

TRANSPORTATION/ECONOMIC DEVELOPMENT COMMITTEE AGENDA

June 30, 2020 –2:00 P.M.

County Council Conference Room

Members:

Dennis DiSabato, Chairman

Bill Howard

Cam Crawford

Gary Loftus

- I. Call to Order..... Dennis DiSabato
- II. Invocation
- III. Public Input
- IV. Review and Approval of Agenda Contents
- V. Approval of Minutes – February 11, 2020
- VI. Resolutions
- VII. Ordinances
- VIII. Committee Discussion
 - 1. **Resolution: Revised Concession Seating in Common Areas**Scott Van Moppes PAGE 6 - 8
 - 2. **Midway Par 3 Golf Property Lease**.....Scott Van Moppes PAGE 9-41
 - 3. **General Aviation Fuel Supplier**Ryan Betcher
 - 4. **Ordinance: Allen Aviation Fuel Tank Lease**.....Ryan Betcher PAGE 42-46
 - 5. **Coast RTA Update**.....Brian Piascik PAGE 47-56
 - 6. **MBREDC Update**.....Sandy Davis
 - 7. **R. J. Corman Update**Adam Boyles PAGE 57-58
 - **CSX Short Line Business Development Award**

ATTACHMENTS: Airport Department Reports (for information only)

Airports Revenues/Expenses – May 2020 PAGE 59

Passenger Enplanements PAGE 60

- IX. Old Business/New Business
- X. Executive Session – If necessary
- XI. Adjourn

6.24.2020

Arrigo Carotti, County Attorney

6.24.2020

Steve Gosnell, County Administrator

6.24.2020

Dennis DiSabato, Committee Chairman

MINUTES
HORRY COUNTY COUNCIL
Transportation / Economic Development Committee Meeting
Council Conference Room
February 11, 2020
2:00 p.m.

MEMBERS PRESENT: Dennis DiSabato, Chairman; Bill Howard; Gary Loftus and Cam Crawford

MEMBERS ABSENT:

OTHERS PRESENT: Council Chairman Johnny Gardner; Steve Gosnell; David Gilreath; Randy Webster; Samantha Wallace; Arrigo Carotti; Randy Haldi and Kelly Moore

In accordance with the FOIA, notices of the meeting were provided to the press stating the time, date, and place of the meeting.

CALL TO ORDER: Chairman DiSabato called the meeting to order at approximately 2:00 p.m.

INVOCATION: Mr. Gardner gave the invocation.

PUBLIC INPUT: None.

REVIEW AND APPROVAL OF AGENDA CONTENTS: Mr. Howard moved to approve the agenda contents, seconded by Mr. Loftus. The motion was unanimously passed.

APPROVAL OF MINUTES: Mr. Crawford moved to approve the minutes for January 27, 2020 as submitted, seconded by Mr. Howard. The motion was unanimously passed.

RESOLUTIONS: None

ORDINANCES:

- A. **An ordinance approving and authorizing the county administrator to sell an approximate 2.00-acre parcel of undeveloped property located within the Cool Springs Industrial Park (TMS #067-00-01-124) – Project Sand Dollar:**
- B. **An ordinance approving and authorizing the county administrator to sell an approximate 3.65-acre parcel of undeveloped property located within the Cool Springs Industrial Park (TMS #067-00-01-125) – Project Mail**

Ms. Sandy Davis wanted to discuss both ordinances together since both projects were looking to go to the Cool Springs Industrial Park they had discussed during the last meeting. Project Sand Dollar wanted to purchase a two-acre parcel for \$10,000.00 per acre. It was an existing industry and would create possibly five new jobs. The Cool Springs Committee had approved it and it was now being presented for approval from the Committee to move forward to Council.

The second project known as Project Mail was a metal powder company that planned to hire about fifteen employees up front. Their building would be about 20,000 sq. ft. with a possible 18,000 feet expansion over the next five years. Their employee's wages would average around \$18.00 per hour.

Mr. DiSabato asked for confirmation that no incentive had been provided to either company and Ms. Davis confirmed. Mr. DiSabato commented that there had been a discussion previously about ways to protect the County by requiring the company's purchase of the parcels contingent on them beginning construction in a certain period of time. He deferred to Mr. Randy Haldi for comment.

Mr. Haldi explained that the current covenant and restrictions did not require construction to commence within a certain time but the County could determine by contract. They would need guidance from Council on how long they would require.

Mr. DiSabato asked Ms. Davis if that would detract from the company. She stated that it would not as they were ready to start as soon as Council could approve. He asked the committee if they were open to adding language to the agreement that would make it contingent on them commencing construction. Mr. DiSabato asked Mr. Haldi if adding the language would cause a delay in getting it to the next Council meeting. Mr. Haldi noted that their attorneys would want to review and possibly have some input on the language. Mr. DiSabato asked if they would have to amend the ordinance to change the language and Mr. Haldi stated they would not. Ms. Davis added they were prepared to break ground within the next three months. Mr. DiSabato noted adding the language should not affect anything since the company had already stated they would be ready within the next three months. Mr. Carotti noted the language could be added before it went to Council. It would have the language in it when and if approved by the Council for the company to sign.

Mr. Crawford moved to approve ordinance A with a second by Mr. Howard. The vote was unanimous.

Mr. Crawford moved to approve ordinance B with a second by Mr. Howard. The vote was unanimous.

COMMITTEE DISCUSSION:

Coast RTA Update: Mr. Brian Piascik commented that he had an invitation to pass out to everyone and hoped they would be able to attend. Mr. Howard stated that he had seen the flyer and he definitely wanted to go.

Mr. Piascik noted that was really about all he had for his update. He did not have a new report for the committee but things were still moving forward. He had been having discussions with the City of Conway, the City of North Myrtle Beach and Myrtle Beach about where they were headed for the next year.

He wanted to make everyone aware of an initiative that was being moved forward by Lt. Gov. Evette. She had called all of the regional transportation authorities to Columbia back in October to discuss issues and how public transportation was doing in South Carolina overall. Referring to the initiative that came from the meeting, he explained that Lt. Gov. Evette wanted to heighten the awareness of public transportation to the business community. She had discussions with the different Chambers on ways to accomplish that objective. She would be hosting a symposium on February 24. He hoped that they would be able to get the conversation out to the public concerning different aspects of public transportation and where they hoped to be within the next three years or so. He noted that he had a speaking part in the upcoming

symposium and felt that it would be the most important presentation he had made in his time at Coast RTA.

Mr. Howard asked if he would be asking for some of the billion dollar surplus. He answered that they were doing that through the Transit Association and would be in conjunction with the Maintenance Facility that was looking for some one-time money projects. They would send a letter in for that. He mentioned that they did receive some funding from the State through the State gas tax. Statewide they had spent about \$6.5 million annually since 1987 and the number of transit systems had increased from 27 to 48. He stated that they received approximately \$300,000-\$320,000 per year from the State.

R. J. Corman /Tiger Project Presentation: Ms. Courtney Frappaolo stated that in 2017 the County received a transportation grant for transportation investments that would generate economic recovery for TIGER. She introduced Mr. David Pegram, their consultant, who worked with them and managed the project, to present an update on the project.

Mr. Pegram explained that he worked with Mott MacDonald and he mainly provided construction oversight for the project. He presented several slides that he stated would show them a brief overview of the project's scope. The first slide showed the different areas they were involved in, total number of ties (58,000) to replace, nine miles of rail, nine bridges to replace as well as various crossing rehabs and signal system upgrades to be finished. The total budget was \$17.38 million. The next slide showed the project timeline beginning in July 2017 with an expected completion date of February 2021. The next slide showed work that had been completed to date noting they were about 50% complete. He then presented a slide that showed their work plan for 2020 with a list of what needed to be completed. He noted the major part would be the rebuild of the 220' Crabtree Swamp Bridge. The list also included 120 bridge spans rehabilitated, 3 switch upgrades, 3 road crossing signal upgrades, 13 crossing surfaces to rehabilitate, two miles of rail to upgrade, 14,300 ties to replace, 46 miles of resurfacing and 400 joint bars to be replaced.

Project completion was expected to be in February 2021 with the grant closeout in March 2021. He also noted that by 2020 they expected a 3000 car volume per year.

Mr. DiSabato asked if the work would be extended to Myrtle Beach or would it stop at the Atlantic Center. Mr. Pegram explained there was the issue of the bridge and how expensive it would be to continue.

Airport General Update: Ms. Judi Olmstead stated she had two items for their update. The first item was the completion of construction of a new 18,000 sq. ft. hangar that was open for business the previous week. It was their first new hangar in over ten years and it had taken approximately six months to build. The cost was just over \$5 million and had been funded over a two-year budgeting cycle with airport general funds. Included in the project was the realignment of the existing taxi lane in order to provide direct access to the ramp. Currently they had one tenant that was a Gulfstream IV.

The second item she wanted to discuss was that MYR received two prestigious awards last week at a national airline district marketing meeting called ROUTES. It was the second time in three years that the airport had won the award. It was in recognition marketing strategies and marketing and route development. MYR was named the winner in two categories. The categories were for overall airport category and the under four million passenger category. She also added that a press release had been sent out the previous week.

EXECUTIVE SESSION: None

ADJOURNMENT: With no further business, Mr. Loftus moved to adjourn at approximately 2:22 p.m. The motion was unanimously passed.

COUNTY OF HORRY)
STATE OF SOUTH CAROLINA)

RESOLUTION R- -20

A RESOLUTION AUTHORIZING THE CONSUMPTION OF ALOCHOL IN THE COMMON AREAS OF THE MYRTLLE BEACH INTERNATIONAL AIRPORT, TERMINAL BUILDING, STERILE AREA.

WHEREAS, Horry County Department of Airports (Airport) has identified a need to reduce congestion of the customer seating areas of the food service concessions due to social distancing and health concerns, and provide additional seating in the sterile areas of the Terminal Building; and

WHEREAS, the Airport seeks to maximize revenue potential for Airport concessionaires and the Airport; and

WHEREAS, the Airport wishes to provide improved service and convenience for the traveling public at the Airport; and

WHEREAS, the Airport will comply with all applicable state and federal laws.

NOW, THEREFORE, BE IT RESOLVED, that Horry County Council approves this activity, subject to all State and Federal Laws and Regulations having original jurisdiction over the subject matter herein.

AND IT IS SO RESOLVED.

Dated this _____ day of July, 2020.

HORRY COUNTY COUNCIL

Johnny Gardner, Chairman

Harold G. Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

Patricia S. Hartley, Clerk to Council



County Council Decision Memorandum

Horry County, South Carolina

Date: June 8, 2020
From: Scott Van Moppes, A.A.E., Director of Airports
Cleared By: Steve Gosnell, County Administrator

Re: Airport Alcohol Consumption in Sterile Area

ISSUE

Consumption of alcohol in the Sterile Area of the Myrtle Beach International Airport, Terminal Building

BACKGROUND

Upon request by contracted concessionaires, The Horry County Department of Airports (Airport) wishes to allow any person who lawfully purchases beer or wine from a duly licensed and authorized Airport food service concessionaire operator (Operator) to openly carry and consume such beer or wine within the public areas of the sterile areas of the Terminal. No other areas are contemplated or authorized.

- Only beer and wine duly sold and dispensed by the Operator is authorized for consumption in the sterile area. Liquor or distilled spirits are expressly excluded.
- The Operator shall not be permitted to dispense beer and wine from the locations outside of their licensed premises, which activity is expressly prohibited.
- Bottles or glass containers shall not be permitted in the sterile area. Operator shall dispense beer and wine into a container of standard type and appearance approved by the Director of Airports that readily identifies the container's contents.
- In no event will service of alcoholic beverages be permitted to persons under 21 years of age.
- The Operator shall otherwise comply with all applicable laws and regulations of the State of South Carolina or its authorized agencies as it pertains to consumption of beer and wine on the licensed premises.
- This resolution shall not operate to transfer, assign or assume to/by the Airport any alcohol/liquor license of the South Carolina Department of Revenue (SCDOR), or any part thereof, held by Operator. Such license(s), privileges and obligations associated therewith shall remain fully vested with the Operator. This resolution shall automatically invalidate in case of suspension or revocation of the Operator's license with the SCDOR.
- The contractual obligations of the Operator under its separate Concession Agreement shall extend to the privileges extended to it by this Resolution. Accordingly, the Operator shall have an affirmative duty to properly administer and oversee the activities contemplated herein.
- The operational provisions of this Resolution shall be enforced by the Horry County Airport Police Department.
- This Resolution is subject and subordinate to all State and Federal Laws and Regulations having original jurisdiction over the subject matter herein.
- This Resolution may be suspended or rescinded by the Director of Airports at any time for any reason at his/her sole discretion.

RECOMMENDATION

Staff recommends approval of the attached resolution which authorizes the consumption of alcohol in the Sterile Area of the Myrtle Beach International Airport, Terminal Building.

DISCUSSION MEMO

FROM: DEPARTMENT OF AIRPORTS
TO: TRANSPORTATION/ECONOMIC DEVELOPMENT COMMITTEE
DATE: June 30, 2020
SUBJECT: GOLF COURSE MANAGEMENT AGREEMENT – ATLANTIC GOLF MANAGEMENT, LLC

ISSUE

Consideration of the proposed Golf Course Management Agreement (“Agreement”) between Horry County and Atlantic Golf Management, LLC (“AGM”) to perform golf course management services at the former Midway Par 3 Golf Course located near Myrtle Beach International Airport (“MYR”).

DISCUSSION

The subject property is located to the south of MYR, along South Kings Highway/South Ocean Boulevard, and consists of approximately 34.66 acres. The property was formerly operated as a par 3 golf course prior to closing in 2017. Horry County Department of Airports (“HCDA”) acquired the property as the Runway 36 Runway Protection Zone encumbered approximately 20 acres of the property, further ensuring the future protection of the approach/departure surfaces at MYR.

A request for proposals was issued by HCDA, in conjunction with Horry County Procurement, for golf course management services, for which AGM was selected as the successful proposer. The proposed term of the Agreement is for five (5) years and includes a single renewal option for an additional five (5) years.

AGM will pay the County a minimum annual fee of \$18,000.00 (Year 1), \$36,000.00 (Years 2-5) and \$44,000.00 (Years 6-10). In addition, AGM will pay the County additional percentage fees consisting of 5% of gross revenues over \$750,000.00/year (Years 1-5) and 6% of gross revenues over \$900,000.00/year (Years 6-10). AGM will be solely responsible for all maintenance, repairs and improvements to the property.

Horry County Department of Airports (“HCDA”) has prepared the proposed Agreement and feels that the terms and services proffered will not conflict with operations at MYR and will benefit the County by providing a beneficial use of the subject property and revenue therefrom.

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**GOLF COURSE MANAGEMENT
AGREEMENT**

BY AND BETWEEN

HORRY COUNTY

AND

ATLANTIC GOLF MANAGEMENT, LLC

Company agrees to abide by and comply with each and every covenant, restriction, and requirement that may be contained in the deed or deeds pertaining to the Premises.

ARTICLE II
TERM

- 2.01 **Term.** The term of this Agreement shall commence _____, 2020 and shall continue in force and effect for a period of five (5) years, terminating _____, 2025. Upon expiration of the initial term, at the discretion of the County, Company may hold over on a month-to-month basis. Such holding over, however, shall not be construed to renew this Agreement for any further term but may be terminated by County or Company upon thirty (30) calendar days written notice; all other terms and conditions provided herein shall remain in full force and effect to any such hold over tenancy.
- 2.02 **Renewal Option.** Company shall have the option to renew this Agreement, with County's consent, subject to all of its terms and conditions, for up to one (1) additional term of five (5) years. The renewal term shall begin on _____, 2025 and shall terminate five (5) years later on _____, 2030. In order to exercise its right to request renewal, Company shall provide written notice to County of its request to renew not less than nine (9) months nor more than twelve (12) months prior to the expiration of the then current Agreement term. A renewal option shall not be exercisable by Company unless at the time of the exercise of said option, Company is not in default of its obligations hereunder and the Agreement has not been previously terminated according to the terms and conditions thereof. Failure of Company to deliver timely notification of its request to renew under this section shall be deemed as Company's intent not to renew.

ARTICLE III
USE OF PREMISES

- 3.01 **Rights Granted.** County hereby grants to Company the right, use, privilege and obligation to operate, manage, maintain and improve a public golf course facility on the Premises as set forth in Company's proposal and under the terms and conditions set forth herein.
- 3.02 **Restrictions on Use.** Each right granted to Company hereunder and each area constituting a part of the Premises shall be exercised and used solely and exclusively for the purposes of and in connection with the operation and management of a public golf course and for no other purposes or activity whatsoever. Company shall limit its operations on the Premises to activities necessary to the successful operation of the golf course.

Company shall not undertake any operation on the site that will cause a nuisance to (including noise and/or dust) or interfere with lawful activity on adjacent property.

Company shall control all current and future lighting installed on the Premises by Company so as to prevent illumination from being a hazard to pilots landing on, taking off from or taxiing on the airport. The determination of hazard shall rest solely with the judgment of the Director of the Horry County Department of Airports.

No use shall be made or permitted to be made of the Premises, or acts done, which will cause a cancellation of any insurance policy covering the Premises, nor shall Company keep or permit to be kept in, on or about the Premises, any materials which may be prohibited by the standard form fire insurance policy covering such Premises. Company shall commit no nuisance in, on or about the Premises, or permit or suffer any nuisance to be committed.

3.03 Avigation Rights. County, its successors and assigns, specifically retain, for the use and benefit of the public, the right of free and unobstructed passage of aircraft in the airspace above the surface of the Premises, the right for existing and future aircraft to generate noise in that airspace, and such vibrations, fumes, dust, fuel particulates and other byproducts/impacts as may be inherent in the operation of aircraft, and the right to use the airspace to land on, take off from, or maneuver about the Myrtle Beach International Airport (“Airport”), with such use and passage to be unlimited as to frequency, type of aircraft, and proximity. Company acknowledges and agrees that the Premises are continually to be height restricted as to structures, objects of natural growth and other obstructions located thereon, to such a height so as to comply with Federal Aviation Regulations, Part 77. Company further acknowledges and agrees that the Premises are continually to be use restricted so that no used of the Premises is permitted which would interfere with landing, taking off, or maneuvering of aircraft at the Airport or which would constitute an airport hazard. Use of the Premises shall only be for purposes which are compatible with all impacts, including without limitation, noise levels generated by aircraft using the Airport, and otherwise wholly compatible with aircraft and air travel in, on, and around the Airport, and the maintenance and operation of the Airport.

ARTICLE IV
FEES AND CHARGES

4.01 Management Fee. As fees for the management rights herein granted, Company shall pay to County each Year during the term hereof the greater of the following: (1) the minimum annual guaranteed payment (hereinafter referred to as “Minimum Annual Guarantee” or “MAG”) as set forth more completely in subsection (a) below; or (2) a percentage of Company’s Gross Revenues during the year (hereinafter referred to as the “Percentage Fee”) as set forth more completely in subsection (b) below.

(a) Minimum Annual Guarantee

i. Initial Term (Years 1 - 5):

<u>Year</u>	<u>Minimum Annual Fee</u>
1	\$18,000.00
2	\$36,000.00
3	\$36,000.00
4	\$36,000.00
5	\$36,000.00

ii. Optional Renewal Term (Years 6 - 10):

<u>Year</u>	<u>Minimum Annual Fee</u>
6	\$44,000.00
7	\$44,000.00
8	\$44,000.00
9	\$44,000.00
10	\$44,000.00

(b) Percentage Fee:

- i. Initial Term (Years 1 - 5): Five percent (5%) of Gross Revenues over \$750,000.00 per year.
 - ii. Optional Renewal Term (Years 6 - 10): Six percent (6%) of Gross Revenues over \$900,000.00 per year.
- 4.02 Definition – Year. As used in this Agreement, “Year” shall mean the twelve-month period beginning on the Commencement Date at each successive twelve-month period during the term of the initial Agreement; provided, however, the last “Year” shall terminate at the close of business on _____, 2025.
- 4.03 Gross Revenue. As used herein, “Gross Revenue” shall mean the total sum of money of all receipts received by Company which are derived from, arise out of, or become payable on account of Company’s business and all business transactions conducted at or from the Premises by or for the account of County; both cash and on credit, regardless of when paid, including but not limited to receipts received for the use of the facilities provided for herein and from all orders for goods and services, including vending (coin operated) machines, accepted or sold by Company in, on, about, or from the Premises, whether or not to be filled or performed at any other location, and the full amount of all orders accepted by Company elsewhere, but to be filled or performed in, on, about or from the demised Premises.

Gross Revenue shall not, however, include any and all retail sales taxes, excise taxes, bar or entertainment taxes, or related direct taxes collected by Company in the course of making such sales, and thereafter remitted to any governmental agency. Gross Revenues shall not include receipts from the sale or trade-in value of any equipment used upon the Premises and owned by Company.

No deduction shall be made from Gross Revenues for credit card fees, operating costs, any franchise fees, income or gross receipts taxes, or for any other taxes based upon income of Company. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such a sale is made, irrespective of the time when the Company receives payment from its customer, and no deduction shall be allowed for uncollected or uncollectible credit accounts. Company shall have a written plan to handle nonstandard transactions such as free, validated, or discounted goods and services and maintain a record of such nonstandard transactions.

- 4.04 Minimum Annual Guarantee (MAG). The Minimum Annual Guarantee shall be paid in monthly installments of one-twelfth (1/12) of the Minimum Annual Guarantee due for the applicable Year on or before the first day of each calendar month or partial calendar month from and after the Commencement Date, in advance and without demand. In the event the Agreement begins on a date other than the first of the month, the minimum shall be prorated. In the event that any Year should be shorter than twelve months or in the event this Agreement should terminate prior to the end of the term for a reason other than a default on the part of Company and at a time other than the end of a Year, then the Minimum Annual Guarantee for the Year in which the Agreement does so terminate shall be prorated by multiplying the Minimum Annual Guarantee for such Year by a fraction, the numerator of which shall be the number of total days of the Year which shall have elapsed at the date of termination and the denominator of which shall be 365; and the product thereof shall be the Pro Rate Minimum Annual Guarantee required of Company for the Year in which termination occurs. The total fees due the County for that Year shall be the greater of the Pro Rate Minimum Annual guarantee thus computed or the Percentage Fee which shall have accrued as of the last day of operation by Company under this Agreement.

4.05 Payment of Fees. The procedure for the payment of fees by Company to County shall be as follows:

- a) The Minimum Annual Guarantee shall be paid in monthly installments of one-twelfth (1/12) of the Minimum Annual Guarantee due for the applicable Year on or before the first day of each calendar month or partial calendar month from and after the Commencement Date, in advance and without demand. In the event the Agreement begins on a date other than the first of the month, the minimum shall be prorated.
- b) The Percentage Fee, if due, shall be paid within ten (10) calendar days of each month following a calendar month (or partial calendar month) occurring from and after the Commencement Date through the expiration or termination of this Agreement, at which time the Company shall provide to the County, without demand, a statement of Gross Revenue for the prior calendar month together with the amount, if any, by which the Percentage Fee due for the previous calendar month exceeds the installment of the Minimum Annual Guarantee. The statement shall be signed and verified by a representative of Company having the authority to do so, stating that the contents of the statement are true and correct to the best of his or her knowledge.
- c) In the event that any Year should be shorter than twelve months or in the event this Agreement should terminate prior to the end of the term for a reason other than the end of the Year, then the Minimum Annual Guarantee for the Year in which the Agreement does so terminate shall be prorated by multiplying the Minimum Annual Guarantee for such Year by a fraction, the numerator of which shall be the number of total days of the Year which shall have elapsed at the date of termination and the denominator of which shall be 365; and the product thereof shall be the Pro Rate Minimum Annual Guarantee required of Company for the Year in which termination occurs. The total fee due to the County for that Year shall be the greater of the Pro Rate Minimum Annual Guarantee thus computed or the Percentage Fee which shall have accrued as of the last day of operation by Company under this Agreement.
- d) In the event that the payments of the Minimum Annual Guarantee and Percentage Fee pursuant to paragraphs (a) and (b) above in any one Year shall result in the total amounts of said payments exceeding the amounts due from Company hereunder for such Year, County shall rebate to Company the amount of said overpayment as a credit to the following amounts due from Company until such overpayment is completely rebated, and in the event any such rebate should be determined to exist after the termination of this Agreement, County will refund to Company the amount of such rebate in the event Company ceases operations at the Airport at the end of this Agreement and does not receive a new Agreement from the County. If Company's operations continue, however, under a subsequently-issued Request for Proposals, then such amount as would have been due to Company in the form of a rebate shall be applied to the amounts owing from Company as a credit.
- e) The County shall be entitled to assess a late payment fee of one and one-half (1.5%) percent per month or fraction thereof for any amounts that are past due under this Agreement; provided, however, such interest shall not accrue with the respect to disputed items being contested in good faith and in writing by Company, in which event the legal rate of interest should be charged from the due date on all disputed items determined to have been due to County.

4.06 Additional Fees and Charge. If, after thirty (30) calendar days' notice to Company, County has paid any sum or sums or has incurred any obligation or expense for which Company has agreed in writing to pay or reimburse County, or if County is required or elects to pay any sum or sums or insure any obligations or expense by reason of the failure, neglect, or refusal of Company to perform or fulfill any one or more of the conditions, covenants and undertakings contained in this

Agreement, Company agrees to pay such sums or expenses, including all interest, costs, damages and penalties, and agrees that the same shall be added to the next installment of fees due hereunder, and each and every part of the same shall be and become additional fees and charges, recoverable by the County in the same manner and with like remedies as if originally a part of the basic fees and charges set forth in Section 4.01 hereof.

- 4.07 Books of Account and Auditing. Company shall keep at the Premises true and complete records and accounts of all Gross Revenue. All such records and accounts shall be made available to County upon ten (10) calendar day's prior notice to Company. Annually, within sixty (60) calendar days after the end of each Year, Company, at its own expense, shall furnish a true and accurate statement for the preceding Year of all such Gross Revenue during such preceding year (showing authorized deductions or exclusions made in computing the amount of such Gross Revenue), which statement shall be certified to be correct by an Independent Certified Public Accountant. Company agrees to give the County access during reasonable hours for inspection of Company's books and records, and Company agrees it will keep and preserve for at least three (3) years all receipts and documents and other evidence of Gross Revenue for such period. The County shall have the right at any time and from time to time to audit all of Company's records relating to business transacted at the Airport including, but not limited to, Gross Revenue, and the Company, upon request, shall make all such information available for such examination at the Premises. If, as a result of such audit, it is established that Company has understated Gross Revenue or business transacted for any year by two percent (2%) or more (after the deductions and exclusions provided for herein), the entire expense of said audit shall be borne by Company. Any additional Percentage Fees due as a result of such audit shall forthwith be paid by Company to County with interest thereon at the rate of eighteen percent (18%) per annum from the end of the month in which the discrepancy occurred. Company agrees to provide the County information that may become necessary for the County to successfully implement new accounting or audit standards during the term of this Agreement.
- 4.08 Licenses, Fees and Taxes. Company shall pay and discharge when due, all Federal, State, municipal and local taxes, assessments, rates, levies and other charges, of whatever nature that are or may be during the term or any renewal hereof, levied, assessed, imposed or charged on the Premises hereby and on all improvements now thereon or hereafter to be built or made thereon, and on or against the income from the use and enjoyment of the Premises or improvements thereto. No such payment shall be considered a payment of fees entitling the Company to a credit under any other provision of this Agreement. The failure to pay any tax, fee, or assessment, the validity of which shall be contested in good faith and with reasonable promptness, and in accordance with applicable law, shall not be interpreted as a violation of this covenant until such contest shall have been abandoned or the time for objection or appeal has expired.
- 4.09 Revenue Control. Company shall maintain and perform daily revenue control functions.
- 4.10 Revenue Diversion. Company shall not cause or allow to be diverted from the County any of its golf course management and operations business in any manner to avoid or reduce its Gross Revenue upon which its financial obligations owed to the County are calculated. In the event Company established, owns, operates or manages during the term hereof any golf course businesses within twenty (20) miles of the Property, it agrees to make all books, records and other pertinent documents of such golf course management and operation service business available for audit by County and or its designated representative to ensure compliance with this provision.
- 4.11 Late Payment Interest/Penalties/Collection. Any payment of any fee provided under this Article, or payment of any other fee or charge set forth in this Agreement not received by the County within ten (10) calendar days of the date due shall be subject to a monthly fee of one and one-half percent

(1 ½ %) per month or portion thereof on the entire balance due, including any previously accrued late payment / interest charges. In the event that collection efforts are required, Company shall reimburse County for all costs, fees and charges incurred as a result of said efforts including attorneys' fees and costs. To the extent that any late charge provided for hereunder is determined to constitute interest, in no event shall such late charges, plus any other interest due on sums owed to County hereunder, ever exceed the maximum interest rate permitted by law, and in the event such amount should exceed the maximum rate, then the amount owed to County shall automatically be reduced to equal the maximum amount permitted by law.

- 4.12 Fee Credits for Improvements. Company shall receive no credit for any improvements to the Premises.

ARTICLE V OPERATION BY COMPANY

- 5.01 Mode of Operation. Company may only use the Premises, and shall use the Premises, to operate a public golf course and other activities incidental thereto, including, but not limited to, a pro shop and golf lessons, in substantial compliance with the management plan set forth in Exhibit "B". Company shall conduct its business herein authorized in a reasonable and safe manner consistent with the overall image and atmosphere of a first class public golf facility. In striving to serve the public, Company shall charge reasonable nondiscriminatory prices; furnish prompt, courteous and efficient, nondiscriminatory service adequate to meet all reasonable requests therefore; and require polite and inoffensive conduct and demeanor on the part of its representatives, agents, servants and employees.

- 5.02 Hours of Operation.

To the extent practical, Company shall endeavor and maintain hours of operation as follows:

- (a) May 1 through September 30: 8:00 AM – 9:00 PM
- (b) October 1 through November 15: 8:00 AM – 6:00 PM
- (c) November 16 through February 28/29: 9:00 AM – 5:00 PM
- (d) March 1 through April 30: 8:00 AM – 6:00 PM

Hours may be adjusted based on play and other considerations, subject to the review and written approval of the Director of Airports.

Horry County Department of Airports has the authority to require temporary/periodic closure of the Premises if required for special operations of the Myrtle Beach International Airport.

- 5.03 Company's Personnel. Company will, in providing all management services under this Agreement, employ or permit the employment of only such personnel as will enable Company to deliver a high standard of service to the public. All such personnel, while on or about the Premises, shall be clean, neat in appearance and courteous at all times and shall be appropriately attired, with company uniforms and name badges or other suitable means of identification. No personnel employed by Company, while on or about the Premises, shall use improper language, or act in a loud or otherwise improper manner.

- 5.04 Company's General Manager. Company shall select and appoint a general manager of Company's operations on the Premises. Such person must be a qualified and experienced manager vested with full power and authority to conduct the normal and ordinary operation of the golf course

management businesses herein authorized, including the authority to regulate the appearance, conduct and demeanor of Company's agents, servants and employees.

- 5.05 Company's Expenses. All expenses associated with planning, implementing and operating the business anticipated by this Agreement shall be Company's responsibility.
- 5.06 Noise, Odor, Vibrations and Annoyances. Company shall conduct its operations in an orderly and proper manner so as not to commit any nuisance or waste on the Premises and shall take all reasonable measures, using the latest known and most practicable devices and means, to eliminate any unusual, nauseous or objectionable smoke, gases, vapors, odors, or any vibrations tending to damage Premises.
- 5.07 Inspection and Review. At the County's discretion and upon notice to Company, County may make a complete inspection of Company's operations, including maintenance of Premises, building, support infrastructure, furnishings and equipment and such other items as the County may wish to review.
- 5.08 Prohibited Acts. Company shall not conduct its operations in such a way as to hinder police, fire-fighting or other emergency personnel in the discharging of their duties or so as to constitute a hazardous condition that would increase the risks normally attendant upon the operations contemplated under this Agreement.
- 5.09 Storm water Runoff / Drainage. A large drainage culvert passes directly through the Premises and is identified as a jurisdictional wetland and discharges directly into the ocean. Company will be responsible for controlling the discharge of chemicals in accordance with all applicable jurisdictions and regulatory agencies.
- 5.10 Additional Compliance Requirements. It is intended that the standards, obligations and duties imposed by this Article V shall be maintained and complied with by Company in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than the standards, duties and obligations imposed on Company hereunder, then Company shall comply with such laws, ordinances and regulations in the operations under this Agreement.

ARTICLE VI

IMPROVEMENTS/ALTERATIONS

- 6.01 Improvements/Alterations, Prior Approval Required. Prior to any construction, improvements, modifications or additions to the Premises, Company must first obtain from County's Department of Airports prior written approval of such construction, improvement, modification or addition, and all plans, designs, and specifications associated therewith. All construction and improvements undertaken by Company must be made in accordance with all applicable statutes, ordinances, rules, regulations, laws, and building codes, and must be completed in a good, substantial, and workmanlike manner without damage to or interference with existing facilities or operations. Written confirmation of compliance with all such applicable statutes, ordinances, rules, regulations, laws, and building codes shall be submitted by the Company to County's Department of Airports simultaneously with or prior to requesting the Department's review of final proposed construction plans and specifications. All improvements and alterations must be performed by qualified contractors who are fully licensed to perform work of the kind proposed, and who are bonded and insured in compliance with the County's policies applicable to the procurement of construction services for County's benefit. All materials used in any improvements by Company shall be of

appropriate quality and grade for the use to which they are employed.

Upon the approval of such construction, plans and specifications, Company shall within ninety (90) calendar days thereafter commence construction, at its sole expense, and shall diligently prosecute such construction to its completion, in accordance with such plans and specifications. Company shall further furnish County with a good and sufficient Surety Bond (in a form and issued by a Company acceptable to County) insuring the completion of the work and the payment of all bills in connection therewith.

Company shall file a notice of construction, including Federal Aviation Administration (“FAA”) Form 7460 if applicable, with the appropriate federal, state and local authorities with respect to any construction, improvements, modifications or additions the Company plans to perform, and the County shall cooperate with Company in connection therewith but shall not be required to incur any cost or expense in connection therewith. Company and Company’s contractor, in cooperation with the County, shall file the FAA Form 7460 with the FAA.

- 6.02 Statement of Costs. Within ninety (90) calendar days of completion of any construction, improvements, modifications or additions under this Agreement, the Company shall submit to the County a detailed statement of the costs associated therewith (excluding the cost of tools, equipment, inventory or accessories installed or stocked on the Premises), together with a complete set of reproducible “as built” plans.
- 6.03 Assignment of Warranties. Company agrees to assign all warranties which are issued to Company pursuant to the installation of the construction, improvements, modifications or additions made to the Premises by Company and agrees to provide and execute all documents necessary to accomplish such an assignment.
- 6.04 Protection of Utility Lines and Equipment. All work undertaken pursuant to the authority granted within this Article VI shall be subject to the condition that Company make, at its expense, suitable arrangements for relocation of any affected governmental or County’s / other tenant’s utility lines, cables or other equipment. Further, Company shall not pave roads or ramps over said utility lines, cables or equipment without the prior written approval of County / tenant.
- 6.05 Title to Improvements, Alterations and Repairs. All construction, improvements, modifications or additions made to the Premises by Company, shall be and remain the property of Company until expiration or termination of this agreement, at which time the said improvements shall, at the sole discretion and determination of County, become the sole property of County in their entirety. Should County determine that it will not take possession of said improvements at the expiration or termination of this Agreement, Company shall completely remove within 30 calendar days after the expiration / termination all such improvements from the Property and restore the Premises to its original condition and to the satisfaction of County.
- 6.06 Trade Fixtures, Machinery and Equipment. If Company is not then in default of any provisions of this Agreement, Company shall have the duty to remove from the Premises immediately before the expiration of the term, or within ten (10) calendar days after the expiration of the term, any alterations, fixtures, machinery and equipment Company has on the Premises as long as the removal will not cause structural damage to the Premises, and Company, at its cost, promptly restores any damage caused by the removal and restores the premises to its prior condition as set forth below.

ARTICLE VII
MAINTENANCE

7.01 Maintenance.

- (a) Company will be solely responsible for the maintenance of the Premises and buildings, structures, and improvements thereon, including structural repairs, the installation and repair of all utility systems, the cost of all utility services, and the irrigation system, including all of the equipment and components of the system, sprinkler heads and pumps. Company must deliver the Premises to County upon expiration or termination of the Agreement in at least as good condition as it was delivered at the commencement of the Agreement.
- (b) Company shall, at its sole cost and expense, keep and maintain the Premises, including any improvements constructed or located thereon in good repair and condition and must promptly make all structural, nonstructural, ordinary and extraordinary repairs of every kind which may be required to be made upon or in connection with the Premises. Company will be required to keep and maintain the Premises in good repair and condition.
- (c) Company must keep the Premises free of trash and will be responsible for the collection, disposal, and recycling of all garbage, rubbish, and other waste from the Premises. Company will participate in and comply with all recycling programs in effect for the county and/or municipality in which the Premises is located.
- (d) Company shall not make or allow any physical change in the natural condition of the Premises, including but not limited to, the cutting or removal of trees or shrubs, without first submitting plans and specifications and actually receiving County's written approval. County's approval does not relieve Company of its obligation to obtain and maintain all licenses, permits, and approvals required by the appropriate Federal, State or Local governmental agency having jurisdiction over the activity to be undertaken.
- (e) Company must comply with the turf cultivation and management practices established by the United States Golf Association. Company must maintain the turf for playing conditions. Turf maintenance includes, but is not limited to, the following: general cleanliness; landscaping; mowing/trimming; irrigation; fertilization; general erosion repairs; and other related tasks necessary to maintain acceptable playing conditions on the golf course.
- (f) Company will be responsible for aquatic weed control as it pertains to the pond located on the Property. Company's personnel shall remove litter and trash from the water bodies on a regular basis. The pond must be kept free of all unwanted aquatic plant life.
- (g) Company must maintain the natural areas of the Property which are visible to the public. These areas are to be kept free of fallen tree limbs, sucker growth, undesirable vegetation, trash, and weeds
- (h) Company must repair and maintain the irrigation and well systems on a regular basis. All repair and maintenance work shall be performed by qualified and trained personnel. Company shall be required to submit and implement a well and irrigation system maintenance/operation

program. The well and irrigation system program should include routine monitoring of water level, hours run, gallons per minute, and specific capacity of the well.

- (i) Company will be responsible for and ensure that all golf course patrons, sub-operators, licensees, and permittees are satisfying all obligations to maintain, and repair areas occupied by them as required by any sub-operating agreement or other applicable instrument.
- (j) Company will be responsible for all aspects of pest control for the grounds and structures. Company shall be responsible for any damages caused by pests, insects, or fungi.

7.02 Repairs. The Company agrees to (except for the repairs or work which are the County's responsibility) make all repairs to the Premises and will maintain and keep the Premises in good condition and repair, and will surrender and deliver up the same at the termination of the Agreement in as good order and condition as the same exists at the commencement of the term of the Agreement, reasonable wear and tear excepted. It is the sole obligation of the Company to replace any parts of the Premises that cannot be repaired and need replacing due to any factor. Company is solely responsible for repairing or replacing any fixture, machinery, materials, personal property or any other items that are not part of the Premises at the Commencement Date of this Agreement.

County undertakes no responsibility to keep safe or protect the personal property of Company or to protect Company from casualty to the Premises. All repairs, replacements and renewals shall be equal or better in quality and class to the original work. Should Company fail to make required repairs or maintenance, County, in its discretion, may self-perform or contract with an independent contractor it deems competent to fulfill Company's duties under this Article; for which Company agrees to promptly reimburse County for the direct cost thereof, plus twenty-five percent (25%) thereof administrative overhead. County shall be under no obligation to inspect or make any inspections in order to determine when repairs or maintenance are necessary. Company shall notify County in writing when any repairs or maintenance to the structural components are required. County undertakes no responsibility to keep safe or protect the personal property of Company or to protect Company from interruption of its operations in the event of building leak or other casualty to the Premises. Company shall obtain Company's own personal property insurance, business interruption insurance, liability insurance for liability to persons coming onto the Premises and insurance for other consequential damages Company might suffer from its occupancy of the Premises. County shall not obtain insurance to cover Company for any losses or claims.

ARTICLE VIII

ABOVE GROUND STORAGE TANKS

8.01 Above Ground Storage Tanks. Company will be solely responsible for maintaining any above ground fuel storage tank ("AGST") located on the Premises in accordance with all applicable federal, state, county and local statutes, standards, laws ordinances, rules and regulations. AGST shall include, but not be limited to, the holding tank with all pipes, lines, pumps and other equipment that facilitates the use of, or promotes the efficiency in the use of, the holding tank. Maintenance by Company shall include but not be limited to routinely inspecting all parts of the above ground storage tanks and associated equipment for possible leaks, cracks, or potential hazards; immediately repairing or replacing such possible leaks, cracks, or potential hazards; immediately repairing or replacing any defective or malfunctioning part of the AGST; and conducting inspections, maintenance, repairs and replacements in accordance with all applicable Federal, State, County and Local statutes, standards, laws, ordinances, rules and regulations.

Company shall be solely responsible for prohibiting and cleaning up all leaks, spills, drainage, overflow or other environmental contaminations that occurs from the AGST on the Premises as a result of Company's operations on the Premises. Company's liability under this Section shall survive the termination of this Agreement.

ARTICLE IX
UTILITIES

- 9.01 Utilities. Company shall bear the cost of extending any utilities to the leased premises or any improvements thereon, or modifying such services to address the specific requirements of Company. Company shall be solely responsible for the payment of all utility charges, water and sewer services, gas, electricity, telephone, trash removal, hazardous waste removal and other services used by Company in or on the Premises, to include hook-up fees, advanced deposits or other such costs, regardless of whether the utility charge is incurred in the name of Company or County. Company shall transfer all applicable utility meters to Company's name within sixty (60) calendar days. In the event County incurs any utility charge in the name of Company, Company shall reimburse County for the full amount of the charge within five (5) calendar days of the date of written notice to Company of the amount of the charge.

ARTICLE X
TAXES, FEES, ASSESSMENTS

- 10.01 Taxes, Fee, Assessments. All taxes or governmentally imposed fees or assessments in any way incurred upon the Premises, any improvement thereon or part thereof, or by virtue of Company's occupancy or use thereof shall be borne solely by Company. Without any manner limiting this paragraph, Company shall absorb all sales taxes, if any, assessed or levied on account of any monies payable by Company to County hereunder.

ARTICLE XI
LIENS AND MORTGAGES

- 11.01 Liens and Mortgages. Company shall keep the Premises and all personal property of County therein or thereon free and clear of liens of any kind, whether such liens are valid or invalid. Company shall defend, indemnify and save County harmless against all costs, expenses, loss, loss of use, damages, and attorneys' fees resulting from the filing of liens against the Premises by any person.

If any liens are filed as described herein, Company shall immediately begin remedial actions to remove said lien. If, after thirty (30) calendar days, Company has not caused removal of the lien from the Premises, County may take whatever action it deems necessary to defend its title to the Premises. This remedy shall be in addition to any other remedies specified elsewhere herein.

Company shall not cause a mortgage or other like security interest to be placed upon the Premises.

ARTICLE XII
ASSIGNMENT, ASSUMPTION OR SUBLETTING OF AGREEMENT

- 12.01 Assignment, Assumption or Subletting of Agreement. Company shall not assign, permit the assumption of, or in any manner transfer any interest in this Agreement, or any part thereof, without the prior written consent of the County. Company shall not sublease all or any part of the Premises.

If Company assigns, permits the assumption of or in any manner attempts a transfer of its interest in this Agreement, without the prior written consent of the County, County, at its sole discretion, may declare this entire Agreement null and void. If County declares this Agreement null and void as a result of the acts described herein, Company shall immediately cease all activity in/on the Premises and vacate the Premises within ten (10) calendar days of receipt of notice of County's declaration.

If this Agreement or any interest of Company therein be assigned after having obtained County's prior written consent thereto, Company shall nevertheless remain fully liable for the full performance of all obligations under this Agreement to be performed by Company and Company shall not be released therefrom in any manner.

ARTICLE XIII **CHANGE IN OWNERSHIP/CONTROL/MANAGEMENT OF COMPANY**

- 13.01 Change in Ownership/Control/Management of Company. Company specifically acknowledges that County leases the Premises to Company on the basis, among other factors, of the Company's current management, control and ownership. Company specifically acknowledges that County reserves the right to approve or disapprove, at County's sole discretion, any significant change in management structure or ownership. This includes, without limitation, contracting for management services, sale of stock, and acquisition of a controlling interest in Company by any party other than the parties currently in control. County also specifically reserves the right and Company specifically grants the right of County to approve or disapprove, at County's sole discretion, any change of the form of Company's existence as a business entity. Any change of Company in any manner described in this Article without the prior written approval of County shall be an event of default. The County, at its sole discretion, may pursue any rights or remedies available to it under the terms of this Agreement.

ARTICLE XIV **INDEMNITY**

- 14.01 Indemnification - County Held Harmless. It is an express condition of this Agreement that Company shall indemnify, defend (with counsel satisfactory to County), and hold Horry County, its elected officials, officers, agents and employees harmless from and against any and all claims, debts, demands, liabilities, losses, costs, damages, expenses (including reasonable attorneys' fees), judgments, penalties, fines, or causes of action of every kind or character, whether in law or in equity, by reason of any death, injury or damage to any person or persons or damage or destruction of property or loss of use thereof, whether it be the person or property of Company, its agents or employees, or of any third persons, from any cause or causes whatsoever arising from any event or occurrence in or upon the Premises or any part thereof, or otherwise arising from Company's operations under this Agreement, excepting only losses or claims which are caused solely by County's negligence. Company's obligations pursuant to the foregoing indemnity agreement shall survive the expiration or termination of the Agreement and shall bind Company's successors and assignees and inure to the benefit of County's successors and assignees. Certificates of insurance shall **NAME THE COUNTY AS AN ADDITIONAL INSURED** on all policies.
- 14.02 Environmental Indemnification. Company shall also indemnify, defend (with counsel satisfactory to County), and hold County, its directors, officers, employees, agents, assigns, and any successors to County's interest in the Premises, harmless from and against any and all loss, cost, damage, expense (including reasonable attorney's fees), claim, cause of action, judgment, penalty, fine or liability, directly or indirectly, relating to or arising from the use, storage, release, discharge,

handling, or presence of Hazardous Materials on, under, or about the Premises in violation of Company's obligations under this Agreement ("Hazardous Materials Release"). This indemnification shall include without limitation (a) personal injury claims, (b) the payment of liens, (c) diminution in the value of the Premises, (d) damages for the loss or restriction on use of the Premises, (e) sums paid in settlement of claims, (f) actual attorneys' fees, consulting fees, and expert fees, (g) the cost of any investigation of site conditions, and (h) the cost of any repair, cleanup, remedial, removal, or restoration work or detoxification if required by any Governmental Authorities or deemed necessary in County's reasonable judgment. County shall have the right but not the obligation to join and participate in, and control, if it so elects, any legal proceedings or action initiated in connection with the Hazardous Materials Release. County may also negotiate, defend, approve, and appeal any action taken or issued by any applicable Governmental Authorities with regard to a Hazardous Materials Release. Any costs or expenses incurred by County for which Company is responsible under this Paragraph or for which Company has indemnified County: (i) shall be paid to County on demand, during the term of this Agreement as additional fees; and (ii) from and after the expiration or earlier termination of the Agreement shall be reimbursed by Company on demand. Company's obligations pursuant to the foregoing indemnity agreement shall survive the expiration or termination of the Agreement and shall bind Company's successors and assignees and inure to the benefit of County's successors and assignees. Company's obligations under this paragraph do not extend to any loss or claim which is caused solely by County's negligence.

- 14.03 Liability for Ground Water and Other Contamination. Notwithstanding any other provision of this Agreement, Company shall indemnify County from any loss due to, and shall be and remain liable to County for any contamination of the Premises by, hazardous or toxic substances, including, without limiting the generality hereof, motor fuels and lubricants, paints, thinners, solvents and chemicals, that should occur during the term of this Agreement (including any extensions of the term hereof by permission, holding over or otherwise) and caused by or attributable to Company, its officers, agents, suppliers, employees or customers. Company's liability shall survive the termination of this Agreement by expiration of the term or otherwise. Company shall carry insurance specified in Section 15.01 to meet its obligations under this section.
- 14.04 Regulatory Indemnification. Company shall also indemnify, defend (with counsel satisfactory to County), and hold County, its council members, directors, officers, employees, agents, assigns, and any successors to County's interest in the leased Premises, harmless from and against any and all loss, cost, damage, expense, claim, cause of action, judgment, penalty, fine or liability, directly or indirectly, relating to or arising from violation by Company, its agents, contractors, or anyone affiliated with Company of any local, state or federal laws, rules, regulations or ordinances that are or may become applicable to its activities under this Agreement, including, but not limited to, any and all requirements of the Federal Aviation Administration ("FAA").

ARTICLE XV **INSURANCE**

- 15.01 Insurance. Company agrees to purchase and keep in force and maintain at all times during the term of this Agreement, at its own expense, for the benefit of itself and name the County as additional insured, a policy or policies of insurance, issued by an insurance company of generally recognized responsibility and licensed to do business in the State of South Carolina, or as otherwise directed or modified, at County's sole discretion, so as to protect its interest. At a minimum, Company agrees to insure against: (A) all liability for damage to or loss of Company's and its customer's property located on the Premises, (B) liability for property damage and personal injury or death arising from acts or omissions of Company, its agents and employees, (C) liability for any damage

or harm resulting from release of any hazardous materials, as that term is defined by the United States Environmental Protection Agency, including, but not limited to, costs of remediation or mitigation of such release of hazardous materials, (D) liability covering the operation of Company's automobiles and all other ground vehicles and mobile equipment on the Premises, and (E) Workers Compensation shall be provided in the amounts not less than \$100,000. Said insurance shall be maintained throughout the term of this Agreement with an insurance company acceptable to the county with liability limits of at least \$1,000,000 or as may be otherwise directed or modified, at County's sole discretion, so as to protect its interest. The policy or policies shall contain a contractual endorsement expressly covering the indemnification provisions of Article XIV of this Agreement. Company shall also purchase, at its own cost and in the sole discretion, such business interruption or other insurance to protect Company's interest in the event of major or minor damage or disaster to the Premises.

This Agreement shall not become effective until Company provides to County a copy of certificate(s) evidencing the above insurance and said certificate(s) shall provide that such insurance coverage will not be canceled, reduced or materially changed without at least thirty (30) calendar days prior written notice to the County. At least thirty (30) calendar days prior to the expiration of any such policy, a certificate showing that such insurance coverage has been renewed or extended shall be filed with the County. If such coverage is canceled, reduced or materially changed, Company shall, within fifteen (15) calendar days after written notice from the County of such cancellation, reduction or adverse material change of coverage, file with the County a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies.

ARTICLE XVI
ENTRY OF COUNTY/RIGHT OF INSPECTION

- 16.01 Entry of County/Right of Inspection. County may, but does not have the obligation to, at all reasonable times, enter the Premises to inspect or protect the Premises; effect compliance with any law, order or regulation of any lawful authority or with the provisions of this Agreement; exhibit the Premises to prospective tenants, purchasers or other persons; make repairs required in Article VII; and/or alter or otherwise prepare the Premises for re-occupancy at any time after Company has vacated the Premises.

ARTICLE XVII
DEFAULT

- 17.01 Event of Default by Company. The happening of any one or more of the following listed events and the expiration of any notice and cure periods herein provided (which events, upon such expiration, are hereinafter referred to singularly as "event of default" and plurally as "events of default") shall constitute a breach of this Agreement on the part of Company, namely:
- (a) The filing by, on behalf of, or against Company of any petition or pleading to declare Company a bankrupt, voluntary or involuntary, under any bankruptcy act or law;
 - (b) The commencement in any court or tribunal of any proceeding, voluntary or involuntary, to declare Company insolvent or unable to pay its debts;
 - (c) The failure of Company to pay any fee or any other amount payable under this Agreement within ten (10) calendar days after written notice by the County that the same is due and payable, except that any failure to pay percentage fees which shall be caused by a

miscalculation of the Gross Revenue or a failure notwithstanding the exercise of due diligence to have timely information concerning Gross Revenue, shall not be deemed a default provided such fees is paid within twenty (20) calendar days after the correct amount thereof has been determined;

- (d) The failure in any material respect of Company to perform, fully and promptly, any act required of it under the terms of this Agreement, or otherwise to comply with any term or provision hereof within the shorter of: (i) the time specifically required; or (ii) thirty (30) calendar days after written notice by the County to the Company to do so, unless such default cannot be cured within such period and Company has in good faith commenced and is prosecuting the cure thereof, in which case the Company shall have a reasonable extension of such period in order to cure such default;
- (e) The appointment by any court or under any law of a receiver, trustee, or other custodian of the property, assets or business of Company;
- (f) The assignment by Company of all or any part of its property or assets for the benefit of creditors;
- (g) Abandonment by Company of Premises; provided, failure of Company to operate the facilities or to provide the service contemplated by the Agreement for a period of thirty (30) calendar days shall constitute abandonment by Company;
- (h) The sale or levy upon the Company's real or personal property by any Sheriff, Marshal or Constable.

17.02 Effect of Default by Company/Termination. Upon the happening of any event of default as defined in Section 17.01 above and Company's failure to cure such default, the County shall have the right to terminate the term of this Agreement by written notice to the Company, which termination shall be effective as of the date of said notice. Upon any termination of the Agreement, whether by lapse of time or otherwise, Company shall promptly cease operating its management services or otherwise occupying the Premises and shall deliver possession of the same, including any improvements, equipment and trade fixtures to the Director of Airports, and Company hereby grants to the County full and free license to enter into and upon the Premises in such event and with or without process to expel or remove Company and any others who may be occupying the Premises and to remove therefrom any and all property, using for such purpose such force as may be necessary, with County not being guilty or liable for trespass, eviction, or forcible entry and detainer, and without relinquishing the County's right to assign or any other right given to the County hereunder or by operation of law. Except as otherwise expressly provided in this Agreement, Company hereby expressly waives the service of demand for the payment of fees or for possession of the Premises or to re-enter the Premises, including any and every form of demand and notice prescribed by any statute or other law.

17.03 Right of Company to Terminate by Cancellation. Company may terminate this Agreement and cancel all of its obligations hereunder at any time Company is not in default in the payment of fees or charges payable to the County hereunder, ninety (90) calendar days after giving written notice to County upon or after the happening of any one of the following events:

- (a) Company's inability to use the Premises for a period in excess of sixty (60) calendar days, because of the issuance of any order, rule or regulation by the United States or any

instrumentality thereof preventing the Company from operating at the Premises for cause or causes not constituting a default under this Agreement;

- (b) The default by County in the performance of any covenant or agreement herein required to be performed by it and the failure of County to remedy such default for a period of sixty (60) calendar days after receipt from the Company of written notice to remedy the same, unless such default cannot be cured within such sixty (60) calendar day period and the County has in good faith commenced and is prosecuting the cure thereof, in which case the County shall have a reasonable extension of such period in order to cure such default; provided that no notice of cancellation, as above provided, shall be of any force or effect if the County shall have remedied the default prior to receipt of the Company's written notice of cancellation;
- (c) The issuance by any court of competent jurisdiction of an injunction restraining the use of the Premises if said injunction shall remain in force for more than ninety (90) calendar days;

In the event County shall terminate this agreement or Company's right to possession or occupancy of the Premises as provided herein, Company shall promptly vacate the premises, surrender and deliver possession thereof to County, and at its sole expense remove from the leased premises within ninety (90) calendar days all signs, trade fixtures, furnishings, personal property, equipment, and materials which Company was permitted to install and maintain under the rights granted herein. Any of Company's property not removed within ninety (90) calendar days shall become County property.

- 17.04 Remedies Upon Default. Upon an event of default and after the passage of the notice period set forth herein (if required), County, at its sole option, may terminate this Agreement. Upon such termination, Company will quit the Premises and surrender possession to County, but Company will remain liable for any unpaid fees and other unpaid obligations and lost revenues under this Agreement.

ARTICLE XVIII
NOTICE

- 18.01 Notice. Any request, demand, authorization, direction, notice, consent or waiver provided, required or permitted to be made upon, given by or furnished to County or Company, shall be sufficient for every purpose hereunder if in writing and addressed to the other party as follows:

TO COUNTY AT:

Horry County Department of Airports
Attn: Director of Airports
1100 Jetport Road
Myrtle Beach, SC 29577

With a copy to:

Horry County Attorney's Office
1301 Second Avenue
Conway, SC 29526

TO COMPANY AT:

Atlantic Golf Management, LLC
Attn: President
26 Highwood Circle
Murrells Inlet, SC 29576

With a copy to:

Either party from time to time may change its address by written notice to the other party. Notices hereunder shall be deemed effective when delivered by hand delivery or overnight courier with return receipt, or upon receipt or three (3) calendar days after deposit in the United States mail, certified or registered mail, return receipt requested, whichever occurs sooner.

ARTICLE XIX
SURRENDER OF POSSESSION

- 19.01 Surrender of Possession. Company shall yield and deliver possession of the Premises to County at the expiration or earlier termination of this Agreement, including the expiration or termination of any renewal or extension of this Agreement, in good condition, except for reasonable, ordinary wear and tear, except for the effects of fire or other casualty not the fault of Company.

ARTICLE XX
COUNTY'S RIGHT TO RECAPTURE PREMISES

- 20.01 County's Right to Recapture Premises. County shall have the right to recover the use of the Premises, or any portion thereof, during the term of this Agreement, or any renewal if the same is needed for Airport or aeronautical purposes.

ARTICLE XXI
DAMAGE TO PREMISES

- 21.01 Damage to Premises. If all or any portion of the Premises required to be maintained by Company shall be partially damaged by fire or other casualty through no fault of Company, but not rendered unusable in County's sole opinion, the Company shall repair the damage with due diligence at Company's expense, with no abatement of fees. However, if Company elects not to effect repairs, Company shall immediately vacate the Premises and this Agreement will be declared terminated.

If all or any portion of the Premises required to be maintained by County shall be damaged by fire or other casualty, but the damage can be repaired in less than ninety (90) calendar days from the date of the beginning of the repairs in County's sole opinion, County may, in its discretion, proceed with the repairs with due diligence, at County's expense, and the management fee will be equitably adjusted or abated until the damage has been repaired, if the damage resulted from no fault of Company.

In the event the Premises or a substantial part thereof, through no fault of Company, is completely destroyed by fire or other casualty or so damaged that repairs could not be completed, in County's sole opinion, within ninety (90) calendar days from the date of the beginning of the repairs, then, at the option of County, either: (1) said Premises shall be repaired or reconstructed with due diligence by Company at Company's expense and the management fee shall be equitably adjusted or abated during the reconstruction; or (2) County shall give the Company notice terminating this Agreement without further obligation to Company. However, should County opt for number 1, and Company elects not to effect repairs, or in the event such repairs or reconstruction by Company are not effected with due diligence, Company shall immediately vacate the Premises and this Agreement will be declared terminated.

Company shall be responsible for damages and cost of repairs or reconstruction that result from fire, casualty, or other occurrence caused in whole or in part by Company's negligent or willful conduct.

County and Company agree to each obtain their own casualty insurance as to their own property. In the event of casualty, all of County's casualty insurance proceeds shall be paid to County.

ARTICLE XXII **FORCE MAJEURE**

- 22.01 Force Majeure. Neither County nor Company shall be deemed in violation of this Agreement if either is prevented from performing any of its obligations hereunder by reasons of strikes, boycotts, labor disputes, embargos, shortages of materials, acts of God, acts of the Public Enemy, acts of superior governmental authority, floods, riots, rebellions, acts of sabotage, or other circumstances over which the parties have no control; however, this Article shall in no case be construed to excuse Company from paying County any monies due hereunder. In any case where either party believes this Article applies, such party shall promptly give the other party written notice of Force Majeure preventing performance.

ARTICLE XXIII **COMPLIANCE WITH LAWS AND REGULATIONS**

- 23.01 Compliance with Laws and Regulations. Company, at Company's sole cost and expense, shall observe and obey and shall require its employees, guests, suppliers and business invitees to observe and obey all present and future federal, state, county, local or Department of Airports laws, statutes, ordinance, codes, rules or regulations relating to the use or occupancy of the Premises, relating to the areas to which Company has access pursuant to this Agreement or any activities of Company, its employees, suppliers, and invitees undertaken on or near any of the areas, and which may be amended from time to time. As used herein, laws, statutes, ordinances, codes, rules or regulations include, without limitation, all of the same dealing with any substance that is listed, defined, or regulated as a hazardous substance, hazardous water, or otherwise classified as hazardous or toxic by any of the foregoing governmental entities or any agency or department thereof, and includes all of the same dealing with asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, motor fuel or other petroleum hydrocarbons, or which causes or poses a threat to the environment or to the health or safety of persons on or near the Premises. As to disposal of such substances, Company will maintain a contract with a licensed and recognized waste disposal company that meets the criteria for such companies as they may be changed from time to time by the Department of Airports. When requested, Company will provide County with a written copy of the contract and a current letter from the contractor acknowledging

that the contract is in effect. Company agrees to indemnify and hold County harmless from any and all penalties, losses, liabilities and costs, including attorneys' fees, remediation costs, and laboratory and investigative costs arising from Company's failure to comply with this Section.

Nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act. The Agreement shall be subordinate to the provisions of any existing or future agreement between the County and the United States of America or any department or agency thereof relative to the operation or maintenance of the Airport, the execution of which has been or may be required by the provisions of the Federal Aviation Act, or any future statute affecting the operation or maintenance of the Airport.

In the event that the Federal Aviation Administration ("FAA") requires, as a condition precedent to the granting of funds for the improvement of the Airport or otherwise, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement, then Company agrees that such changes shall be permitted.

ARTICLE XXIV
ENVIRONMENTAL COMPLIANCE

- 24.01 Environmental Compliance. Company agrees that it will comply with all federal, state, county, and local laws, rules, regulations and standards that are or may become applicable to its activities under this Agreement, and it is responsible for obtaining any environmental permits required for its operations under the Agreement.

ARTICLE XXV
GOVERNING LAWS AND VENUE

- 25.01 Governing. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina. Any cause of action between the parties arising out of or involving this Agreement shall be brought in the Court of Common Pleas, or if applicable, Magistrate's Court (or any other Court of like or similar name with identical jurisdiction), Fifteenth Judicial Circuit, Horry County, South Carolina.

ARTICLE XXVI
PRIOR AGREEMENTS SUPERSEDED

- 26.01 Prior Agreements Superseded. Any prior agreements between the parties with respect to the Premises, whether written or oral, are superseded by this Agreement and made a nullity. This Agreement constitutes the entire agreement of the parties with respect to its subject matter and it may not be modified, amended or extended except by a subsequent instrument executed with the same formalities as this Agreement.

ARTICLE XXVII
INVALIDITY

- 27.01 Invalidity. In the event that any provisions, portions, or applications of any provisions of this Agreement are held unenforceable or invalid by any Court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected, and Company and County shall promptly negotiate revisions to the affected provisions,

or portions or applications thereof, with a view to effecting, as close as possible, the original intentions of the parties.

ARTICLE XXVIII
GENERAL CIVIL RIGHTS PROVISIONS

- 28.01 General Civil Rights Provisions. Company agrees that it will comply with pertinent statues, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance.

The provision binds the Company from the bid solicitation period through the completion of the Agreement. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

This provision also obligates the Company or its transferee for the period during which Federal assistance is extended to the Airport thorough the Airport Improvement Program, except where Federal assistance is to provide, or is in the form of personal property; real property or interest therein; structures or improvements thereon.

In the cases the provision obligates the party or any transferee for the longer of the following periods:

- i. The period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or
- ii. The period during which the airport sponsor or any transferee retains ownership or possession of the property.

ARTICLE XXIX
NON-DISCRIMINATION

- 29.01 Non-Discrimination. During the performance of this Agreement, the Company, for itself, its assignees, and successors in interest agrees as follows:

- (a) Compliance with Regulations: Company will comply with the Title VI List of Pertinent Nondiscrimination Statues and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- (b) Non-discrimination: Company, with regard to work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Company will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of CFR part 21.
- (c) Solicitations for Sub agreements, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Company for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential sub agreement or supplier will be notified by the Company of the Company's

obligations under this contract and the Acts and the Regulations relative to non-discrimination on the grounds of race, color or national origin.

- (d) Information and Reports: Company will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the Federal Aviation Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a company is in the exclusive possession of another who fails or refuses to furnish the information, Company will so certify to the Recipient or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- (e) Sanction for Noncompliance: In the event of Company's noncompliance with the non-discrimination provisions of this Agreement, the Recipient will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - i. Withholding payments to the contractor under the contract until the contractor complies; and/or
 - ii. Cancelling, terminating, or suspending a contract, in whole or in part
- (f) Incorporation of Provisions: Company will include the provisions of paragraphs one through six in every sub agreement, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Company will take action with respect to any sub agreement or procurement as the Recipient or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Company becomes involved in, or is threatened with litigation by a sub Company, or supplier because of such direction, the Company may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the Company may request the United States to enter into the litigation to protect the interest of the United States.

ARTICLE XXX
PERTINENT NON-DISCRIMINATION AUTHORITIES

30.01 Pertinent Non-Discrimination Authorities. During the performance of this Agreement, the Company, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 200d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;

- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123), (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income population;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.)

ARTICLE XXXI

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

31.01 Federal Fair Labor Standards Act (Federal Minimum Wage). All leases and sub agreements that result from this Agreement incorporate by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The Company has full responsibility to monitor compliance to the referenced statute or regulation. The Company must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

ARTICLE XXXII
OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

- 32.01 Occupational Safety and Health Act of 1970. All leases and sub agreements that result from this Agreement incorporate, by reference, the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Company retains full responsibility to monitor its compliance and compliance of any sub agreements with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

ARTICLE XXXIII
CAPTIONS AND HEADINGS

- 33.01 Captions and Headings. The titles of the Articles in this Agreement are included only as a matter of convenience and for reference and in no manner define, limit, broaden, or describe the scope or intent of any of the provisions of this Agreement.

ARTICLE XXXIV
WAIVER

- 34.01 Waiver. Continued performance by either party pursuant to the terms of this Agreement after a default in any of the terms, covenants, provisions and/or conditions by the other party, shall not be deemed a waiver of any right to terminate this Agreement or pursue any other remedy available at law or in equity for the default, and no waiver of any default shall be construed as, or act as, a waiver of any subsequent default, of the same, similar or different term, covenant, provision and/or condition.

ARTICLE XXXV
REMEDIES CUMULATIVE

- 35.01 Remedies Cumulative. All County's remedies arising out of this Agreement or provided by statute shall be cumulative and no single remedy shall be exclusive of another. The election of one remedy by County shall not operate to foreclose any other remedy.

ARTICLE XXXVI
SECURITY DEPOSIT

- 36.01 Security Deposit. Company shall place on deposit with County a security fee equal to six (6) months' of the Minimum Annual Guarantee. Company covenants and agrees that County may use this security fee against any and all unpaid indebtedness legally owed by Company to the County. If County is required to utilize any portion of this security fee during the term of this Agreement, or any subsequent renewal term, the Company shall replenish the security fee up to the equivalent of six (6) months' of the Minimum Annual Guarantee.

ARTICLE XXXVII
EFFECTIVE DATE

37.01 Effective Date. This Agreement shall become effective on the date specified herein above.

ARTICLE XXXVIII
GENERAL PROVISIONS

38.01 No Warranties or Inducements. By executing this Agreement, Company acknowledges that the County does not warrant the validity of any information that may have been furnished to Company concerning the volume of customers who have used Premises in the past, amount of past revenues, maintenance and operation cost rates or totals, and that County has not intended to provide or warrant any forecast of future customer volumes, revenues, or maintenance and operation costs, rates or totals; that such information as the County has furnished with respect to these and other matters has been intended merely as one source of information available for consideration by Company, which Company has been encouraged to verify through its own investigation; that in the negotiations, Company has relied upon its own resources as to all of these matters; and that it has not relied upon any inducements or forecasts of the Premises.

38.02 Restrictions and Regulations. The operations conducted by Company pursuant to this Agreement shall be subject to:

- (a) Any and all applicable rules, regulations, orders and restrictions which are now in force or which may be adopted hereafter by County and any other entity having regulatory authority with respect to the operation of the golf course.
- (b) In the event that the Federal Aviation Administration (“FAA”) requires, as a condition precedent to the granting of funds for the improvement of the Airport or otherwise, modifications, revisions, supplements or deletions of any such of the terms, conditions or requirements of this Agreement, then Company agrees that such changes shall be permitted.

County shall not be liable to Company for any diminution or deprivation of Company’s right hereunder on account of the exercise of any such authority, nor, except as elsewhere expressly provided in this Agreement, shall Company be entitled to terminate the Agreement or any portion of the Agreement by reason thereof unless the exercise of such authority shall so interfere with Company’s use and enjoyment of the Premises as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of South Carolina.

38.03 Waiver of Claim. Company hereby waives any claim against the County and its elected officials, officers, directors, agents or employees for loss of anticipated profits caused by any suit or proceeding directly or indirectly attacking the validity of this Agreement or any part thereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or void able or delaying the same or any part hereof.

38.04 Agreement Binding Upon Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

38.05 Time of Essence. Time is expressly agreed to be of the essence of this Agreement.

- 38.06 Quiet Enjoyment. The County agrees that Company, upon payment of all fees, charges and other payments required of it under the terms of this Agreement, shall lawfully acquire and hold, use and enjoy the Premises during the term of this Agreement according to the terms and conditions hereof.
- 38.07 Company's Dealings with County. Whenever in its Agreement Company is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with the County, Company shall deal with the County's authorized representative who shall be the Director of Airports or his/her designee.
- 38.08 Interpretation. The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either County or Company. The section headings appearing herein are for the convenience of the parties and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Agreement. If any provision of this Agreement is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision invalid, the provision shall have the meaning which renders it valid.
- 38.09 Court Approval, Where Necessary. If Company is a debtor, or debtor in possession, under the meanings ascribed to said terms by the United States Bankruptcy Code, as amended, then this Agreement shall be null, void, and of no effect whatsoever should Company fail to seek and obtain prior approval of this Agreement from the Bankruptcy Court. Said Court approval shall be considered precedent to this Agreement.
- 38.10 Entire Agreement / Amendment. The provisions of this Agreement contain the entire understanding between the parties hereto, and said Agreement may not be changed, altered or modified in any manner except by written instrument expected by both County and Company.
- 38.11 Documents Incorporated by Reference. The following documents are hereby incorporated in their entirety into the contract, with any actual conflict between the terms of this Agreement and the terms or provisions of any of the below-listed incorporated documents being resolved first in favor of the terms of the Agreement, then by order of precedence as set forth in order below:
- (a) Atlantic Golf Management, LLC's submitted response to Request for Proposals (RFP) No. 2019-20-062, Golf Course Management Services for Horry County Department of Airports (HCDA) dated June 4, 2020, signed by John F. Smith, III "Chip", Atlantic Golf Management, LLC.
 - (b) Addendum 2 issued May 29, 2020.
 - (c) Addendum 1 issued May 19, 2020.
 - (d) Horry County Request for Proposals (RFP) No. 2019-20-062, Golf Course Management Services for Horry County Department of Airports (HCDA) due June 10, 2020 at 2:00 PM Local Time.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed, in duplicate, with all the formalities required by law on the day and year written below.

WITNESSES:

FOR COUNTY:

HORRY COUNTY

Witness #1

By: Steven S. Gosnell

Its: Administrator

Witness #2/Notary Public

Date: _____

WITNESSES:

FOR COMPANY:

Witness #1

By: _____

Its: _____

Witness #2/Notary Public

Date: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE AS TO COMPANY

PERSONALLY APPEARED BEFORE ME, _____, and made the oath that he or she saw the within named, _____, _____, **authorized representative of** _____, sign, seal, and as his act and deed deliver the within written MANAGEMENT AGREEMENT; and that he or she with the other witnesses subscribed hereinabove witnessed the execution thereof.

1st Witness

SWORN TO BEFORE ME

this _____ day of _____, 20__.

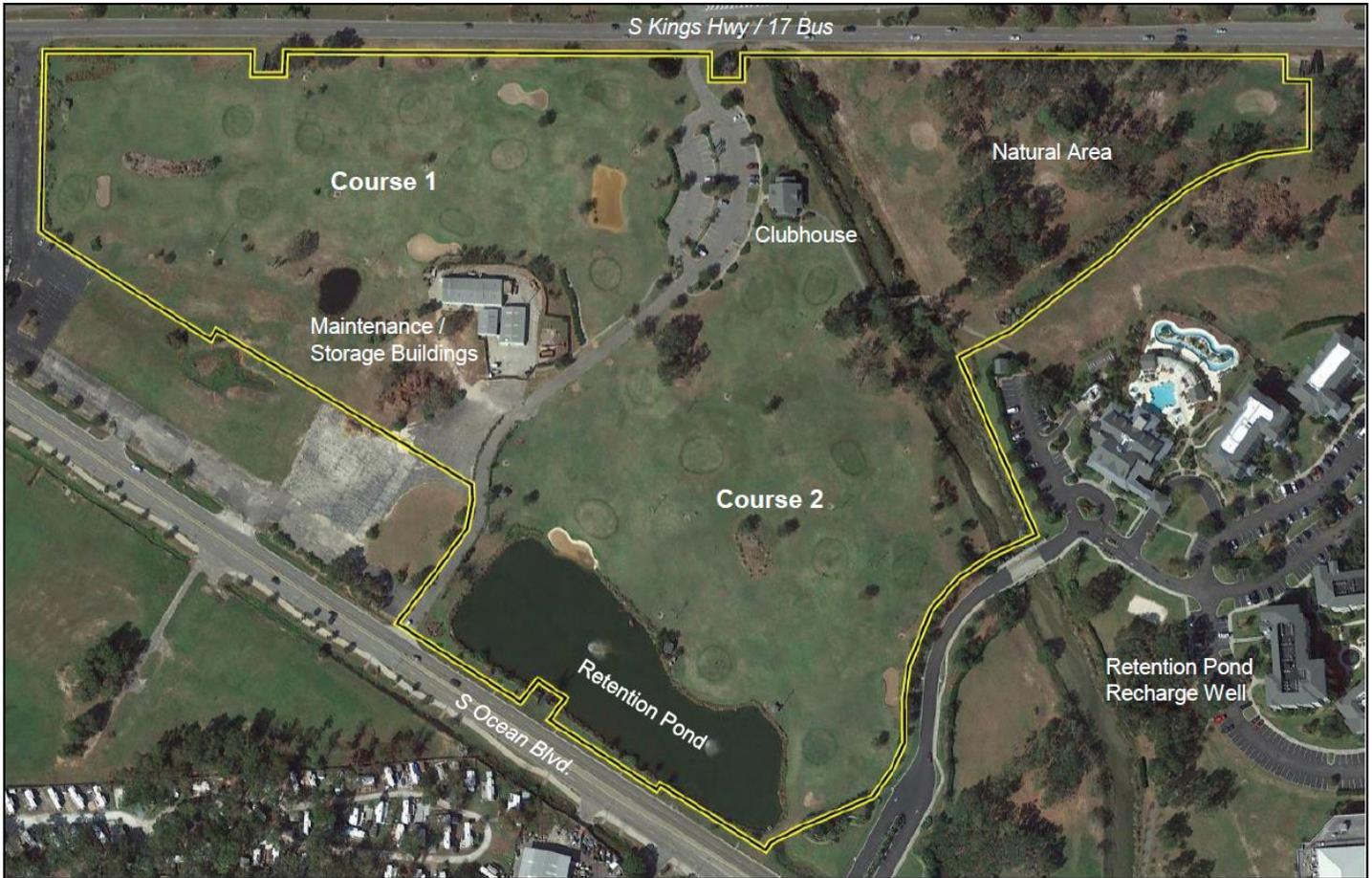
_____ (L.S.)

Notary Public for _____

My Commission Expires: _____

Exhibit "A"

Aerial View of Property w/ Boundaries



Property Highlights

- Land Area: 34.66 Acres
- TMS: 186-00-01-149
- PIN: 4460000009
- Location: 3101 S Kings Highway
Myrtle Beach, SC 29577
- Zoning: Highway Commercial and
Mixed-Use High Density

Exhibit “B”

Company’s Management Plan

MEMO

FROM: DEPARTMENT OF AIRPORTS
TO: TRANSPORTATION/ECONOMIC DEVELOPMENT COMMITTEE
DATE: June 30, 2020
SUBJECT: MODIFICATION TO EXISTING LEASE AGREEMENT – ALLEN AVIATION, INC.

ISSUE

Consideration of the proposed modification to the Lease Agreement (“Agreement”) between Horry County and Allen Aviation, Inc. (“Allen Aviation”) for the right to incorporate an existing above ground aviation fuel storage tank (“fuel tank”) at Conway-Horry County Airport (“HYW”).

DISCUSSION

The subject fuel tank was previously leased by Air Methods Corporation, but returned to the County in January 2020. The fuel tank has a capacity of 10,000 gallons and is over 20 years old.

Allen Aviation is requesting a modification to their existing Agreement to include the fuel storage tank for the storage and dispensing of Jet-A aviation fuel, solely in connection with their business operations. Allen Aviation will pay the County an annual rent in the amount of \$2,700.00 and will be solely responsible for all non-structural maintenance and repairs of the fuel \ tank.

Horry County Department of Airports (“HCDA”) has prepared the proposed modification to the Agreement and feels that the terms proffered are consistent with the value and use of airport property, will not conflict with other operations at HYW, and will benefit the County by providing a beneficial use of the subject premises and revenue therefrom.

RECOMMENDATION

HCDA staff recommends that the Transportation/Economic Development Committee approve the modification of the existing Agreement with Allen Aviation, Inc., substantially similar to the one attached.

###

COUNTY OF HORRY)
)
STATE OF SOUTH CAROLINA)

AN ORDINANCE APPROVING AND AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE MODIFICATION NUMBER ONE TO THE LEASE AGREEMENT WITH ALLEN AVIATION, INC. FOR USE OF AN AVIATION FUEL STORAGE TANK AT CONWAY-HORRY COUNTY AIRPORT.

WHEREAS, Horry County Council is empowered by section 4-9-30(2) of the South Carolina Code of Laws “to lease, sell, or otherwise dispose of real and personal property”, and by Section 4-9-30(14) to enact ordinances for the implementation and exercise of that power; and

WHEREAS, Allen Aviation, Inc. has requested that the County lease to it an aviation fuel storage tank, located at the Conway-Horry County Airport; and

WHEREAS, County Council is of the opinion that such an arrangement is consistent with the value and use of the property, and will benefit the County by providing a beneficial use of the subject property.

NOW, THEREFORE, by the power and authority granted to the Horry County Council by the Constitution of the State of South Carolina and the powers granted to the County by the General Assembly of the State, the following hereby is ordained and enacted:

1. AUTHORIZATION. The Horry County Administrator, for and on behalf of Horry County and its Department of Airports, is hereby authorized and directed to engage in negotiations with Allen Aviation, Inc. in the best interest of the County, and execute Modification Number One to the existing Lease Agreement, substantially similar to the attached hereto and incorporated herein by reference.

2. SEVERABILITY. If any Section, Subsection, or part of this Ordinance shall be deemed or found to conflict with a provision of South Carolina law, or other pre-emptive legal principle, then that Section, Sub-section or part of this Ordinance shall be deemed ineffective, but the remaining parts of this Ordinance shall remain in full force and effect.

3. CONFLICT WITH PRECEDING ORDINANCES. If a Section, Sub-section or provision of this Ordinance shall conflict with the provisions of a Section, Sub-section or part of a preceding Ordinance of Horry County, unless expressly so providing, then the preceding Section, Sub-section or part shall be deemed repealed and no longer in effect.

4. EFFECTIVE DATE. This Ordinance shall become effective on Third Reading.

AND IT IS SO ORDAINED, ENACTED AND ORDERED, this _____ day of _____, 2020.

HORRY COUNTY COUNCIL

Johnny Gardner, Chairman

Harold Worley, District 1
Bill Howard, District 2
Dennis DiSabato, District 3
Gary Loftus, District 4
Tyler Servant, District 5
Cam Crawford, District 6

Orton Bellamy, District 7
Johnny Vaught, District 8
W. Paul Prince, District 9
Danny Hardee, District 10
Al Allen, District 11

Attest:

Patricia S. Hartley, Clerk to Council

First Reading:
Second Reading:
Third Reading:



MODIFICATION NUMBER ONE

LEASE AGREEMENT AT CONWAY-HORRY COUNTY AIRPORT

EFFECTIVE _____, 2020

This modification amends that certain Lease Agreement dated July 1, 2018 (“Agreement”), by and between the parties to this modification. This modification is issued exclusively to incorporate into the Agreement the terms set forth in “Exhibit B” attached to this modification.

All other provisions of the Agreement remain the same.

ACCEPTED:

HORRY COUNTY

ALLEN AVIATION, INC.

By: _____

By: _____

Name: Steven S. Gosnell

Name: _____

Its: Administrator

Its: _____

Date: _____

Date: _____

persons or property as may result from use of the AGST, any of its component parts, or any fuel dispensed therefrom.

Lessee will be solely responsible for maintaining the said AGST in accordance with all applicable federal, state, county and local statutes, standards, laws, ordinances, rules and regulations. AGST shall include, but not be limited to, the holding tank with all pipes, lines, pumps and other equipment that facilitates the use of, or promotes the efficiency in the use of, the holding tank. Maintenance by Lessee shall include, but not be limited to, routinely inspecting all parts of the AGST and associated equipment for possible leaks, cracks, or potential hazards; immediately repairing or replacing such possible leaks, cracks, or potential hazards; immediately repairing or replacing any defective or malfunctioning part of the AGST; and conducting inspections, maintenance, repairs and replacements in accordance with all applicable Federal, State, County and Local statutes, standards, laws, ordinances, rules and regulations. Lessee shall be solely responsible for prohibiting and cleaning up all leaks, spills, drainage, overflow or other environmental contaminates that occur from the AGST as a result of Lessee's operations. Consistent with the terms of the existing Agreement, County shall be solely responsible for structural elements associated with the AGST and supporting infrastructure. Lessee's liability under this Section shall survive the termination of this Agreement.

*** END OF MODIFICATION NUMBER ONE ***



COAST RTA UPDATE

Horry County Council
Transportation/EDC Committee
June 30, 2020



- ▶ Ridership is at about 40% of normal levels on fixed routes – 33% of daily paratransit ridership
- ▶ Slight uptick when we eliminated fares April 1
- ▶ Passengers have been quite cooperative with rear door entry/exit
- ▶ Working toward reopening facilities and reinstating fares

COVID – 19 UPDATE



- ▶ **CARES Act – provides 100% funding beginning January 20, 2020.**
 - ▶ Allows keeping individuals on the payroll with health risks, lost hours due to reduction in service, or have complications related to COVID-19
- ▶ **Coast RTA has received \$4.5M in Urban Formula Funds and \$2.5M (est.) in Rural Formula Funds**
- ▶ **CARES Act funds retroactive to February (Rural Program) and April 1 (Urban Program)**

BUDGET REVISION

3

- ▶ Added 'sneeze guards' on single door buses
- ▶ Closed both transit centers but added temporary bathrooms
- ▶ Engaged vendor to clean facilities and deep cleaning on buses
- ▶ Set up procedures for Horry Co. Fire & Rescue to Spray/Fog bus interiors when needed

COVID – 19 UPDATE





- ▶ Increase in Expenses for FY 2020 - \$600K
 - ▶ COVID – 19 Related Expense - \$300K
 - ▶ Loss in Fare/Operating Revenue - \$140K
 - ▶ Non-COVID Related Expense - \$160K



BUDGET REVISION

5



BUDGET REVISION

CARES Act Remaining
 \$2.65 M – 5307
 \$1.63 M – 5311
 To be used in FY 21

	FY 2020 (Orig)	FY 2020 (Rev)
Total Net Annual O&M Expenses*	\$5,178,598	\$5,782,045
CNB Note Payoff	\$200,000	\$200,000
FTA 5307 Formula	\$1,537,000	\$1,128,648
FTA 5311 Formula through SCDOT	\$712,784	\$433,096
CARES ACT 5307	\$0	\$1,850,000
CARES ACT 5311	\$0	\$869,600
SCDOT Urban - State 5307 Match	\$236,385	\$0
SCDOT SMTF - State 5311 Match	\$144,000	\$123,893
Total Revenue Fed/State	\$2,630,169	\$4,405,237
Net Expense after Fed/State	(\$2,748,429)	(\$1,576,808)
Funding to O&M Reserve		(\$300,000)
Net Expense after O&M Reserve	(\$2,748,429)	(\$1,876,808)
Available Local Funds	\$2,788,529	\$2,736,000
Remaining Balance before Capital	\$40,100	\$859,192
* Expenses less farebox revenue		



- ▶ Long Term Impacts of CARES Act
 - ▶ Maintains Labor Force through Pandemic
 - ▶ Generates O&M Reserve for the Authority
 - ▶ Accumulate Balances in 5307/5311
 - ▶ Accumulate Local Funding for Operational Increases and Capital Investments
- ▶ State has Control of 5311
- ▶ Need to maintain local funding

FINANCIAL OUTLOOK



Capital Program	Program	FY 20 -22
Facility Development Program	5307 + Georgetown Capital	\$ 1,000,000
Bus Stop Designation	5339+ Georgetown Capital	\$ 480,000
4 New Buses (New Flyers repl. Dallas Buses)	5307 Grant/Local Funding	\$ 1,920,000
4 New Buses (New Flyers repl. Dallas Buses)	5339 Discretionary/Horry+Gtown Cap	\$ 1,920,000
Paratransit Vehicles (Replacement)	5310	\$ 205,000
Paratransit Vehicles (Expansion)	5310	\$ 130,000
Planning - TDP + Fare Structure+On-Board Survey	MPO 5307	\$ 300,000
Trolleys	5339	\$ 700,000
Fare Collection System	TBD	TBD
New Maintenance Facility	5339 Disc/In-Kind/Sale Proceeds	TBD
Additional Local Funding Needed		\$ 872,000

FINANCIAL OUTLOOK



- ▶ Operational Increases
 - ▶ October 1, 2020 > MB-CF-NMB Route
 - ▶ April 1, 2021 > Socastee Service & Georgetown Local
 - ▶ June 1, 2021 > NMB Summer Shuttle
 - ▶ October 1, 2021 > Conway Improvement/Aynor Connection
- ▶ State has control of 5311
- ▶ Need to maintain existing local funding/add others

FINANCIAL OUTLOOK

Waccamaw Regional Transit Authority dba Coast RTA

FY 21-FY 26 DRAFT Financial Plan

		Salaries/Fringe	Fuel/Consume	Other			
	Inflationary Constants	3.50%	1.50%	1.50%			
Annual Expenses	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Operations Total Expense	\$ 3,527,000	\$ 3,632,585	\$ 3,741,598	\$ 3,854,154	\$ 3,970,373	\$ 4,090,380	\$ 4,214,303
Maintenance Total Expense	\$ 1,523,800	\$ 1,563,933	\$ 1,605,273	\$ 1,647,858	\$ 1,691,730	\$ 1,736,931	\$ 1,783,503
Administration Total Expense	\$ 999,500	\$ 1,028,983	\$ 1,059,414	\$ 1,090,828	\$ 1,123,255	\$ 1,156,732	\$ 1,191,292
Net Fares	\$ (300,000)	\$ (507,500)	\$ (515,113)	\$ (522,839)	\$ (530,682)	\$ (538,642)	\$ (546,722)
Total Annual Expenses	\$ 5,750,300	\$ 5,718,001	\$ 5,891,172	\$ 6,070,000	\$ 6,254,677	\$ 6,445,401	\$ 6,642,377
Balance	\$ 876,000	\$ 1,586,620	\$ 2,110,839	\$ 1,735,774	\$ 1,441,724	\$ 1,095,789	\$ 688,774
Used for Capital	\$ -	\$ (146,500)	\$ (444,000)	\$ (21,000)	\$ (21,000)	\$ (21,000)	\$ (24,750)
Balance Forward	\$ 876,000	\$ 1,440,120	\$ 1,666,839	\$ 1,714,774	\$ 1,420,724	\$ 1,074,789	\$ 664,024
Total Revenue	\$ 6,825,831	\$ 6,428,621	\$ 6,561,891	\$ 6,138,935	\$ 5,981,627	\$ 6,120,466	\$ 6,256,362
Revenues	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
NON-LOCAL FUNDING TOTAL	\$ 4,389,831	\$ 4,002,091	\$ 3,462,273	\$ 2,940,982	\$ 2,713,432	\$ 2,771,443	\$ 2,830,905
LOCAL FUNDING TOTAL	\$ 2,436,000	\$ 2,426,530	\$ 3,099,618	\$ 3,197,953	\$ 3,268,195	\$ 3,349,023	\$ 3,425,457
O&M Reserve Balance	\$ 300,000	\$ 750,000					

May 15, 2020

R. J. Corman Railroad Company Carolina Lines Receives CSX Short Line Business Development Award



The R. J. Corman Carolina Lines railroad has been chosen for the CSX Short Line Business Development Award due to the extraordinary growth that is taking place on this short line. This award is based on percentage carload growth year over year. From 2018 – 2019, the percentage of carload growth on the Carolina Lines was over 100%, meaning that the number of cars being moved on the line has more than doubled!

This award was to be presented at the annual CSX Short Line Conference which was cancelled due to the COVID-19 pandemic. CSX Director of Business Development, Gary Gambill, presented the awards via video, announcing a Percentage Growth Award going to “a short line that was firing on all cylinders in 2019, the RJCS. R. J. Corman’s Carolina Lines and CSX

worked together to capture competitive wins in several markets including pulp board, plastics, minerals, and other...I'm pleased to present this award to Adam Boyles and the entire RJCS team. Congratulations Adam!"

The Carolina Lines, like our other short lines, provides the critical "last mile" of service, switching, and handling of cars for the freight that is transferred to us from other carriers like CSX. The Carolina Lines railroad has provided safe and efficient transportation of freight with a focus on superior customer service and has proven itself as a partner to the customers on the line. As a result, the rail has been able to double car volumes by bringing on new customers and adding new commodities with existing customers. This is especially exciting because this short line is quite the success story!

When R. J. Corman acquired the Carolina Lines in August of 2015, it was on the verge of being classified as abandoned and had not shipped a railcar in over four years. R. J. Corman made the necessary immediate repairs and restored operations within six months. The company became partners with local economic development groups in North and South Carolina to bring traffic back and revitalize business on the line. Together with Horry County, SC, R. J. Corman secured state and federal funding for track improvements in addition to the investments made by the company.

There are 13 new customers now utilizing rail. The short line is projected to ship 4,500 cars in 2020. By 2022, \$45,108,000 will have been invested in revitalizations and expansions. The vision for this short line continues to become a reality. The company attributes the growing success of the Carolina Lines to the Railroad Company's entrepreneurial spirit and the hard work of the train crews and local leadership in the Carolinas.

R. J. Corman is honored to receive the CSX Short Line Business Development Award. The company would like to thank CSX for being an exceptional interchange partner with a special mention going out to CSX Transportation Senior Industrial Development Manager, Kellen Riley, who is a vital colleague in facilitating our business partnership. R. J. Corman would also like to thank Myrtle Beach Regional Economic Development and the Columbus County Economic Development Commission, both of which have played integral roles in facilitating economic growth in the South Carolina region. Finally, the company would also like to thank our customers for trusting our Railroad Company with their business. We are proud to offer our customers the highest quality service in the railroad industry and look forward to meeting the needs that arise into the future.

**HORRY COUNTY DEPARTMENT OF AIRPORTS
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)
FOR PERIOD ENDING MAY 31, 2020**

	FY20			FY19		
	Annual	Actual	% Actual YTD	Actual	% Actual YTD	
	Budget	YTD	To Budget	Budget	YTD	To Budget
OPERATING REVENUES:						
Landing Fees	3,321,355	2,236,651	67.3%	2,937,628	2,584,514	88.0%
Airline Terminal Rents	7,495,204	5,847,911	78.0%	6,881,114	6,141,247	89.2%
Security Fees	364,528	298,442	81.9%	321,274	297,519	92.6%
Baggage Handling System Reimbursement	939,000	648,671	69.1%	920,000	804,793	87.5%
Terminal Concessions						
Rental Car	4,638,103	4,242,487	91.5%	4,565,387	4,894,824	107.2%
Parking	4,920,000	3,379,105	68.7%	4,300,000	4,212,553	98.0%
Concessions	1,605,000	893,618	55.7%	1,460,000	1,131,475	77.5%
Ground Transportation	309,000	253,753	82.1%	253,000	256,632	101.4%
Terminal Rent - Other	289,759	266,950	92.1%	191,747	189,960	99.1%
Leases/MBIA	843,433	760,041	90.1%	818,260	746,824	91.3%
MBIA/Other	89,000	113,766	127.8%	78,000	111,903	143.5%
Airline Services	627,000	520,664	83.0%	557,000	635,695	114.1%
Federal Revenue-TSA LEO Reimbursement Program	130,000	117,578	90.4%	116,280	126,230	108.6%
FBO/General Aviation Fuel Services	8,309,734	7,766,727	93.5%	5,906,084	8,915,809	151.0%
FBO/Other	774,685	630,854	81.4%	768,676	652,651	84.9%
Loris/Misc Revenue	540	375	69.4%	900	540	60.0%
Leases/Conway	27,614	20,778	75.2%	26,914	25,864	96.1%
Leases/Grand Strand	80,190	66,940	83.5%	85,414	68,398	80.1%
Total Operating Revenues	34,764,145	28,065,311	80.7%	30,187,678	31,797,433	105.3%
OPERATING EXPENSES:						
Salaries and Benefits	11,875,762	9,824,514	82.7%	10,747,841	9,116,677	84.8%
Utilities	2,142,480	1,572,336	73.4%	2,003,157	1,661,388	82.9%
Outside/Professional Services	1,751,495	1,345,557	76.8%	1,304,718	1,331,398	102.0%
Maintenance and Supplies	2,217,639	1,617,004	72.9%	2,164,063	1,827,862	84.5%
Equipment	346,660	291,613	84.1%	330,300	302,937	91.7%
Baggage Handling System	939,000	804,164	85.6%	920,000	813,009	88.4%
Insurance	497,823	454,058	91.2%	436,528	382,055	87.5%
Cost of Fuel Sales	5,614,557	4,884,074	87.0%	3,763,791	5,994,744	159.3%
Office Supplies	44,600	41,786	93.7%	49,150	27,429	55.8%
Business and Travel	459,037	277,078	60.4%	395,496	340,133	86.0%
Vehicle Expense	192,000	161,554	84.1%	222,000	166,128	74.8%
County Allocation	400,000	366,667	91.7%	400,000	366,667	91.7%
Bad Debt Expense		-				
Total Operating Expenses	26,481,053	21,640,404	81.7%	22,737,044	22,330,428	98.2%
Operating Income before Depreciation and Airline Credits	8,283,092	6,424,907		7,450,634	9,467,004	
Depreciation	12,000,000	11,999,260	100.0%	11,494,000	12,100,000	105.3%
Airline Credits/Fee Waivers/Recalculation	(1,300,000)	(1,010,113)	77.7%	(1,300,000)	(1,341,630)	103.2%
Operating Income	(5,016,908)	(6,584,466)	131.2%	(5,343,366)	(3,974,626)	74.4%
Non-Operating Revenues (Expenses):						
Interest Income	1,100,000	1,649,479	150.0%	850,000	2,042,677	240.3%
Interest Income - Bond		69,318	0.0%		94,389	0.0%
Sale of Assets	-	5,504	0.0%	-	2,340,555	0.0%
Other Non-Operating Income (Expenses)	(100,000)	(43,344)	43.3%	(100,000)	(41,475)	41.5%
Prior Period Income(Expenses)		-			(8,803)	
AIP Federal Revenue	41,499,000	19,588,700	47.2%	18,000,000	8,306,117	46.1%
State Revenue	-	63,365		-	291	
Cares Act Revenue		1,243,204				
Insurance proceeds		389,165			-	
Intergovernmental Revenues - City of MB	2,200,000	2,377,805	108.1%	2,200,000	2,321,496	105.5%
Interest Subsidy on the Recovery Zone Economic Bonds	300,654	276,481	92.0%	298,400	275,600	92.4%
Interest Expense	(2,772,086)	(2,540,891)	91.7%	(2,831,937)	(2,595,697)	91.7%
CFC'S	3,563,000	2,292,166	64.3%	3,623,000	2,948,084	81.4%
PFC'S	6,209,600	4,206,148	67.7%	6,400,000	4,948,940	77.3%
Total Non-Operating Revenues (Expenses)	52,000,168	29,577,100	56.9%	28,439,463	20,632,174	72.5%
NET INCOME	46,983,260	22,992,634		23,096,097	16,657,548	

