

MINUTES

Beaufort County Airports Board

March 13, 2025 | 10:00 am | Meeting called to order by Chairman Chris Butler
[Video and Transcript](#)

ATTENDANCE

Present: Chris Butler, Anne Esposito, Brian Turrisi, Thomas Sheahan, Rich Sells, Leslie Adlam Flory, Jim Starnes and Nick Mesenburg

Absent: David Nelems, Howard Ackerman, and Mark Bailey

County Staff: Jon Rembold, Airports Director; Stephen Parry, Deputy Airports Director; Brian Cronin, Airports Finance Manager; and Rocio Rexrode, Airports Senior Administrative Specialist.

Beaufort County Council Liaison: Thomas Reitz

Hilton Head Island Town Council Liaison: Melinda Tunner

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

AGENDA ADOPTION

The March 13, 2025, BCAB meeting agenda was adopted with unanimous consent.

APPROVAL OF MINUTES

Rich Sells made a motion to approve the February 20, 2024, meeting minutes. Anne Esposito seconded the motion. All were in favor and the motion passed.

PUBLIC COMMENTS

Thomas Reitz: He congratulated all reappointments to the BCAB. He mentioned that he and Melinda Tunner are working together. He assured the members that with the recent changes in leadership at the County level, this Council is even more in tune with what the Airports want to do.

Melinda Tunner: She introduced herself as the newly appointed Town of Hilton Head liaison to the Beaufort County Airport Board, a role she actively sought. Representing Ward 6, which is centrally located near the airport, she emphasized her strong interest in keeping residents informed about airport developments. Having attended several meetings in the past, she looks forward to learning more and collaborating with the board moving forward.

DIRECTOR'S REPORT

- **DEPARTMENT UPDATE:**

Adopt-a-Highway: Rembold mentioned that the HXD staff completed their quarterly Adopt-a-Highway cleanup of Hunter Road.

Hilton Head Island and McCracken Middle Schools Fieldtrip: Rembold noted that students had a behind-the-scenes look at ARFF facilities. He said that with support from the Civil Air Patrol, they explored airport operations and observed ARFF demonstrations.

- **TERMINAL UPDATE:**

Rembold stated that construction is on schedule. He noted that the roof installation is nearly complete, windows are being installed, and almost all of the interior framing is almost finished, with the space starting to take shape.

- **AIRPORTS' BUSINESS UPDATE:**

State Funding Request: Rembold announced that a formal request for Phase II funding, totaling \$15 million, has been submitted to the state, matching the amount received for Phase I. He said the entire Legislative Delegation has received a copy, and informal requests have been made through Jeff Bradley. While Phase II will not have FAA funding, an application for discretionary FAA funds will still be submitted. Additionally, a separate \$2 million request for the St. James Baptist Church Project will be submitted this week.

SCAA Newsletter: Rembold mentioned that the South Carolina Aviation Association (SCAA) newsletter recently highlighted key projects and advocacy efforts. Updates on state and federal funding requests were included, along with recognition of Board members' continued engagement. He said the newsletter serves as an important platform for sharing legislative priorities and industry updates. He encouraged Board members to contribute relevant news and milestones to future editions.

March 27 DC Legislative Reception: Rembold mentioned the legislative reception in Washington, D.C., is scheduled for March 27. He said key meetings with state staffers and members of Congress will take place at the reception and that discussions will focus on federal funding uncertainties and the availability of discretionary funds. The event provides an opportunity to strengthen relationships and advocate for continued support. He encouraged Board members to participate and reinforce funding requests.

Board Reappointments: Rembold informed that all board members who were up for reappointment have been reappointed. He extended congratulations to those who have been reappointed and recognize their ongoing contributions.

Advocacy Committee: Rembold suggested that a review of the current committee structure is underway, with discussions on forming an Advocacy/Public Policy Committee. This new committee would focus on government relations, legislative engagement, and public affairs to strengthen advocacy efforts. He encouraged board members to stay informed and actively participate in these initiatives. The goal is to ensure a proactive approach to addressing policy and funding challenges.

Fill it Forward: Rembold said that the Fill It Forward initiative has been introduced in partnership with Hilton Head's Sea Turtle Patrol to support conservation efforts. He explained each time a reusable bottle is refilled, a \$1 donation will be made toward sea turtle conservation. The airport will sponsor the program by installing water-filling stations and providing marketing materials and local hotels and resorts have pledged up to \$15,000 in support, further promoting sustainability and reducing single-use plastics.

- **ARW UPDATE:**

Jon Rembold provided updates on upcoming projects at Beaufort Executive Airport (ARW). A runway closure is scheduled for approximately one week in April for drainage installation along the runway edges. Since this work falls within the runway safety area, the airport must temporarily close. Advance notice has been provided to tenants and charter operators to help them plan accordingly. The paving phase of the runway rehabilitation is expected to take place this summer, though the exact schedule is still being finalized. Additionally, the long-awaited hangar site work project is nearly ready to begin. The contract with Gulfstream Construction was approved last October, and the airport is awaiting the final county permit before moving forward. While the initial work will focus on preparing the site, full hangar construction will commence once funding for the vertical phase is secured.

1. AIRPORTS SECOND QUARTER FINANCIAL UPDATE:

Brian Cronin delivered a detailed financial [report](#) on both airports' performance.

Hilton Head Island Airport: The second-quarter financial update for HXD showed revenue growth driven by increased ramp fees, security fees, and rental income, primarily due to cost recovery adjustments with airlines. Hangar rentals also saw a rise following rate increases. Payroll expenses increased due to the timing of group insurance booking, salary adjustments, annual raises, and a compensation study. Advertising costs declined as a federal grant helped offset expenditures. Some expense variances, such as group insurance and stormwater fees, were due to timing differences in accounting. Jet fuel purchases and sales remained steady, with inventory management ensuring revenues aligned with expenses over time. He said that overall, the airport's financial position remains stable, with expectations that timing-related variances will balance out by year-end.

Beaufort Executive Airport: ARW's financial report reflected stable revenue, with minor fluctuations in fuel sales and hangar rentals. Jet fuel revenue and expenses varied due to inventory timing, but sales trends remained consistent with past quarters. Payroll expenses increased slightly due to an additional employee, annual raises and adjustments from a compensation study. Advertising costs were lower as the airport utilized a federal grant to support marketing efforts. Some expense variances, including

stormwater fees and group insurance, were attributed to accounting timing differences. He stated that overall, operational costs were well-managed, and the airport's financial health remained steady. The expectation is that any minor variances will level out by the end of the fiscal year.

UNFINISHED BUSINESS

There was no Unfinished Business.

NEW BUSINESS – ACTION ITEMS

1. **BEAUFORT EXECUTIVE AIRPORT (ARW) - RECOMMENDATION TO APPROVE A RESOLUTION AUTHORIZING A COMMERCIAL OPERATING AGREEMENT BETWEEN BEAUFORT COUNTY AND BEAUFORT FLIGHT TRAINING**

Jim Starnes made a motion to approve a recommendation to approve a resolution authorizing a commercial operating agreement between Beaufort County and Beaufort Flight Training. Rich Sells seconded the motion. All were in favor and the motion passed.

CHAIRMAN UPDATE

Discussion: The BCAB established a Legislative & Advocacy Committee to represent airport interests to various elected officials. The Board selected Rich Sells as the committee chairman.

1. **Finance Committee**

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

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

2. **Passenger Service Committee**

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

Lesli mentioned that the Airport Ambassadors program is growing, with more potential volunteers than ever before. She said recruitment efforts are ongoing, and she continues to encourage new ambassadors to join.

3. **ARW Facilities Use and Improvement Committee**

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

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

4. **HXD Airport Improvement Committee**

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

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

Additional Comments:

Brian Turrisi noted a decline in general aviation (GA) operations at HXD, dropping from 26,500 in 2021 to 20,800 in 2023, with only 3,000 recorded so far this year. While commercial traffic remains steady, GA revenue from flight schools and FBOs has declined, though charter flights have increased. He pointed out that HXD's fuel prices, \$3 per gallon higher than nearby ARW, may be driving GA pilots to alternative airports. With FAA funding influenced by total operations, he suggested reviewing pricing strategies to keep Hilton Head competitive and support long-term GA growth.

PUBLIC COMMENTS

There were no Public Comments.

ADJOURNMENT

The motion to adjourn was made at 10:58 a.m. It passed unanimously.

NEXT MEETING

April 10, 2025 | 10:00 am

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

Mid-Fiscal Year Financial Review



HILTON HEAD ISLAND
— AIRPORT —



Hilton Head Island Airport (HXD)

Unaudited Statement of Revenues and Expenses

	Six Months Ended December 31		
	2024	2023	Increase/(Decrease)
Cable TV Franchises	\$ -	\$ 16,729	\$ (16,729)
Town of Hilton Head Revenues	46,635	102,235	(55,600)
Grant Revenues	294,400	285,450	8,951
Ramp Fees	351,420	243,438	107,981
Parking/Taxi/Limo Fees	103,425	88,111	15,315
Firefighting Fees-Others	217,120	213,925	3,194
Security Fees (Airlines)	153,090	131,996	21,093
Security Revenue (Badges)	6,890	6,262	628
Miscellaneous Revenues	43,913	50,084	(6,171)
Fixed Base Operator	406,646	410,998	(4,351)
Rents	1,112,950	994,120	118,829
Flight Training Commissions	2,598	2,719	(121)
Operating Agreements	10,865	17,673	(6,807)
Rental Co Property	60,829	59,344	1,485
Hangar Rentals	119,312	107,215	12,097
Sale of Property	-	-	-
Total Revenues	2,930,092	2,730,298	199,794

Hilton Head Island Airport (HXD)

Unaudited Statement of Revenues and Expenses

	Six Months Ended December 31		
	2024	2023	Increase/(Decrease)
Payroll and Related Expenses	\$906,505	\$742,731	\$163,773
Advertising	118,845	173,726	(54,881)
Printing/Postage	-	272	(272)
Licenses/Permits	-	-	-
Stormwater Utility Fees	40,425	-	40,425
Utilities	88,231	70,741	17,490
Maintenance & Repairs	89,181	78,980	10,200
Professional Services	280,624	208,867	71,757
Non-Professional Services	142,583	138,109	4,475
Vehicle Maintenance	2,678	5,440	(2,762)
Dues & Subscriptions	6,253	1,877	4,376
Training & Conferences	4,841	6,339	(1,498)
Insurance	290	460	(170)
Miscellaneous Expenditures	3,595	-	3,595
Supplies & Materials	9,229	8,147	1,082
Uniforms	3,284	3,005	279
Fuel	9,419	7,959	1,460
Non-Capital Equipment	-	-	-
Bond Interest	26,717	29,139	(2,422)
Capital Equipment	234,565	84,909	149,656
Local Grant Match	24,938	-	24,938
Depreciation	-	-	-
Total Expenses	<u>1,992,201</u>	<u>1,560,700</u>	<u>431,501</u>

Hilton Head Island Airport (HXD)

Unaudited Statement of Revenues and Expenses

	Six Months Ended December 31		
	2024	2023	Increase/(Decrease)
Total Revenues vs. Expenses	<u>\$937,891</u>	<u>\$1,169,598</u>	<u>(\$231,707)</u>
Capital Equipment	234,565	84,909	149,656
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
	234,565	84,909	149,656
Adjusted Revenues vs. Expenses	<u>\$1,172,456</u>	<u>\$1,254,507</u>	<u>(\$82,051)</u>

Beaufort Executive Airport (ARW)

Unaudited Statement of Revenues and Expenses

	Six Months Ended December 31		
	2024	2023	Increase/(Decrease)
Fuel - AvGAS	\$ 160,773	\$ 180,094	\$ (19,320)
Fuel - Jet	198,277	203,090	(4,813)
Oil Sales	2,327	2,646	(320)
Ramp Fees	16,045	20,376	(4,331)
Parking Fees	3,939	537	3,402
Miscellaneous Revenues	9,832	6,735	3,097
Tie Down Fees	29,093	20,248	8,845
Merchandise Sales	3,855	5,062	(1,207)
Rental Car Commision	3,040	2,379	660
Flight Training Commissions	4,131	5,319	(1,189)
Operating Agreements	7,564	2,595	4,969
Rental Co Property	38,668	35,768	2,900
Hangar Rentals	66,377	70,432	(4,055)
Sale of Property	-	-	-
Transfers in	-	-	-
Total Revenues	543,920	555,281	(11,362)

Beaufort Executive Airport (ARW)

Unaudited Statement of Revenues and Expenses

	Six Months Ended December 31		
	2024	2023	Increase/(Decrease)
Payroll and Related Expenses	\$129,111	\$83,992	\$45,119
Advertising	-	557	(557)
Postage	-	172	(172)
Licenses/Permits	2,550	2,550	-
Stormwater Utility Fees	18,377	-	18,377
Utilities	12,349	10,116	2,233
Maintenance & Repairs	28,885	22,015	6,870
Professional Services	66	21	45
Non-Professional Services	17,015	17,015	-
Vehicle Maintenance	3,633	502	3,131
Dues & Subscriptions	4,515	1,752	2,763
Training & Conferences	1,586	414	1,171
Insurance	953	841	112
Miscellaneous Expenditures	6,541	-	6,541
Supplies & Materials	1,709	1,814	(105)
Uniforms	-	490	(490)
Credit Card Fees	700	-	700
Purchases Concessions	6,487	9,539	(3,052)
AvGas Purchases	109,115	125,560	(16,444)
Jet Fuel Purchases	121,227	79,777	41,450
Fuels/Lubricants	4,266	2,519	1,747
Non-Capital Equipment	424		424
Capital Equipment	31,273	-	31,273
Site Development	37,549	16,286	21,264
Depreciation	-	-	-
Total Expenses	<u>538,330</u>	<u>375,930</u>	<u>162,400</u>

Beaufort Executive Airport (ARW)

Unaudited Statement of Revenues and Expenses

	Six Months Ended December 31		
	2024	2023	Increase/(Decrease)
Total Revenues vs. Expenses	<u>\$5,590</u>	<u>\$179,352</u>	<u>(\$173,762)</u>
Capital Equipment	31,273	-	31,273
Site Development	37,549	16,286	21,264
Depreciation	-	-	-
Total Adjustment	74,412	16,286	58,126
Adjusted Revenues vs. Expenses	<u>\$80,002</u>	<u>\$195,637</u>	<u>(\$115,636)</u>

Questions or Suggestions?



HILTON HEAD ISLAND
AIRPORT



STATE OF SOUTH CAROLINA) COMMERCIAL OPERATING
) AGREEMENT
COUNTY OF BEAUFORT)

This Commercial Operating Agreement (the "Agreement") is entered into by and between the County of Beaufort, a political subdivision of the State of South Carolina, as the governing body of the Beaufort County Airport, a body politic and corporate, existing under and by virtue of the laws of the State of South Carolina ("County"), and Beaufort Flight Training (the "Operator"), having its principal office at 39 Airport Circle, Beaufort SC 29902.

WITNESSETH:

WHEREAS, County is the owner and operator of the Beaufort County Airport (the "Airport") located at 39 Airport Circle, Beaufort, South Carolina, 29907; and

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

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

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

ARTICLE I

TERM

The term of this Agreement shall commence on 1 July 2025 ("Date of Commencement") and shall end at 11:59 p.m. on June 30, 2026.

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

ARTICLE II

USES AND PRIVILEGES

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

1. Scope of Privilege. The Operator shall only have the non-exclusive right and privilege to access the Airport to provide **Flight Instruction and Aircraft Rental**. Operator understands and agrees that it shall not engage in any other business at the Airport under this

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

Operator may engage in the following specific activities and services:

(a) Flight Instruction and Aircraft Rental

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

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

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

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

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

**ARTICLE III
ADDITIONAL PRIVILEGES**

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

ARTICLE IV CHARGES AND FEES

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

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

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

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

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

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

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

ARTICLE V PERFORMANCE AND SERVICE STANDARDS

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

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

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

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

ARTICLE VI INSURANCE

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

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

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

3. The minimum limits of coverage shall be as follows:

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

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

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

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

ARTICLE VII INDEMNIFICATION

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

ARTICLE VIII EQUIPMENT, LICENSES, PERMITS AND SUPPLIES

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

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

ARTICLE IX RULES, REGULATIONS AND ORDINANCES

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

ARTICLE X DEFAULT AND TERMINATION

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

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

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

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

3. Default. Upon default as above provided:

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

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

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

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

ARTICLE XI NO PARTNERSHIP OR JOINT VENTURE

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

ARTICLE XII ASSIGNMENT AND SUBLETTING

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

ARTICLE XIII ARBITRATION

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

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

ARTICLE XIV MISCELLANEOUS

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

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

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

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

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

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

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

With a Copy to:

5. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns where permitted.

ATTEST:

Date: _____

OPERATOR:

By: _____
 Printed Name: _____
 Title: _____
 Date: _____

EXHIBIT A



Beaufort Flight Training
Monthly Activity Report
(3% Gross Revenue)

Date	Description of Services Rendered	Amount
	TOTAL GROSS REVENUE	
	3% of Gross Revenue due to Airport	

Signature: _____

Please submit this form along with the amount due to the following address by the 15th of each month:

**Beaufort Executive Airport
Attn: Administration
39 Airport Circle
Beaufort, SC 29907**