



Public Comment
SIGN IN SHEET

February 16, 2016 ~ ~ ~ 6:00 PM

The Public Comment Sessions at this meeting is limited to a total of 40 minutes, 4 minutes per person. Please be advised that citizens not utilizing their full four [4] minutes may not "donate" their remaining time to another speaker.

PLEASE PRINT

	FULL NAME	PURPOSE OF COMMENT
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None

Everyone speaking before Council will be required to do so in a civil manner. Council will not tolerate personal attacks on individual council members, county staff or any person or group. Racial slurs will not be permitted. Council's number one priority is to conduct business for the citizens of this county. All citizens who wish to address Council and all Boards and Commission appointed by Council should do so in an appropriate manner.

In October of 2015, a significant rain event devastated parts of South Carolina causing death and destruction of historic amounts. In the aftermath, it became clear that the rescue and recovery effort would not be a local event, but rather a statewide effort that your OCONEE County first responders would be on the front lines of.

Nearly 30 Oconee County personnel responded and assisted in various functions for six days following the initial rain storm. Specially trained water rescue team members provided search and rescue support in Dorchester County, where they effected the rescue of numerous persons trapped in their homes and vehicles. Firefighters responded with and staffed two of our counties water tankers to support a failed water system in Columbia City and Richland County. They shuttled water to fires throughout the county as well as replenish water supplies at three regional hospitals to avoid evacuations. Three Command staff members supported local emergency operations centers in Sumter and Lexington as well as managing rescue teams from SC, Tennessee and Virginia from the SC Operations Center.

We are proud of the commitment made by each one of our team members in not only serving the citizens of OCONEE, but proudly answering the call to help our neighbors across South Carolina.

Please join me in standing to salute these dedicated employees!

2015 SC Flood Deployment Personal

-Tanker Ops-

Engine 141 (Water supply support for CFD Station 13)

Chief Jeff Heaton

Chief Scott Fitzgerald

Chief Travis Collins

FF T Jay Harlos

FF Mark Bryant

Engine 13 (Water supply support CFD Station 8)

Chief Ronny Williams

FF Mendel Stone

FF Russ Anderson

FF Tim Basso

FF Adam LeRoy

FF Butch Butts

FF Matt Holder

-Swift Water Ops-

Squad 21-1 (Swift Water Ops. Support for Dorchester County)

FF Brian Philips

FF Zach Mitchell

Rescue Tech Jim Corey

Rescue Tech Tommy Christopher

Squad 21-4 (Swift Water Ops. Support for Dorchester County)

Capt. Scott Long

Rescue Tech Todd Sanders

Rescue Tech Lisa Derrick

SCTF-1/SCHART (State Swift Water Ops.)

Capt. Shon Hamilton

Command Support

Chief 2101 (State Staging Ops., SC Criminal Justice Academy)

Chief Charles King

EM-1 (Emergency Management Support)

Chief Scott Krein

Batt. 1 (Emergency Management Support, SC EOC)

Chief Adam Williams

SC-FAST (Peer Support Team, CFD)

Chief Scott Fitzgerald

FF Cole Shirley



**PUBLIC HEARING
SIGN IN SHEET
OCONEE COUNTY COUNCIL MEETING
DATE: February 16, 2016 6:00 p.m.**

Ordinance 2015-35 "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A REFORMED AND RESTATED GROUND LEASE AGREEMENT BETWEEN OCONEE COUNTY, AS LESSOR, AND HANGAR III, LLC, AS LESSEE, AND AUTHORIZING THE CONTEMPORANEOUS EXECUTION AND DELIVERY OF A RELEASE AND STIPULATION OR ORDER OF DISMISSAL WITH PREJUDICE, ENDING THE LITIGATION CAPTIONED OCONEE COUNTY, KEVIN ROBINSON, OCONEE COUNTY DELINQUENT TAX COLLECTOR V. HANGAR III, LLC, 25 EP CORP., BDS, JERRY EDWARDS, AND STEVE EDWARDS, C.A. NO. 2014-CP-37-539, AND OTHER MATTERS RELATING THERETO"

Written comments may be submitted at any time prior to the hearing for inclusion in the official record of the meeting.

Everyone speaking before Council will be required to do so in a civil manner.

Council will not tolerate personal attacks on individual council members, citizens, staff or any person or group. Racial slurs will not be permitted. Council's number one priority is to conduct business for the citizens of this county. All citizens who wish to address Council and all Boards and Commission appointed by Council should do so in an appropriate manner.

Public comment during a public hearing is not limited to four minutes per person.

Sign up sheets will be available thirty minutes prior to the hearing for those interested in addressing Council.

Written comments may be submitted at any time prior to the hearing for inclusion in the official record of the meeting.

Please submit written comments to the Clerk to Council, 415 South Pine Street, Wallhalla, South Carolina, 29991.

Please PRINT your name

1.	Jill Robinson Overt
2.	Paul Corbett
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Speaking on Ordinance 2015-35

I realize that this ordinance is going to be approved tonight. I do not know if the taxpayers of this county are getting a fair shake, but I know that life is not always fair. As Mr. Cain stated previously, (and I am sure more eloquently), that sometime principles have to be compromised because of the cost of doing the right thing.

I am certainly not an attorney, but I have read most of this ordinance and the previous ordinance that was attempted to be rushed through with little vetting. To me, this is a much fairer document. Perhaps even as good as the taxpayers of this county should expect.

My primary purpose for speaking tonight is to recognize and thank Mr. Joel Thrift and Mr. Reginal Dexter for their courage and tenacity as minority councilmen in opposing this action. In spite of an unpopular position with this council, these Gentlemen stood their ground and pointed out the problems with the previous ordinance, that the then County Attorney, Mr. Tom Martin indicated had several flaws and at least one illegal clause. I am very appreciative of the work these Gentlemen have done and the people of Oconee County should be too.

I would also like to again thank Reg and Joel, along with Mr. Paul Corbeil for their 2014 council work on this matter. We tend to criticize county council rather than give them their due for good work.

Lastly, I want to thank Mr. Ken Nix for maintaining the integrity of his office and the courage he displayed to bring this whole matter to light. Certainly this was not an easy thing for him to do, and I applaud Mr. Nix for his actions.

Jim Schoonover – Salem 2-16-2016

I hope we can move on after dismissing this lawsuit, but I am not holding my breath. This lawsuit was filed out of malice and I don't see that ending. The intent was to portray the defendant and his family as fraudulent tax evaders and I truly believe that if the defendant was John Doe rather than Jerry Edwards, the original agreement from 2001 would have been allowed to continue to its expiration without all this drama. I appreciate that the Edwards family is willing to settle out of court since a protracted court case would have degenerated into a three ring circus damaging the county. That malice I speak of extended to our executive sessions where on several occasions Mr. Dexter felt the need to harass and intimidate us with his threats to call in SLED and the ethics commission. That was reason number 2, why I hired my own attorney. For every action there is an equal and opposite reaction. Reason number 1 was simply to get clarity on this subject. It's amazing how in this situation some of our residents turned into experts on constitutional law, civil and criminal law, and then expected me to take their advice. I felt more comfortable with a lawyer who didn't have a hound in this hunt, even though it cost me a few hundred dollars out of pocket.

This past year, on several occasions we heard Mr. Dexter's diatribes on this subject... the taxes, the taxes, the taxes... but not once did he mention the hangar... Yes, the hangar. There are problems with the original agreement from 2001, but nevertheless, the parties entered into the agreement with good faith and a hangar was built by the defendant. I feel it's important to point out that there was a public hearing on the subject attended by the airport and economic development director at the time and all five council reps, none of whom perceived a problem with this agreement and that council voted 5-0 in favor. The 2001 agreement called for the defendant to pay property taxes on the building, square footage payments, assume the expenses for all maintenance and repairs, maintain liability coverage, and be subject to property tax on the plane for at least the first 2 years of the lease agreement. The vagueness of that last statement is the source of this controversy. Nevertheless that statement is in there carrying with it an implication, that taxes were not due thereafter. If that was not the intention, why mention 2 years? Is that to be interpreted as the benefit for shelling out your own money to build a hangar and transferring ownership to the county? Ironically, the alleged taxes due are equivalent to the cost of building the hangar. It is interesting to note the assessed value of the plane continued to rise over the years – no depreciation?? Either way, when the defendant's cost of building the hangar is weighed against the alleged taxes, we are even.

Mr. Honea, at the previous council meeting, you objected to having your tax dollars used to pay some of the defendants legal fees. I submit that it is still cheaper to pay that than the cost of litigating and perhaps an appeal. We already paid around \$80,000 and we haven't seen the inside of a court room. The amount you as an individual pay in taxes is a drop in the 50 million budget bucket, so I will be glad to give you a dollar so

as not to inconvenience you. On the other hand, I will take my dollar back because I don't want my tax dollars going to support the frivolous spending of the school district at the expense of Tamassee Salem. You see, we all have something we don't want our taxes going to but it doesn't help us any. On that note, I am going to quit talking about this. The sooner we put this behind us the better.

STATE OF SOUTH CAROLINA
COUNTY OF OCONEE
ORDINANCE 2015-35

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A REFORMED AND RESTATED GROUND LEASE AGREEMENT BETWEEN OCONEE COUNTY, AS LESSOR, AND HANGAR III, LLC, AS LESSEE, AND AUTHORIZING THE CONTEMPORANEOUS EXECUTION AND DELIVERY OF A RELEASE AND STIPULATION OR ORDER OF DISMISSAL WITH PREJUDICE, ENDING THE LITIGATION CAPTIONED *OCONEE COUNTY, KEVIN ROBINSON, OCONEE COUNTY DELINQUENT TAX COLLECTOR V. HANGAR III, LLC, 25 EP CORP., BDS, JERRY EDWARDS, AND STEVE EDWARDS*, C.A. NO. 2014-CP-37-539; AND OTHER MATTERS RELATING THERETO.

WHEREAS, Oconee County, South Carolina (the "County") is a body politic and corporate and a political subdivision of the State of South Carolina and is authorized by the provisions of Title 4, Chapter 9 of the Code of Laws of South Carolina 1976, as amended, to lease real property and to make and execute contracts; and,

WHEREAS, the County is authorized by the provisions of Title 4, Chapter 1 of the Code of Laws of South Carolina 1976, as amended, to sue and be sued, and consequently resolve such litigation; and,

WHEREAS, the County currently desires to execute and enter into a Reformed and Restated Ground Lease (the "Lease") with Hangar III, LLC by which the County will reform and restate that certain lease agreement of May of 2001, the County thereby leasing certain land situated at the Oconee County Airport to Hangar III, LLC; and

WHEREAS, the County desires that contemporaneous to the execution and delivery of the Lease, that a Settlement Agreement and Release (the "Release") be executed and delivered, thereby effecting the resolution of that certain litigation captioned Oconee County, Kevin Robinson, Oconee County Delinquent Tax Collector v. Hangar III, LLC, 25 EP Corp., BDS, Jerry Edwards, and Steve Edwards, C.A. No. 2014-CP-37-539, the parties thereto having mutually agreed to resolve all claims which they asserted or could have asserted against each other, and in order to avoid the uncertainty, time, cost, and expense associated with further litigation; and

WHEREAS, the Lease and the Release are congruous to one another, and there exists a significant nexus between the subject matter thereof; and

WHEREAS, the Oconee County Council (the "Council") has reviewed the form of the Lease, attached hereto as Exhibit A, and the Release, attached hereto as Exhibit B, and determined that it is in the best interest of the County and its residents and citizens for the County to execute and enter into both the Lease and the Release, and the Council wishes to approve the same and to authorize the County Administrator to execute and deliver the Lease and the Release and all related agreements and documents necessary or incidental thereto, including a stipulation or order of dismissal with prejudice.

NOW THEREFORE, be it ordained by Council in meeting duly assembled that:

Section 1. Lease Approved. The Lease is hereby approved, and the County Administrator is hereby authorized to execute and deliver the Lease in substantially the same form as Exhibit A, attached hereto.

Section 2. Release Approved. The Release is hereby approved, and the County Administrator is hereby authorized to execute and deliver the Release in substantially the same form as Exhibit B, attached hereto.

Section 3. Related Documents and Instruments; Future Acts. The County Administrator is hereby authorized to negotiate such documents and instruments which may be necessary or incidental to the Lease and/or the Release and to execute and deliver any such documents and instruments on behalf of the County, specifically, and limited to, a stipulation or order of dismissal with prejudice.

Section 4. Severability. Should any term, provision, or content of this Ordinance be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such determination shall have no effect on the remainder of this Ordinance. Notwithstanding the foregoing, however, as there exists a significant nexus between the subject matter of the Lease and the Release, if the approval of one or the other is deemed unconstitutional or otherwise unenforceable, then this Ordinance shall be void in its entirety.

Section 5. General Repeal. All ordinances, orders, resolutions, and actions of the Oconee County Council inconsistent herewith are, to the extent of such inconsistency only, hereby repealed, revoked, and superseded.

Section 6. Effective Date. This Ordinance shall become effective and be in full force and effect from and after public hearing and third reading in accordance with the Code of Ordinances of Oconee County, South Carolina.

ORDAINED in meeting, duly assembled, this 16th day of February, 2016.

OCONEE COUNTY, SOUTH CAROLINA

Paul A. Cain, Chairman, County Council
Oconee County, South Carolina

ATTEST:

Elizabeth G. Hulse, Clerk to County Council
Oconee County, South Carolina

First Reading: January 19, 2016
Second Reading: February 2, 2016
Public Hearing: February 16, 2016
Third & Final Reading: February 16, 2016

REFORMED AND RESTATED GROUND LEASE

THIS GROUND LEASE ("Lease") is made and entered into by **Oconee County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina**, as lessor ("Lessor") and Hangar III, LLC, a South Carolina Limited Liability Company, as lessee ("Lessee"), dated as of ____ day of _____, 2016 (the "Effective Date").

RECITALS

A. Lessor is the fee owner of that certain real property, a portion of which consists of approximately _____ acres, (_____ sq. feet), (the "Ground Lease Premises") located in Oconee County, South Carolina and as more fully described on **Exhibit A** attached hereto and incorporated herein by this reference, being those same premises as were subject to the May 30, 2001 Lease, referenced below, and subject to all easements, restrictions, rights of way and encroachments of record.

B. On or about May 30, 2001, Lessor entered into a lease agreement ("2001 Lease") whereby Lessor leased the Ground Lease Premises to one or more of Lessee's members. By assignment dated July 19, 2001, the 2001 Lease was assigned to Lessee.

C. Pursuant to the 2001 Lease, Lessee constructed and/or is the sole owner of certain improvements, including building(s), fixtures, attached structures or things, and infrastructure on the Ground Lease Premises, consisting primarily of a hangar for the storage of aircraft (collectively the "Hangar").

D. Lessor and Lessee desire to reform and restate the 2001 Lease in order to extend the lease term and clarify certain provisions of the 2001 Lease, and to ensure that proper legislative authorization exists for the lease arrangement.

E. The parties desire to establish the following terms and conditions of this Lease to fulfill the foregoing objectives.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the foregoing recitals are true and correct and incorporated herein by this reference, and further agree as follows:

ARTICLE 1 - DEMISE OF GROUND LEASE PREMISES

Section 1.1. Ground Lease Premises. Lessor, for and in consideration of the rents, covenants, and conditions herein set forth, and upon appropriate authorization by Oconee County Council, the governing body of Lessor, by ordinance, does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the Ground Lease Premises, subject to the terms, conditions and provisions hereof.

Section 1.2. Quiet Enjoyment. Lessor covenants and agrees that Lessee, upon paying the rent and other charges herein provided and observing and keeping the covenants, conditions, and

terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy and enjoy the Ground Lease Premises during the "Term" (as hereinafter defined) of this Lease without hindrance of Lessor or any person claiming under Lessor, subject to all easements, restrictions, rights of way and encroachments of record. Lessor hereby retains the right to enter upon and inspect the Ground Lease Premises and the Hangar at reasonable times and upon reasonable notice; and Lessor further reserves the right to enter upon the Ground Lease Premises and the Hangar, without prior notice, in the event of an emergency condition or situation, as reasonably determined by Lessor.

ARTICLE 2 - LEASE TERM

Section 2.1. **Lease Term.** The term of this Lease (the "Term") shall commence on the Effective Date. The last day of the Term shall be April 30, 2031 (the "Expiration Date").

Section 2.2. **Reversion.** At the Expiration Date or the sooner termination of this Lease, whether by default, eviction, or otherwise, the Hangar, Ground Lease Premises and all other improvements/infrastructure upon the Ground Lease Premises shall, without compensation to Lessee or any other party, then become the sole property of Lessor or Lessor's designee, free and clear of all claims to or against them by Lessee or any third person attributable to Lessor or Lessee, and all claims, liens, security interests, and encumbrances. Lessee shall defend and indemnify Lessor against all liability and loss, including but not limited to reasonable attorneys' fees and costs through litigation and all appeals, arising from the act or omission of Lessee or Lessee's agent during the Term of this Lease ("Lessee/Third Party Claim(s)") against the Ground Lease Premises. All alterations, improvements, additions and utility installations which may be made on the Ground Lease Premises shall be the property of Lessor and shall remain upon and be surrendered with the Ground Lease Premises at the Expiration Date or sooner termination of this Lease. Notwithstanding the foregoing, any machinery or equipment owned by Lessee or any lessee or sublessee of the Hangar, other than that which is permanently affixed to the Ground Lease Premises so that it cannot be removed without material damage to the Ground Lease Premises, shall remain the property of Lessee, such lessee or sublessee, as may be applicable, and may be removed; provided, however, that Lessee removes or causes its removal within thirty (30) days after the date of expiration or termination of this Lease.

ARTICLE 3 - RENT, TAXES AND UTILITIES

Section 3.1. **Rent.** Lessee agrees to pay Lessor, for the use and occupancy of the Ground Lease Premises, an annual rent of \$0.17 per square foot, on or before or as of, and for, June 1, 2015 and, thereafter, on or before each 1st day of June during the Term of this Ground Lease.

Section 3.2. **Taxes.** Lessee shall be responsible for any and all taxes, fees, assessments, and charges attributable to the Ground Lease Premises and the improvements and activities located thereon, in accordance with the normal *ad valorem* property tax law of the state of South Carolina. Lessor and Lessee acknowledge and understand that separate and apart from the *ad valorem* taxes assessed on the Ground Lease Premises, personal property taxes shall be paid on any aircraft located or housed in Oconee County by the person or entity responsible for paying said taxes to the extent owed in accordance with South Carolina law.

Section 3.3. Proof of Compliance. Lessee shall furnish to Lessor, within ten (10) days before the date when any tax, fee, assessment, or charge (for which Lessee is responsible hereunder) would become delinquent, receipts or other appropriate evidence establishing payment thereof.

Section 3.4. Utilities. Lessee shall pay or cause to be paid any and all charges for water, heat, gas, electricity, cable, trash disposal, sewers and any and all other utilities used upon the Ground Lease Premises throughout the Term, including without limitation any connection and servicing fees, permit fees, and inspection fees.

Section 3.5. No Security Deposit. No security deposit is required hereunder.

Section 3.6. Costs. It is the intent of the parties, except as is otherwise provided in this Lease, that Lessee shall pay all costs, charges, insurance premiums, taxes, utilities, expenses and assessments arising during the Term of every kind and nature incurred for, against, or in connection with the Hangar and the Ground Lease Premises.

ARTICLE 4 - USE OF PREMISES

Section 4.1. Permitted Uses. Lessee shall use or allow the use of the Ground Lease Premises solely for the management and operation of a non-commercial storage facility for aircraft and related non-commercial activities of Lessee's flight department. Lessee shall obey all rules, regulations, laws, ordinances, and directives of Lessor or any governmental entity (i.e.: FAA, EPA, OSHA, etc.) now in force or hereafter promulgated with respect to the use of the Airport or the Hangar. Any other use of the premises by Lessee without the prior written consent of Lessor shall constitute a material breach allowing Lessor to immediately terminate the Lease and resulting in reversion of the Ground Lease Premises and all improvements to the Lessor, or its designee, as described in Section 2.2 above. Notwithstanding any other term or condition of this Agreement, however, Lessee shall be permitted to rent space within the Hangar located on the Ground Lease Premises to third-parties for purposes of parking or storing the aircraft owned by such third-parties.

ARTICLE 5 – HAZARDOUS MATERIALS

Section 5.1. Definitions. "Hazardous Materials" shall mean any material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive or corrosive, including, without limitation, petroleum, PCBs, asbestos, materials known to cause cancer or reproductive problems and those materials, substances and/or wastes, including infectious waste, medical waste, and potentially infectious biomedical waste, which are or later become regulated by any local governmental authority, the State of South Carolina or the United States Government, including, but not limited to, substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.; all corresponding and related State of South Carolina and local statutes, ordinances and regulations, including without

limitation any dealing with underground storage tanks; and in any other environmental law, regulation or ordinance now existing or hereinafter enacted (collectively, "Hazardous Materials Laws").

Section 5.2. Use of Premises by Lessee; Remediation of Contamination Caused by Lessee.

(a) **Use.** Lessee hereby agrees that Lessee and Lessee's officers, board members, employees, representatives, agents, contractors, subcontractors, successors, assigns, sublessees, concessionaires, invitees and any other occupants of the Ground Lease Premises (for purpose of this Section, referred to collectively herein as "Lessee's Representatives") shall not use, generate, manufacture, refine, produce, process, store or dispose of, on, under or about the Ground Lease Premises or transport to or from the Ground Lease Premises in the future for the purpose of generating, manufacturing, refining, producing, storing, handling, transferring, processing or transporting Hazardous Materials, except in compliance with all applicable Hazardous Materials Laws. Furthermore, Lessee or Lessee's Representatives shall, at their own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for the storage or use by Lessee or any of Lessee's Representatives of Hazardous Materials on the Ground Lease Premises, including without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Ground Lease Premises.

(b) **Remediation.** If at any time during the Lease Term any contamination of the Ground Lease Premises by Hazardous Materials shall occur where such contamination is caused by the act or omission of Lessee or Lessee's Representatives ("Lessee Contamination"), then Lessee or Lessee's Representatives, at no expense to Lessor, shall promptly and diligently remove such Hazardous Materials from the Ground Lease Premises, or the groundwater underlying the Ground Lease Premises, to the extent reasonably possible in accordance with the requirements of the applicable Hazardous Materials Laws and industry standards then prevailing in the Hazardous Materials management and remediation industry in the State of South Carolina. However, Lessee shall not take any required remedial action in response to any Lessee Contamination in or about the Ground Lease Premises or enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any Lessee Contamination without first notifying Lessor of Lessee's intention to do so and affording Lessor the opportunity, at Lessor's expense, to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto. In addition to all other rights and remedies of the Lessor hereunder, if Lessee does not promptly and diligently take all steps to prepare and obtain all necessary approvals of a remediation plan (the "Plan") for any Lessee Contamination, and thereafter commence the required remediation, in accordance with the Plan, of any Hazardous Materials released or discharged in connection with Lessee Contamination within thirty (30) days after Lessor has reasonably approved the Plan and all necessary approvals and consents have been obtained and thereafter continue to prosecute said remediation to completion in accordance with the approved Plan, then Lessor, in its sole discretion, shall have the right, but not the obligation, to cause said remediation in accordance with the Plan to be accomplished, and Lessee shall reimburse Lessor within fifteen (15) business days of Lessor's demand for reimbursement of all amounts reasonably paid by Lessor (together with interest on said amounts at the judgment rate until paid), when said demand is accompanied by proof of payment by Lessor

of the amounts demanded. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Ground Lease Premises as part of Lessee's remediation of any Lessee Contamination.

(c) Disposition of Hazardous Materials. Except as removed from the Ground Lease Premises in strict accordance and conformity with all applicable Hazardous Materials Laws, Lessee shall cause any and all Hazardous Materials removed from the Ground Lease Premises as part of the required remediation of Lessee Contamination to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes.

Section 5.3. Notice of Hazardous Materials Matters. Each party hereto (for purposes of this Section, "Notifying Party") shall immediately notify the other party (the "Notice Recipient") in writing of: (a) any enforcement, clean-up, removal or other governmental or regulatory action instituted, contemplated or threatened concerning the Ground Lease Premises pursuant to any Hazardous Materials Laws; (b) any claim made or threatened by any person against the Notifying Party or the Ground Lease Premises relating to damage contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials on or about the Ground Lease Premises; and (c) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Ground Lease Premises, including any complaints, notices, warnings or asserted violations in connection therewith, all upon receipt by the Notifying Party of actual knowledge of any of the foregoing matters. Notifying Party shall also supply to Notice Recipient as promptly as possible, and in any event within five (5) business days after Notifying Party first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Ground Lease Premises or Lessee's use thereof.

Section 5.4. Indemnification by Lessee. Lessee shall indemnify, defend (by counsel reasonably acceptable to Lessor), protect, and hold Lessor and each of Lessor's officers, Council members, employees, agents, affiliates, subsidiaries, attorneys, successors and assigns free and harmless from and against any and all claims, actions, causes of action, liabilities, penalties, forfeitures, damages, losses or expenses (including, without limitation, attorneys' fees and costs through litigation and all appeals) resulting from death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly by (a) any Lessee Contamination, (b) Lessee's failure to comply with any Hazardous Materials Laws with respect to the Ground Lease Premises, or (c) a breach of any covenant, warranty or representation of Lessee under this Article 5. Lessee's obligations hereunder shall include all costs of any required or necessary repair, clean-up or detoxification or decontamination of the Premises, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. The foregoing indemnification by Lessee shall extend to conditions attributable to Lessee in existence prior to the commencement of the Term.

ARTICLE 6 - IMPROVEMENTS

Section 6.1. Improvements. Lessee may construct additional improvements/infrastructure on the Ground Lease Premises in accordance with plans that are pre-approved prior to the commencement of construction in writing by Lessor and which are in compliance with local

building code requirements, zoning requirements, and this Lease. All work shall be performed in a good and workmanlike manner, shall comply with all applicable governmental permits, laws, ordinances, and regulations. All costs in any way associated with construction of the Hangar and additional improvements/infrastructure shall be the sole responsibility of Lessee.

Section 6.2. Title; Subordination. Subject to the terms and conditions of this Lease, Lessee shall own and hold title to all of its improvements/infrastructure on the Ground Lease Premises until termination or expiration of this Lease, at which time title to any and all improvements/infrastructure on the Ground Lease Premises shall be transferred to the Lessor. Lessee's title to said improvements/infrastructure on the Ground Lease Premises shall be subject to and subordinate to this Lease.

ARTICLE 7 – MAINTENANCE

Section 7.1. Maintenance of Ground Lease Premises. Lessee agrees that it will, at its own cost and expense, maintain or cause to be maintained the Ground Lease Premises and any other improvements/infrastructure thereon and appurtenances thereto and every part thereof, in good order, condition and repair and in accordance with all applicable laws, rules, ordinances, orders and regulations of all governmental authorities. In the event any repairs required to be made under the provisions of this Lease are not made or commenced and diligently pursued thereafter, within sixty (60) days after written notice from Lessor to do so, then Lessor may, at its option, enter upon said Ground Lease Premises and repair the same, and the cost and expense of such repairs, with interest at the maximum rate then allowed by law, shall be due and paid by Lessee as additional rent to Lessor upon demand.

Section 7.2. Emergency Repairs. Notwithstanding the provisions of Section 7.1, in the event of an emergency, Lessor, at its option, may without notice enter on the Ground Lease Premises to effect repairs needed as a result of the emergency. The reasonable cost of such repairs shall be due and paid by Lessee to Lessor on demand as additional rent due hereunder. However, if Lessee contests the necessity of "emergency repairs" completed by Lessor without notice, the reasonable cost of such repairs shall not be treated as "additional rent" hereunder for purposes of determining a default of this agreement.

ARTICLE 8 - MECHANICS' LIENS

Section 8.1. Prohibition of Liens on Fee. Unless removed as set forth in Section 8.2, Lessee shall not suffer, create or permit any mechanic's liens or other liens to be filed against the Ground Lease Premises or any buildings or improvements/infrastructure on the Ground Lease Premises, by reason of any work, labor, services or materials supplied or claimed to have been supplied to Lessee or anyone holding the Ground Lease Premises or any part thereof through or under Lessee.

Section 8.2. Removal of Liens by Lessee. If any such mechanic's or laborer's liens or materialman's lien shall be recorded against the Ground Lease Premises, or any improvements/infrastructure thereof, within sixty (60) days after notice of the filing thereof, or fifteen (15) days after Lessee is served with a complaint to foreclose said lien or Lessor advises Lessee in writing that Lessor has been served with such a complaint, whichever is earlier, Lessee shall cause such lien to be removed, or will transfer the lien to bond pursuant to applicable South

Carolina law. If Lessee in good faith desires to contest the lien, Lessee may do so, but in such case Lessee hereby agrees to indemnify and save Lessor harmless from all liability for damages, including reasonable attorneys' fees and costs, occasioned thereby and shall, in the event of a judgment of foreclosure upon any mechanic's lien, cause the same to be discharged and removed prior to the execution of such judgment.

ARTICLE 9 - CONDEMNATION

Section 9.1. Interests of Parties on Condemnation. If the Ground Lease Premises or any part thereof shall be taken for public purpose by condemnation as a result of any action or proceeding in eminent domain (as commenced by a governmental entity other than Lessor¹), or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain (other than Lessor), the interests of Lessor and Lessee in the award or consideration for such transfer, and the allocation of the award and the other effect of the taking or transfer upon this Lease, shall be as provided by this Article 9.

Section 9.2. Total Taking - Termination. If the entire Ground Lease Premises is taken or so transferred, this Lease and all of the right, title and interest of Lessee hereunder, including Lessee's obligation to pay rent, shall cease on the date title to such land so taken or transferred vests in the condemning authority.

Section 9.3. Partial Taking - Termination. In the event of the taking or transfer of only a part of the Ground Lease Premises, leaving the remainder of the Ground Lease Premises in such location, or in such form, shape or reduced size as to be not effectively and practicably usable in the good faith opinion of Lessee for the operation thereon of Lessee's activities, this Lease and all right, title and interest of Lessee hereunder may be terminated by Lessee giving, within sixty (60) days of the occurrence of such event, thirty (30) days' notice to Lessor of Lessee's intention to terminate. Notwithstanding the foregoing, upon notice from Lessee to Lessor that Lessee desires to continue this Lease, this Lease shall continue in full force and effect.

Section 9.4. Partial Taking - Award. If title and possession of a portion of the Ground Lease Premises is taken under the power of eminent domain, and this Lease continues as to the portion remaining, all compensation and damages ("Compensation") payable to Lessee by reason of any improvements/infrastructure so taken shall be available to be used, to the extent reasonably needed, by Lessee in replacing any improvements/infrastructure so taken with improvements/infrastructure of the same type as the remaining portion of the Ground Lease Premises. All plans and specifications for such replacement and improvements shall be subject to Lessor's reasonable prior approval and all such repairs shall be in compliance with all then existing codes, zoning ordinances, rules and regulations governing the Ground Lease Premises.

Section 9.5. Allocation of Award. Any compensation awarded or payable because of the taking of all or any portion of the Ground Lease Premises by eminent domain shall be awarded in accordance with the values of the respective interests in the Ground Lease Premises and all improvements/infrastructure thereon immediately prior to the taking. The value of Lessor's

¹ If Lessor is deemed to "take" any interest in the Ground Lease Premises, including any improvements/infrastructure thereon, or any part thereof, for public purpose as a result of any action or proceeding in eminent domain, or by related power, the rights and remedies of the parties hereto shall be as prescribed by the laws of the State of South Carolina and the United States of America.

interest in the Ground Lease Premises and all improvements/infrastructure thereon immediately prior to a taking shall include the then value of its interest as Lessor under this Lease, together with the value of its reversionary interest in the Ground Lease Premises and the Hangar and related improvements/infrastructure. The value of Lessee's interest in the Ground Lease Premises and improvements/infrastructure immediately prior to a taking shall include the then value of its interest in the Ground Lease Premises and the Hangar and related improvements/infrastructure for the remainder of the Term of this Lease (without giving effect to any early termination provision). In the event of separate awards, then Lessor and Lessee may retain such separate awards made to each and any of them. Such values shall be those determined in the proceeding relating to such taking or, if no separate determination of the values is made in such proceeding, those determined by agreement between Lessor and Lessee. If such agreement cannot be reached, such values shall be determined by an appraiser or appraisers appointed in the manner provided below. The time of taking shall mean 12:01 a.m. of whichever shall first occur, the date of title or the date physical possession of the portion of the Ground Lease Premises on which the improvements/infrastructure are located is taken by the taking agency or entity. If the appointment of an appraiser or appraisers is required, Lessor and Lessee will each select an MAI real estate appraiser licensed in the State of South Carolina and having experience in the appraisal of commercial real estate to conduct an appraisal of the Ground Lease Premises or applicable portion thereof, taking into account the then use of the Ground Lease Premises by Lessee, together with the appurtenances to the Ground Lease Premises such as access, parking and landscaping, but including such value only as appurtenances to the Ground Lease Premises. If the two appraisers shall agree, the agreed value shall be the fair market value of the Ground Lease Premises or applicable portion thereof. If the appraisers do not agree and the difference between the two appraisals does not exceed ten percent (10%) of the greater appraisal, then the average of the two (2) fair market values as determined by the two appraisals shall determine the fair market value of the Ground Lease Premises or applicable portion thereof. If the difference between the two appraisals is greater than ten percent (10%) of the greater appraisal, then the two appraisers shall select a third MAI appraiser licensed in the State of South Carolina, and the average of the three appraisals shall be the fair market value of the Ground Lease Premises or applicable portion thereof. Each party shall pay the cost of its chosen appraiser and should a third appraiser be necessary, Lessor and Lessee shall each pay one-half (½) of the costs of the third appraiser.

ARTICLE 10 - ASSIGNMENT AND SUBLETTING

Section 10.1. Limitation on Assignment and Subletting: Lessee may not sell, assign, sublease, convey or transfer Lessee's interest in this Lease and the leasehold estate created hereby, without the prior written consent of Lessor, which consent will not be unreasonably withheld or delayed. In the event Lessee sells, assigns, subleases, conveys or transfers Lessee's interest in this Lease, Lessee shall remain primarily liable for the payment of the rent herein reserved and for the performance of each and all of the covenants and conditions hereof on the Lessee's part to be performed. Any assignment, sublease, conveyance or transfer of Lessee's interest in this Lease shall be subject to compliance with the provisions of this Lease, including without limitation, Articles 4 and 5 above. In the event of a sale or transfer of Lessee's interest in this Lease, any assignee shall be required to assume in writing the "Lessee" obligations under this Lease, notwithstanding the forgoing. Notwithstanding any other term or condition of this Agreement, however, Lessee shall be permitted to rent space within the Hangar located on the Ground Lease Premises to third-parties for purposes of parking or storing the aircraft owned by

such third-parties. Such rental of space is not subject to County consent or approval as provided in Article 4 herein.

ARTICLE 11 - INSURANCE AND INDEMNIFICATION

Section 11.1. Comprehensive Liability Insurance. Lessee shall, at its cost and expense, at all times during the Term, maintain in force, for the joint benefit of Lessor and Lessee, and any holder of a mortgage on the Ground Lease Premises, a broad form commercial general policy of liability insurance issued by a carrier reasonably satisfactory to Lessor and licensed to do business in the State of South Carolina, by the terms of which Lessor and Lessee, and any holder of a mortgage on the Ground Lease Premises or Lessee's leasehold interest, are named as insureds and are indemnified against liability for damage or injury to property or persons (including death) entering upon or using the Ground Lease Premises, or any structure thereon or any part thereof. Such insurance policy or policies shall be maintained on the minimum basis of \$1,000,000 per occurrence with respect to bodily injury, death, property damage and personal injury, or such lesser amount as may be permitted from time to time pursuant to applicable mortgage requirements with respect to the Ground Lease Premises. Such insurance policy or policies shall be stated to be primary and noncontributing with any insurance which may be carried by Lessor. A certificate of said insurance, together with proof of payment of the premium thereof shall be delivered to Lessor, and renewal certificates and proof of payment of premium therefor shall be delivered to Lessor not less than fifteen (15) days prior to the renewal date of any such insurance policies during the Term. Such insurance shall be cancelable only after thirty (30) days' prior written notice to Lessor and Lessee, and any holder of a mortgage on the Ground Lease Premises. In the event Lessee fails to timely pay any premium when due, Lessor shall be authorized to do so, and may charge all costs and expenses thereof, including the premium, to Lessee, to be paid by Lessee as additional rent hereunder.

Section 11.2. Fire and Extended Coverage Property Insurance. Lessee shall, at its cost and expense and at all times during the Term, maintain in force, for the joint benefit of Lessor and Lessee, and any holder of a mortgage on the Ground Lease Premises, or any holder of a mortgage on the leasehold interest in the Ground Lease Premises, a policy of insurance insuring the Ground Lease Premises and the Hangar against loss or damage by fire, lightning and earthquake, and such other perils as are covered under a broad form of "extended coverage" or "all risk" endorsement as available in South Carolina. Lessor shall be named as an additional insured on such policy of insurance, and the leasehold mortgagee shall be named as required by its loan documents, and subject to terms of any mortgage encumbering the Ground Lease Premises or any interest therein, any insurance proceeds shall be applied in the manner as set forth in this Lease. The insurance shall be carried and maintained to the extent of full replacement cost of the improvements/infrastructure, in such amounts as may be reasonably acceptable to Lessor from time to time during the Term of this Lease; provided however, that during the period of construction, Lessee shall provide or cause to be provided in lieu thereof builders' risk or similar type of insurance to the full replacement cost thereof. Such insurance policy or policies shall be stated to be primary and noncontributing with any insurance which may be carried by Lessor. In addition, the deductible for such insurance shall not exceed \$10,000.00. A certificate of said insurance, together with proof of payment of the premium thereof, shall be delivered to Lessor. Any renewal certificates and proof of payment of premium therefor shall be delivered to Lessor not less than five (5) days prior to the renewal date of any such insurance policies during the Term. Such insurance shall be cancelable only after thirty

(30) days' prior written notice to Lessor, Lessee, and any holder of a mortgage on the Ground Lease Premises. In the event Lessee fails to timely pay any premium when due, Lessor shall be authorized to do so, and may charge all costs and expenses thereof, including the premium, to Lessee, to be paid by Lessee as additional rent hereunder.

Section 11.3. Waiver of Subrogation. Lessor and Lessee and all parties claiming under them mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered in whole or in part by the casualty and liability insurance to be carried on the Hangar and the Ground Lease Premises or in connection with any improvements/infrastructure on or activities conducted on the Ground Lease Premises and the Hangar, and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof, and shall evidence such waiver by endorsement to the required insurance policies, provided that such release shall not operate in any case where the effect is to invalidate or increase the cost of such insurance coverage (provided that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereby keeping such release and waiver in full force and effect).

Section 11.4. Indemnification. Lessee hereby agrees to indemnify, protect, defend and save Lessor and its officers, Council members, employees, agents, attorneys, successors and assigns harmless from and against any and all losses, damages, actions, fines, penalties, demands, damages, liability and expense, including attorneys' fees and costs through litigation and all appeals, in connection with the loss of life, personal injury and damage to property, resulting from the negligence or intentional misconduct of Lessee, its employees or agents, and arising from or out of (i) any occurrence in, upon, at or about the Ground Lease Premises; (ii) the occupancy, use, construction upon and maintenance of the Ground Lease Premises; and (iii) the operation of the Hangar. Nothing contained herein shall be construed to make Lessee liable for any injury or loss primarily caused by the gross negligence or willful misconduct of Lessor or any agent or employee of Lessor.

ARTICLE 12 - DAMAGE AND DESTRUCTION

Section 12.1. Lessee's Duty to Restore Premises. At any time during the Term, or any extensions thereof, and so long as no Event of Default has occurred, if any buildings or improvements/infrastructure now or hereafter located on the Ground Lease Premises are damaged and/or destroyed in whole or in part by fire, theft, the elements, or any other cause, this Lease shall continue in full force and effect, and Lessee, at its sole cost and expense, shall repair and restore the damaged or destroyed Hangar and related improvements/infrastructure according to the original plan hereof or according to such modified plans as shall be reasonably approved in writing by Lessor. The work of repair and restoration shall be commenced by Lessee as soon as possible after the damage or destruction occurs, and shall be completed with due diligence.

Section 12.2. Application of Insurance Proceeds. Any and all fire or other insurance proceeds that become payable at any time during the Term, or any extensions thereof, because of damage to or destruction of any buildings or improvements/infrastructure on the Ground Lease Premises shall be paid jointly to Lessee and Lessor, and applied toward the cost of repairing and restoring the damaged or destroyed buildings or improvements/infrastructure.

ARTICLE 13 - DEFAULTS AND REMEDIES

Section 13.1. Defaults. Each of the following events shall be a default by Lessee and a breach of this Lease and constitute an "Event of Default":

(a) Abandonment. Abandonment of the Ground Lease Premises, or the improvements/infrastructure now or hereafter constructed thereon, where such abandonment continues for a period of sixty (60) days after notice thereof by Lessor to Lessee. Such abandonment shall not include any time that the Ground Lease Premises are vacated due to a casualty.

(b) Attachment or Other Levy. The subjection of any right or interest of Lessee in the Ground Lease Premises to attachment, execution or other levy, or to seizure under legal process, if not released within sixty (60) days, after written notice of same.

(c) Insolvency; Bankruptcy. An assignment by Lessee for the benefit of creditors, or the filing of a voluntary or involuntary petition by or against Lessee under any law for the purpose of adjudicating Lessee a bankrupt; or for extending time for payment, adjustment or satisfaction of Lessee's liabilities; or reorganization, dissolution, or arrangement on account of, or to prevent bankruptcy or insolvency; unless, in case of such that are involuntary on Lessee's part, the assignment, proceedings, and all consequent orders, adjudications, custodies and supervisions are dismissed, vacated or terminated within sixty (60) days after the assignment, filing or other initial event.

(d) Transfer of Lessee's Interest. Any transfer, sale, conveyance, assignment, subletting, hypothecation, encumbrance or pledge of Lessee's interest in the Ground Lease Premises or the Hangar, whether voluntary, involuntary or otherwise by operation of law, in violation of Article 10 of this Lease. This Section 13.1(e) shall not be effective unless and until Lessee has exhausted all rights to contest any involuntary encumbrance.

(e) Default in Payment or Performance Under this Lease. Failure of Lessee to pay any installment of rent or any impositions or other monetary obligations required to be paid by Lessee under this Lease when due and payable; or failure of Lessee to observe or perform any of its other covenants, conditions including, but not limited to use restrictions and time constraints on completion of construction, or agreements under this Lease; or the breach of any warranties or representations of Lessee under this Lease. For purposes of this Article 13, all monetary payments required to be made under this Lease, including, but not limited to, taxes, insurance premiums, utility payments, and assessments, together with all other sums Lessee is obligated to pay under this Lease (other than rent), shall be deemed additional rent hereunder.

Section 13.2. Notice and Right to Cure. If the alleged default is monetary in nature such as (but not limited to) nonpayment of rent, taxes or any other sums required to be paid by Lessee to Lessor, Lessee will have thirty (30) days to cure the default following written notice of the default from Lessor to Lessee and the leasehold mortgagee. As to any non-monetary default, Lessee shall have sixty (60) days to cure the default after written notice is given by Lessor to Lessee and to the leasehold mortgagee, specifying the nature of the default; provided, however, that if after exercise of due diligence and its best efforts to cure such non-monetary default

Lessee is unable to do so within the sixty (60) day period, then the cure period shall be extended for such reasonable time as may be required to cure the default. As used herein, non-monetary default shall include, without limitation, a breach of any covenant of Lessee hereunder, Lessee's failure to perform as required hereunder, and a breach of any warranty, representation or other agreement of Lessee under this Lease.

Section 13.3. Remedies. If any default by Lessee shall continue uncured by Lessee and/or the leasehold mortgagee upon expiration of the applicable cure period, Lessor may exercise any one or all of the following remedies in addition to all other rights and remedies provided by law or equity, from time to time, to which Lessor may resort cumulatively or in the alternative:

- (a) Termination of Lease in its Entirety. Lessor may, at Lessor's election, terminate this Lease. All Lessee's rights in the Ground Lease Premises, the Hangar and in all improvements/infrastructure thereon shall terminate upon termination of this Lease. Promptly after any such termination, Lessee shall surrender and vacate the Ground Lease Premises, the Hangar and any other improvements/infrastructure thereon, and Lessor may re-enter and take possession of the Ground Lease Premises, the Hangar and all other improvements/infrastructure thereon, subject to any space leases between Lessee and any valid sublessee of Lessee. Termination under this paragraph shall not relieve Lessee from the payment of any sum then due to Lessor, or from any claim for damages previously accrued, or then accruing, against Lessee.
- (b) Re-entry Without Termination. Lessor may, at Lessor's election, re-enter the Ground Lease Premises, the Hangar and improvements/infrastructure thereon, and without terminating this Lease, at any time, relet the Ground Lease Premises and improvements/infrastructure thereon, or any part(s) of them, for the account, and in the name of Lessee or otherwise, all upon commercially reasonable rates and terms determined by Lessor, without hereby obligating Lessor to relet the Ground Lease Premises and the Hangar or make an effort to relet either or both of them in whole or in part, at any time. Any reletting may be for the remainder of the Term or for any longer or shorter period. Lessor may execute any leases made under this provision either in Lessor's name or in Lessee's name. Lessor shall have the further right, at Lessor's option, to make such reasonable and necessary alterations, repairs, replacements and/or restorations which shall not operate or be construed to release Lessee from liability hereunder. Lessee shall nevertheless pay to Lessor on the due dates specified in this Lease the equivalent of all sums required of Lessee under this Lease, plus Lessor's expenses. No act by or on behalf of Lessor under this provision shall constitute a termination of this Ground Lease unless Lessor gives Lessee written notice of termination. Notwithstanding any other term or condition contained in this Agreement, nothing shall be construed to abridge Lessor's duty to mitigate damages as imposed under South Carolina law.
- (c) Lessee's Personal Property. Lessor may, at Lessor's election, use Lessee's personal property and trade fixtures or any of such property and fixtures without compensation and without liability for use or damage, or store them for the account and at the cost of Lessee. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item, or for the same item at a later time.

(d) Appointment of Receiver. To the extent provided for and allowed by applicable law, Lessor may, if Lessor elects to file suit to enforce this Lease and/or protect its rights hereunder, in addition to the other remedies provided in this Lease and by law, have the appointment of a receiver of the Ground Lease Premises and the improvements/infrastructure thereon.

Section 13.4. Remedies Cumulative. Suit or suits for the recovery of such damages, or any installments thereof, may be brought by either party from time to time at their election, and nothing contained herein shall be deemed to require either party to postpone suit until the date when the term of this Lease would have expired nor limit or preclude recovery by either party against the other of any sums or damages which, in addition to the damages particularly provided above, either party may lawfully be entitled by reason of any default hereunder on the part of the other. All the remedies hereinbefore given to the parties and all rights and remedies given to them at law and in equity shall be cumulative and concurrent.

Section 13.5. Lessee's Liability After Default. If Lessee shall default in the performance of any of its obligations under this Lease, Lessor, without thereby waiving such default, may (but shall not be obligated to) perform the defaulted obligation for the account and at the expense of Lessee, without notice in a case of emergency, and in any other case only if such default continues after the expiration of the curing period applicable under this Lease. Any reasonable expenses incurred by Lessor in connection with any such performance, and all reasonable attorneys' fees, including appellate, bankruptcy and post-judgment proceedings involved in collecting or endeavoring to collect the rent or any additional rent or any part thereof or enforcing or endeavoring to enforce any rights against Lessee or Lessee's obligations hereunder, shall be due and payable upon Lessor's submission of documentation verifying it incurred such amounts in relation to the enforcement of this Agreement. All sums advanced by Lessor on account of Lessee under this Section, or pursuant to any other provision of this Lease, and all rent, if delinquent or not paid by Lessee and received by Lessor when due hereunder, shall bear interest at the rate of twelve percent (12%) per annum from the due date thereof until paid and the same shall be and constitute additional rent and be due and payable upon Lessor's demand therefor.

Section 13.6. Holdover. If Lessee remains in possession of the Ground Lease Premises or any part thereof after the expiration or sooner termination of the Term or any extension thereof, Lessee shall become a Lessee at sufferance. Notwithstanding that Lessor may allow Lessee to continue in possession after the expiration or sooner termination of this Lease, neither that nor the provisions of this Section shall constitute a waiver of any of Lessor's rights under this Section or this Lease.

ARTICLE 14 - SURRENDER AND REMOVAL

Section 14.1. Surrender of Possession. At the Expiration Date or any earlier termination thereof, Lessee shall surrender to Lessor possession of the Ground Lease Premises and all improvements/infrastructure constructed and installed thereon. If Lessee is not then in default under any of the covenants and conditions hereof, Lessee may remove, or cause to be removed, all personal property and equipment of Lessee, other than permanent fixtures, from the Ground Lease Premises within thirty (30) days after the date of expiration or termination of this Lease; thereafter all such personal property and equipment not removed shall belong to Lessor without the payment of any consideration.

Section 14.2. Lessee's Quitclaim. Upon the expiration of the Term, or any sooner termination of this Lease, Lessee agrees to execute, acknowledge and deliver to Lessor, if requested by Lessor, a proper instrument in writing, releasing and quitclaiming to Lessor all right, title and interest of Lessee in and to the Ground Lease Premises and all improvements/infrastructure thereon.

ARTICLE 15 – GENERAL PROVISIONS

Section 15.1. Conditions and Covenants. All of the provisions of this Lease shall be deemed as running with the land, and construed to be “conditions” as well as “covenants” as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

Section 15.2. Survival of Indemnities. All representations, warranties and indemnities of Lessee or Lessor under this Lease shall survive the expiration or sooner termination of this Lease, subject to such limitations as imposed by South Carolina law.

Section 15.3. No Waiver of Breach. No failure by either Lessor or Lessee to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Lease, but each and every covenant, condition, agreement and term of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

Section 15.4. Unavoidable Delay - Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Lease by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws, or regulations or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section shall excuse Lessee from the prompt payment of any rental or other charge required of Lessee except as may be expressly provided elsewhere in this Lease.

Section 15.5. Notices. Unless otherwise specifically provided in this Lease or by law, any and all notices or other communications required or permitted by this Lease or by law to be served on, given to, or delivered to any party to this Lease shall be writing and shall be deemed duly served, given, delivered and received when personally delivered (including confirmed overnight delivery service to the party to whom it is directed), or in lieu of such personal delivery, when three (3) business days have elapsed following deposit thereof in the United States mail, first-class postage prepaid, certified, return receipt requested, addressed to:

LESSOR: Oconee County Administrator
 415 South Pine Street
 Walhalla, SC 29691

with a copy to:

Oconee Regional Airport Manager
365 Airport Rd
Seneca, SC 29678

LESSEE: Hangar III, LLC
Attn: Steve Edwards
125 Eagle's Nest Drive
Seneca, SC 29678

Either party may change its address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided in this paragraph.

Section 15.6. Captions. Captions in this Lease are inserted for convenience of reference only and do not define, describe or limit the scope or the intent of this Lease or any of the terms hereof.

Section 15.7. Waiver; Amendment. No modification, waiver, amendment, discharge or change of this Lease shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is or may be sought.

Section 15.8. Attorney's Fees. If either party retains an attorney to enforce this Lease, the prevailing party shall be entitled to recover, in addition to all other items of recovery permitted by law, reasonable attorneys' fees and costs incurred through litigation, bankruptcy proceedings and all appeals.

Section 15.9. Time. Time is of the essence of each obligation of each party hereunder.

Section 15.10. Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of South Carolina, without regard to conflict of law principles.

Section 15.11. Binding Effect. Subject to any provision of this Lease that may prohibit or curtail assignment of any rights hereunder, this Lease shall bind and inure to the benefit of the respective heirs, assigns, personal representatives, and successors of the parties hereto.

Section 15.12. Execution of Other Instruments. Each party agrees that it shall, upon the other's request, take any and all steps, and execute, acknowledge and deliver to the other party any and all further instruments necessary or expedient to effectuate the purpose of this Lease.

Section 15.13. Severability. If any term, provision, covenant or condition of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable or is otherwise challenged and determined to be invalid, illegal or incapable of being enforced as a result of any rule of law or public policy issued by an administrative or judicial forum that is not subject to further appeal or is not actually appealed, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated. In such event or if an opinion of counsel is provided to the effect that this Lease is not so enforceable, the parties hereto shall negotiate in good faith to modify this Lease so as to effect the original intent of the

parties as closely as possible and to comply with applicable law, regulations or published governmental interpretations thereof, in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 15.14. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed an original and when taken together will constitute one instrument.

Section 15.15. Estoppel Certificate. Either party shall execute, acknowledge and deliver to the other party, within twenty (20) days after requested by the other party, a statement in writing certifying, if such is the case, that this Lease is in unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified); the date of commencement of this Lease; the dates for which the rent and other charges have been paid; any alleged defaults and claims against the other party and providing such other information as shall be reasonably requested.

Section 15.16. Dispute Resolution; Waiver of Trial by Jury.

(a) Any conflict, dispute or grievance (collectively, "Conflict") by and between Lessor and Lessee shall be submitted to mediation before initiating court proceedings. The mediator selected to conduct the mediation must be mutually agreed upon by Lessor and Lessee. Unless the parties otherwise agree, the mediator must be certified in South Carolina state and federal courts and have experience in matters forming the basis of the Conflict. The site for the mediation shall be Walhalla, South Carolina, and the mediation hearing shall be held within 30 days of the selection of the mediator, unless otherwise agreed. Each party shall bear its own expenses associated with the mediation and the parties shall split the fees and expenses of the mediator evenly. Failure to agree to the selection of a mediator, refusal to participate in the mediation process, or failure to resolve the Conflict through mediation will entitle the parties to pursue other methods of dispute resolution, including without limitation, litigation. Notwithstanding any other provision contained herein, nothing in this Agreement shall be construed as requiring either party to participate in mediation prior to initiating court proceedings in which a temporary restraining order or preliminary injunction is sought. In such situations, the parties shall conduct mediation within thirty (30) days after the hearing on such motions or within such other time as is prescribed by the Court.

(b) LESSOR AND LESSEE MUTUALLY, EXPRESSLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY FOR ANY PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, OR ARISING OUT OF ANY CONDUCT OR COURSE OF DEALING OF THE PARTIES, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PERSONS. THIS WAIVER IS A MATERIAL INDUCEMENT TO LESSOR TO ACCEPT DELIVERY OF THIS LEASE.

IN WITNESS WHEREOF, this Lease has been executed on the respective dates set forth below.

IN THE PRESENCE OF:

LESSOR:

Oconee County, South Carolina

By: _____
Name: Paul A. Cain
Title: Chairman, Oconee County Council

LESSEE:

Hangar III, LLC

By: _____
Name: _____
Its: _____

EXHIBIT "A"

DESCRIPTION OF GROUND LEASE PREMISES

2015-35: Exhibit B

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
)	
COUNTY OF OCONEE)	C.A. NO: 2014-CP-37-539
)	
Oconee County, Kevin Robinson,)	
Oconee County Delinquent Tax Collector,)	
)	
Plaintiffs,)	SETTLEMENT AGREEMENT
)	AND RELEASE
v.)	
)	
Hangar III, LLC, 25 EP Corp., BDS,)	
Jerry Edwards, and Steve Edwards,)	
)	
Defendants.)	
_____)	

This **SETTLEMENT AGREEMENT AND RELEASE** ("Agreement") is made and entered into this ____ day of _____ 2016, by and between Plaintiffs Oconee County, Kevin Robinson, Oconee County Delinquent Tax Collector (hereinafter collectively referred to as "Oconee" or "Plaintiffs") and Defendants Hangar III, LLC, 25 EP Corp., BDS, Jerry Edwards, and Steve Edwards (hereinafter collectively referred to as "Defendants"). (Plaintiffs and Defendants are hereinafter collectively referred to as "Parties.")

WHEREAS, Plaintiffs filed a lawsuit against Defendants, styled *Oconee County, Kevin Robinson, Oconee County Delinquent Tax Collector v. Hangar III, LLC, 25 EP Corp., BDS, Jerry Edwards, and Steve Edwards*, C.A. No. 2014-CP-37-539 (the "Lawsuit"), asserting various causes of action, seeking damages and allegedly due personal property taxes, and other monetary and equitable relief against Defendants, which involved, *inter alia*, a hangar, a hangar lease agreement executed between the Parties on or about June 2001, a copy of which is attached hereto as "Exhibit A" (the "Lease Agreement"), and certain airplanes at the Oconee County Airport;

WHEREAS, the Parties have mutually agreed to resolve all claims which they asserted or could have asserted against each other in the Lawsuit, and, thus, settle the litigation between them;

WHEREAS, Defendants have denied, and continue to deny, any and all liability to Plaintiffs;

WHEREAS, Plaintiffs and Defendants have agreed to settle this matter in the interest of avoiding the uncertainty, time, cost, and expense associated with further litigation.

NOW, THEREFORE, for and in consideration of the mutual promises, terms, and conditions hereinafter expressed, the adequacy of which is hereby acknowledged by all Parties, it is agreed by and between Plaintiffs and Defendants as follows:

1. Prospective Personal Property Taxation of Airplanes:

Following the final execution of this Agreement and going-forward from that date, Defendants agree to pay personal property taxes in Oconee County on any plane owned individually or collectively by Defendants or owned by an entity in which a Defendant or Defendants have a controlling interest, to the extent owed in accordance with the laws of the State of South Carolina and without regard to any statement, representation, or agreement made by or entered into between any party or parties with respect to the payment of personal property taxes. Defendants further agree that nothing in this Agreement, the Lease Agreement or any other statement, representation, or agreement shall be construed to reduce, waive, release or otherwise adjust or modify any party's liability or obligation to pay personal property taxes in Oconee County. The terms of this Agreement, as related to the payment of personal property taxes for airplanes, solely has prospective effect.

2. Revision of Lease Agreement:

Plaintiffs and Defendants acknowledge that approximately six (6) years remain on the Lease Agreement. In consideration of the promises contained in this Agreement, *passim*, the Parties hereby agree that nothing in the Lease Agreement, including as amended by that certain Reformed and Restated Ground Lease (attached hereto as "Exhibit B,") which is being executed contemporaneously herewith, shall hereinafter be construed to reduce, waive, release, or otherwise adjust or modify any party's liability or obligation to pay personal property taxes in Oconee County.

3. Attorney's Fees:

In consideration of the terms and conditions contained in this Agreement, Oconee County agrees to pay the actual attorneys' fees incurred in this matter by Jerry Edwards, 25 EP Corp., and Steve Edwards to Nelson Mullins Riley & Scarborough, LLP in the amount of thirty-five thousand dollars and no cents (\$35,000.00) upon Oconee County's receipt of documentation verifying that such amount was actually incurred and paid in connection with the instant dispute.

4. Property Taxes & Proof of Payment:

Nothing contained herein shall affect payment of property taxes on the hangar in question. Defendants will continue to pay property taxes on the hangar in accordance with the laws of the State of South Carolina.

5. Dismissal with Prejudice and Covenant Not to Sue:

The Parties agree that contemporaneous with the execution of this Agreement, a consent Order, or Stipulation of Dismissal, with prejudice will be executed and filed with the Court. Plaintiffs and Defendants further agree and covenant that they will not institute any legal proceedings, either individually or as a class representative or member, against Plaintiffs or

Defendants as to any matter alleged or which could have been alleged in this Lawsuit and that relates to or arises from the actions or transactions alleged in the Complaint, except as specifically and explicitly provided herein.

6. Mutual Release:

The Parties acknowledge that a Mutual Release of claims is an integral part of this Agreement.

a. Plaintiffs' Release of Defendants:

Except as specifically and explicitly set forth in this Agreement, Plaintiffs, on behalf of themselves, their heirs, successors, and assigns, and any person claiming by or through them, intend to and do hereby forever release, remise, acquit, and discharge Defendants, their owners, partners, stockholders, parent or subsidiary entities (both direct and indirect), subsidiaries of such parent entities (both direct and indirect), heirs, agents, employees, servants, representatives, insurers, attorneys, successors and assigns, of and from any and all contracts, claims, demands, causes of action, and suits, for actual, general, special, punitive, and statutory damages, costs, attorneys' fees, reputational damages, allegedly past due taxes on personal property or aircraft, or any other loss or injury whatsoever, asserted or unasserted and known or unknown, whether foreseen or unforeseen, in law or equity, whether in tort or in contract or by statute, of any kind or character from the beginning of time to the present, which Plaintiffs have or could have asserted against Defendants in the above-captioned Lawsuit, and all other past, present, and future claims asserted or that could be asserted by Plaintiffs against Defendants in connection with, or that are in any way related to, any of the facts, acts, events, representations, omissions, and transactions alleged in the above-captioned Lawsuit (whether raised in the same or otherwise) or arising from or related to Defendants' actions as alleged in the Complaint.

b. Defendants' Release of Plaintiffs:

Except as specifically and explicitly set forth in this Agreement, Defendants on behalf of themselves and their heirs, successors, and assigns and any other person claiming by or through them, intend to and do forever release, remise, acquit, and discharge Oconee County and Kevin Robinson as Oconee County Delinquent Tax Collector, and their successors, agents, employees, servants, County Council members, managers, the County Administrator, County officers, elected officials, representatives, insurers, attorneys and assigns (hereinafter collectively referred to as "Released Plaintiff Parties"), of and from any and all contracts, claims, demands, causes of action, and suits, for actual, general, special, punitive, and statutory damages, costs, attorneys' fees, reputational damages, or any other loss or injury whatsoever, asserted or unasserted and known or unknown, whether foreseen or unforeseen, in law or equity, whether in tort or in contract or by statute, of any kind or character from the beginning of time to the present, which Defendants have or could have asserted against the Released Plaintiff Parties in the above-captioned Lawsuit, and all other past, present, and future claims asserted or that could be asserted by Defendants against the Released Plaintiff Parties in connection with, or that are in any way related to, any of the facts, acts, events, representations, omissions, and transactions alleged in the above-captioned Lawsuit (whether raised in the same or otherwise) or arising from or related to Defendants' actions as alleged in the Complaint.

c. Express Exceptions to Release's Scope

Notwithstanding any other provision contained herein, except as specifically and explicitly set forth in this Agreement, nothing in this Agreement shall be deemed to release either party's responsibilities and obligations as stated in the Lease Agreement, including as amended

by that certain Reformed and Restated Ground Lease, which is being executed contemporaneously herewith. Subject to this Agreement, all rights set forth in the Lease Agreement, including as reformed and restated aforesaid, are expressly excepted from this Mutual Release and remain in full force and effect.

7. No Admission of Liability:

It is understood and agreed that this Agreement is in full compromise of doubtful and disputed claims. Neither the Agreement, nor the consideration stated herein, shall be construed as an admission of liability, such being denied by all Parties.

8. Additional Provisions:

a. Effective Date:

The Effective Date of this Agreement shall be the date when all Parties, or their authorized representatives, have executed the Agreement so that all terms and conditions contained herein are in conformity with South Carolina law such that they are in full force and effect. Plaintiffs and Defendants hereby declare that they have read this Agreement in its entirety, that they fully understand all of the provisions, terms, covenants, and conditions set forth herein, that they freely and voluntarily accept the same for the purpose of making a full and final settlement of all of the matters hereinabove set forth, that they (or their respective attorneys) participated in the drafting of this Agreement, and accordingly, the rule of construction to the effect that any ambiguities are to be resolved against the drafting party or parties shall not be employed in the interpretation of this Settlement Agreement and Release.

b. Severability:

Each provision of this Agreement is intended to be severable. If any term or provision is held to be invalid, void, or unenforceable by a court of competent jurisdiction for any reason

whatsoever, such ruling shall not affect the validity of the remainder of this Agreement. If any provision of this Agreement is found to be unenforceable, the Parties hereby agree and stipulate that they shall thereafter cooperate and jointly undertake any and all efforts to render such provision as enforceable, thereby reincorporating the same into this Agreement.

c. Complete and Final Agreement between Plaintiffs and Defendants:

This Agreement contains all of the agreements, conditions, promises, and covenants between Plaintiffs and Defendants with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, representations, or understandings with respect to the subject matter hereof.

This Agreement may not be orally amended, modified, superseded or cancelled, it being specifically understood that any of the terms, covenants, representations, and conditions hereof may be amended only by written instrument executed by Plaintiffs and Defendants. If any provision of this Agreement is found to be unenforceable, the Parties hereby agree and stipulate that they shall thereafter cooperate and jointly undertake any and all efforts to render such provision as enforceable thereby reincorporating the same into this Agreement.

d. Contract Is Valid, Binding, and Governed by South Carolina Law:

Plaintiffs and Defendants further agree that the terms of this Agreement are contractual in nature and are not mere recitals, and that the validity, affect, and enforcement of this Agreement shall be interpreted in accordance with the laws of the State of South Carolina. This Agreement shall be binding upon and inure to the benefit and detriment of all Parties.

e. Enforcement:

Should any Party to this Agreement reasonably retain counsel for the purpose of enforcing any provision of this Agreement, including the covenants not to sue, or for pursuing damages or

injunctive relief for any claim arising out of this Agreement, the prevailing party shall be entitled to its reasonable costs and attorneys' fees, including reasonable costs and attorneys' fees incurred in enforcing any judgment or order.

f. Execution in Counterparts:

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together constitute one and the same instrument and Agreement. Signatures transmitted electronically shall for all purposes be deemed originals and shall bind the parties delivering such signatures.

g. Sufficiency of Consideration:

This Agreement is supported by the consideration expressed in the terms, conditions, and mutual promises stated herein. All Parties acknowledge and stipulate that the consideration stated herein constitutes good and valuable consideration sufficient to support the enforceability of this Agreement.

(REMAINDER OF PAGE INTENTIONALLY BLANK)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed
intending to be bound thereby.

Dated: _____

**Authorized Signatory for
Hangar, III, LLC**

Dated: _____

**Authorized Signatory for
25 EP Corp.**

Dated: _____

**Authorized Signatory for
BDS**

Dated: _____

Jerry Edwards

Dated: _____

Steve Edwards

Dated: _____

**Scott Moulder
Oconee County Administrator
As Authorized Signatory for Oconee County**

Dated: _____

**Kevin Robinson, Oconee County
Delinquent Tax Collector**

AGENDA ITEM SUMMARY
OCONEE COUNTY, SC

COUNCIL MEETING DATE: February 16, 2016
COUNCIL MEETING TIME: 6:00 PM

ITEM TITLE [Brief Statement]:

First Reading of Ordinance 2016-09 [Title Only] "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND **PROJECT THERMAL**; AND OTHER MATTERS RELATING THERETO INCLUDING WITHOUT LIMITATION, PAYMENT OF A FEE IN LIEU OF TAXES, THE PLACEMENT OF THE PROJECT IN A JOINT COUNTY INDUSTRIAL AND BUSINESS PARK; AND RELATED MATTERS"

First & Final Reading of Resolution R2016-02 "A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND **PROJECT THERMAL**; WHEREBY, UNDER CERTAIN CONDITIONS, OCONEE COUNTY WILL PROVIDE AN INFRASTRUCTURE TAX CREDIT TO PROJECT EAGLE AND PLACE THE PROJECT INTO A JOINT COUNTY INDUSTRIAL AND BUSINESS PARK"

BACKGROUND DESCRIPTION:

The Oconee Economic Alliance, on behalf of the County, has worked with this company's leadership since the Summer of 2015 to secure this capital investment and job creation opportunity for our community. This project will locate within the Oconee Industry and Technology Park.

Ordinance 2016-09 puts into place an agreed upon fee-in-lieu-of-tax agreement (FILOT) between Oconee County and Project Thermal. It also grants this project the "multi-county industrial park" status.

Resolution R2016-02 authorizes the execution of the inducement agreement defining the incentives offered by the County and the investment created by this economic development project, known as Project Thermal.

SPECIAL CONSIDERATIONS OR CONCERNS [only if applicable]:

N/A

FINANCIAL IMPACT [Brief Statement]:

Check Here if Item Previously approved in the Budget. No additional information required.

Approved by: _____ Finance

COMPLETE THIS PORTION FOR ALL GRANT REQUESTS:

Are Matching Funds Available: Yes / ~~No~~

If yes, who is matching and how much: N/A

Approved by: _____ Grants

ATTACHMENTS

STAFF RECOMMENDATION [Brief Statement]:

It is the staff's recommendation that Council to the following: [1] approve Ordinance 2016-09 on first reading in title only and, [2] approve Resolution R2016-02 on first and final reading.

Submitted or Prepared By:



Approved for Submittal to Council:

Department Head/Elected Official

T. Scott Moulder, County Administrator

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

**STATE OF SOUTH CAROLINA
OCONEE COUNTY
RESOLUTION R2016-02**

PROJECT THERMAL INDUCEMENT RESOLUTION

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its County Council (the "Council"), is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 Code of Laws of South Carolina, 1976, as amended (the "FILOT Statute"), to enter into agreements with any industry whereby the industry would pay fees-in-lieu-of taxes with respect to qualified projects; through which powers the development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate or remain in the State and thus utilize and employ the manpower, products and resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

WHEREAS, the County is recruiting an investment in the County by Project Thermal (the "Company"), in the form of a new facility for the purpose of heat treating engineered ceramic powders in the County (the "Project");

WHEREAS, the Council, in order to induce the Company to locate the Project in the County, has committed to the Company that the Council will take certain actions and provide certain incentives, including entering into fee-in-lieu of taxes ("FILOT") agreement and, upon the agreement of an adjoining county, the establishment of the site of the project as a multi-county industrial/business, which incentives provide certain benefits to the Company, if the Company locates the Project in the County;

WHEREAS, it is anticipated that the Project will represent an investment of not less than \$3.5 million in the County (without regard to whether some or all of the investment is included in a FILOT arrangement);

WHEREAS, the County has determined and found after considering all relevant factors and criteria as prescribed by law (with assistance, to the extent needed, from the South Carolina Department of Revenue and/or Board of Economic Advisors) that the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; that the Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either; that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes; that the inducement of the location or expansion of the Project within the County and State is of paramount importance; and that the benefits of the Project will be greater than the costs; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project would be a "project" as that term is defined in the FILOT Statute and that the Project would serve the purposes of the FILOT Statute.

NOW, THEREFORE, BE IT RESOLVED by the Oconee County Council that, if the Company locates the Project in the County and creates the investment and jobs indicated above:

1. The Council, upon request by the Company, hereby agrees to enter into one or more agreements under the FILOT Statute that will provide the Company with the benefits allowed pursuant to a FILOT agreement for twenty years for each component of the Project placed in service during the standard "Investment Period" (as that term is defined in the FILOT Statute), with the calculation of the fee thereunder on the basis of a fixed assessment ratio of 6%, and a fixed millage rate of the applicable millage rate at the Project site as of June 30, 2015, which the parties hereto believe to be 215 mils.
2. The Council agrees, upon the agreement of Pickens County, South Carolina, to place the site of the Project in a Multi-County Industrial Park with Pickens County.
3. The Council agrees to provide the Company with the most favorable provisions allowable under the FILOT Statute with respect to the disposal and replacement of property.
4. To the extent permitted by the FILOT Statute, the Council agrees to waive the recapitulation requirements set forth in the FILOT Statute, to the extent that and so long as the Company provides the County with copies of all filings and reports which the Company is required to make under the FILOT Statute.
5. The Council agrees to enter into and execute the appropriate agreements and other documents to implement the provisions of this Resolution and such other provisions as the Company may request consistent with this Resolution and such applicable statutes.

APPROVED AND ADOPTED IN A MEETING THIS 16th day of February, 2016.

By: _____
Paul Cain, Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth G. Hulse, Clerk to County Council
Oconee County, South Carolina



NOTES
REAL ESTATE, FACILITIES & LAND MANAGEMENT
COMMITTEE MEETING
February 9, 2016

County Owned Property

Ms. Cammick questioned Mr. Moulder regarding various county owned property and vacant land to include but not limited to the following issues:

County Facility Needs Mr. Moulder stated he was not aware of any other needs in addition to the two city requests [Seneca new library branch & Westminster new magistrate office].

Mr. Moulder also noted that he is in early talks with the School District of Otsego County [SDOC] regarding potential county uses of the old Oakway Middle School as an agriculture incubator and/or for Tri County Technical College [TCTC] to consolidate their agriculture program in the county.

Lastly, he state that the manned convenience centers need upgrading and that the Salem center will require new land to upgrade as it is currently land locked.

Old Economic Development House in Walhalla Mr. Moulder noted all issues with transfer of this property have been cleared up and ownership has been transferred to the new owner.

Old Courthouse Building Mr. Moulder stated that the developer has provided all requested information and has signed all necessary documents. Upon receipt he stated he would execute the documents so that due diligence work can begin. Additionally, he noted that the developer is working to get the building on the Historic Registry.

Vacant Land Ms. Cammick asked if any of the county owned vacant properties would be suitable for the following projects:

- **Dog Park:** Ms. Cammick asked if the 4.9 acres adjacent to SDOC property on Highway 59 would be suitable for a dog park.

Mr. Moulder reviewed with the committee the history of the property; that the SDOC had donated the property initially to the county for an OCPE Seneca branch library; that the property has a reversion clause that if the land is not used for the library it would be transferred back to the SDOC; and lastly, he could talk with SDOC administration to identify if they would be willing to allow an alternate use of the property.

- **26.99 parcel:** Ms. Cammick asked what this parcel was being used for.

Mr. Moulder noted it is currently being used as a sand storage facility to assist in weather events so that the Roads & Bridges staff doesn't have to go to Seneca for supplies.

- **Camp Road / Old Animal Shelter:** Ms. Cammick questioned if there were any plans to use this old building.

Mr. Moulder noted that at one time there were plans to put the Coroner's office in the building [subsequently the office was placed near the hospital]; that Lakeview Nursing Home had requested to use the building for storage, but there are not any current plans for the facility.

- **Animal Control Facility / Seneca:** Ms. Cammick noted hygiene issue with the way the dog pens are laid out adjacent to a grass area.

Mr. Moulder noted two proposed upgrades recommended by the Shelter Director to include [1] renovate the outside dog pen to make concrete with proper drainage, and [2] improve the animal intake area to ensure animal and citizen separation and safety.

- **Fall Creek Landing as County Park:** Ms. Cammick asked if there are plans to bring the Fall Creek Landing into the County's park system.

Mr. Moulder noted that Duke Energy is happy to donate the property to the county for a park but acceptance would require major short and long term funding identification and commitment.



NOTES

BUDGET, FINANCE & ADMINISTRATION COMMITTEE COUNCIL CHAMBERS, OCONEE ADMINISTRATIVE OFFICES, WALHALLA, SC

February 9, 2016

MEMBERS, ALL OCONEE COUNTY COUNCIL

Mr. Paul Cain, District III, Chairman

Ms. Edda Cammick, District I Mr. Joel Thrift, District IV

Mr. Wayne McCall, District II Mr. Reg Dexter, District V

Chief Magistrate Request for Part Time Bond Judges

Mr. Cain provided the Committee with a handout [copy filed with these minutes] highlighting his request for two new part time bond judges. Lengthy discussion followed regarding various aspects of this request to include but not limited to: benefits vs. costs; delegation support; requirements for appointment; etc.. Mr. Moulder noted that this request had been made in previous years but not recommended as part of any of his budgets. Additionally, he noted that he is scheduling a meeting with Senator Alexander to discuss issue.

The Committee took no action on this matter at this meeting.

Adoption of 2016 Budget Calendar

Mr. Cain asked the Committee to review the calendar provided. Discussion followed and amendments were suggested to allow all member of the Council to be present for all presentations and votes. The Committee unanimously adopted the Calendar [copy filed with these notes].

Preliminary Budget Discussions

Mr. Moulder provided the Committee with preliminary raw numbers associated with this preparation of the Fiscal Year 2016-2017 budget which will be presented to Council on Thursday, April 14, 2016.

Current Operating Budget:	\$41.8 Million
FY 16-17 Requests:	\$51.1 Million
Requests over Current Budget:	\$ 9.3 Million
New Positions Requested	\$ 1.5 Million
Capital Equipment Requested	\$ 221 Thousand
New Vehicles Requested	\$ 2.3 Million
Land/Building Improvements	\$ 835 Thousand
ESTIMATED TOTAL	\$ 5.0 Million
Anticipated Revenue for FY 16-17	Slightly Less Than \$ 42 Million

Lengthy discussion followed regarding various aspects of the requests to include:

- City of Walhalla request for a joint/shared planner position
- Other Post-Employment Benefits (OPEB) and the feasibility of continued funding
- funding for Sheriff Office salary matrix
- mill value
- Sewer South project
- Reassessment
- recession forecast for +/- 2018
- state mandated operations
- county reserves / policy.

The Committee also discussed at length funding for the **Local Government Fund** [LGF] and the impact on the county budget. Mr. Thrift noted that it is each council members responsibility to make the citizens aware that the taxes they pay that are earmarked to be returned to the county to fund state mandated agencies are not coming back as promised therefore the citizens are paying the tax twice. He encouraged citizens to contact their local delegation representatives to request that they support fully funding of the LGF for Fiscal Year 2016-2017. The Committee concurred.

Mr. Moulder requested that the Committee plan a meeting to discuss in detail prioritization and funding for needed capital projects in conjunction with discussions regarding a potential tax increase. He noted that these issues will require a fair amount of time to discuss each in depth in order to establish a plan for taxation and for capital projects.

Mr. Moulder noted that the next Budget, Finance & Administration Committee meeting will be held on Tuesday, March 22, 2016 at which time he anticipates he will be able to update the Committee regarding progress on his preparation of a Fiscal Year 2016-2017 balanced budget.



For Immediate Release

Press Contact:
Richard K. Blackwell, SCEDU
Executive Director
Oconee Economic Alliance
Office: (864) 633-4210

Oconee Economic Alliance named among “America’s Top Economic Development Corporations” by Global Trade Magazine

(SENECA, S.C.) – **February 16, 2016** – The Oconee Economic Alliance has been recognized as one of Global Trade Magazine’s “America’s Top EDCs” in their February/March 2016 issue.

Global Trade – a magazine geared toward U.S. companies involved in doing business globally – has announced its selections for its first-annual America’s Top EDCs report. This feature highlights some of the most active and accomplished economic development corporations from across the country. The Oconee Economic Alliance was one of only 18 organizations included in this prestigious list and the only economic development entity from the state of South Carolina.

“These EDCs aren’t necessarily from the biggest cities—indeed they’re not always cities, but sometimes states or independent organizations,” said Kerri Forsythe-Stephens, Global Trade writer. “But the common thread is that they’re using creative and effective means for attracting business.”

“It is quite an honor to have our economic development team named one of the best by this publication,” stated Glenn Buddin, chairman of the Oconee Economic Alliance. “Oconee County has many strong factors that play into this continued recognized success, such as: an unmatched quality of life, an excellent location on the I-85 corridor, a progressive business climate and an extremely supportive County Council. We don’t envision our economic development pursuits slowing down anytime soon.”

Global Trade highlighted the Oconee Economic Alliance securing of more than \$190 million in new capital investments in 36 months, helping Oconee County become an ACT-certified Work Ready Community and the countywide youth apprenticeship program.

Global Trade is the magazine for U.S. companies doing business globally. With 100 percent of its distribution focused in America, its coverage includes export-centric information, and how-to features ranging site selection, all modes of global logistics, trade finance and much more.

To read more and view the complete list, please visit:

<http://www.globaltrademag.com/global-trade-daily/commentary/americas-leading-edcs>

###

Oconee Economic Alliance

The Oconee Economic Alliance is a public-private nonprofit effort to accelerate job creation and capital investment, increase per capita income, diversify the local tax base and generate awareness of Oconee County, South Carolina as a business location. To learn more, please visit www.investOconeeSC.com.

**OCONEE COUNTY BOARD / COMMISSION / COMMITTEE
CANDIDATE LISTING**

	DX	AT LARGE Reappoint Request	AERONAUTICS	PUBLIC SAFETY	REGULATORY	PLANNING	DESTINATION OCONEE	EDUCATION	TOURISM & REC.	Questionnaire Received Date
Corey, James	1					X				April 2015
Corey, Glenn	1					OCCB				March 2015
Elliott, Kathy	1	Yes							X	March 2015
Evans, Kevin	1						X			November 2015
Greene, Darlene	1				X	X	X		X	October 2015
Holler, Andy	1				X	X	X		X	July 2015
Houston, Joanne	1				X	X	X		X	November 2015
Lyle, David	1	Yes					X			November 2015
Washburn, Catherine	1					X				December 2015
Lee, Andy	2	Yes				X				February 2016
Marcengil, Richard	2	Yes			X	X				January 2015
Wise, Rebecca	2						X			November 2015
Shedwick, Al	3						X			November 2015
WarArk, Shamara	3						X			August 2015
Coburn, William	4	Yes				OCCB				April 2015
Dean, Barbara	4						X			November 2015
Morrison, Chanda	4	Yes					X			November 2015
Nicholson, Brad	4						X			December 2015
Pearson, Frankie ***	4			X		X			X	January 2016
Moss, Jennifer **	5	Yes					X			December 2015
Ramey, Donald	5	Yes				X	X		X	December 2015

Questionnaires are maintained on file for one year then removed from consideration unless updated by candidate.

** Ms. Moss serves on the Oconee County Conservation Bank Board but if appointed to the Destination Oconee Committee will resign her position on the OCCB.

*** Mr. Pearson currently serves on the Capital Project Advisory Committee and wishes reappointment. If he is not reappointed to CPAC he wishes to be considered for other checked boards/commissions.

Area of Interest <i>(please check one or more)</i>	Board/Commission Applicable to Interests
Aeronautics	Aeronautics Commission
Public Safety, Health & Welfare	Anderson-Oconee Behavioral Health Services Commission
Regulatory	Building Codes Appeal Board
	Parks, Recreation & Tourism Commission
	Board of Zoning Appeals
Planning Activities	Appalachian Council of Government Board of Directors
	Board of Zoning Appeals
	Capital Projects Advisory Committee
	Conservation Bank Board (OCCB)
	Planning Commission
	Scenic Highway Committee
Destination Oconee	Destination Oconee Action Plan Committee
Education	Arts & Historical Commission
	Library Board
Tourism & Recreation	Arts & Historical Commission
	Parks, Recreation & Tourism Commission
	Scenic Highway Committee



Boards & Commissions

Boards & Commissions	State / OC Code Reference	Reps [DX-At Large]	Co-Terminus	Term Limits	4 Year Term	Meeting Date to Appoint	Edda Cammick	Wayne McCall	Paul Cain	Joel Thrift	Reg Dexter		
							2015-2018	2013-2016	2015-2018	2013-2016	2013-2016	2015-2018	2013-2016
							District I	District II	District III	District IV	District V	At Large	At Large
Aeronautics Commission	2-262	5 - 2	YES	2X	YES	Jan - March	Randy Renz [2]	David Bryant [1]	Edward Perry [2]	Dan Schmeidt [2]	Ronald Chiles [1]	A. Brightwell [1]	Michael Gray [1]
Arts & Historical Commission	2-321	5 - 2	YES	2X	YES	Jan - March	Belle Boreman [1]	Meredith LaCour [1]	Marion Noora [1]	Barbara Waters [2]	H. Richardson [2]	Shawn Johnson [1]	Jean Hobson [2]
Board of Zoning Appeals	38-8-1	5 - 2	YES	2X	YES	Jan - March	Allen Medford [2]	Sammy Lee [2]	Bill Gilsjer [1]	Marty McKee [2]	John Mendes [1]	Berry Nichols [2]	Paul Reckert [2]
Building Codes Appeal Board		5 - 0	YES	2X	YES	Jan - March	George Smith [1]	Matt Rochester [1]	Bob DuBose [2]	Mike Willimon [2]	Harry Tollison [2]		
Conservation Bank Board	2-381	Appointed by Category Preferred		2X	YES	Jan - March	Shea Airay [2]	OPEN	Jennifer Moss [1]	Marvin Prater [2]	Frank Abies [1]	Richard Cain [2]	Bill Smith [1]
Destination Ocoee Action Committee	n/a	5 - 2	n/a	n/a	n/a	n/a	David Washburn	Luther Lyle	Jennifer Barnhart	Katie Smith	Bob Hill	Robert Moore	Hal Welch
PRT Commission (members exp. for reappointment due to initial stagger)	6-4-25 2-381	Appointed by Industry		2X	YES	Jan - March	Brian Greer [2], Rosemary Bailes [2], JoAnne Blake [2]			Becky Wise [2], Rick Lacey [2], Mike Wallace [2]			D Pollock [1]
Scenic Highway Committee	26-151	0 - 2	YES	2X	YES	Jan - March						Scott Lusk [1]	Staley Powell [1]
Library Board	4-9-35 / 18-1	0 - 9	YES	2X	YES	Jan - March	Daniel Day [2], L. Martin [1], B Hetherington [1], H McPeters [1], A Champion [1], K Holleman [1]				William Caster [2], Maria Jacobson [1], Marie McMahan [1]		
Planning Commission	6-29-310 32-4	5 - 2	YES	N/A	YES	Jan - March	Brad Kisker	C. W. Richards	David Owensby	Bud Childress	Ryan Honea	Gwen McPhail	OPEN
Behavioral Health Services Commission	2-291	0 - 7	YES	2X	3 yr	N/A	Steve Jenkins [1], Harold Alley [1], Louie Holleman [1], Wanda Long [1], Priscilla Taylor [1], Joan Black [1], Jere DuBois [1] BHS contacts Council w/ recommendations when seats open						
Capital Project Advisory Committee	2-391	CC, PC, 2 @ la.	NO	3X	1 yr	January	Council Representative Wayne McCall/Paul Cain in McCall absence, Planning Commission GMcPhail [1]					Randy Abbot [1]	Frankie Pearson [1]
Ocoee Business Education Partnership	N/A	N/A	NO	N/A	NO	January	Council Representative Appointed Annually						
Ocoee Economic Alliance	N/A	N/A	NO	N/A	NO	January	Council Representative Appointed Annually						
Ten At The Top [TATT]				NO	NO	January	Council Representative Appointed Annually						
ACOG BOD				N/A	NO	January	Council Rep: CC CHAIR or designee (yearly); 2 yr terms Citizen Rep: Bob Winchester, Minority Rep: Bennie Cunningham						
Worklink Board					N/A	N/A	Worklink contacts Council w/ recommendations when seats open [Current: B. Dobbins]						

[#] - denotes term. [<2] denotes a member who has served one term and less than one-half an additional term making them eligible for one additional appointment.
 [SHADING] = reappointment requested - questionnaire on file [DENOTES INDIVIDUAL WHO DOES NOT WISH TO BE REAPPOINTED]
 Bold *ITALICS* TEXT denotes member ineligible for reappointment - having served or will complete serving max # of terms at the end of their current term.

PUBLISHER'S AFFIDAVIT

**STATE OF SOUTH CAROLINA
COUNTY OF OCONEE**

OCONEE COUNTY COUNCIL

IN RE: ORDINANCE 2015-35

BEFORE ME the undersigned, a Notary Public for the State and County above named, This day personally came before me, Hal Welch, who being first duly sworn according to law, says that he is the General Manager of **THE JOURNAL**, a newspaper published Tuesday through Saturday in Seneca, SC and distributed in **Oconee County, Pickens County** and the Pendleton area of **Anderson County** and the notice (of which the annexed is a true copy) was inserted in said papers on **01/29/2016** and the rate charged therefore is not in excess of the regular rates charged private individuals for similar insertions.



Hal Welch
General Manager

Subscribed and sworn to before me this
01/29/2016



Jennifer A. White
Notary Public
State of South Carolina
My Commission Expires July 1, 2024

JENNIFER A WHITE
NOTARY PUBLIC
State of South Carolina
My Commission Expires July 1, 2024

**Oconee County
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District III

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District V

The Oconee County Council will hold a Public Hearing for Ordinance 2015-35 "AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A REFORMED AND RESTATED GROUND LEASE AGREEMENT BETWEEN OCONEE COUNTY, AS LESSOR, AND HANGAR III, LLC, AS LESSEE, AND AUTHORIZING THE CONTEMPORANEOUS EXECUTION AND DELIVERY OF A RELEASE AND STIPULATION OR ORDER OF DISMISSAL WITH PREJUDICE, ENDING THE LITIGATION CAPTIONED *OCONEE COUNTY, KEVIN ROBINSON, OCONEE COUNTY DELINQUENT TAX COLLECTOR V. HANGAR III, LLC, 25 EP CORP., BDS, JERRY EDWARDS, AND STEVE EDWARDS, C.A. NO. 2014-CP-37-539*; AND OTHER MATTERS RELATING THERETO." on Tuesday, February 16, 2015 at 6:00 p.m. in Council Chambers, Oconee County Administrative Offices, 415. S. Pine Street, Walhalla, SC.



Beth Hulse

From: Beth Hulse
Sent: Wednesday, January 27, 2016 2:29 PM
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Subject: ad
Attachments: 021616 - PH 2015-35.docx

Please run the attached ad on Friday, 1/29. Please confirm that the attached ad will run on 1/29.

Elizabeth G. Hulse, CCC
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