants. Approximately seventeen acres of parking will be available for Tournament use. The Bay County Sheriff's Department has been designated as the Tournament's parking charity and a portion of parking and admission fees will be contributed to children's charities supported by the Sheriff's Department.

Local Rotary Clubs have accepted responsibility for the sale of weekly parking passes and VIP sponsorships. The Rotary Clubs will receive a portion of fees collected by their members for use in charitable activities. The sale of parking passes and the local promotion of Tournament activities will be promoted by the News Herald, Clear Channel Radio, WJHG Television, Beach TV and the Knology cable system.

Revenue and Expenses

The Foundation has established planning and control systems directed to the goal of conducting an event that generates sufficient revenues to pay reasonably anticipated expenses. A working "break-even budget" includes the following forecast sources and uses of funds:

Sources of Funds

Angler and Boat Fees	\$700,000
Sponsorships	225,000
VIP Sponsorships	20,000
Parking and Admission Fees	145,000
Ad Revenue	10,000
Optional Cash Prizes	375,000
Total Sources	\$1,475,000

Cost of Sales

Cash Prizes	\$525,000
Optional Cash Prizes	356,250
Charity Contributions	60,900
Total Cost of Sales	\$942,150

Net Revenue \$532,850

Uses of Funds

Food and Beverage	\$40,000
Trophies and Gifts	80,000
Improvements	20,000
Rentals	20,000
Entertainment & Staging	125,000
Promotion & Printing	85,000
Operations	97,350
Administration	65,500
Total Uses	\$532,850

Budget Surplus \$0

The budget and forecast do not project cash flow and Tournament organizers understand that some expenses will require payment in advance of the receipt of revenues from parking, admission and entry fees.

Marketing and Tourist Development

The Foundation has taken initial steps in developing the Tournament as a regional event with broad based appeal to the core of the Panama City Beach tourist market. With the assistance of Y-Partnership and the TDC, significant public relations efforts have resulted the publication of numerous news articles, including articles in the Chicago Sun Times, AARP Newsletter, Florida Saltwater Fishing, Fly Fishing, Boating World, Kayak Magazine, Marlin Magazine and other regional and national publications. The tournament, at its conclusion, will also generate significant news coverage.

In furtherance of its goal to establish an ongoing event with broad based regional impact, the Foundation has entered into multi-market sponsorship agreements with the Knology cable system and Clear Channel Radio.

In return for sponsorship privileges and accommodation support from local hotels, motels and condominium rental companies, Clear Channel will actively promote the Tournament and Festival as a tourist destination. Clear Channel will conduct an on air and online promotion and vacation contest in the following markets:

Nashville

Chattanooga
Birmingham
Huntsville
Tuscaloosa
Tallahassee
Mobile
Biloxi
Columbus

The promotion contest will be conducted over a five week period, beginning not sooner than July 7 and ending not later than August 15. The on-air promotion will be supported by Clear Channel's websites specific to the identified markets. Registration for the contest will occur online. The website will also promote specific package details and any "tournament or other special offer" made by the accommodation partner. Each of the Clear Channel websites will be linked to the Grand Lagoon National and TDC websites.

On air promotions for the contest will include:

General information describing the Grand Lagoon National, promotion of the Panama City Beach destination and a call to register online for a free "Tournament Vacation" .

Online promotions will include:

Registration and contest details, promotion of the participating accommodation partner, (including special offers and other relevant hospitality information) and additional Tournament details.

In support of the Clear Channel promotion the TDC and the Grand Lagoon National will provide the following promotional incentives:

Five "Tournament Vacation Packages" for each of the identified markets (9 markets - 45 total packages). Each package shall consist of 1 VIP Sponsorship (including an event VIP parking pass, VIP identification badges, Invitations to the private VIP Kickoff Party and Awards Ceremony, a tournament poster and program) and four nights accommodation at a Panama City Beach motel, hotel or condominium (check-in on August 20 or 21, checkout on August 24 or 25).

Knology has committed to an aggressive promotion program that will include approximately 600 promotional announcements in each of the following markets:

Columbus

Dothan

Huntsville

Knoxville
Montgomery
Montgomery

The combined contributions of Clear Channel and Knology are estimated at \$250,000 in on air promotions aimed at traditional Panama City Beach markets.

Meetings with TDC officials have identified other meaningful areas of partnership and co-operation, each aimed at expanding the appeal of the Tournament as a tourist destination, including; development of promotional “come back” materials for tax collectors, coordinated e-mail blasts, discounted “tournament packages” including room and festival fees and integration of ongoing summer marketing efforts.

Community and Business Support

The Foundation has received the enthusiastic support of a wide variety of businesses, volunteers and local organizations. The Greater Panama City Beaches Chamber of Commerce is actively involved in helping the Foundation work with its members to encourage tourism and beach-related business. In addition to the sponsorships received from Grand Lagoon businesses, the Foundation has received the active support of the following national sponsors: Bacardi, Jack Daniel's, Sea Ray Boats, Boston Whaler, Mercury Marine, Costa Del Mar, Pure Fishing, Shimano, Florida Detroit Diesel - Allison, US Foods, Coors Light and Heineken. Important local and regional sponsorship has been received from Coastal Community Bank, Northwest Surgical Center, Panama Jack, The Resort Collection of Panama City Beach, Bay Medical Center, Grease Pro, Boyd Brothers, SEE Magazine, Panama City Living, Bay Lincoln Mercury Dodge Hyundai, Divers Den, The News Herald, Tarpon Dock Seafood, Phillips Oil, Barron-Redding and Kerrigan and Merritt. Additional sponsors have been identified and the Tournament's charity-based volunteer associates will be expanded in the weeks leading up to the event.

Partnership Proposal

In order to assure that Tournament activities establish a basis for additional growth and success in succeeding years, meets payment timing requirements, and is prepared to underwrite costs associated with regional promotions, including the cost of television production, “Come back to the National” promotional materials for collectors, and event schedules for distribution and inquiry response, the Investors have proposed an expansion of the Foundation to include the TDC. Specifically, the Foundation proposes:

- i. That the investors, as listed above, [guarantee \\$200,000 in consolidated sponsorships](#) dedicated to meet the expenses itemized above and further recognize that the their sponsorships be reclassified as an “investment” for the purpose of this proposal.
- ii. That [the TDC make \\$50,000 available to the Foundation](#) dedicated to the expenses of the Foundation and enrichment of Tournament multi-marketing efforts and further that any funds so made available be classified as an “investment” for the purpose of this proposal.
- iii. That the [multi-market contributions of Clear Channel Radio and Knology](#) previously committed to the Foundation [be used exclusively for development of the Tournament and Festival as a tourist destination.](#)
- iv. That any [proceeds from Tournament](#) and Festival activities, in excess of its legitimate expenses, [be used to reimburse the Investors and the TDC](#) in the following proportion: Investors fifty percent, TDC fifty percent; such calculation to be made by the Foundation’ s Certified Public Accountant and distributed [first to the TDC and then to the Investors.](#)
- v. That the President of the Panama City Beach Convention and Visitors Bureau (“President”) serve as a voting member of the Board of the Foundation.
- vi. That [the President be invested with the authority to approve, or disapprove, any Foundation promotion directed at market other than the local market,](#) which approval shall not be unreasonably withheld.
- vii. That the Foundation will make its best effort to employ its resources to create an on going event with popular appeal to tourists in summer markets targeted by the TDC.

[The opportunity for the TDC and the Foundation to work together to create an ongoing event that stimulates Panama City Beach tourist activity during a traditionally slow period of general business activity represents a unique collaboration between the public and private sectors.](#)

[Much of the work necessary to the success of such collaboration has already been done.](#) Sponsorship already will underwrite many of the Foundation’ s expenses. Thousands of anglers have been invited to participate. Entertainment has been secured and festival planning accomplished. The investors are committed to the success of this event and have directed their employees and associates to work in furtherance of the Foundation’ s goals.

[The support and involvement of the TDC, its staff and professional associates will assist the Foundation in the promotion of the Tournament beyond the boundaries of Panama City Beach and make a major contribution to the development of an ongoing](#)

event which emphasizes the tourist-related resources of the St. Andrews Bay system, the northern waters of the Gulf of Mexico and Panama City Beach.