



Beaufort County Airports Board

Chairman
CHRIS BUTLER

Vice Chairman
JAMES STARNES

Committee Members
HOWARD ACKERMAN
MARK BAILEY
ANNE ESPOSITO
LESLIE ADLAM FLORY
NICHOLAS MESENBURG
DAVID NELEMS
RICH SELLS
THOMAS SHEAHAN
BRIAN TURRISI

Airports Director
JON REMBOLD

County Administrator
MICHAEL MOORE

Administrative Specialist
ROCIO REXRODE

Physical Address
Hilton Head Island Airport
120 Beach City Road
Hilton Head Is, SC 29926

Mailing Address
Airport Administration
26 Hunter Road
Hilton Head, SC 29926
(843) 255.2942
www.beaufortcountysc.gov

MEETING ACCESS
[MEETING LINK](#)
ID: 161 714 8655
Passcode: 791968

Beaufort County Airports Board Agenda

Council Chambers - Administration Building

100 Ribaut Road, Beaufort, SC 29901

Thursday, February 20, 2025, at 10:00 AM

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PUBLIC NOTIFICATION OF THIS MEETING HAS BEEN PUBLISHED, POSTED, AND DISTRIBUTED IN COMPLIANCE WITH THE SOUTH CAROLINA FREEDOM OF INFORMATION ACT (FOIA)
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES – [JANUARY 16, 2025](#)
- VI. PUBLIC COMMENT (Limit comments to three minutes)
- VII. DIRECTOR'S REPORT
- VIII. UNFINISHED BUSINESS
- IX. NEW BUSINESS

ACTION ITEMS:

1. HILTON HEAD ISLAND AIRPORT (HXD) – RECOMMENDATION TO APPLY FOR TOWN OF HILTON HEAD ISLAND ACCOMMODATIONS TAX (**ATAX**) GRANT FOR TOURISM MARKETING - **VOTE**
 2. HILTON HEAD ISLAND AIRPORT (HXD) - RECOMMENDATION TO APPLY FOR COUNTY HOSPITALITY TAX (**HTAX**) GRANT FOR TOURISM MARKETING - **VOTE**
 3. BEAUFORT EXECUTIVE AIRPORT (ARW) – RECOMMENDATION TO APPLY FOR COUNTY HOSPITALITY TAX (**HTAX**) GRANT FOR INFRASTRUCTURE - **VOTE**
 4. NON-TENANT COMMERCIAL OPERATING AGREEMENT (HXD) – RECOMMENDATION TO APPROVE A RESOLUTION AUTHORIZING A NON-TENANT COMMERCIAL OPERATING AGREEMENT BETWEEN BEAUFORT COUNTY AND PALMETTO ACES FLYING CLUB – [VOTE](#)
 5. NON-TENANT COMMERCIAL OPERATING AGREEMENT (ARW) – RECOMMENDATION TO APPROVE A RESOLUTION AUTHORIZING A NON-TENANT COMMERCIAL OPERATING AGREEMENT BETWEEN BEAUFORT COUNTY AND PILOT SPECIALTIES, LLC – [VOTE](#)
 6. OFFICE SPACE LEASE AGREEMENT (ARW) – RECOMMENDATION TO APPROVE A RESOLUTION AUTHORIZING AN OFFICE SPACE LEASE BETWEEN BEAUFORT COUNTY AND PILOT SPECIALTIES, LLC – [VOTE](#)
- X. CHAIRMAN UPDATE
 - XI. COMMITTEE REPORTS
 - XII. CITIZEN COMMENT (Limit comments to three minutes)
 - XIII. ADJOURNMENT

NEXT MEETING:

THURSDAY, MARCH 13, 2025, AT 10:00 AM

COUNCIL CHAMBERS, 1 TOWN CENTER COURT, HILTON HEAD, SC 29928

MINUTES

Beaufort County Airports Board

January 16, 2025 | 1:30 pm | Meeting called to order by Chairman Chris Butler
[Video and Transcript](#)

ATTENDANCE

Present: Chris Butler, Howard Ackerman, Anne Esposito, Brian Turrisi, David Nelems, Thomas Sheahan, Mark Bailey and Rich Sells

Absent: Leslie Adlam Flory, Jim Starnes and Nick Mesenburg

County Staff: Jon Rembold, Airports Director; Stephen Parry, Deputy Airports Director and Rocio Rexrode, Administrative Specialist.

Beaufort County Council Liaison:

Hilton Head Island Town Council Liaison:

Public: Judy Elder, Talbert, Bright and Ellington, Inc.

AGENDA ADOPTION

The January 16, 2025, BCAB meeting agenda was adopted with unanimous consent.

APPROVAL OF MINUTES

Brian Turrisi made a motion to approve the November 21, 2024, meeting minutes. Rich Sells seconded the motion. All were in favor and the motion passed.

PUBLIC COMMENTS

Guy Foulkes: He had a question about hangars at HXD and the mechanisms for expanding the airport to construct more hangars. He commented that the waiting list is six years long.

DIRECTOR'S REPORT

- **DEPARTMENT UPDATE:**

Post-Hurricane Helene Relief Supplies: Rembold mentioned the nice article that was written about pilots at the ARW taking supplies to North Carolina Post-Hurricane Helene. He said it was a big effort, and the pilots delivered over 6,000 pounds of relief supplies. He stated that pilots from HXD also delivered supplies.

Hilton Head Christian Academy Fieldtrip: Rembold commented on the Hilton Head Christian Academy field trip. He stated that this was their second time visiting the airport and that they are making this visit an annual event.

Future Aviation Guys: Rembold shared that the ARFF Chief personally invited Bennett and Chase (who previously toured the tower) to come back to visit the firehouse and ride in the truck. He said Chase and Bennet are scheduled to visit in a couple of weeks.

Dan's New Truck: Rembold shared that Dan, the Ops Chief, got a new work truck. Rembold stated that Dan is constantly checking things out, and moving and towing equipment, so it is good to have reliability in the fleet.

EL Leaders Class of 2024: Rembold highlighted that two airport staff members (Marlene and Rocio) successfully completed the Emerging Leaders program and graduated from the 2024 class. He mentioned that the county administrator recognized the graduating class during the county council meeting.

- **TERMINAL UPDATE:**

Rembold noted that the structural steel is almost complete, the slab has been poured, the roof decking is up, and the rest of the roof system is being installed. He said the stud walls are being put on the structure, and it looks and feels like a building. He said some of the rooms are taking shape inside the terminal, and plumbing and electrical are going in.

- **AIRPORTS' BUSINESS UPDATE:**

Title VI Plan: Rembold said that the Title VI plan has been approved by the FAA, and it is in the final steps to make it publicly available.

Tower Renovation Grant: Rembold stated that this grant would be used to provide some new working items for the tower cab. The cab roof will be replaced, the stairwell that drops down to get access to the roof will be replaced, and the desks and consoles will be replaced. He said that this grant takes care of the working environment issues that our controllers need while they're up there.

ARW Hangar Project: Rembold explained that the approval is being pulled back from the County Council process, for now, to work with Staff to try again to figure out the best way to fund the project. Rembold stated that the site work part of the project is moving forward.

ARW Manager Search: Rembold mentioned that the search for a new manager has started, and applicants have been interviewed.

2025 BCAB Meeting Schedule Discussion: There was a consensus to adopt the new meeting schedule: The BCAB meetings will now take place on the 2nd Thursday of every month at 10:00 a.m., alternating between Hilton Head and Beaufort locations.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS – ACTION ITEMS

There were no Action Items.

CHAIRMAN UPDATE

1. Finance Committee

Members: Howard Ackerman (Chair), Chris Butler, Tom Sheahan, and Brian Turrisi.

The Committee had nothing new to report this month. They will keep the board informed of any new developments.

2. Passenger Service Committee

Members: Leslie Adlam Flory (Chair), David Nelems, Jim Starnes, and Tom Sheahan

The Committee had nothing new to report this month. They will keep the board informed of any new developments.

3. ARW Facilities Use and Improvement Committee

Members: Chris Butler (Chair), Mark Bailey, David Nelems, Jim Starnes, and Nick Mesenburg

The Committee had nothing new to report this month. They will keep the board informed of any new developments.

4. HXD Airport Improvement Committee

Members: Brian Turrisi (Chair), Howard Ackerman, Rich Sells, Chris Butler, and Anne Esposito

The Committee had nothing new to report this month. They will keep the board informed of any new developments.

PUBLIC COMMENTS

There were no Public Comments.

ADJOURNMENT

The motion to adjourn was made at 1:52 p.m. It passed unanimously.

NEXT MEETING

February 20, 2025 | 10:00 am

Beaufort County Council Chambers, 100 Ribaut Road, Beaufort, SC.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
NON-TENANT
COMMERCIAL OPERATING
AGREEMENT

This Non-Tenant Commercial Operating Agreement (the "Agreement") is entered into by and between the County of Beaufort, a political subdivision of the State of South Carolina, as the governing body of the Beaufort County Airport, a body politic and corporate, existing under and by virtue of the laws of the State of South Carolina ("County"), and Palmetto Aces Flying Club LLC (the "Operator"), having its principal office at 91 Summit Drive (5J) Hilton Head Island, SC 29926.

WITNESSETH:

WHEREAS, County is the owner and operator of the Hilton Head Island Airport (the "Airport") located at 120 Beach City Road, Hilton Head Island, South Carolina, 29907; and

WHEREAS, Operator is engaged in the business of AIRCRAFT RENTAL and desires to use certain areas and facilities owned by the County and acquire from County certain rights and privileges in connection with its use of Airport; and

WHEREAS, County has the right to permit use of the Airport upon the terms and conditions hereinafter set forth and has full power and authority to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants, agreements and conditions contained herein, the parties hereto agree as follows:

ARTICLE I
TERM

The term of this Agreement shall commence on 1 June 2025 ("Date of Commencement") and shall end at 11:59 p.m. on May 31, 2026.

After that time, this Agreement may be renewed for a one year period, unless thirty (30) days' prior written notice of intent not to renew is given by either party, one to the other, and provided further that such renewal be upon terms mutually agreeable to both parties hereto. This renewal option shall be in effect for 2 years from the end of the initial term of this Agreement.

ARTICLE II
USES AND PRIVILEGES

The County hereby grants to Operator, subject to all the terms and conditions of this Agreement the following rights, uses, and privileges:

1. Scope of Privilege. The Operator shall only have the non-exclusive right and privilege to access the Airport to provide **AIRCRAFT RENTAL**. Operator understands and agrees that it shall not engage in any other business at the Airport under this Agreement. Operator acknowledges that no right or privilege has been granted to Operator which would operate to prevent any person, firm or corporation from operating an aircraft on the Airport. It is not the intent of this Agreement to grant to Operator the exclusive right to provide any or all of the services described in this article at any time during the term of this Agreement. County reserves the right, at its sole discretion, to grant others certain rights and privileges upon the Airport, which are identical in part or in whole to those granted to Operator.

Operator may engage in the following specific activities and services:

(a) **AIRCRAFT RENTAL**

Any other activity to be engaged in by Operator will require advance written permission from County and any unauthorized activity by Operator is grounds for immediate termination of this Agreement.

2. Access. Subject to the provisions hereof, the Rules, Regulations and Ordinances and such restrictions as County may impose, County hereby grants to Operator, its agents, suppliers, employees, contractors, passengers, guests, and invitees, the right and privilege of free and unrestricted access, ingress and egress to the Airport and to public areas and public facilities at the Airport.

The ingress and egress provided for above shall not be used, enjoyed or extended to any person engaging in any activity or performing any act of furnishing any service for or on behalf of Operator that Operator is not authorized to engage in or perform under the provisions hereof unless expressly authorized by County.

County shall have the right at any time or times to close, relocate, reconstruct, change, alter, or modify any such means of access provided for Operator's use pursuant to this Agreement or otherwise, either temporarily or permanently; provided that reasonable notice to Operator and a reasonably convenient and adequate means of access, ingress and egress shall exist or be provided in lieu thereof. County shall suffer no liability by reason thereof and such action shall in no way alter or affect any of Operator's obligations under this Agreement.

Operator agrees that there shall be no restrictions or interference with public use and access of any public facilities.

ARTICLE III
ADDITIONAL PRIVILEGES

Operator shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of operating area, runways, taxiways, terminal facilities, aircraft parking areas and vehicle parking areas designed by County.

ARTICLE IV
CHARGES AND FEES

1. Manner and Extent of Payment. Commencing with the Date of Commencement, the Operator, in return for use of the Airport facilities and privileges granted hereunder, agrees to pay County without deduction or setoff, during the term of this Agreement, certain charges and fees as set forth herein, in the following manner unless specified otherwise:

- (a) Percentage Fee: For the concession privileges granted hereunder, Operator shall pay a monthly fee of three (3%) percent of gross revenue receipts on its operations hereunder. Twenty (20) days after the beginning of each calendar month during the term hereof, Operator shall furnish to County an accounting of the previous month's gross revenues along with payment for the appropriate sum of money as computed in accordance with this subsection.

Definition of Gross Receipts: The term "gross receipts" shall include the following: (i) the aggregate amount of all sales made and services performed for cash, credit or otherwise, of every kind, name and nature, regardless of when or whether paid for or not; plus (ii) the aggregate of all exchanges of goods, wares, merchandise and services for like property or services, at the selling price thereof, as if the same had been sold for cash or the reasonable value thereof, whichever sum is the greater.

- (b) All payments herein are to be made in lawful money of the United States of America and are payable to **Hilton Head Island Airport, 26 Hunter Road, Hilton Head Island, SC 29926.**

2. Delinquent Charges or Fees. Without waiving any other right or action available to County in the event of default in payment of charges or fees hereunder, in the event that Operator is delinquent for a period of fifteen (15) days or more after invoice in paying to County any charge or fee payable to County pursuant to this Agreement, Operator shall pay to County interest thereon at the rate of eighteen (18%) percent per annum from the date such item was due and payable until paid.

3. Monthly Activity Report. Operator shall furnish to County on or before the fifteenth (15th) day of each month an accurate report (EXHIBIT A) setting forth all data necessary to calculate fees and charges due under this Agreement. Said statements are to be signed by a responsible individual employed by Operator.

In the event County retains counsel to collect any sums owing to it from Operator, Operator agrees to pay to County the sums expended by County on account of the retention of such counsel as well as court costs and expenses incurred by County, including all direct salary costs, materials, supplies, and administrative overhead.

ARTICLE V
PERFORMANCE AND SERVICE STANDARDS

1. Type of Operation. Operator shall provide all services to be provided under this Agreement on a nondiscriminatory basis to all users of the Airport. Operator shall maintain and operate its business in a first-class manner and shall keep it in a safe, clean, orderly, and inviting condition at all times, to such an extent as shall be satisfactory to County. Service shall be prompt, courteous and efficient.

Operator and its agents and employees shall not engage in open, notorious, and public disputes, disagreements, or conflicts tending to deteriorate the quality of the aeronautical services of Operator and its compatibility with the best interests of the public at the Airport.

2. Management. The management, maintenance and operation of privileges under this Agreement shall at all times during the term hereof be under the supervision and direction of an active, qualified, competent, and experienced manager representing Operator, who shall be subject at all times to the direction and control of Operator. Such manager shall be available upon reasonable request during normal business hours.

3. Personnel. Operator shall, in the operation of the services under this Agreement, employ or permit the employment of only such personnel as will assure a high standard of service to the public. All such personnel, while on duty, shall be clean, neat in appearance, and courteous at all times, and shall be appropriately attired, with uniforms in such instances as are appropriate. No personnel employed by Operator while on or about the Airport shall use improper language, act in a loud, boisterous or otherwise improper manner, or be permitted to solicit business in an inappropriate manner.

ARTICLE VI
INSURANCE

1. Operator shall carry, during the term of this Agreement or any extension hereof, the liability insurance coverage with limits as hereinafter stated, but the carrying of such insurance coverage shall not relieve Operator of any of its obligations under this Agreement.

2. Operator shall, upon commencement of the term hereof, obtain and cause to be kept in force liability insurance coverage insuring against the liabilities set forth in the indemnification paragraph below, such insurance to include, by way of example but not by way of limitation, comprehensive general liability coverage and shall be in not less than the amounts hereinafter stated. Such insurance coverage shall be provided by policies issued by a company or companies of sound and adequate financial responsibility. Such insurance policies shall contain an endorsement providing that County will be given not less than thirty (30) days' notice prior to the cancellation or change of any of the provisions provided by said policies. The comprehensive general liability policies shall include contractual liability coverage, and shall make reference to

this Agreement. Such policies shall name County as an additional insured and Operator shall cause a certificate of insurance to be furnished to County evidencing such insurance coverage prior to Operator's use of the Airport pursuant to the terms of this Agreement. The following statement is required on the face of the insurance certificate: "Beaufort County, its officials, servants, agents and employees are named as additional insured." In the event County is notified that any of the coverage required herein is to be cancelled or changed in such a manner as not to comply with the requirements of this Agreement, Operator shall, immediately obtain and provide County with certificates evidencing the re-establishment of the insurance coverage required hereby.

3. The minimum limits of coverage shall be as follows:
 - a. Commercial General Liability Insurance including, but not limited to, Personal Injury, Broad Form Contractual and Broad Form Property Damage (per accident). Combined Limit: One Million Dollars (\$1,000,000) per occurrence.
 - b. Automobile Liability
 - c. Worker's Compensation (if applicable)

Please ensure that the Certificate Holder is listed as Beaufort County (not the airport name), PO Box 1228, Beaufort, SC 29902.

Evidence of coverage is to be kept on file with the airport.

4. Insofar as said commercial general liability insurance provides protection against liability for damages to third parties for personal injury, death and property damage, County shall be included as a named insured; provided, however, such liability insurance coverage shall also extend to damage, destruction, and injury, to County owned or leased property and County personnel, and caused by, or resulting from work, acts, operations, or omissions of Operator, its officers, agents, employees, and independent contractors on the Airport. County shall have no liability for any premiums charged for such coverage, and the inclusion of County as a named insured is not intended to, and shall not, make County a partner or joint venturer with Operator in its operations on the Airport.

ARTICLE VII INDEMNIFICATION

Operator agrees to indemnify and hold harmless County from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents, servants, employees or independent contractors of Operator or County, by reason of death or injury to persons or loss or damage to property, resulting from Operator's operations or acts or omissions of Operator's agents, servants, employees, officers, contractors, or anything done or omitted by Operator, under this Agreement except to the extent that such claims, demands, suits, judgments, costs and expenses may be attributed to the negligent acts or omissions of County or its agents or employees.

ARTICLE VIII EQUIPMENT, LICENSES, PERMITS AND SUPPLIES

Operator will provide all its own equipment, licenses, permits and supplies if applicable. If a license, registration or permit of any kind is required of the Operator, its employees, agents or subcontractors, by federal or state law, Operator warrants that such license, registration or permit has been obtained, is valid and in good standing, and that any applicable bond has been posted in accordance with applicable laws and regulations.

ARTICLE IX RULES, REGULATIONS AND ORDINANCES

Operator shall observe and obey all lawful and reasonable Rules, Regulations and Ordinances promulgated, from time to time during the term hereof, by County governing conduct on and operations at the Airport and use of its facilities. Copies of the Rules, Regulations and Ordinances adopted, shall be available to Operator.

ARTICLE X DEFAULT AND TERMINATION

1. Termination by Operator. This Agreement shall be subject to termination by Operator in the event of any one or more of the following defaults:

- (a) The abandonment of the Airport as an airport;
- (b) The default by County in the performance of any of the terms, covenants or conditions of this Agreement, and the failure of County to remedy, or undertake to remedy, to Operator's satisfaction, such default for a period of thirty (30) days after receipt of notice from Operator to remedy the same; or
- (c) Damage to or destruction of all or a material part of the Airport facilities necessary to the operation of Operator's business.

2. Termination by County. This Agreement shall be subject to termination by County in the event of any one or more of the following defaults:

- (a) Failure by Operator to pay County any payments due hereunder within the time as provided by this Agreement;
- (b) Failure by Operator to observe and perform any covenant, condition or agreement on its part as herein provided or failure to provide authorized services to the public during normal business hours or normal business days for a period of ten (10) days after written notice to do so by County;
- (c) Dissolution or liquidation of Operator or by the filing by Operator of a voluntary petition in bankruptcy;
- (d) Insolvency of Operator, or if Operator makes a general assignment for the benefit of creditors;
- (e) Consent by Operator to the appointment of a receiver, trustee or liquidator of all or essentially all of the property;
- (f) Desertion, abandonment or vacation of Operator's operations at the Airport.

3. Default. Upon default as above provided:
 - (a) County may expel Operator or those claiming under it and may act in any way necessary to ensure the continuing and proper operation of the Airport. In such event, the term of this Agreement shall end.
 - (b) County may take any other action at law or in equity that it may deem appropriate, necessary or desirable to collect any amounts due from Operator and to enforce performance and observance of any obligation, agreement or covenant of Operator under this Agreement.

4. Causes of Breach; Waiver. Neither party shall be held to be in breach of this Agreement because of any failure to perform any of its obligations hereunder if said failure is due to any cause for which it is not responsible and over which it has no control; provided, however, that the foregoing provision shall not apply to failures by Operator to pay fees, rents or other charges to County.

The waiver of any breach, violation or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation or default in or with respect to the same or any other covenant or condition hereof.

5. Termination of Agreement for Convenience. In addition to the grounds of default and termination provided herein, this Agreement may be terminated for convenience upon thirty (30) days' notice to Operator by the County or to County by Operator.

ARTICLE XI NO PARTNERSHIP OR JOINT VENTURE

No partnership or joint venture between the parties is intended to or shall be created hereunder. In conducting its business hereunder, Operator acts independently and not as an agent of County. The selection, retention, assignment, direction and payment of Operator's employees shall be the sole responsibility of Operator and County shall not attempt to exercise any control over the business activities of Operator or daily performance of duties by Operator's employees.

ARTICLE XII ASSIGNMENT AND SUBLETTING

This Agreement, or any part thereof, may not be assigned, transferred or subleased by Operator, by process or operation of law or in any other manner whatsoever, without the prior written consent of County.

ARTICLE XIII ARBITRATION

Any controversy which shall arise between County and Operator regarding the rights, duties or liabilities of any party hereunder shall be settled by binding arbitration pursuant to the

rules of the American Arbitration Association, and judgment upon the award shall be entered in accordance with the South Carolina Uniform Arbitration Act. The parties agree, subject to the consent of the American Arbitration Association, that such arbitration shall be processed pursuant to the American Arbitration Association "Expedited Procedure" notwithstanding that the amount in controversy may exceed the limits set for such procedure. If any action, including arbitration, shall be brought by any party to recover any sums hereunder, or for or on account of any breach of, or to enforce or interpret any of the covenants, terms or conditions of this Agreement, the prevailing party shall be entitled to recover costs and expenses, including reasonable attorney's fees. If an arbitration proceeding is brought by any party to this Agreement, a request shall be made by the parties to the arbitrator that in the event a prevailing party is not determined by the outcome of the action, the arbitrator shall make a final determination concerning payment of all costs and expenses (including reasonable attorney's fees) by one or both parties, as the arbitrator deems appropriate based upon the facts and circumstances of the case.

ARTICLE XIV
MISCELLANEOUS

1. Entire Agreement. This Agreement constitutes the entire understanding between the parties, and as of its effective date supersedes all prior representations, agreements and understandings, oral or written, relating to the subject matter hereof. Any change or modification hereof must be in writing signed by both parties.

2. Governing Law and Venue. This Agreement is made and entered into in the State of South Carolina and shall be construed in accordance with the laws of the State of South Carolina. Venue for any litigation arising from this Agreement is to be in the Circuit Court for Beaufort County, South Carolina.

3. Severability. If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties.

4. Notices. Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, with postage and registration fees prepaid. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received. Until any such change is made, notices shall be delivered as follows:

AS TO COUNTY:
Airport Director
26 Hunter Road
Hilton Head Island, SC 29926

With a Copy to:
Beaufort County Staff Attorney
P. O. Drawer 1228
Beaufort, SC 29901-1228

With a Copy to:
Beaufort County Administrator
P. O. Drawer 1228

Agreement. Operator acknowledges that no right or privilege has been granted to Operator which would operate to prevent any person, firm or corporation from operating an aircraft on the Airport. It is not the intent of this Agreement to grant to Operator the exclusive right to provide any or all of the services described in this article at any time during the term of this Agreement. County reserves the right, at its sole discretion, to grant others certain rights and privileges upon the Airport, which are identical in part or in whole to those granted to Operator.

Operator may engage in the following specific activities and services:

(a) FAA Flight Check oral examinations

Any other activity to be engaged in by Operator will require advance written permission from County and any unauthorized activity by Operator is grounds for immediate termination of this Agreement.

2. Access. Subject to the provisions hereof, the Rules, Regulations and Ordinances and such restrictions as County may impose, County hereby grants to Operator, its agents, suppliers, employees, contractors, passengers, guests, and invitees, the right and privilege of free and unrestricted access, ingress and egress to the Airport and to public areas and public facilities at the Airport.

The ingress and egress provided for above shall not be used, enjoyed or extended to any person engaging in any activity or performing any act of furnishing any service for or on behalf of Operator that Operator is not authorized to engage in or perform under the provisions hereof unless expressly authorized by County.

County shall have the right at any time or times to close, relocate, reconstruct, change, alter, or modify any such means of access provided for Operator's use pursuant to this Agreement or otherwise, either temporarily or permanently; provided that reasonable notice to Operator and a reasonably convenient and adequate means of access, ingress and egress shall exist or be provided in lieu thereof. County shall suffer no liability by reason thereof and such action shall in no way alter or affect any of Operator's obligations under this Agreement.

Operator agrees that there shall be no restrictions or interference with public use and access of any public facilities.

ARTICLE III
ADDITIONAL PRIVILEGES

Operator shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of operating area, runways, taxiways, terminal facilities, aircraft parking areas and vehicle parking areas designed by County.

ARTICLE IV
CHARGES AND FEES

1. Manner and Extent of Payment. Commencing with the Date of Commencement, the Operator, in return for use of the Airport facilities and privileges granted hereunder, agrees to pay County without deduction or setoff, during the term of this Agreement, certain charges and fees as set forth herein, in the following manner unless specified otherwise:

- (a) Percentage Fee: For the concession privileges granted hereunder, Operator shall pay a monthly fee of three (3%) percent of gross revenue receipts on its operations hereunder. Twenty (20) days after the beginning of each calendar month during the term hereof, Operator shall furnish to County an accounting of the previous month's gross revenues along with payment for the appropriate sum of money as computed in accordance with this subsection.

Definition of Gross Receipts: The term "gross receipts" shall include the following: (i) the aggregate amount of all sales made and services performed for cash, credit or otherwise, of every kind, name and nature, regardless of when or whether paid for or not; plus (ii) the aggregate of all exchanges of goods, wares, merchandise and services for like property or services, at the selling price thereof, as if the same had been sold for cash or the reasonable value thereof, whichever sum is the greater.

- (b) All payments herein are to be made in lawful money of the United States of America and are payable to **Beaufort Executive Airport, 39 Airport Circle, Beaufort, SC 29907.**

2. Delinquent Charges or Fees. Without waiving any other right or action available to County in the event of default in payment of charges or fees hereunder, in the event that Operator is delinquent for a period of fifteen (15) days or more after invoice in paying to County any charge or fee payable to County pursuant to this Agreement, Operator shall pay to County interest thereon at the rate of eighteen (18%) percent per annum from the date such item was due and payable until paid.

3. Monthly Activity Report. Operator shall furnish to County on or before the fifteenth (15th) day of each month an accurate report (EXHIBIT A) setting forth all data necessary to calculate fees and charges due under this Agreement. Said statements are to be signed by a responsible individual employed by Operator.

In the event County retains counsel to collect any sums owing to it from Operator, Operator agrees to pay to County the sums expended by County on account of the retention of such counsel as well as court costs and expenses incurred by County, including all direct salary costs, materials, supplies, and administrative overhead.

ARTICLE V
PERFORMANCE AND SERVICE STANDARDS

1. Type of Operation. Operator shall provide all services to be provided under this Agreement on a nondiscriminatory basis to all users of the Airport. Operator shall maintain and operate its business in a first-class manner and shall keep it in a safe, clean, orderly, and inviting condition at all times, to such an extent as shall be satisfactory to County. Service shall be prompt, courteous and efficient.

Operator and its agents and employees shall not engage in open, notorious, and public disputes, disagreements, or conflicts tending to deteriorate the quality of the aeronautical services of Operator and its compatibility with the best interests of the public at the Airport.

2. Management. The management, maintenance and operation of privileges under this Agreement shall at all times during the term hereof be under the supervision and direction of an active, qualified, competent, and experienced manager representing Operator, who shall be subject at all times to the direction and control of Operator. Such manager shall be available upon reasonable request during normal business hours.

3. Personnel. Operator shall, in the operation of the services under this Agreement, employ or permit the employment of only such personnel as will assure a high standard of service to the public. All such personnel, while on duty, shall be clean, neat in appearance, and courteous at all times, and shall be appropriately attired, with uniforms in such instances as are appropriate. No personnel employed by Operator while on or about the Airport shall use improper language, act in a loud, boisterous or otherwise improper manner, or be permitted to solicit business in an inappropriate manner.

ARTICLE VI
INSURANCE

1. Operator shall carry, during the term of this Agreement or any extension hereof, the liability insurance coverage with limits as hereinafter stated, but the carrying of such insurance coverage shall not relieve Operator of any of its obligations under this Agreement.

2. Operator shall, upon commencement of the term hereof, obtain and cause to be kept in force liability insurance coverage insuring against the liabilities set forth in the indemnification paragraph below, such insurance to include, by way of example but not by way of limitation, comprehensive general liability coverage and shall be in not less than the amounts hereinafter stated. Such insurance coverage shall be provided by policies issued by a company or companies of sound and adequate financial responsibility. Such insurance policies shall contain an endorsement providing that County will be given not less than thirty (30) days' notice prior to the cancellation or change of any of the provisions provided by said policies. The comprehensive general liability policies shall include contractual liability coverage, and shall make reference to this Agreement. Such policies shall name County as an additional insured and Operator shall cause a certificate of insurance to be furnished to County evidencing such insurance coverage prior to Operator's use of the Airport pursuant to the terms of this Agreement. The following statement is

required on the face of the insurance certificate: "Beaufort County, its officials, servants, agents and employees are named as additional insured." In the event County is notified that any of the coverage required herein is to be cancelled or changed in such a manner as not to comply with the requirements of this Agreement, Operator shall, immediately obtain and provide County with certificates evidencing the re-establishment of the insurance coverage required hereby.

3. The minimum limits of coverage shall be as follows:
 - a. Commercial General Liability Insurance including, but not limited to, Personal Injury, Broad Form Contractual and Broad Form Property Damage (per accident). Combined Limit: One Million Dollars (\$1,000,000) per occurrence.
 - b. Automobile Liability
 - c. Worker's Compensation (if applicable)

Please ensure that the Certificate Holder is listed as Beaufort County (not the airport name), PO Box 1228, Beaufort, SC 29902.

Evidence of coverage is to be kept on file with the airport.

4. Insofar as said commercial general liability insurance provides protection against liability for damages to third parties for personal injury, death and property damage, County shall be included as a named insured; provided, however, such liability insurance coverage shall also extend to damage, destruction, and injury, to County owned or leased property and County personnel, and caused by, or resulting from work, acts, operations, or omissions of Operator, its officers, agents, employees, and independent contractors on the Airport. County shall have no liability for any premiums charged for such coverage, and the inclusion of County as a named insured is not intended to, and shall not, make County a partner or joint venturer with Operator in its operations on the Airport.

ARTICLE VII INDEMNIFICATION

Operator agrees to indemnify and hold harmless County from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents, servants, employees or independent contractors of Operator or County, by reason of death or injury to persons or loss or damage to property, resulting from Operator's operations or acts or omissions of Operator's agents, servants, employees, officers, contractors, or anything done or omitted by Operator, under this Agreement except to the extent that such claims, demands, suits, judgments, costs and expenses may be attributed to the negligent acts or omissions of County or its agents or employees.

ARTICLE VIII EQUIPMENT, LICENSES, PERMITS AND SUPPLIES

Operator will provide all its own equipment, licenses, permits and supplies if applicable. If a license, registration or permit of any kind is required of the Operator, its employees, agents or

subcontractors, by federal or state law, Operator warrants that such license, registration or permit has been obtained, is valid and in good standing, and that any applicable bond has been posted in accordance with applicable laws and regulations.

ARTICLE IX RULES, REGULATIONS AND ORDINANCES

Operator shall observe and obey all lawful and reasonable Rules, Regulations and Ordinances promulgated, from time to time during the term hereof, by County governing conduct on and operations at the Airport and use of its facilities. Copies of the Rules, Regulations and Ordinances adopted, shall be available to Operator.

ARTICLE X DEFAULT AND TERMINATION

1. Termination by Operator. This Agreement shall be subject to termination by Operator in the event of any one or more of the following defaults:

- (a) The abandonment of the Airport as an airport;
- (b) The default by County in the performance of any of the terms, covenants or conditions of this Agreement, and the failure of County to remedy, or undertake to remedy, to Operator's satisfaction, such default for a period of thirty (30) days after receipt of notice from Operator to remedy the same; or
- (c) Damage to or destruction of all or a material part of the Airport facilities necessary to the operation of Operator's business.

2. Termination by County. This Agreement shall be subject to termination by County in the event of any one or more of the following defaults:

- (a) Failure by Operator to pay County any payments due hereunder within the time as provided by this Agreement;
- (b) Failure by Operator to observe and perform any covenant, condition or agreement on its part as herein provided or failure to provide authorized services to the public during normal business hours or normal business days for a period of ten (10) days after written notice to do so by County;
- (c) Dissolution or liquidation of Operator or by the filing by Operator of a voluntary petition in bankruptcy;
- (d) Insolvency of Operator, or if Operator makes a general assignment for the benefit of creditors;
- (e) Consent by Operator to the appointment of a receiver, trustee or liquidator of all or essentially all of the property;
- (f) Desertion, abandonment or vacation of Operator's operations at the Airport.

3. Default. Upon default as above provided:

- (a) County may expel Operator or those claiming under it and may act in any way necessary to ensure the continuing and proper operation of the Airport. In such event, the term of this Agreement shall end.
- (b) County may take any other action at law or in equity that it may deem appropriate, necessary or desirable to collect any amounts due from Operator and to enforce performance and observance of any obligation, agreement or covenant of Operator under this Agreement.

4. Causes of Breach; Waiver. Neither party shall be held to be in breach of this Agreement because of any failure to perform any of its obligations hereunder if said failure is due to any cause for which it is not responsible and over which it has no control; provided, however, that the foregoing provision shall not apply to failures by Operator to pay fees, rents or other charges to County.

The waiver of any breach, violation or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation or default in or with respect to the same or any other covenant or condition hereof.

5. Termination of Agreement for Convenience. In addition to the grounds of default and termination provided herein, this Agreement may be terminated for convenience upon thirty (30) days' notice to Operator by the County or to County by Operator.

ARTICLE XI NO PARTNERSHIP OR JOINT VENTURE

No partnership or joint venture between the parties is intended to or shall be created hereunder. In conducting its business hereunder, Operator acts independently and not as an agent of County. The selection, retention, assignment, direction and payment of Operator's employees shall be the sole responsibility of Operator and County shall not attempt to exercise any control over the business activities of Operator or daily performance of duties by Operator's employees.

ARTICLE XII ASSIGNMENT AND SUBLETTING

This Agreement, or any part thereof, may not be assigned, transferred or subleased by Operator, by process or operation of law or in any other manner whatsoever, without the prior written consent of County.

ARTICLE XIII ARBITRATION

Any controversy which shall arise between County and Operator regarding the rights, duties or liabilities of any party hereunder shall be settled by binding arbitration pursuant to the rules of the American Arbitration Association, and judgment upon the award shall be entered in accordance with the South Carolina Uniform Arbitration Act. The parties agree, subject to the

consent of the American Arbitration Association, that such arbitration shall be processed pursuant to the American Arbitration Association "Expedited Procedure" notwithstanding that the amount in controversy may exceed the limits set for such procedure. If any action, including arbitration, shall be brought by any party to recover any sums hereunder, or for or on account of any breach of, or to enforce or interpret any of the covenants, terms or conditions of this Agreement, the prevailing party shall be entitled to recover costs and expenses, including reasonable attorney's fees. If an arbitration proceeding is brought by any party to this Agreement, a request shall be made by the parties to the arbitrator that in the event a prevailing party is not determined by the outcome of the action, the arbitrator shall make a final determination concerning payment of all costs and expenses (including reasonable attorney's fees) by one or both parties, as the arbitrator deems appropriate based upon the facts and circumstances of the case.

ARTICLE XIV
MISCELLANEOUS

1. Entire Agreement. This Agreement constitutes the entire understanding between the parties, and as of its effective date supersedes all prior representations, agreements and understandings, oral or written, relating to the subject matter hereof. Any change or modification hereof must be in writing signed by both parties.

2. Governing Law and Venue. This Agreement is made and entered into in the State of South Carolina and shall be construed in accordance with the laws of the State of South Carolina. Venue for any litigation arising from this Agreement is to be in the Circuit Court for Beaufort County, South Carolina.

3. Severability. If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties.

4. Notices. Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, with postage and registration fees prepaid. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received. Until any such change is made, notices shall be delivered as follows:

AS TO COUNTY:
Airport Director/Supervisor
39 Airport Circle
Beaufort, SC 29907

With a Copy to:
Beaufort County Staff Attorney
P. O. Drawer 1228
Beaufort, SC 29901-1228

With a Copy to:
Beaufort County Administrator
P. O. Drawer 1228
Beaufort, SC 29901-1228

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

**REAL PROPERTY
LEASE AGREEMENT**

THIS REAL PROPERTY LEASE AGREEMENT is made and entered into this 6th day of February 6, 2025, (“Lease”), by and between **Beaufort County**, a political subdivision of the State of South Carolina, (“Landlord”) and Pilot Specialties LLC (“Tenant”), collectively referred to as the “Parties”.

NOW, THEREFORE, Landlord, for and in consideration of the rents paid and to be paid, and the covenants, conditions, and stipulations to be kept and performed by Tenant, agrees to lease the Premises described herein below.

I. DESCRIPTION OF LEASED PREMISES. The premises to be conveyed is located at 39 Airport Circle, Beaufort SC 29907 (Beaufort Executive Airport - Terminal), hereinafter referred to as “Premises”.

Assigned Room number: 102

Total square feet: 140

II. TERM

2.1 *Term.* The Lease Term shall be for a term of one year (“Tenancy”) commencing on the date of execution by the County Administrator (“Commencement Date”) and terminating at 11:59 p.m. on **February 5, 2026** (“Termination Date”).

2.2 *Renewal.* This Lease may be renewed upon the mutual consent of the Parties and agreed upon in writing. Any Renewal Term shall include the same terms as this Lease and be for a period up to **three (3)** one-year periods, unless thirty (30) days prior written notice of intent not to renew is given by either party. The terms set forth in this Paragraph shall collectively be referred to hereafter as a “Renewal Term”.

III. RENTAL PAYMENT

3.1 *Payment of Rent.* Tenant shall pay to Landlord Two Hundred Thirty One dollars (**\$237.93**) in monthly base rental payments (“Rent”) during the Lease Term. If occupancy begins and/or ends on any day other than the first day of a month, Rent shall be prorated for the month of commencement and/or month of termination and monthly rent collected in advance thereafter.

The first Rent payment shall be made on or before the Commencement Date. Tenant shall pay all rents due and owing, without deduction or set off, to Landlord at the address set forth in Section 9. All Rent payments shall be made in the form of check or direct deposit.

3.2 *Renewal Rate.* The Rent shall increase by three percent (3%) the first month of any Renewal Term. If the Renewal Term is effective after the 5th of the month, the Rent shall be prorated appropriately.

3.3 *Late Payment of Rent.* Any Rent not paid within five (5) days of the due date shall be deemed late and shall obligate Tenant to pay a late charge of ten percent (10%) of the sum then due.

Landlord Initials _____ Tenant Initials _____

3.4 *Triple Net Lease.* The Parties agree this is a “triple net lease” and, except as otherwise provided herein, Tenant is responsible for all costs related to the Premises, together with all Improvements constructed thereon, including, without limitation, any taxes or fees, insurance and maintenance. Landlord shall have no responsibility for any such expenses unless specifically provided for herein. The Rent payable under this Lease shall be paid to Landlord without any claim on the part of Tenant for diminution, set-off or abatement and nothing shall suspend, abate or reduce any Rent to be paid hereunder.

IV. CONDITION, USE, MAINTENANCE AND REPAIRS OF PREMISES

4.1 *Acceptance and Condition of the Premises.* The Parties mutually agree that Tenant shall take possession of the Premises on the Commencement Date. Tenant stipulates that he or she has examined the Premises, including the grounds and all buildings and improvements, and that they are, at the time of this Agreement, in good order, repair, and in a safe, clean and tenantable condition. Landlord has made no representation in connection with the Premises and shall not be liable for any latent defects therein; provided, however, that if such latent defects render the Premises uninhabitable for the purposes of this Lease, Tenant may at its option, and upon written notice to Landlord, terminate this Lease.

4.2 *Use of Premises.* Tenant shall use the Premises for the sole purpose of operating fixed-wing scenic air tours and flight training (“Permitted Use”). Any change in the use of the Premises may only be undertaken with the written consent of the Landlord. Tenant shall not use the Premises for any illegal purpose, nor violate any statute, regulation, rule or order of any governmental body in its use thereof, nor create or allow to exist any nuisances, nor do any act in or about the Premises or bring anything upon the Premises which will increase the premium for insurance on the Premises.

4.3 *Repairs of Premises.* Tenant shall at its own expense keep the Premises in good repair. Tenant shall not perform any additional work upon the Premises without prior written consent of the Landlord. The Premises shall be maintained in a clean and orderly manner. In the event of any damage of the Premises which is the direct result of Tenant, Tenant shall, immediately upon receiving demand from Landlord, correct the damage.

4.4 *Tenant Improvements, Alterations, and Restorations.*

4.4.1 *Initial Improvements.* Promptly after Landlord delivers the Premises to Tenant, Tenant shall proceed to prepare the Premises and perform such improvements that are required to utilize the Premises for the Permitted Use, which shall include approved signage and marketing (the “Tenant’s Initial Improvements”). Prior to performing Tenant’s Initial Improvements and promptly after the Lease is executed, Tenant shall send plans and specifications to Landlord for Landlord’s approval, which approval shall not be unreasonably withheld and Tenant shall not commence any of Tenant’s Initial Improvements until Landlord has approved the plans and specifications.

4.4.2 *Additional Improvements.* Other than Tenant’s Initial Improvements, Tenant shall not make or permit to be made any structural alterations, modifications, additions, decorations or improvements to the Premises, nor shall Tenant make or permit any other work whatsoever that would directly or indirectly involve the penetration or removal (whether permanent or temporary) of, or require access through, in, under, or above any floor, wall or ceiling, or surface or covering thereof in the Premises.

Landlord Initials _____ Tenant Initials _____

4.4.3 *Cost of Improvements.* Tenant's Initial Improvements, or any additional improvements as approved by the Landlord, shall be made at Tenant's sole cost and expense, including the expense of complying with all present and future legal requirements, and any other work required to be performed in other areas within or outside the Premises.

4.4.4 *Compliance.* All such Tenant's Work shall be performed diligently and in a first class workmanlike manner and in accordance with plans and specifications approved by Landlord, and shall comply with all legal requirements. Any of Tenant's Initial Improvements or other alterations, including, without limitation, moveable partitions that are affixed to the Premise (but excluding moveable, free standing partitions) and all carpeting, shall at once become part of the Premises and the property of Landlord.

4.5 *Right of Inspection.* Landlord shall have the unfettered right at all reasonable times during the Initial Term or any Renewal Term to enter the Premises for any reason whatsoever. Landlord agrees, when able, to provide Tenant with reasonable notice of said entry upon the Premises. No notice will be required in emergency situations or for access or entry upon the Premises.

V. DESTRUCTION OR DAMAGE

5.1 If the Premises shall be damaged or destroyed during the term of this Lease by any casualty insured under Landlord's standard fire and casualty insurance, Landlord shall, except as otherwise provided in this Lease and subject to any delay or inability from causes beyond its control, repair and/or rebuild the same substantially to what had been the condition thereof immediately prior to such damage or destruction.

5.2 If the Premises shall be damaged or destroyed to the extent of fifty percent (50%) or more of the insurable value thereof, or if such casualty shall not have been insured against by Landlord's standard fire and casualty policies, then Landlord or Tenant may terminate this Lease or elect to repair such damage or rebuild the Premises. Within thirty (30) calendar days after any such casualty, Landlord shall notify Tenant whether Landlord intends to repair or rebuild the Premises, and Tenant shall notify Landlord whether Tenant intends to terminate this Lease. If Landlord elects to repair or rebuild the Premises, Landlord shall perform such repair or rebuilding as provided in this Agreement. If Landlord elects not to repair or rebuild, the Lease shall terminate without further notice and all further obligations of both parties hereunder shall cease (other than those which shall theretofore have accrued), effective as of the date on which Tenant ceases doing business on the Premises.

5.3 If Landlord elects to repair the Premises and Tenant does not elect to terminate the Lease, and if Landlord's repairs are not substantially completed within one hundred twenty (120) calendar days following the date of the casualty, then Tenant, upon not less than thirty (30) calendar days written notice to Landlord, may terminate this Lease if Landlord has not substantially completed such repairs within the time period (which shall not be less than 30 calendar days) set forth in such notice. Substantial completion, as used herein, shall mean that the Premises are restored to the condition that they may be occupied and utilized for their intended purpose, notwithstanding that there may be additional "punch list" or other non-essential items to be completed, which neither affect nor impact Tenant's use and enjoyment of the Premises. Nevertheless, Landlord shall diligently pursue the completion of all remaining work in a timely manner.

Landlord Initials _____ Tenant Initials _____

5.4 During any period of reconstruction or repair of the Premises, provided Tenant has not elected to terminate this Lease, Tenant may at its sole option continue the operation of Tenant's business in the Premises to the extent reasonably practicable from the standpoint of good business practice. Tenant shall not interfere with the repair or restoration activities of Landlord or its contractors, and will adapt and modify its business activities as deemed necessary by Landlord to allow such repair or restoration activities to continue expeditiously.

5.5 During any period in which, by reason of any damage or destruction not resulting from the negligence of Tenant, Tenants employees, agents, or invitees, Tenant is unable to occupy all or a portion of the Premises, Tenant's rent shall be appropriately abated for that part of the Premises rendered unusable for the conduct of Tenants business. Such abatement shall continue for the period commencing with such destruction or damage and ending with the substantial completion by Landlord of Landlord's repairs and/or rebuilding of the Premises, as described in this Lease.

VI. ASSIGNMENT AND SUBLETTING

The Tenant shall not, without the Landlord's prior written consent: (i) mortgage, pledge, encumber, or otherwise transfer (whether voluntarily, by operation of law, or otherwise) this lease or any interest hereunder; (ii) allow any lien to attach to Tenant's interest in the Premises or this Lease; (iii) permit the use or occupancy of the Premises or any part thereof by anyone for a purpose other than as set forth herein; (iv) assign or convey this Lease or any interest herein; or (v) sublet the Premises or any part thereof; and any attempt to consummate any of the foregoing without Landlord's consent shall be void. Any assignment or subletting of this Lease must be approved in writing by Landlord, which approval shall not be unreasonably withheld. Assignment of the Lease will not relieve the Tenant or the Guarantors of their respective obligations under this Lease and Guaranty Agreement unless otherwise agreed by Landlord in writing.

VII. TERMINATION. This Lease shall end on the Termination Date. This Lease may be terminated by Landlord prior to the Termination Date upon providing a thirty (30) day notice to Tenant and/or upon the occurrence of any default event as set forth in Section 8.

7.1 *Surrender of Property.* At the termination of this Lease, Tenant agrees to quit and deliver the Premises peaceably and quietly to Landlord, or its attorney, or other duly authorized agent, at the expiration or other termination of this Lease. The Tenant shall surrender the Premises in as good state and condition as delivered to Tenant at the commencement of this Lease, reasonable use and wear thereof expected.

7.2 *Hold Over.* If, without objection by Landlord, Tenant holds possession of the Premises after expiration of the term of this Lease, Tenant shall become a Tenant from month to month upon the terms herein specified, but at a monthly rent amount equivalent to 150% of the gross rent being paid (starting sixty (60) calendar days after the expiration of the term of this Lease) at the end of the term of this Lease, and all fees, assessments, costs and other items must continue to be paid pursuant to all the provisions set forth herein. Such month to month rent and other amounts shall be payable in advance on or before the fifteenth (15th) calendar day of each month.

VIII. DEFAULT

8.1 *Default by Tenant.* The occurrence of any of the following shall constitute an event of default:

Landlord Initials _____ Tenant Initials _____

- (a) The rent of any other sum of money payable under this Lease, whether to Landlord or otherwise, is not paid within ten (10) days of the due date.
- (b) Tenant's interest in the Lease of the Premises shall be subjected to any attachment, levy, or sale pursuant to any order or decree entered against Tenant in any legal proceeding and such order or decree shall not be vacated within thirty (30) days of entry thereof; unless with respect to any attachment, levy or sale, which cannot be vacated within thirty (30) days, Tenant in good faith shall have commenced and thereafter shall continue to diligently pursue the vacation of such order or decree by lawful means.
- (c) Tenant breaches or fails to comply with any term, provision, condition, or covenant of this Lease, other than the payment of rent, or with any of the rules and regulations now or hereafter established from time to time by the Landlord to govern the operation of the building and such breach or failure to comply is not cured within ten (10) days after written notice of such breach or failure to comply is given to Tenant.

8.2 *Remedies of Landlord.* Upon the occurrence of an event of default by Tenant other than a failure of Tenant to timely pay a sum that is due and payable, Landlord shall notify Tenant in writing of the event of default, and Tenant shall, within twenty (20) days of receipt of such written notice cure such event of default. Where the Tenant fails to cure such event of default within twenty (20) days of receipt of the above-referenced written notice, Landlord shall have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted by law or in equity or by this Lease. In electing to do any one or more of the following courses of conduct, the Landlord must reasonably undertake its best efforts to properly mitigate any damages caused or sustained by Landlord due to the occurrence of an event of default by the Tenant. The options and courses of conduct which may be undertaken by the Landlord in an event of default by the Tenant are as follows:

- (a) Landlord, with or without terminating this Lease, may immediately or at any time thereafter re-enter the Premises and correct or repair any condition which shall constitute a failure on Tenant's part to keep, observe, perform, satisfy, or abide by any term, condition, covenant, agreement or obligation of this Lease or of the rules and regulations adopted by the Landlord or of any notice given Tenant by Landlord pursuant to the terms of this Lease, and Tenant shall fully reimburse and compensate Landlord on demand for all reasonable expenses.
- (b) Landlord, with or without terminating this Lease may immediately or at any time thereafter demand in writing that Tenant immediately vacate the Premises whereupon Tenant shall immediately vacate the Premises and, immediately remove therefrom all personal property belonging to Tenant, whereupon Landlord shall have the right to immediately re-enter and take possession of the Premises. Any such demand, re-entry and taking of possession of the Premises by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord. In the event the Landlord re-enters and takes possession of the Premises as provided above and the Tenant has failed upon request by Landlord to immediately remove from the Premises all property belonging to or placed upon the Premises by the Tenant, the Landlord shall have the right to have such property of the Tenant removed from the Premises and reasonably be placed within a secure storage facility for a period of time not to exceed thirty (30) days, and all costs of handling, moving and storing such property of the Tenant shall

Landlord Initials _____ Tenant Initials _____

be paid by the Tenant. Notwithstanding any of the foregoing, Landlord shall be required to comply with applicable South Carolina law regarding reentry and possession of the Premises.

- (c) Landlord may immediately or at any time thereafter terminate this Lease, and this Lease shall be deemed to have been terminated upon receipt by Tenant of written notice of such termination; upon such termination Landlord shall recover from Tenant all damages Landlord may suffer by reason of such termination including, without limitation, all arrearages in rentals, costs, charges, additional rentals, and reimbursements, the cost (including court costs and attorneys' fees) of recovering possession of the Premises, and, in addition thereto, Landlord at its election shall have and recover from Tenant either: (1) an amount equal to the excess, if any, of the total amount of all rents and other charges to be paid by Tenant for the remainder of the term of this Lease over the then reasonable rental value of the Premises for the remainder of the Term of this Lease, or (2) the rents and other charges which Landlord would be entitled to receive from Tenant if the Lease were not terminated. Such election shall be made by Landlord by serving written notice upon Tenant of its choice of the alternatives within thirty (30) days of the notice of termination. Notwithstanding anything hereunder to the contrary, Landlord must use its reasonable best efforts to re-let the Premises and abate Landlord's damages.

8.3 *No Waiver.* No course of dealing between Landlord and Tenant or any failure or delay on the part of Landlord in exercising any rights of Landlord under any provisions of this Lease shall operate as a waiver of any rights of Landlord, nor shall any waiver of a default on one occasion operate as a waiver of any subsequent default or any other default. No express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

8.4 *No Election of Remedies.* The exercise by Landlord of any right or remedy shall not prevent the subsequent exercise by Landlord of other rights and remedies. All remedies provided for in this Lease are cumulative and may, at the election of Landlord, be exercised alternatively, successively, or in any other manner, and all remedies provided for in this Lease are in addition to any other rights provided for or allowed by law or in equity.

8.5 *Insolvency or Bankruptcy.* The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant, or any action against Tenant, under any insolvency, bankruptcy, or reorganization, shall at Landlord's option constitute an event of default under this Lease. Upon the happening of any such event of default or at any time thereafter, this Lease shall terminate five (5) days after written notice of termination from Landlord to Tenant. In no event shall this Lease be assigned or assignable by operation of law or by voluntary or involuntary bankruptcy proceedings or otherwise and in no event shall this Lease or any rights or privileges hereunder be an asset of Tenant under any bankruptcy, insolvency, or reorganization proceedings.

8.6 *Abandonment.* Tenant shall not be considered to have abandoned or vacated the Premises as long as Tenant continues to pay rent and fulfill all other obligations of this Lease, regardless of whether Tenant is actually continuously occupying the space or not, unless Tenant gives notice of termination if and as allowed by this Lease. If Landlord's right of entry is exercised following abandonment of the Leased Premises by Tenant, then Landlord may consider any personal property belonging to Tenant and left on the Leased Premises to have been abandoned, in which case

Landlord Initials _____ Tenant Initials _____

Landlord may dispose of all such personal property in any manner Landlord shall deem proper and is hereby relieved of all liability for doing so.

IX. SALE OF PREMISES. In the event the Landlord hereunder, or any successor owner of the Premises, shall sell or convey the Premises, all liabilities and obligations on the part of the Landlord, or such successor owner, under this Lease accruing thereafter shall remain for a minimum sixty (60) days or the Tenant may enter into a new Lease with the successor owner.

X. COMPLIANCE WITH LAWS. Tenant shall comply, at its own expense, with all statutes, regulations, rules, ordinances and orders of any governmental body, department, or agency thereof which apply to or result from Tenant's use of the Premises.

XI. INSURANCE LIABILITY AND INDEMNIFICATION

11.1 *Insurance Liability.* Landlord has obtained Premise Liability Insurance, which does not cover Tenant's possessions or Tenant's negligence. Tenant must obtain a Renter's Insurance Policy, in an amount of no less than \$1,000,000 in commercial general liability, or other appropriate policies to cover damage or loss resulting from Tenant's negligence. Tenant shall name Landlord as an additional party in any and all insurance policies, and shall provide Landlord with a copy of all policies.

11.1.1 Tenant shall provide proof that payment for the insurance policy has been made initially and thereafter and that the policy has been renewed at least fifteen (15) calendar days prior to the anniversary of the initial year of this lease. Landlord may contact Tenant's insurer(s) or insurer(s)' agent(s) directly at any time regarding Tenant's coverage, coverage amounts, or other such relevant and reasonable issues related to this Lease.

11.2 *Indemnity.* Tenant hereby agrees to indemnify and hold harmless Landlord against and from any and all claims for property damage, or for personal injury, arising out of or in any way arising out of Tenant's use of the Leased Premises or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Leased Premises.

11.3 *Liens.* If any mechanic's or other lien is filed against the Premises for work claimed to have been for or materials furnished thereto, such lien shall be discharged by Tenant within Ten (10) days thereafter, at Tenant's expense by full payment thereof by filing a bond required by law. Tenant's failure to do so shall constitute a material default hereunder.

XII. MISCELLANEOUS PROVISIONS

12.1 *Notices.* Any notice, communication, request, approval or consent which may be given or is required to be given under the terms of this Agreement shall be in writing and shall be transmitted (1) via hand delivery or express overnight delivery service to the Seller or the Purchaser, (2) via facsimile with the original to follow via hand delivery or overnight delivery service, or (3) via e-mail, provided that the sending party can show proof of delivery, as the case may be, at the addresses/numbers set forth below:

AS TO LANDLORD: Beaufort County
 Attn: Beaufort County Administration
 Post Office Box 1228
 Beaufort, SC 29901

Landlord Initials _____ Tenant Initials _____

Copy To: Beaufort County
Attn: Beaufort County Public Facility Director
Post Office Box 1228
Beaufort, SC 29901

AS TO TENANT: _____

- 12.2 *Entire Agreement.* This Lease constitutes as the sole and entire agreement of Landlord and Tenant and no prior or contemporaneous oral or written representations or agreements between the parties affecting the Premises shall have any legal effect.
- 12.3 *Counterparts.* This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.
- 12.4 *Severability.* If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, then such provision shall be deemed to be written, construed and enforced as so limited.
- 12.5 *Amendment.* This Agreement cannot be amended orally or by a single party. No amendment or change to this Agreement shall be valid unless in writing and signed by both Parties to this Agreement.
- 12.6 *Captions.* The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions hereof.
- 12.7 *Successors and Assigns.* The provisions of this Lease shall inure to the benefit of and be binding upon Landlord and Tenant, and their respective successors, heirs, legal representatives, and assigns.
- 12.8 *Applicable Law.* The laws of the State of South Carolina shall govern the interpretation, validity, performance and enforcement of this Lease; and, of any personal guarantees given in connection with this Lease.
- 12.9 *Authority.* Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he, she or it is executing this Agreement to the terms hereof.
- 12.10 *Force Majeure.* Except for timely Rent payment, Landlord or Tenant shall not be in default hereunder when performance of any term or condition is prevented by a cause beyond its control.
- 12.11 *Time is of the Essence.* Time is of the essence of this Lease.
- 12.12 *Quiet Enjoyment.* Landlord hereby covenants, warrants and agrees that so long as Tenant is performing all of the covenants and agreements herein stipulated to be performed on the Tenant's

Landlord Initials _____ Tenant Initials _____

part, Tenant shall at all times during the lease term have the peaceable quiet and enjoyment and possession of the Premises without any manner of hindrance from Landlord or any person or persons lawfully claiming the Premises, or any part thereof.

IN WITNESS WHEREOF, and in acknowledgement that the parties hereto have read and understood each and every provision hereof, the Parties have caused this Agreement to be executed on the date first written above.

LANDLORD:

Witness

Beaufort County Administrator

Witness

TENANT:

Witness

By: _____
Its: _____

Landlord Initials _____ Tenant Initials _____