

WAYS AND MEANS COMMITTEE

5:00 p.m., Tuesday, April 16, 2019

Council Chambers

1207 Palm Boulevard, Isle of Palms, South Carolina

AGENDA

1. **Call to Order** and acknowledgement that the press and public had been duly notified of the meeting in accordance with the Freedom of Information Act.
2. **Approval of Previous Meetings' Minutes**
Regular Meeting – March 19, 2019
Budget Workshop #3 – March 30, 2019
3. **Citizens' Comments**
4. **Financial Statements – Treasurer Debbie Suggs**
 - A. Financial Reports
 - B. Projects Worksheets
5. **Old Business – None**
6. **New Business**
 - A. Recommendation for an Award of a contract to Munnerlyn Pyrotechnics in the amount of \$25,000 for July 4th fireworks display (Pg. 28, In 255 - State ATAX, General Government, Programs/Sponsorships, July 4th fireworks - \$35,000)
 - B. Recommendation for an award of a contract to Lee and Associates to act as the City's real estate consultant relative to the RFP for the marina restaurant in the amount of six (6%) of the gross lease value payable at lease execution
 - C. Approval of Change Order to Civil Site Environmental in the amount of \$13,136.54 for labor and materials to adjust the depth of a section of the pipe adjacent to the Morgan Place Drive within Wild Dunes (Pg. 42, In 101 – Public Works Special Projects, Complete Phase II Drainage - \$1,125,000 from Capital Projects and \$375,000 from Muni ATAX)
 - D. Recommendation for an award of a contract to Ravenel Ford in the amount of 32,738 for the purchase of one Ford F150 pickup truck for the Fire Department (Pg. 25, In 113 – Muni ATAX, Fire Department, Replace 2008 pickup truck - \$34,000)
 - E. Recommendation for approval of a change order from Thomas & Hutton in the amount of \$13,000 to cover their costs meeting expenses
 - F. Recommendation for an expenditure not to exceed \$8,500 for the purchase and installation of a water fountain and bottle filling station at Front Beach (Pg. 26, In. 133 & 138 - Muni ATAX, Front Beach, Maintenance/Service Contracts & Misc.)
 - G. Consideration of implementing a 3% franchise fee on the IOP Water and Sewer
 - H. Discussion of marina leases (Tidal Wave Watersports and the dock for Morgan Creek Grill patrons) as it relates to the overall vision of the IOP marina property
 - I. Report in accordance with Chapter 20, Section 1-10-3(c) of the Isle of Palms Code of Ordinances, Expenditures from \$10,001 to \$25,000 and included in the budget
 1. Software One in the amount of \$13,910.40 for email software licensing (Pg. 22, In 26 – Capital Projects Fund, General Government, Professional Services – email software for all City users)
 2. Jones & Frank in the amount of \$11,577.35 to add extensions to island and relocate exhaust vents (Pg. 45, In 175 – Isle of Palms Marina, Capital Projects, Replace 4 underground storage tanks - 1/3 from Hospitality Taxes and 2/3 from the Marina Fund)
 - J. Discussion of the FY20 Budget
7. **Miscellaneous Business – None**

Next Meeting Date: 5:00 p.m., Tuesday, May 21, 2019 in Council Chambers
8. **Executive Session – if needed**

Upon returning to open session, the Committee may take action on matters discussed in Executive Session
9. **Adjournment**

WAYS and MEANS COMMITTEE

5:00 p.m., Tuesday, March 19, 2019

The regular meeting of the Ways & Means Committee was held at 5:00 p.m., Tuesday, March 19, 2019 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the Committee were Councilmembers Bell, Buckhannon, Ferencz, Kinghorn, Moyer, Rice and Smith, Chair Ward, Mayor Carroll, Interim Administrator Fragoso, Treasurer Suggs, Attorney Copeland and Clerk Copeland; a quorum of Council was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meeting's Minutes

MOTION: Councilmember Bell moved to approve the minutes of the regular meeting of February 19, 2019 as submitted; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.

MOTION: Mayor Carroll moved to suspend the rules and to reorder the Agenda to take up Item F under New Business at this time; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY.

5. New Business

F. Discussion of a request from the resident at 2600 Palm Boulevard to construct a public boardwalk and to agree to future maintenance

Interim Administrator Fragoso stated that the resident, upon learning the cost of such an endeavor, has changed his mind and withdrawn his request.

MOTION: Mayor Carroll moved to suspend the rules of order to reorder the Agenda to address Item G under New Business at this time; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY.

G. Approval of a Change Order from Applied Technology Management (ATM) to pursue the necessary permits on behalf of the City to insure that the existing Tidal Wave dock is compliant with the regulatory requirements

The Chair invited Kirby Marshal, representative of ATM, to come forward to explain this matter to the Committee and to answer any questions they might have.

Interim Administrator Fragoso explained to the Committee that the City recently learned that the Tidal Wave dock was out of compliance with the most recent DHEC permit issued in 1995. She stated that the City has two (2) options, i.e. (1) to submit an application under the City of Isle of Palms asking for the existing structure to be permitted or (2) to make the necessary modifications to make the structure compliant with the 1995 permit as recommended by SC DHEC. She noted that the 1995 permit was issued to the prior owner of the jet ski operation. One (1) issue of noncompliance with this dock was that a portion of it and the temporary jet ski dock encroach into the one hundred twenty-five foot (125 ft.) offset established by the Army Corps of Engineers. Mr. Marshall discovered this encroachment when he was preparing the permit application for the

rehabilitation of the marina docks, and correcting it requires a different permitting process through the Corps of Engineers.

Mr. Marshall stated that currently ATM was under contract with the City to permit the IOP Marina docks for the dock rehabilitation project. When they were preparing the permit application documents, they were contacted by Tidal Wave Watersports and told that DHEC had identified several areas of non-compliance related to a 1995 permit. When Mr. Marshall reached out to DHEC/OCRM, the non-compliance issues were fueling procedures, point-of-sale procedures, etc. – they were for the most part minor operations type issues and could be corrected with modifications to the operator's Operations and Maintenance Manual. However, DHEC/OCRM noted other issues about the dock that were not reflected in the 1995 permit, for instance the configuration of the floating dock, more floating dock area than was permitted and more jet ski docks than approved. The recommendation of DHEC/OCRM to the operator was to seek a permit authorizing the structure as it stands; at that time, the decision was made that the permit should not be in the operator's name, but in the City's name as the owner.

The procedures for bringing this dock into compliance is relatively straightforward. It would require a separate permit application similar to the permit for the rehabilitation project and its own Operations and Maintenance Manual. Mr. Marshall noted that Tidal Wave has an Operations and Maintenance that needs updating relative to their operating procedures. When the Real Property Committee met last week, they recommended that the City should move forward with two (2) permits, i.e. one (1) to bring Tidal Wave and the dock structure into compliance and two (2) to allow the rest of the dock rehabilitation to occur. If in the future the City decided to turn the Tidal Wave dock into a community dock or to allow for a different use, the permit could easily be modified. A complicating factor that the Interim Administrator mentioned was the eight (8) jet ski docks on the outside of the floating dock that are completely inside the channel construction offset; based on ATM's past experiences, the Corp of Engineers has been very strict about not allowing any structures inside the offset. These docks are seasonal docks and have not yet been put into the water for the coming tourist season. Additionally, the long floating dock itself encroaches about three feet (3 ft.) into the offset area; it is delineated on the drawing by the solid line from end to end. The assumption is that this occurred in the 2012-2013 timeframe when a barge impacted the dock and repair work was done to the structure. Mr. Marshall reported that he reached out to the Corps of Engineers last week to discuss with them the encroachment of the long floating dock, and he was told that a variance could possibly authorize that structure since the encroachment was so limited. He was also told that, due to the seasonal nature of the jet-ski dock on the outside of the floating dock, a variance might be possible to authorize it as well. Therefore, that is the position ATM will take to approach the permit application to bring the structure into compliance as it stands, all of the floating jet-ski docks to be authorized as positioned and to try to get the seasonal/temporary jet-ski dock included also.

Councilmember Bell pointed out these operating violations were only discovered through a citizen's FOIA request because they were being worked as operating manual issues and not brought to the Real Property Committee or Council in detail. As a result of the FOIA request, the City received a copy of the violations cited by DHEC/OCRM and another document from the Army Corps of Engineers. He noted that he did not think there was any egregious behavior by Tidal Wave and that they were doing what they thought was right under the current permitting process. The City has been told that any permit would take ninety to one hundred twenty (90 – 120) days; therefore, no permits would likely be approved before September. The City, then, has a non-compliant dock and must tell its tenant Tidal Wave that they must operate within the limits of the 1995 permit.

MOTION: Mayor Carroll moved to approve the Change Order from ATM, and Councilmember Bell seconded.

When DHEC/OCRM found these violations, Councilmember Moye asked if they made any recommendations for resolving them.

Interim Administrator Fragoso stated that she has spoken with DHEC/OCRM since the City learned of the situation, and their goal was compliance. If the violations were such that they could be resolved through an application for a permit modification, they typically worked with the permittee, in this case the City, to bring the structure into compliance. If the violation was deemed egregious, they would typically not shut down the operation but would allow the permittee to pursue a permit modification. The problem with the floating temporary structure was that its entire area encroached into the offset area, and the City could pursue a variance that may or may not be approved. In the meantime, the advice has been not to allow that structure to be reattached to the floating dock. She stated that, if the City does not allow the floating jet-ski dock to be put back in place until the City gets an official notice from the Army Corps of Engineers, the City could face a liability. The City could require the tenant to get creative and to find another location on the structure for that jet-ski dock; DHEC/OCRM would accept that as a permit modification.

Councilmember Rice recalled that an extensive rehabilitation of the dock was done in 2013 with a keen eye to detail and on the regulating agencies; therefore, she did not understand how the floating dock was now encroaching into the offset.

Mr. Marshall reported that nothing specific in the FOIA request or the project files they received from DHEC/OCRM showed the Tidal Wave dock in its current reconfiguration; he continued that they surmise that the repairs made to the dock in 2013 were done through a Maintenance and Repair Authorization from the Corps or DHEC/OCRM. The Corps typically would not issue a document because the original authorization would have the stipulation that the permittee maintain the dock in good working order. DHEC/OCRM, on the other hand, would usually issue a letter of authorization; he has not seen it, and the permitting agent who worked on this with the City has died.

The Interim Administrator noted that the City was in possession of the 2013 permit modification when the City's plan was to fully replace and renovate that dock. After running into funding concerns, the plan was scaled back to do repairs and modifications, which would not have required a modified permit. She has been unable to locate any surveys or drawings.

Councilmember Bell asked how Tidal Wave could continue to operate while the City was pursuing the permit.

The Committee agreed to defer any decision making until after Executive Session later in the meeting, and the Mayor and Councilmember Bell withdrew the motion and second respectively.

Mr. Marshall stated that the permitting process for the dock would be like the process for the rest of the marina; it will be a joint permitting process with DHEC/OCRM and the Corps of Engineers, and it will go out for public comment for each agency. The variance request would be part and parcel of the standard permitting process.

Regarding the variance and how Tidal Wave could operate this summer, he explained that ATM was set to submit the permit package to the Corps and DHEC/OCRM to set a pre-application meeting where they would present what was there today and what they wanted to do. The

package would be presented to them in advance of the meeting so they could study it to be able to provide some preliminary feedback which could be a determining factor about the City's ability to allow Tidal Wave to operate. He expects to have the meeting in the next month or so.

3. Citizens' Comments

Matt and Cindy DeAntonio were the residents at 210 Forest Trail; he stated that they have been working toward acquiring the Flood Mitigation Grant since 2016 and were notified in December 2018 that they would receive the award. They were present to answer any questions that might arise.

4. Financial Statements – Treasurer Suggs

A. Financial Reports

Treasurer Suggs reported that collections through the end of February 2019 in the General Fund were in excess of seven million dollars (\$7,000,000) of a ten million dollar (\$10,000,000) budget; based on trends, she indicated that the City might end the year five hundred thousand dollars (\$500,000) ahead of budget. Expenditures were at fifty-seven percent (57%) of budget against a target of sixty-seven percent (67%); all departments were at or below budget except Mayor and Council due to a timing issue. She commented that the Capital Project Fund has seen significantly less activity than was anticipated by the budget; projects that been done were Drainage Phase 2, the underground storage tanks, a garbage truck, renovations to the Public Works structure, the gym floor and the Eadie's ditches clean out. Projects not done this year will be reallocated to FY20. She stated that the forecasted year-end positive net result in the General Fund will be eight hundred sixty-two thousand dollars (\$862,000) which will be rolled into the Capital Projects Fund for FY20, until Council makes its final decision on its disposition. The cash balance at the end of February was approximately eighteen million five hundred thousand dollars (\$18,500,000) with approximately seventeen million five hundred thousand (\$17,500,000) in the LGIP. Business Licenses and Building Permits revenue continued to outperform budget, and, with the forecasted revenue from Wild Dunes, revenues in these funds were projected to exceed budget by four hundred seventy thousand dollars (\$470,000). The Treasurer noted that today the Fire Department was in budget for expenditures; the situations that have generated the excess overtime – military leave, light duty and FMLA leave – have ended, so the over-budget overtime should have ended. She reminded the Committee that nine hundred forty thousand dollars (\$940,000) was in the FY19 budget for the repairs to the Public Safety Building (PSB), but only half of the amount was expected to be spent this year so the forecast would be adjusted. The projects that will carry over to FY20 are the PSB rehabilitation, Phase I drainage and the ladder truck.

Responding to the Mayor's question, Interim Administrator Fragoso said that she expects the forensic investigative work on the Public Safety Building to be complete by mid-May; therefore, Council should have a better cost estimate for the repairs to the PSB to finalize the FY20 budget.

For the pie charts representing General Fund revenue and expenditures, Treasurer Suggs remarked that the two (2) circles were equal; they represented identical amounts of money. With that information in mind, she pointed out that Property Taxes and Other Licenses collected for insurance and utilities were paid by property owners meaning that half of the City's General Fund revenues were paid by property owners.

The Tourism Revenue data was presented in a new format that did not contain the month-to-month comparisons and all of the sources were shown on one (1) page; the yearly comparison by fund are at the bottom of the page.

B. Project Worksheets

The Phase II Drainage Project was winding down and the February expenditures were for invoices from Civil Site Environmental for professional services in excess of the contract.

The key expenditure on the underground stage tank project at the marina was for pay application #5. The budget remaining for this project was eighty-three thousand six hundred seventy-one dollars (\$83,671).

5. Old Business – None

MOTION: Councilmember Bell moved to suspend the rules of order and to take up Item C under New Business; Councilmember Moye seconded and the motion PASSED UNANIMOUSLY.

C. Acceptance of the award of a Flood Mitigation Grant through SCDNR in the amount of \$239,000 to elevate 210 Forest Trail

MOTION: Chair Ward moved to accept the FEMA grant in the amount of \$239,000; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY,

When asked what he thought about this, Director Kerr opined that it was good for the community and that it was a grant where FEMA paid ninety percent (90%) if the property was categorized as a severe repetitive loss property. The goal of the grant was to make one's home no longer flood prone.

Although she thought the grant was wonderful for the DeAntonio's, Councilmember Rice thought that the application was cumbersome. She stated that her concern was being certain that the City would have no liability since all funds would flow through the City, and Director Kerr assured her that the City would not be liable in any way.

The Interim Administrator commented that she initially had the same concerns and had expressed them to Director Kerr, Attorney Copeland and the SCDNR staff handling it, and had been assured that the City was free of liability. She explained that the federal government has already allocated the funds to DNR and that the City's role as the sub-recipient would be to pay the invoices presented to it and to file for reimbursement from SCDNR.

Director Kerr commented that the City always was interested in ways to make homes on the island more resilient.

When asked how residents would know if they were on this list of repetitively damaged homes, the Director said that these property owners were mailed letters each year and, as a result of being on the list, were made aware of programs available to them.

The amount of the grant was incorrectly noted on the meeting agenda; the correct amount was \$294,244.20.

6. New Business

- A. Consideration of a Change Order from Thomas & Hutton in an amount not to exceed \$7,500 for the surveying, engineering and design for a drainage improvement on Tabby Lane** (Pg. 23, In 54 – Capital Projects, Public Works, Drainage Contingency - \$70,000)

MOTION: Councilmember Rice moved to approve the Thomas & Hutton Change Order for Tabby Lane; Councilmember Bell seconded, and the motion PASSED UNANIMOUSLY.

As a property owner on Tabby Lane, Mayor Carroll recused himself from this discussion and subsequent vote because he would benefit personally from the drainage project.

Interim Administrator Fragoso stated that the City would pay for the surveying, engineering, and design for the Tabby Lane project, but the property owners on Tabby Lane would pay for the construction. The City's portion of this project would come from the Drainage Contingency that currently has a balance of seventy-one thousand dollars (\$71,000).

- B. Consideration of an award of a contract to Eadie's in an amount not to exceed \$30,000 for emergency repairs to Marginal Road** (Pg. 23, In 54 – Capital Projects, Public Works, Drainage Contingency - \$70,000)

The Interim Administrator reported that a pipe separation has occurred underneath Marginal Road and, as a result, the road was caving in. The work will entail cutting the asphalt, replacing the pipes, installing the flap gate and sealing the joints, and Eadie's has given the City a quote for twenty-seven thousand five hundred dollar (\$27,500). The Public Works Committee recommended that the City accept Eadie's project cost so that the work could get underway as soon as possible to prevent the road from completely caving in. The unanimous recommendation from the Public Works Committee was to accept the Eadie's proposal with a not to exceed amount of thirty thousand dollars (\$30,000). She stated that staff has asked Charleston County to do the work in case the City would see savings if they did the work, but the Interim Administrator was seeking an emergency approval of the funds due to the precarious condition of the road by whichever entity could do the work most efficiently and get to work the quickest.

MOTION: Councilmember Rice moved to approve emergency repairs to Marginal Road in an amount not to exceed \$30,000; Councilmember Smith seconded.

Councilmember Rice told the Committee that Marginal Road was where the Forest Trail drainage went to the 41st Avenue ditch and "the road was literally falling in."

Councilmember Bell thought that this repair might help the stormwater drainage and flooding issues on Forest Trail, and Councilmember Rice agreed.

VOTE: The motion PASSED UNANIMOUSLY.

- D. Award of a contract to Rahman's Painting and Repairs, LLC in the amount of \$73,104.25 to pressure wash, caulk and paint IOP Fire Station #2** (Pg. 41, ln 70 – Fire Station #2 Maintenance, ½ Capital Projects \$39,463, ¼ Muni ATAX \$19,731, ¼ State ATAX \$19,731)

MOTION: Councilmember Rice moved to award a contract to Rahman's Painting and Repairs, LLC in the amount of \$73,104.25 for painting and repairs at Fire Station #2, and Mayor Carroll seconded.

The Interim Administrator reported that the funds for this work was included in the FY19 budget as part of the repairs and maintenance in the Hill Report. The RFB drew two (2) respondents, and Rahman's bid was the lower one (1), allowing the City to approve certain alternates included in the bid package.

Responding to Councilmember Rice's concern about timing, Interim Administrator answered that she brought this bid straight to the Ways and Means Committee so that the contractor could begin work as quickly as possible.

VOTE: The motion PASSED UNANIMOUSLY.

- E. Approval of a Change Order to the scope of work for Phase 3 Drainage Improvements from Thomas & Hutton in the amount of \$23,300** (Pg. 23, ln 54 – Capital Projects, Public Works, Drainage Contingency - \$400,000)

MOTION: Councilmember Kinghorn moved to approve the Change Order from Thomas & Hutton in the amount of \$23,300; Councilmember Rice seconded.

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Interim Administrator Fragoso stated that this request was coming from the Planning Commission.

Director Kerr explained that, due to the long permitting period of about eighteen (18) months, the Planning Commission was concerned that residents would become discouraged since they were not seeing any work toward resolving the island's multitude of drainage problems. They thought that it would be prudent to locate some "quick and easy" projects that could be done in FY20 while the City was waiting for the issuance of the permits. These funds would be used to expand Thomas & Hutton's current contract; Thomas & Hutton would be looking at the entire drainage basin to insure that the outfalls are correctly sized and doing a deeper analysis of the basin and locate "quick and easy" projects for FY20. These smaller projects would insure that, when the outfalls' improvements have been completed, the water will get to them more efficiently. The twenty-three thousand three hundred dollars (\$23,300) would be for conceptual analysis, and, depending on the project(s) selected, the City would see another Change Order of an equivalent amount for the design in FY20.

VOTE: The motion PASSED UNANIMOUSLY.

7. Miscellaneous Business – none

Next Meeting Date: 5:00 p.m., Tuesday, April 16, 2019 in the Conference Room

8. **Executive Session to receive update and legal advice on SC DHEC permit operations for marina operations in accordance with SC. Code Section 30-4-70(2)**

MOTION: Councilmember Bell moved to go into Executive Session at 6:00 p.m. to receive legal advice on SC DHEC permit operations for marina operations in accordance with Section 30-4-70(2); Mayor Carroll seconded and the motion **PASSED UNANIMOUSLY.**

When the Ways and Means Committee returned to regular session at 6:15 p.m., Mayor Carroll announced that the Committee had not taken any action or a vote while in Executive Session.

MOTION: Councilmember Rice moved to approve a Change Order from ATM in the amount of \$6,500 to pursue the necessary permit on behalf of the City to insure that the Tidal Wave comes into compliance with regulatory requirements; Councilmember Buckhannon seconded and the motion **PASSED UNANIMOUSLY.**

9. **Adjournment**

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 6:20 p.m.; Councilmember Moyer seconded and the motion **PASSED UNANIMOUSLY.**

Respectfully submitted:

Marie Copeland
City Clerk

**Special Ways and Means Committee Meeting
Budget Meeting #3**

5:30 pm., Thursday, March 28, 2019

The Special Meeting of the Ways and Means Committee was held at 5:330 p.m., Thursday, March 28, 2019 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmembers Bell, Buckhannon, Ferencz, Kinghorn, Moye, Rice and Smith, Chair Ward, Mayor Carroll, Interim Administrator Fragoso, Treasurer Suggs, Clerk Copeland and Human Resources Officer DeGroot and Clerk Copeland; a quorum of the Committee was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the press and public were duly notified of the meeting in accordance with the Freedom of Information Act.

2. Purpose

Discussion of the FY20 Budget

Chair Ward stated that staff has worked hard to put the presentation together for today's meeting and noted that it was valuable information about where the City was going financially and how it was going to get there.

Interim Administrator Fragoso started the presentation with the goals for the workshop; they were:

- a review of the FY20 budget with the recently approved revenues included;
- a review of the priority of expenditures as identified by Council;
- a discussion of the existing and forecasted fund balances with how they will be impacted;
- a confirmation that the FY20 budget as presented represents Council's priorities and policy directives as well as the budget assumptions included; and
- direction(s) given to staff for changes/additions to Draft #2 of the FY20 budget.

An updated budget calendar was provided that anticipates Second Reading of the budget ordinance on Tuesday, April 23rd.

In reviewing the FY20 budget priorities, the first priority was financing, protecting and maintaining facilities and assets and improving the drainage infrastructure which consumes a large percentage of budget expenditures. On the subject of revenues, staff and Council need to secure stable sources to increase revenues and to project and maintain conservative but healthy fund balances. Relative to expenditures, staff and Council need to control growth in personnel expenses while remaining competitive, to decrease operational expenses and to reduce the use of tourism funds to cover personnel expenses. Instead, tourism funds need to be used to leverage toward tourism impacted projects and services.

As presented, the revenues in FY20 are expected to increase by approximately five million one hundred thousand dollars (\$5,100,000); the increase is achieved through the following:

- an increase in property taxes by 1% due to an increase in assessed value;
- permits and licenses fees revenue represent 37% of General Fund and 18% of total City revenue; in FY20, the City anticipates \$250,000 in one-time revenues from the Wild Dunes resort's construction of a new hotel;

- accommodations and hospitality tax revenues assume that the Charleston area and the island remain popular vacation destinations in order to continue the forecasted 3% growth; and
- increased short-term rental license tax, Comcast franchise fees, building permits and municipal parking rates totaling \$870,000.

The Interim Administrator noted that the GO bond to fund Phase III Drainage is the key driver of the increase in revenues. Staff continues to evaluate other revenue opportunities such as a utility franchise fee on Water and Sewer Commission billings, drainage impact fees and new or increased construction fees based on the size of the projects or the amount of lot coverage.

Impactful to expenditures in FY20 will be the following:

- decreased operational expenses of \$103,522;
- decreased personnel expenses of \$60,688 due to the turnover of high level positions;
- reduced the growth rate of incremental personnel expenses associated with wage increases;
- extended the vehicle rotation schedule for 6 to 7 years;
- deferred equipment purchases where possible; and
- decided to refurbish 95 ft. ladder truck rather than replace it.

For Capital and Special Projects, this budget includes four million dollars (\$4,000,000), split evenly between the Fire and Police Departments, for repairs to the Public Safety Building (PSB); by mid-May, Council should have the report from Trident Construction on their educated estimates of those repairs so that the numbers for the FY20 budget can be finalized. The four million dollar (\$4,000,000) estimate is based on the \$1,200,000 from the court settlement, \$2,000,000 in tourism funds and \$800,000 from Capital Projects. Dune walkover maintenance and mobi-mat total of \$115,000 will be funded with Beach Preservation Fees. The total for Building Maintenance for all City-owned buildings will be \$241,000 from the Capital Projects Fund.

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Two (2) projects fall under Drainage Infrastructure; they are Phase III Drainage that deals with the outfalls and the smaller projects in the basins that lead to the outfalls. The outfall improvements totaling \$3,900,000 are to be funded by a GO bond with the debt service to be paid from the General Fund; the costs of the improvements to the basins are projected to cost \$500,000 and will be paid from the Capital Projects Fund.

Planned equipment expenditures for FY20 are the 75-foot ladder truck replacement at \$849,500 paid from a municipal lease with debt service to be paid from tourism funds; the refurbishment of the 95-foot ladder truck is expected to cost \$600,000 and will be funded evenly from tourism funds and the Capital Projects Fund. The five (5) Police SUVs, deferred from FY19, have increased in price by \$5,000 each for a total purchase cost of \$190,000 and will be paid from a combination of tourism funds and Capital Projects. The Capital Projects Fund will also be the source of funding for the Fire Department and Public Works pickup trucks.

When the discussion moved to the City's highest expenditure, wages and fringes, Interim Administrator Fragoso reiterated that personnel costs have accounted for 71% of the General Fund expenditures and 35% of overall City expenditures in FY19. An initiative for FY20 will be to shift to a more conservative performance-based program and away from rewarding high performing employees; the merit pool will be 2.5% for FY20 with wage adjustments targeted at employees who are at or below the mid-point of the pay scale for their position based on a favorable annual evaluation. The coming fiscal budget reflects maintaining current approved

staffing levels acknowledging that three (3) positions will become vacant soon through attrition; these vacancies will afford staff the opportunity to evaluate a possible reduction in headcount. In an effort to remain competitive in FY20, the HR officer and Interim Administrator will produce a robust professional development program as a second initiative, as well as continue the tuition reimbursement program with the changes made to the program over the winter.

The schedule entitled "Summary Personnel Costs and FTEs" is a look at personnel trends since FY14 and forecasting into FY24. Treasurer Suggs stated that the assumptions made in forecasting personnel costs begin with a 2.5% annual merit pool applied proportionally to employees below the mid-point in their salary range, an annual 1% increase in retirement contributions as mandated by the S.C. Retirement System in every year until FY23, and a health insurance increase of 8% per year. The schedule assumes full staffing at 92 employees and no turnover; the Treasurer commented that, when turnover occurs, salaries for that position will go down because the new hire would not be paid the same amount as the employee who left. The area of the schedule shaded in green illustrates the salary and fringes for the average full-time equivalent employee; that number increases from \$83,183 in FY19 to \$96,326 in FY24.

Drainage projects also take a sizable portion of the FY20 budget; the expenditures include the following:

- the ongoing stormwater maintenance contract with Eadie's at \$184,538;
- smaller projects within the basins impacted by the outfall improvements at \$500,000 from Capital Projects;
- the drainage contingency of \$70,000; and
- the final design and construction of Phase III Drainage – \$1,700,000 to be funded through a GO bond with the debt service of approximately \$287,000 to be paid from the General Fund.

Interim Administrator Fragoso noted that two (2) approved uses of proceeds from local accommodations and hospitality taxes were (1) highways, roads, streets and bridges providing access to tourist destinations and (2) water and sewer infrastructure to service tourist-related demands. She also stated that a bill in the state legislature would expand the list of exclusive uses to include drainage improvements, but the payment of debt service was less clear. Based on this information and guidance from the Municipal Association, she and the Treasurer would propose for the second version of the FY20 budget that tourism funds (local accommodations and hospitality) be used for the drainage projects in the basins and the Eadie's contract for ongoing stormwater maintenance. In addition to the GO bond for Phase III drainage, staff will be aggressively pursuing grants, i.e. Rural Infrastructure Authority, Community Development, Block grants, DHEC, Rural Development grants, etc. for which the City would be eligible.

For the marina, the FY20 budget included \$147,000 for the engineering and permitting of Area A (the fuel dock) in Phase I of the dock rehabilitation project; the forecast would suggest that the design and construction would be paid equally by the Marina Fund and State ATAX. Additionally, the forecast assumes no changes in the rent from Tidal Wave Watersports or the marina restaurant although the leases expire in September and October 2020 respectively; the forecast can be adjusted as the future of the leases is evaluated. Of note is that the forecast does not contemplate any capital improvements to the restaurant; the building assessment will be presented to the Real Property Committee next week and will dictate any adjustments to the budget.

The FY20 budget includes several new initiatives, such as starting the strategic planning process, hiring a grant writer, acquiring a new performance evaluation tool, acquiring short-term rental license management software, providing Wi-Fi at the Recreation Center, getting new time-keeping software, and establishing an online financial transparency center.

In the FY20 budget, the transfers-in from tourism funds to the General Fund to support personnel in the Police, Fire and Public Works Departments has been reduced by 32% eliminating the concern that the General Fund was relying too heavily on tourism to meet personnel expenses. Growth in the tourism funds has remained slow but steady at 3% per year over the past 10 years, and, with the reduction in transfers-in from the tourism funds, the balances will build significantly. A consequence of the reduction in transfers-in will be to limit the City's ability to transfer General Fund money to the Capital Projects fund.

Looking at cash flows and fund balances over time, Treasurer Suggs stated that any gain in the General Fund has been transferred out, typically to the Capital Projects Fund with a smaller portion going to the Disaster Recovery Fund; the fund balance remains static at approximately \$3,000,000. The tourism funds trend upward slowly but steadily year over year; expenditures reach their peak in FY20 based on the \$2,000,000 transfer-in to the Capital Projects Fund for the remediation of the Public Safety Building. The tourism funds balances begin to rebuild after FY20 to reach a high of \$6,500,000 in FY24. For the Capital Projects Fund, the balance peaks in FY20 -21 as the funds come in for the Public Safety Building and Drainage Phase III; the fund balance then declines until it reaches \$1,000,000 in FY22 which the Treasurer described as "critically low". To avoid the dramatically low fund balance, Treasurer Suggs said that tourism funds could be used for some of the Capital Fund expenses in FY20, such as the ongoing stormwater maintenance contract with Eadie's and the \$500,000 budgeted for the drainage projects in the basins. She commented that the General Fund typically has a positive net result that is transferred to the Capital Projects Fund, but such a gain/surplus is not budgeted, but that could prevent the Capital Projects fund from reaching such a dramatic low. Another option open to Council would be to take no action now and wait to see how FY20 ends and how FY21 ends.

When Councilmember Ferencz asked why the City did not budget for capital expenditures, the Treasurer responded that the FY20 budget and the forecast did just that. Councilmember Ferencz then asked why capital expenditures were not part of the General Fund expenses; she remarked that she was trying to figure out why the City put something in only to take it out when all along the City knows where the money is going and what it is going for. Treasurer Suggs replied that the City could increase the amount of the budgeted and forecasted transfers out in the General Fund, but they would need to make up that amount in some other way in the General Fund. Councilmember Ferencz was reminded that the only source of funds for the Capital Projects Fund was the General Fund, and this transfer amount was "the plug" amount that balances the budget.

To open the question and comment portion of the meeting, Councilmember Rice stated that she did not favor the idea of only employees below the mid-range of the pay scale with a good evaluation to be eligible for the full amount of an increase in the merit pool. She thought that every employee who receives a favorable evaluation should be eligible for the full value of the merit pool. She asked that staff fully research the uses of tourism funds for the Eadie's contract; she also asked the funds be made available to enhance the entrance to the municipal parking lot and to provide signage with direction arrows to drivers about the proper traffic flow in the lot.

Chair Ward stated that committees would have the opportunity to discuss matters that are brought forward in this workshop.

Councilmember Smith agreed with the need for improvements to the parking lot and added that the City need a better way of picking up the trash in the lot. She would also like to see funding for raised access paths for the paths that are low-lying and never seem to dry out; she did not want it to be postponed indefinitely.

Interim Administrator Fragoso commented that discussions have already occurred about using the City's Greenbelt Funds for such an initiative.

Councilmember Smith wanted assurances that the improvements to the multi-use path on Waterway will be done with or without County assistance. She asked to be informed when the mid-range increase formula was defined to insure that it was fair. Based on conversations with Front Beach business owners and discussions at the last Council meeting, she suggested that funds be identified for a strong advertising campaign about proper trash disposal at the beach. She questioned the need for Wi-Fi on the grounds and inside the Rec Center; she thought the Rec Center should be a place for people "to unplug".

Councilmember Buckhannon stated that the Wi-Fi was taken to the Rec Committee as the result of requests by citizens. He expressed his support for an anti-litter campaign and especially liked Councilmember Kinghorn's "Pack it in/Pack it out" slogan; he would like to see the business community give their support to it by placing signs in their windows and, possibly, near the registers.

Chair Ward encouraged the Committee members to study the budget between now and their next Committee meeting to keep the process on track for approval of the budget by June 30. He asked that they get to know the budget for the areas over which they have purview and to be specific about any additions, deletions or changes at the Committee meetings. He told the group that if they had questions or concerns about something in the budget but they were not on the committee that has oversight, they should contact the committee chair to ask that it be discussed.

The Interim Administrator noted that she would prepare a list of the action items from this meeting to distribute to the appropriate committee chairs.

Councilmember Kinghorn said that he would make his comments based on their priority to him, and he stated that he had not seen anything included in the budget referencing the island-wide sewer project that he thought could be funded through a franchise fee on the Water and Sewer billing and tourism funds. His second priority was the marina; he stated that, if the City was going to continue to own it and to have its name on it, the City should provide the funds, likely tourism, for it to be made attractive and not an eye-sore. The third priority was linking the island's bike and pedestrian paths; he estimates that the inter-connecting paths would total maybe two (2) miles.

Councilmember Ferencz was doubtful that \$30,000 was a sufficient amount of money for the grant writer.

According to the Interim Administrator, the grant writer would be focused on funding for drainage.

Councilmember Ferencz asked for an investigation into which beach paths could be made handicap accessible even if it were only to provide visual access.

Mayor Carroll opined that the roof of the Public Safety Building should be replaced and that patching it would be "a huge mistake."

With the proposed reduction in transfers-in from the tourism funds, Councilmember Smith asked how the tourism funds would be used.

Interim Administrator Fragoso replied that several initiatives mentioned in this meeting would qualify for tourism funds, and, once she gets feedback from the Committees next week, they will be incorporated into the budget and the source of funds identified.

Councilmember Rice explained her concern over tourism funds and the Eadie's contract stemmed from that fact that it was a long-term contract.

The Interim Administrator assured the Councilmember that she would confirm this decision with the City Attorney before Version 2 of the budget was published.

Mayor Carroll thanked Treasurer Suggs and Interim Administrator Fragoso for the "incredible job" they have done in putting the materials together for this meeting.

3. Adjournment

MOTION: Councilmember Buckhannon moved to adjourn the meeting at 6:50 p.m.; Councilmember Bell seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk

City of Isle of Palms
Financial Statement Summary as of March 31, 2019
(Dollars in Thousands)

	REVENUES						TRANSFERS IN / (OUT)						EXPENDITURES						YTD Actual Net Revenues & Transfers Less Expenses	6/30/19 Forecasted Revenues & Transfers Less Expenses
	YTD Actual	Annual Budget	Remaining to Collect	YTD Actual as a % of Budget	Current Annual Forecast	Forecast Above or (Below) Budget	YTD Actual	Annual Budget	Remaining to Transfer	YTD Actual as a % of Budget	Current Annual Forecast	Forecast Above or (Below) Budget	YTD Actual	Annual Budget	Remaining to Spend	YTD Actual as a % of Budget	Current Annual Forecast	Forecast Above or (Below) Budget		
General	\$ 7,642	\$ 10,205	\$ 2,563	75%	\$10,718	\$ 513	\$ -	\$ 1,139	\$ (1,139)	0%	\$ 179	\$ (960)	\$ 7,865	\$ 11,344	\$ 3,479	69%	\$10,898	\$ (446)	\$ (223)	\$ -
Capital Projects	971	1,403	432	69%	970	(433)	-	218	(218)	0%	1,107	889	1,341	4,168	2,827	32%	2,517	(1,651)	(370)	(440)
Muni Accom Tax	997	1,529	532	65%	1,589	60	-	(662)	662	0%	(662)	-	664	1,635	971	41%	1,305	(330)	333	(378)
Hospitality Tax	470	778	308	60%	804	26	-	(531)	531	0%	(480)	51	299	520	221	58%	394	(126)	171	(70)
State Accom Tax	1,122	1,769	647	63%	1,839	70	(229)	(589)	360	39%	(589)	-	719	1,783	1,064	40%	1,528	(255)	174	(278)
Beach Funds	608	1,020	412	60%	1,067	47	-	-	-	-	-	-	72	465	393	15%	131	(334)	536	936
Marina	259	497	238	52%	435	(62)	229	436	(207)	53%	436	-	218	768	550	28%	520	(248)	270	351
Disaster Recovery	38	25	(13)	152%	40	15	-	-	-	-	-	-	26	5	(21)	520%	15	10	12	25
All Other	163	174	11	94%	170	(4)	-	(11)	11	0%	(11)	-	187	165	(22)	113%	160	(5)	(23)	(1)
Total All Funds	\$12,270	\$ 17,400	\$ 5,130	71%	\$17,632	\$ 232	\$ -	\$ -	\$ -	91%	\$ (20)	\$ (20)	\$11,391	\$ 20,853	\$ 9,462	55%	\$17,468	\$ (3,385)	\$ 880	\$ 145

General Fund YTD Revenues							
	FY19 YTD Actual	FY19 Budget	% of FY19 Budget	FY18 YTD	% of Prior YTD	Current Annual Forecast	Forecast Above/ (Below) Budget
Prop Tax	\$ 4,267	\$ 4,355	98%	\$ 4,163	102%	\$ 4,355	-
LO Sales Tax	447	750	60%	428	104%	780	30
Business Lic	976	1,215	80%	709	138%	1,538	323
Rental Lic	517	476	109%	471	110%	510	34
Other Lic (Insurance/Utilities)	94	1,511	6%	94	100%	1,515	4
Build Pmts	280	301	93%	230	122%	448	147
From State	119	261	46%	117	102%	264	3
Parking	434	778	56%	354	123%	785	7
All Other	508	558	91%	453	112%	523	(35)
Total	\$ 7,642	\$ 10,205	75%	\$ 7,019	109%	\$10,718	\$ 513

General Fund YTD Expenditures								(YTD target = 75%)	
	FY19 YTD Actual	FY19 Budget	% of FY19 Budget	FY18 YTD	% of Prior YTD	Current Annual Forecast	Forecast (Above)/ Below Budget		
Mayor/Council	\$ 101	\$ 133	76%	\$ 96	105%	\$ 133	\$ -		
General Govt	1,310	1,799	73%	1264	104%	1,676	123		
Police	1,800	2,771	65%	1919	94%	2,653	118		
Fire	2,467	3,346	74%	2331	106%	3,326	20		
Public Works	960	1,421	68%	963	100%	1,337	84		
Build & Lic	284	420	68%	290	98%	411	9		
Recreation	713	1,057	67%	699	102%	1,018	39		
Judicial	153	260	59%	168	91%	220	40		
BSOs	77	137	56%	41	188%	124	13		
Total	\$ 7,865	\$ 11,344	69%	\$ 7,771	101%	\$10,898	\$ 446		

FY19 General Fund Expense Budget is 4% higher than FY18 Budget

City of Isle of Palms Supplemental Financial Information as of March 31, 2019 (*Dollars in Thousands*)

Cash Balances		
	3/31/2019	3/31/2018
General Fund	3,941	3,519
<i>As a % of GF Exp</i>	35%	32%
Capital Projects	3,848	3,112
Disaster Recovery	2,405	2,041
Beach Maint	-	-
Marina	544	600
Tourism Funds	5,306	4,711
Beach Restoration	-	862
Beach Preservation	2,075	2,666
Other Restricted	238	310
Total All Cash	<u>18,356</u>	<u>17,821</u>
Deposits at LGIP (2.4684%)	17,003	93%
Deposits at BBT	1,354	7%

Fund Balances				
Fund	6/30/2018 Audited Fund Balance (Note 1)	FY19 YTD Actual Net Revenues & Transfers Less Expenses	3/31/2019 Actual Fund Balance	6/30/19 Forecasted Fund Balance
General Fund	\$ 3,205	\$ (223)	2,982	\$ 3,204
Capital Projects	4,929	(370)	4,559	4,489
Muni Accom Tax	1,717	333	2,050	1,339
Hospitality Tax	1,080	171	1,251	1,010
State Accom Tax	1,800	174	1,974	1,522
Beach Funds	1,539	536	2,075	2,475
Marina	526	270	796	877
Disaster Recovery	2,382	12	2,394	2,407
All Other	263	(23)	240	262
Total All Funds	<u>\$ 17,441</u>	<u>\$ 880</u>	<u>\$ 18,321</u>	<u>\$ 17,585</u>

Note 1: The comparable amount for the Marina Enterprise Fund is not Fund Balance, but Net Position. To be consistent with the presentation of the other funds, the amount included here for the Marina is the Unrestricted Net Position, which does not include \$5,574,000 of fixed assets.

March Notes:

* Business license & building pmt revenues continue to outperform budget and are ahead of YTD March 2018 by \$267,000 (38%) and \$50,000 (22%), respectively . Revenues related to large Wild Dunes construction project begin in Feb. Forecast these revenues to exceed the FY19 budget by approx. \$470k at 6/30/19.

* Total Gen Fund Expenses forecasted to be under budget by approx \$426k due to vacant positions and lower than budgeted legal/prof and tuition reimb costs. Fire Dept overtime has stabilized and this Dept is on track to end the year on budget.

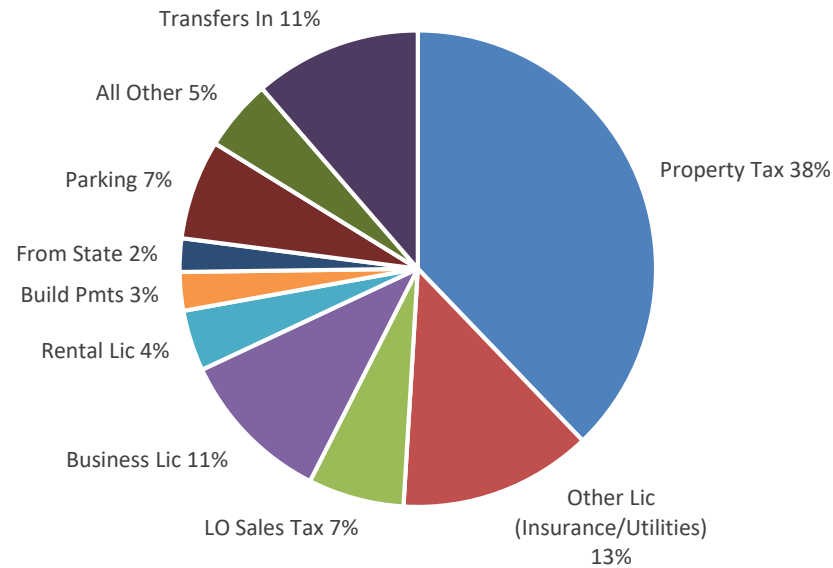
* Current forecast for FY19: The General Fund will end the year approximately \$959,000 to the good as compared to budget. This assumes all transfers in happen as budgeted. The forecast included in the FY20 Budget document assumes all this gain is rolled into the Capital Projects Fund at year end.

* March parking revenues were approximately \$77,000 including proceeds from on-street kiosks, lot kiosks, annual parking pass sales and the hotel parking agreement.

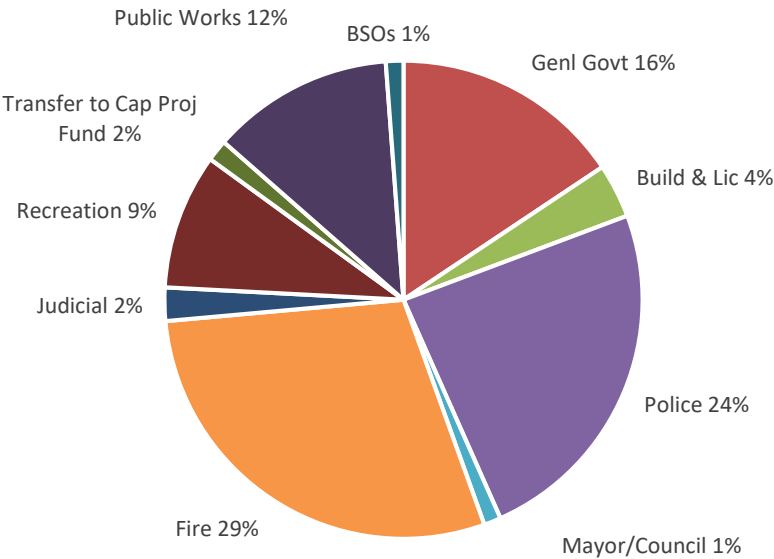
* The City received CTC & TST grants totaling \$393,000 in March related to the Drainage Phase II Project.

City of Isle of Palms General Fund

FY19 General Fund Budget - Revenue & Transfers In
Total = \$11,511,145



FY19 General Fund Budget - Expenditures & Transfers Out
Total = \$11,511,145



Estimate Isle of Palms Residents' Cost of Service:

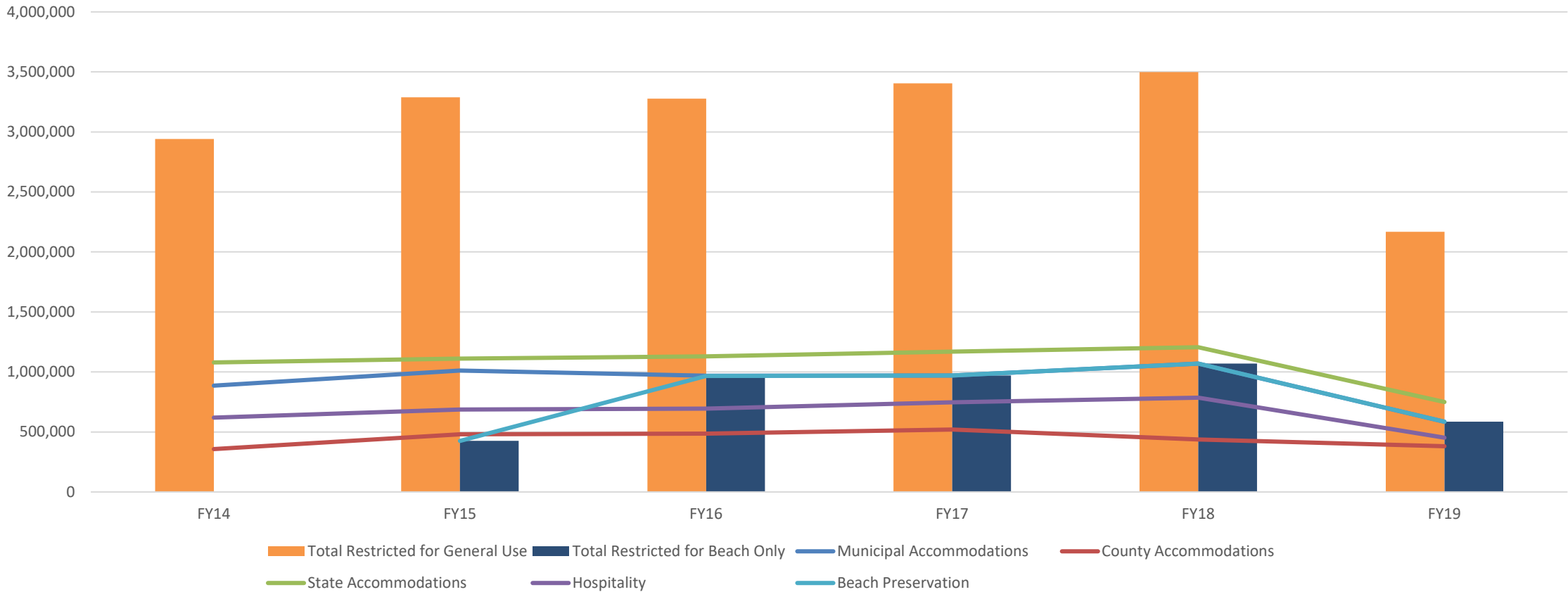
Assumes 4% Primary Residence Assessment Ratio
Cost relates to Property Taxes Only, Not Other Fees

Isle of Palms Millage Rates:	
Operating Millage	0.0213
Debt Service Millage	0.0034
Total IOP Millage	0.0247
Local Opt SalesTax Credit	(0.0002)

Mayor & Council	132,859	1%
General Government	1,799,804	16%
Police	2,770,421	24%
Fire	3,345,679	29%
Public Works	1,421,483	12%
Building & Planning	420,286	4%
Recreation	1,057,036	9%
Judicial	259,605	2%
Beach Service Officers	136,626	1%

		Appraised Value		
FY19 General Fund Expense Budget	% of Gen Fund Expense	\$500,000	\$750,000	\$1,000,000
		Resident Property Tax by Department:		
132,859	1%	\$ 4.61	\$ 6.92	\$ 9.23
1,799,804	16%	62.51	93.77	125.02
2,770,421	24%	96.22	144.34	192.45
3,345,679	29%	116.20	174.31	232.41
1,421,483	12%	47.40	71.10	94.80
420,286	4%	14.60	21.90	29.20
1,057,036	9%	36.71	55.07	73.43
259,605	2%	9.02	13.53	18.03
136,626	1%	4.75	7.12	9.49
11,343,799	100%	\$ 392.03	\$ 588.05	\$ 784.06

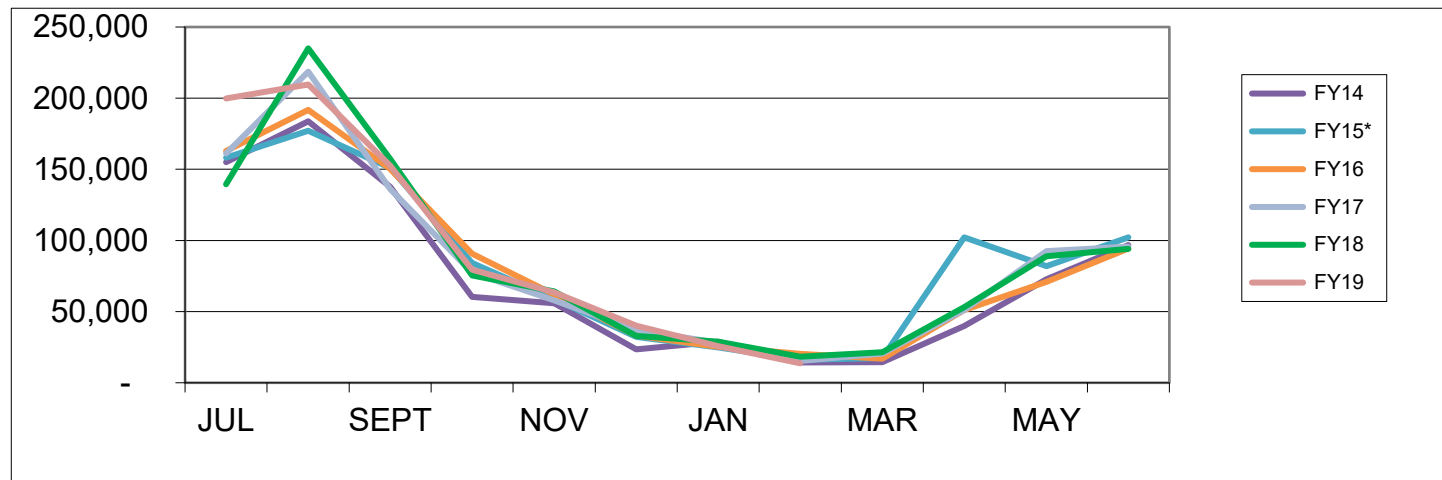
City of Isle of Palms Tourism Revenues



	FY14	FY15	FY16	FY17	FY18	FY19
Municipal Accommodations	886,286	1,010,881	967,728	969,974	1,069,429	584,798
County Accommodations	357,191	479,813	485,093	520,000	437,000	381,000
State Accommodations	1,078,259	1,111,010	1,129,474	1,168,660	1,205,838	749,337
Hospitality	619,399	686,537	694,206	746,402	785,452	452,109
Beach Preservation		425,226	966,152	969,974	1,069,429	584,798
Total Restricted for General Use	2,941,136	3,288,241	3,276,501	3,405,036	3,497,719	2,167,243
Total Restricted for Beach Only	-	425,226	966,152	969,974	1,069,429	584,798
Grand Total	2,941,136	3,713,467	4,242,653	4,375,010	4,567,149	2,752,041

City of Isle of Palms Municipal Accommodations Fee Collections

	FY14	FY15*	FY16	FY17	FY18	FY19
JUL	154,960	158,217	162,862	161,068	139,501	199,724
AUG	183,738	177,087	191,759	218,620	235,007	209,600
SEPT	137,686	151,064	150,212	136,141	157,274	152,535
OCT	60,449	84,113	90,691	77,500	75,353	79,534
NOV	55,789	58,716	61,918	57,777	64,256	63,444
DEC	23,420	32,277	33,233	36,937	32,877	40,182
JAN	28,793	24,860	25,309	28,217	28,859	25,836
FEB	14,273	16,123	20,313	15,332	18,317	13,666
MAR	14,492	17,406	16,918	20,485	21,562	
APR	39,874	102,242	51,082	51,166	53,213	
MAY	72,805	81,994	70,954	92,529	88,875	
JUNE	96,749	102,138	94,270	95,768	94,112	
Deduct last July	(154,960)	(158,217)	(162,862)	(161,068)	(139,501)	(199,724)
Add next July	158,217	162,862	161,068	139,501	199,724	
Total Fiscal Year	886,286	1,010,881	967,728	969,974	1,069,429	584,798
	Incr from FY13 9%	Incr from FY14 14%	Incr from FY15 -4%	Incr from FY16 0%	Incr from FY16 10%	Incr from FY18 4%



* April 2015 includes \$52,496 one-time revenue related to settlement from online travel companies.

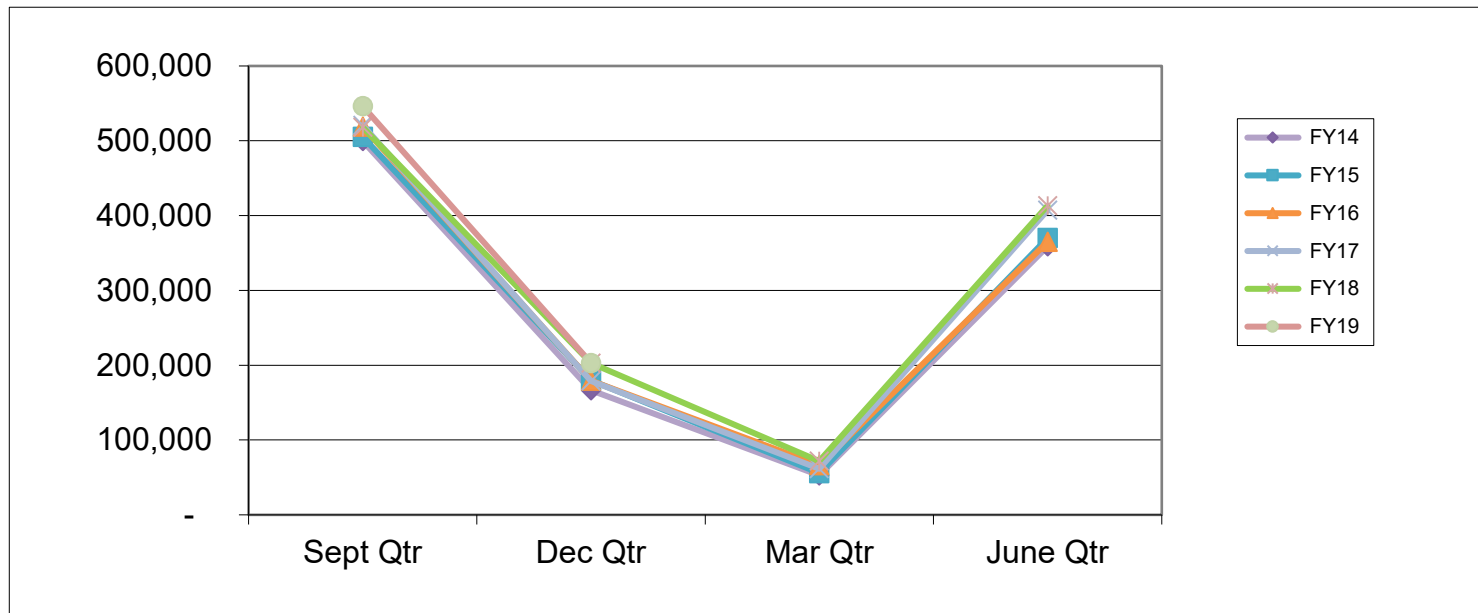
City of Isle of Palms State Accommodations Tax Collections

Tourism-Related Portion Only

	FY14	FY15	FY16	FY17	FY18	FY19
Sept Qtr	499,676	505,199	518,796	520,784	518,028	546,269
Dec Qtr	166,673	179,923	179,446	178,830	202,803	203,067
Mar Qtr	52,817	55,913	66,294	61,586	71,773	
June Qtr	359,094	369,976	364,938	407,460	413,234	
Total Fiscal Yr	1,078,259	1,111,010	1,129,474	1,168,660	1,205,838	749,337

Check to G/L

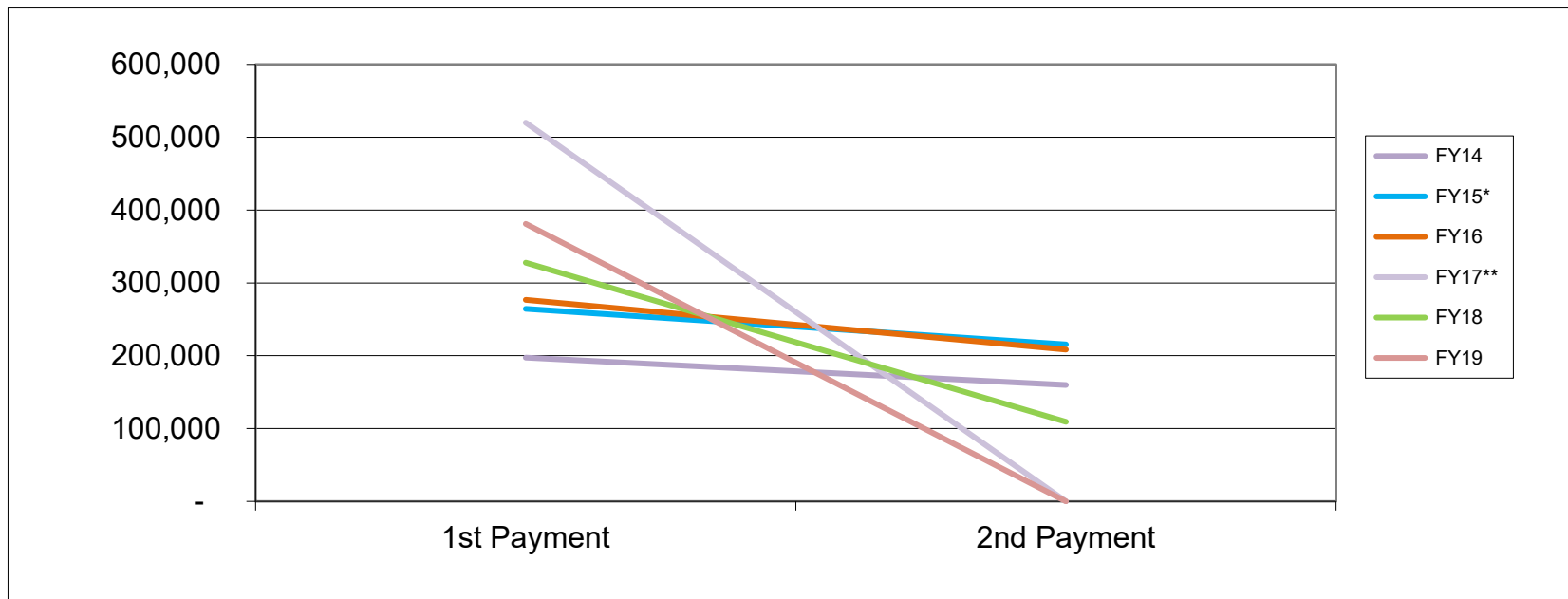
13.6%	3.0%	1.7%	3.5%	3.2%	4.0%
Incr from FY13	Incr from FY14	Incr from FY15	Incr from FY16	Incr from FY17	Incr from FY18



City of Isle of Palms Revenue From Charleston County Accommodations Tax Pass-Through

	FY14	FY15*	FY16	FY17**	FY18	FY19
1st Payment	197,400	264,335	276,704	520,000	327,750	381,000
2nd Payment	159,791	215,479	208,390	-	109,250	-
Total Fiscal Yr	357,191	479,813	485,093	520,000	437,000	381,000

9% Incr from FY13	34% Incr from FY14	1% Incr from FY15	7% Incr from FY16	-16% Incr from FY17	16% Incr from FY18
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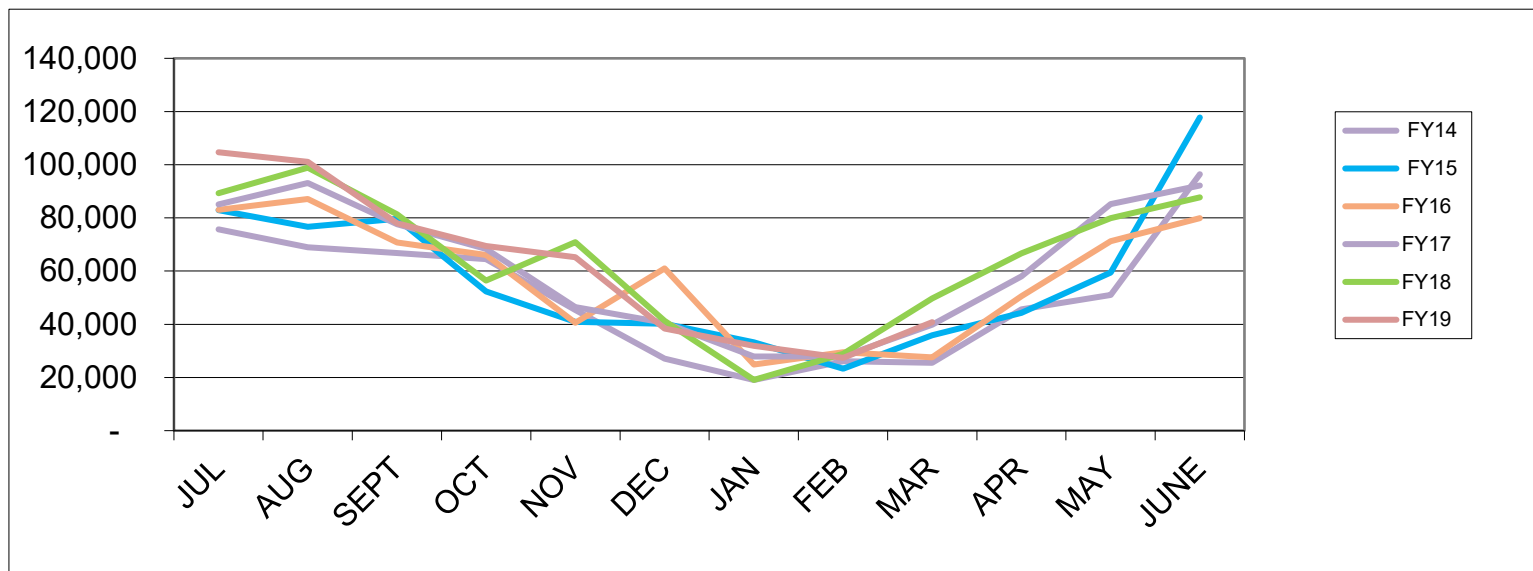


* Beginning in FY15, Charleston County increased it's pass-through % from 20% to 25% of County Atax collected on the Isle of Palms.

** Only one payment received for all of FY17. County personnel indicate there will be a smaller 2nd payment in FY18.

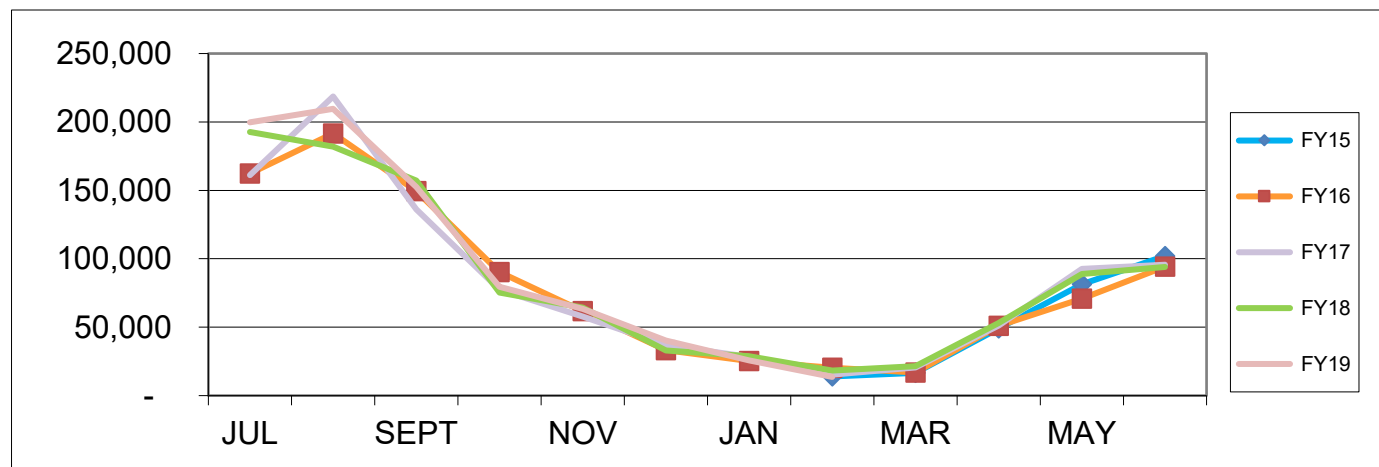
City of Isle of Palms Hospitality Tax Collections

	FY14		FY15		FY16		FY17		FY18		FY19	
	Taxes Paid	# of Payers	Taxes Paid	# of Payers	Taxes Paid	# of Payers	Taxes Paid	# of Payers	Taxes Paid	# of Payers	Taxes Paid	# of Payers
JUL	75,718	28	82,898	28	83,038	31	85,051	29	89,309	27	104,681	30
AUG	68,958	25	76,606	29	87,110	29	93,123	27	98,883	27	101,031	34
SEPT	66,779	26	79,619	32	70,725	32	77,619	29	81,373	34	78,014	29
OCT	64,513	25	52,308	33	66,113	34	68,348	27	56,439	31	69,394	29
NOV	45,325	25	40,949	26	40,576	12	46,488	24	70,905	34	65,210	28
DEC	27,092	25	40,157	22	61,052	30	40,557	26	41,260	25	38,440	29
JAN	19,057	26	33,166	31	24,864	26	27,883	26	19,085	23	31,905	28
FEB	26,164	21	23,297	25	29,443	21	27,947	22	28,826	24	27,373	28
MAR	25,564	21	35,894	26	27,586		39,785	26	49,744	26	40,741	28
APR	45,637	24	44,335	26	50,531	25	57,961	28	66,633	28		
MAY	50,987	28	59,407	28	71,297	32	85,246	29	79,870	27		
JUNE	96,425	29	117,761	33	79,858	30	92,137	29	87,753	28		
Deduct last July	(75,718)		(82,898)		(83,038)		(85,051)		(89,309)		(104,681)	
Add next July	82,898		83,038		85,051		89,309		104,681		-	
Total Fiscal Year	619,399		686,537		694,206		746,402		785,452		452,109	
	Incr fr FY13	12%	Incr fr FY14	11%	Incr fr FY15	1%	Incr fr FY16	8%	Incr fr FY17	5%	Incr fr FY18	4%



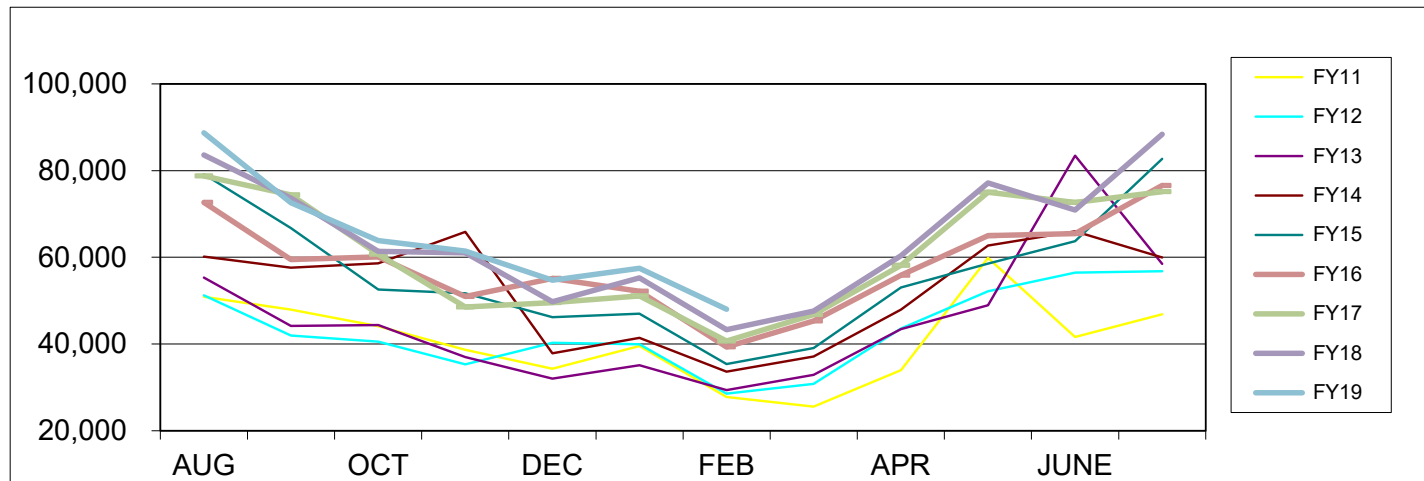
City of Isle of Palms Beach Preservation Fee

	FY15	FY16	FY17	FY18	FY19
JUL		162,228	161,068	192,666	199,724
AUG		191,610	218,620	181,842	209,600
SEPT		149,350	136,141	157,274	152,535
OCT		90,398	77,500	75,353	79,534
NOV		61,647	57,777	64,256	63,444
DEC		33,233	36,937	32,877	40,182
JAN		25,309	28,217	28,859	25,836
FEB	13,997	20,313	15,332	18,317	13,666
MAR	16,526	16,918	20,485	21,562	
APR	49,060	51,082	51,166	53,213	
MAY	81,384	70,954	92,529	88,875	
JUNE	102,031	94,270	95,768	94,112	
Deduct last July	-	(162,228)	(161,068)	(139,501)	(199,724)
Add next July	162,228	161,068	139,501	199,724	
Total Fiscal Year	425,226	966,152	969,974	1,069,429	584,798
			Incr from FY16 0%	Incr from FY17 10%	Incr from FY18 4%



City of Isle of Palms Local Option Sales Tax Collections

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
AUG	50,901	51,225	55,308	60,148	79,157	72,684	78,763	83,614	88,713
SEPT	47,910	41,968	44,160	57,629	66,742	59,485	74,435	73,671	72,557
OCT	44,096	40,583	44,387	58,596	52,592	60,091	60,675	61,352	63,829
NOV	38,647	35,340	37,002	65,846	51,671	50,987	48,526	61,040	61,435
DEC	34,280	40,294	32,013	37,848	46,175	55,100	49,536	49,732	54,748
JAN	39,535	39,952	35,124	41,441	47,026	52,199	51,084	55,282	57,483
FEB	27,808	28,563	29,382	33,630	35,387	39,321	40,694	43,314	48,026
MAR	25,569	30,796	32,904	37,132	39,091	45,304	46,832	47,589	
APR	33,966	43,572	43,437	47,960	53,077	55,848	58,126	60,349	
MAY	59,859	52,169	48,957	62,684	58,550	65,020	75,033	77,153	
JUNE	41,631	56,454	83,452	65,995	63,722	65,457	72,661	70,879	
JULY	46,891	56,799	58,510	59,932	82,715	76,581	75,171	88,382	
Total Fiscal Year	491,091	517,717	544,635	628,841	675,906	698,077	731,537	772,357	446,791
	Decr from FY10	Incr from FY11	Incr from FY12	Incr from FY13	Incr from FY14	Incr from FY15	Incr from FY16	Incr from FY17	Incr from FY18
	-3%	5%	5.2%	15.5%	7.5%	3.3%	4.8%	5.6%	4.4%



City of Isle of Palms, South Carolina
Request for Proposals (RFP) 2019.01
Commercial Real Estate Consultant Services

In compliance with the City's Procurement Ordinance, the City of Isle of Palms, South Carolina is seeking proposals from qualified consulting firms to provide real estate consulting services to the City.

I. Background

The City of Isle of Palms is a popular tourist destination and residential community of 4,363 residents that is located just outside the City of Charleston, South Carolina. The Isle of Palms Marina is a popular City-Owned Marina that is located directly on the Atlantic Intracoastal Waterway (AIWW) at Morgan Creek, just outside Charleston, South Carolina. Immediately adjacent to the renowned Wild Dunes Resort, the marina provides a variety of amenities for residents and visitors. The Isle of Palms Marina was purchased by the City of Isle of Palms in 1999 and includes a restaurant, boating and water sports activities.

The City currently has four (4) leases at the marina: Marina Joint Ventures, Inc. who manages the operation of the docks; Marina Outpost, LLC who manages the marina store; Tidal Wave Watersports who offers a variety of water sports and Morgan Creek Grill who leases and operates the marina restaurant.

The existing restaurant lease expires in October 2020. In accordance with the City's Procurement Code, the City will follow the request for proposals method for the lease of municipal property. The City is seeking a consultant who specializes in commercial real estate to develop a favorable lease strategy for the City, manage the request for proposals process, and advise in contract negotiations.

II. Scope of Services

The successful individual or firm will provide the following services to the City:

1. Meet with appropriate City staff to discuss overall goals and strategy.
2. Review feasibility and evaluate all available options to develop an efficient strategy for the marina restaurant lease procurement process.
3. Compare and evaluate alternatives that address potential operational and fiscal impacts.
4. Prepare the Request for Proposals documents.
5. Prepare financial analysis, including net present value calculations, to compare prospective tenant proposals.
6. Arrange site visits with prospective tenants, screen and evaluate proposals.
7. Recommend lease terms and conditions and assist the City in contract negotiations.
8. Handle all other customary activities and services associated with real estate transactions.

III. Qualifications

Respondents should have the following qualifications:

1. Licensed and in good standing with the State of South Carolina.
2. Excellent reputation in the real estate community.
3. Knowledgeable of the Charleston real estate market, expertise with commercial real estate and lease agreements.
4. Knowledgeable in conducting research of public real estate records.
5. Five years' minimum real estate experience to include execution of commercial lease agreement
6. Knowledge of residential zoning requirements, wetlands determination and site regulations, etc.
7. Excellent verbal and written communication skills.
8. Knowledge and understanding of legal and jurisdictional requirements.

IV. Evaluation Criteria

The purpose of information requested in this section is to assist the City in evaluating the proposer's overall qualifications for this project. Proposers should provide the information requested below in a brief yet complete narrative form that can be supplemented with other material. The evaluations will be based on the qualifications of the lead consultant, which is defined to mean the point person designated by the individual or firm to work directly with the City. The City will award a contract to the Consultant(s) offering the most advantageous proposal, taking into consideration all evaluation criteria, as well as billing rates. Finalists may be required to appear for an interview.

1. **Experience and Qualification of Personnel** - Provide a brief summary of the qualifications of the personnel to be involved in the engagement. The Consultant should have been involved in real estate development and/or real estate advising at for at least ten (10) years, with substantial experience work for municipalities, or similar public agencies.
2. **Experience of the Firm** - Provide a brief history of the participation of the firm in similar projects. The proposer may show examples of successful real estate projects and/or programs over a period of ten years or more, with a focus on urban markets.
3. **Experience in Charleston** - Present a detailed description of the lead consultant and firm's experience and understanding of real estate and market conditions in Cambridge, Boston, and the surrounding metropolitan area.
4. **Quality of References** - Provide recommendations from three references, including at least one governmental entity, which can comment substantively on their experiences with the firm/personnel.
5. **Quality of Previous Work** - Provide information about two previous projects that are similar to the work proposed in this scope.

V. Submission Requirements

Proposals should provide information in sufficient detail and should be organized so that the City can conduct an informed and fair selection process. To be complete, the proposal must include the following information:

1. Legal name and contact information
2. Understanding of project requirements and approach, based on evaluation criteria
3. Information on all team members (background, certification, experience in similar projects)
4. Qualifications and project experience
5. Price proposal with billing rates of proposed team members (see below)
6. At least three references
7. Evidence, type, and amount of professional liability insurance covering negligent errors, omissions, and acts of any person or business entity for whose performance consultant is legally liable arising out of performance of such contracts. Certification regarding required insurance will be required at the execution of the contract.
8. Completion of the attached non-collusion and tax statements

VI. Price Proposal

Firms or individuals must provide a lump sum to perform the scope of services to the City in a separate envelope clearly marked "Price Proposals",. The proposal should also include the hourly fee schedule for all personnel. The fee should be on an hourly basis for each labor category and include all expenses.

On a separate page, please include hourly rates for any components intended to be subcontracted and names of sub-contractors, and any other relevant information. Include the name of the proposer on each such page to be submitted.

VII. Proposal Process

Proposals should be submitted to the following:

Desirée Fragoso
Interim City Administrator
City of Isle of Palms
1207 Palm Boulevard
Post Office Box 508
Isle of Palms, South Carolina 29451

Deadline for Submission: The deadline for submission is **10:00 a.m. Eastern Time on Friday, March 8, 2019**. Proposals must be received at 1207 Palm Boulevard, Isle of Palms, South Carolina 29451 in a sealed envelope. Sealed envelopes must be clearly marked "**RFP 2019 - 01 Commercial Real Estate Consultant Services**" and include one (1) hard copy and one electronic copy in PDF format. It will be the responsibility of the bidders to verify and confirm receipt by the City.

The City reserves the right to reject, in whole or in part, any proposal submitted which the City believes would not be in its best interest. The City also reserves the right to waive minor deficiencies or reject all proposals.

It will be the responsibility of the proposers to verify receipt by the City. Proposals may be delivered by hand or by mail, but no proposal shall be considered which is not actually received by the City at the place, date and time appointed by the City and the City shall not be responsible for any failure, misdirection, delay or error resulting from the selection by any proposer of any means of delivery. All proposals submitted shall include a current e-mail address.

Respondents acknowledge and agree that the City will not be liable for any costs, expenses, losses, damages (including damages for loss of anticipated profit) or liabilities incurred by the respondent or any member of the respondent's organization as a result of, or arising out of, submitting a bid, negotiating changes to such bid, or due to the City's acceptance or non-acceptance of the bid or the rejection of any and all proposals. Respondents are responsible for submission of accurate, adequate and clear descriptions of the information requests. Neither issuance of the RFP, preparation and submission of a response, nor the subsequent receipt and evaluation of any response by the City of Isle of Palms will commit the City to award a contract to any respondent even if all the requirements in the RFP have been met.

Firms considering submission under this RFP must be able to meet all terms and will be expected to have read and be prepared to enter into the attached contract, which is a part of this RFP.

By signing its bid, Respondent certifies that it will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agrees to provide to the City upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable both to Bidder and its subcontractors or sub-subcontractors; or (b) that Bidder and its subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." Bidder agrees to include in any contracts with its subcontractor's language requiring its subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractor's language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14.

If the Respondent is a corporation, state your correct corporate name and State of incorporation. If the Respondent is a partnership, state names and addresses of partners. If the Respondent is a trust or other legal entity, state correct names and addresses of trustees or names and address of those legally authorized to bid and enter into contracts.



*Hand Delivered **March 7th, 2019***

LEASING PROPOSAL & MARKET EVALUATION

PREPARED FOR:
The City of Isle of Palms, SC



JON CHALFIE

Broker

(843) 345-6000

JChalfie@Lee-Associates.com

HAILEY CLIFTON

Associate

(843) 300-5209

HClifton@Lee-Associates.com



**LEE &
ASSOCIATES**

960 Morrison Drive, Suite 400 | Charleston, SC 29403 | 843.747.1200 | lee-charleston.com



LEASING PROPOSAL & MARKET EVALUATION

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QUALITY OF REFERENCES ²¹

QUALITY OF PREVIOUS WORK ²²

PRICE PROPOSAL ²³

BACKGROUND



ASSIGNMENT

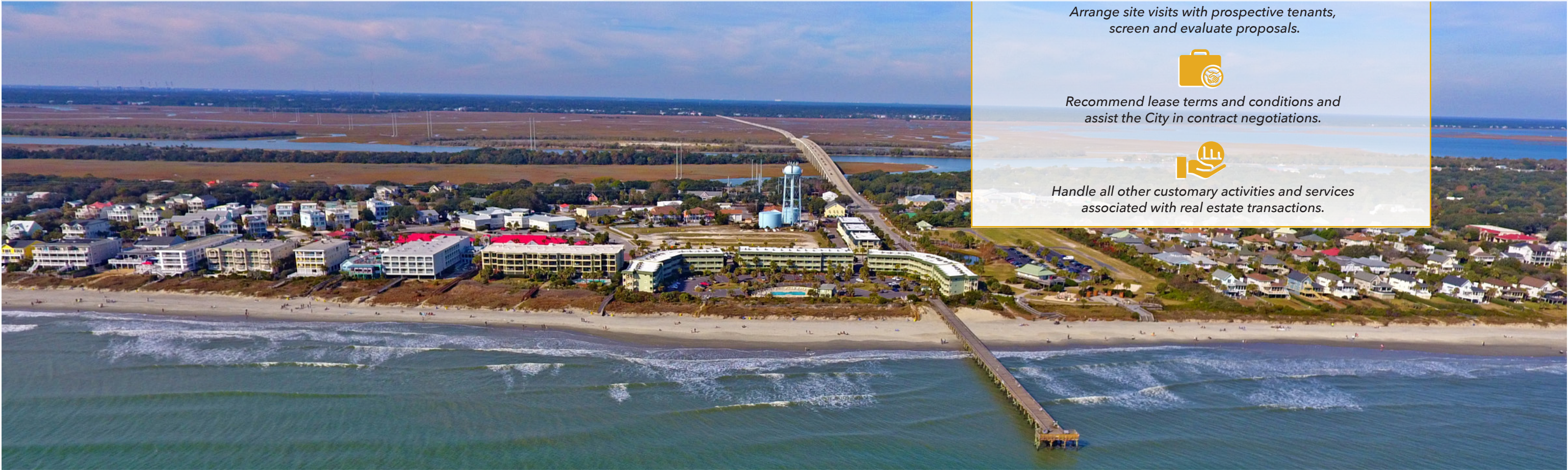
Operating under an Exclusive Agreement to Lease Real Property, Lee & Associates will develop a tailored plan to position your property within the market and achieve your desired result in the shortest amount of time possible. Lee & Associates specializes in commercial real estate and will develop a favorable lease strategy for the City, manage the request for proposals process, and advise in contract negotiations.

OBJECTIVE

Lee & Associates plans to accomplish the Assignment above by:

Conducting a comprehensive evaluation of the property to determine how best to position it in the market. Defining the most lucrative and realistic strategy to lease your property. Establishing a mutually agreeable marketing plan to promote the listing. Identifying and pursuing target prospects through all avenues possible. Providing detailed due diligence management once a tenant is identified to ensure a smooth closing.

Lee & Associates' has a passion for connecting people with the right properties. Our emphasis on putting people first has resulted in strong relationships with commercial brokers and developers throughout our market, the state, and beyond.



SCOPE OF SERVICES



Jon Chalfie & Hailey Clifton will meet with the appropriate City staff to discuss the overall goals and strategy.



They will review feasibility and evaluate all available options to develop an efficient strategy for the marina restaurant lease procurement process.



Compare and evaluate alternatives that address potential operational and fiscal impacts.



Prepare the Request for Proposals documents.



Prepare financial analysis, including net present value calculations, to compare prospective tenant proposals.



Arrange site visits with prospective tenants, screen and evaluate proposals.



Recommend lease terms and conditions and assist the City in contract negotiations.



Handle all other customary activities and services associated with real estate transactions.

PERSONNEL EXPERIENCE



O 843.793.6975
C 843.345.6000

JChalfie@Lee-Associates.com
lee-charleston.com

960 Morrison Drive, Suite 400
Charleston, SC 29403
License ID: 5840

JON CHALFIE

Broker

PROFILE

Jon joined the Lee & Associates team in 2012. Jon is a familiar face in the Charleston commercial real estate market. An economics graduate of the University of Wisconsin, Jon Chalfie has more than 18 years' experience in commercial real estate. Jon specializes in office and retail space as well as investment properties throughout the Charleston area. He represents businesses who are looking for advice on site selection, negotiation and lease evaluation as well as Landlords who are looking to get their property premium visibility and ultimately the highest return on their investment.

A former property manager, he offers a wide variety of experience in commercial and multi-family projects. These experiences allow him to recognize issues that are important to both owners and tenants. He has completed over 250 transactions allowing him to more easily recognize deal points that are helpful to get results.

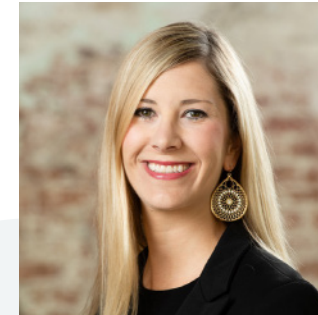
Jon is very active within the Charleston community. Through his Rotary involvement Jon became a Paul Harris Fellow and earned Presidential Citations from the Rotary Club of Daniel Island in both 2010 and 2011. He has served twice on American Heart Association committees and participated as both a lead advisor and total resource campaign member for the Charleston Metro Chamber of Commerce for several years. He also volunteers his time coaching youth sports for the Mt. Pleasant Recreation Department and Charleston County School District. In his spare time he enjoys live music, golf, and is a passionate supporter of the US men's national soccer team.

Jon is committed to getting his clients the best value in every transaction and offering them honest advice to make sound long term real estate decisions.

PROFESSIONAL AFFILIATIONS

- REALTORS® of Distinction, 2012 - 2015
- Town of Mount Pleasant Board of Zoning Appeals, Former Member
- Mt. Pleasant Chamber of Commerce, President 2013—2014
- Charleston Trident Association of REALTORS® (CTAR), Member
- South Carolina Association of REALTORS® (SCAR), Member
- National Association of REALTORS® (NAR), Member
- Commercial Investment Division (CID) of CTAR, Member since 2001
- CoStar Power Broker, 2011

PERSONNEL EXPERIENCE



O 843.277.4324
C 843.300.5209

HClifton@Lee-Associates.com
lee-charleston.com

960 Morrison Drive, Suite 400
Charleston, SC 29403
License ID: 93134

HAILEY CLIFTON

Associate

PROFILE

Hailey is a Commercial Associate whose focus is representing businesses who are looking for advice on site selection, negotiation and lease evaluation as well as Landlords who are looking to get their property premium visibility and ultimately the highest return on their investment. She began working at Lee and Associates in 2014, immersing herself in Charleston's commercial real estate scene as Office Manager and Brokerage Services and Marketing Coordinator. Her Lee experience "behind the scenes" illustrates the many ways that marketing plays a crucial role in commercial real estate. She knows the processes, she knows the market, and she has an acute understanding of advertising and promotional tools – print, web and social media. This is experience that Hailey puts to use daily for her Lee clients.

Hailey earned her Bachelor's in Business Administration from the UNC Wilmington. She brings to Lee & Associates Charleston valuable business, organizational and communication skills. Hailey previously served as Public Relations/Marketing Coordinator for Charleston's hugely successful Maverick Southern Kitchens family of restaurants. She was also Manager of Membership Services for the 800-member Myrtle Beach Area Hospitality Association.

Outside of the office, Hailey enjoys spending time with her family and friends, which usually includes one of the many outdoor activities that Charleston has to offer.

• LEE & ASSOCIATES BROKERAGE SERVICES •

What Does Lee & Associates Charleston Provide to Their Clients?

OWNER SERVICES

Whether identifying acquisition opportunities, implementing effective leasing programs, or managing properties more efficiently, we are always seeking opportunities to maximize the value of your assets.

- Project Leasing
- Acquisition & Disposition Services
- Management Services
- Repositioning & Redevelopment Services
- Valuation & Appraisal Services

DEVELOPER SERVICES

Knowing what to build is just as important as knowing where to build it. Our team works with you from conceptualization to completion to ensure the project vision meets your objectives, as well as the market's requirements.

- Project Leasing
- Land Assembly & Acquisition
- Site Selection & Entitlement
- Disposition & Investment Sales
- Valuation Services & Appraisal

TENANT REPRESENTATION SERVICES

Today's real estate decisions require complex information; Lee offers tenants and buyers competitive assessments, market analysis, creative market search, and deal negotiation. Whether you are expanding, relocating, contracting, or optimizing your existing locations, our team is here to help.

- Office Services
- Site Selection
- Financial Analysis
- Lease Administration
- Incentive Analysis
- Highest & Best Use Studies

Lee & Associates is a full-service commercial real estate firm headquartered in Charleston, South Carolina that specializes in:

• BROKERAGE • PROPERTY MANAGEMENT • DEVELOPMENT •



Lee & Associates **Charleston's** Portfolio



TRANSACTION VOLUME
\$315,556,684



SQUARE FEET SOLD
1,071,704



SQUARE FEET LEASED
1,795,336



LEASE TRANSACTIONS
283



SALES TRANSACTIONS
54



ACRES OF LAND SOLD
31

Lee & Associates **Retail** Portfolio



TRANSACTION VOLUME
\$54,341,072



SQUARE FEET SOLD
48,160



SQUARE FEET LEASED
191,114



LEASE TRANSACTIONS
69



SALES TRANSACTIONS
10

*The above statistics are from January 1, 2018 to February 28, 2019
10

DESIGNATIONS & MEMBERSHIPS

Agents in our office are affiliated with various industry-related associates including:

The Society of Industrial and Office Realtors (SIOR), Certified Commercial Investment Members (CCIM), National Association of Realtors (NAR), Urban Land Institute (ULI), International Council of Shopping Centers (ICSC), NAIOP, and US Green Building Council (USGBC).



5 SIOR Members | **6** CCIM Members | **1** RPA Member | **3** CPM Members | **1** FMA Member | **6** CREW Members

ACHIEVEMENTS

Lee & Associates Charleston enjoys an excellent reputation in all areas of the Charleston area commercial real estate and business community. Our reputation is an intangible asset that is extremely beneficial to our clients.

OTHER ACCOMPLISHMENTS INCLUDE (but not limited to):

- Costar Power Broker "Top Leasing Firms"
- Costar Power Broker "Top Sales Firms"
- Charleston's Choice Award
- Agents in our office are Realtors of Distinction Award recipients
- Agents in our office are Commercial Circle of Excellence members

*Lee & Associates Charleston has more **SIOR & CCIM** members than any other firm in the Charleston area!*

THE LEADERBOARD

#1

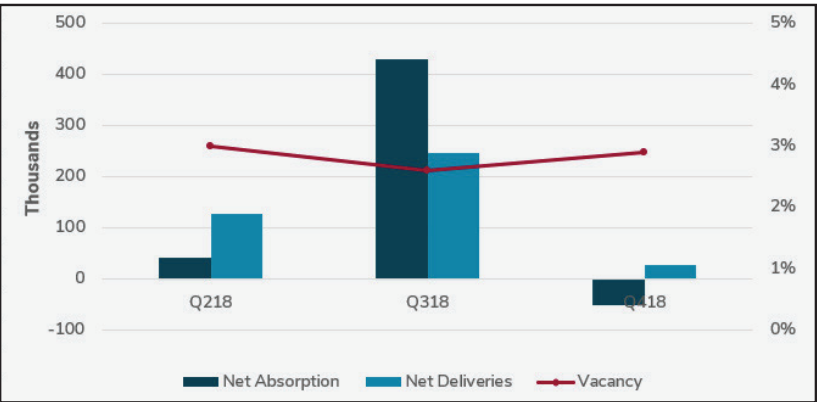
COMPANY NAME	# DEALS (LAST 365)	DEALS SF (LAST 365)	LANDLORD REP PROPERTIES	LANDLORD REP RBA	\$ SALES TRANSACTIONS (3YR)	\$ SALES TRANSACTIONS (3YR)
LEE & ASSOCIATES	328	2,721,406	161	9,535,942	147	260,662,699
Avison Young	126	774,838	278	6,167,211	95	148,512,356
CBRE	70	655,960	187	8,896,835	89	576,309,422
Coldwell Banker Commercial	35	100,479	178	1,359,218	66	116,073,468
Beach Company	33	159,580	41	1,231,831	42	70,690,416
Ziff Properties, Inc.	32	120,611	41	1,595,500	3	11,125,000
NAI Charleston	31	112,382	80	1,273,499	59	170,871,665
RE/MAX Pro Realty	31	92,379	172	950,979	62	46,669,000
Belk Lucy	27	35,109	126	1,917,908	16	19,811,272
WRS, Inc.	26	50,848	100	2,667,078	14	13,350,100
Cushman & Wakefield	25	209,690	22	1,529,951	29	63,311,580
JLL	23	828,128	82	10,176,900	20	157,152,786
Bridge Commercial	21	505,032	46	5,940,347	27	155,680,709
Adams Property Group	19	25,607	18	345,286	9	31,748,855
Palmetto Commercial Properties	18	59,060	73	1,341,879	40	54,807,000

*Numbers Taken From CoStar as of January 31, 2019



FOURTH QUARTER SUMMARY

The combination of job and population growth along with an already strong tourism industry continue to bolster the retail sector here in the Holy City. Companies such as Boeing, Benefitfocus and PeopleMatter continue to bring in not only more jobs, but higher paying one that have helped increase the retail consumption. Retail development in 2018 saw a 37.5% increase over its 10-year average to end 2018 at 550,000 SF delivered that included a new Costco and Lowes in Mount Pleasant. Vacancy rates remained virtually unchanged at 2.7%. Well below national vacancy rates is partially due to fast absorption on new developments and larger move-ins by companies like Whole Foods, Gander Outdoors, and Big Lots.



Wando Crossing

PRICE: Call for Info
SIZE: 960-5,540 SF
AGENTS: John Orr, CCIM
Elyse Welch, CCIM
Lindsey Halter

Wando Crossing is at the center of Mount Pleasant, at the high-trafficked, signalized intersection of Highway 17 and 1-526, in the highest income submarket of Charleston. The center, which recently underwent facade renovations, is anchored by Walmart, TJ Maxx, Marshalls/HomeGoods, Office Depot, and Petco, with a Total Wine & More coming soon!

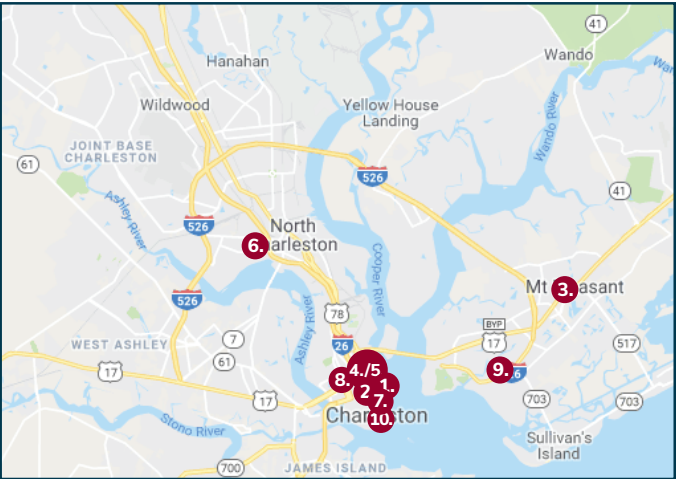
FOR LEASE



Total Wine & More Opening Soon!

4Q 2018 Retail Standings by Submarket

Submarket	Total Buildings	Total SF	Direct Vacant SF	% Vacancy	YTD Net Absorption (SF)	YTD Deliveries (SF)	# SF Under Construction	Quoted Rates
Dorchester County	687	5,634,637	227,980	4%	545,078	4,670	20,000	\$15.78
Downtown Charleston	688	3,949,917	132,451	3.4%	(17,670)	6,860	492,061	\$38.68
E Charleston County	16	73,239	1,667	2.3%	0	0	0	\$16.42
East Islands/Mt. Pleasant	578	6,435,689	128,240	2%	399,646	264,978	113,407	\$24.14
Greater Charleston	696	7,923,862	243,976	3.1%	86,316	161,040	76,000	\$18.61
James Island/Folly Beach	225	1,817,529	25,632	1.4%	2,094	0	0	\$18.57
North Charleston	1,029	10,194,543	326,552	3.2%	96,888	75,897	26,400	\$16.32
Outlying Berkeley County	799	7,825,151	160,993	2.1%	101,256	96,840	154,820	\$14.74
W Charleston	83	473,307	27,084	5.7%	23,028	17,655	0	\$11.10
West Island	92	579,039	14,488	2.5%	(2,238)	0	27,000	\$25.96
Totals	4,893	44,906,913	1,289,063	2.97%	1,234,398	627,940	909,688	\$20.03



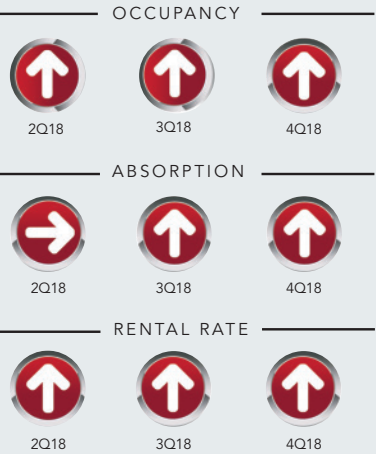
4Q 2018 Top 10 Retail Leases

Rank	Address	Size	Tenant	Price/SF
1	36 N Market St	827	-	\$80.00
2	85 S Market St	1,500	-	\$58.00
3	1236-1240 Belk Dr	728	Hustle Smoothie Bar	\$44.00
4	465 Meeting St	2,391	-	\$40.00
5	465 Meeting St	6,208	-	\$40.00
6	310 Azalea Square Blvd	2,407	-	\$35.00
7	3 Broad St	1,100	-	\$35.00
8	131 Spring	5,800	Coastal Conservation League	\$35.00
9	826 Coleman Blvd	2,250	-	\$33.00
10	198 E Bay St	1,640	Carmella's	\$28.00

Source: CoStar



Market Indicators

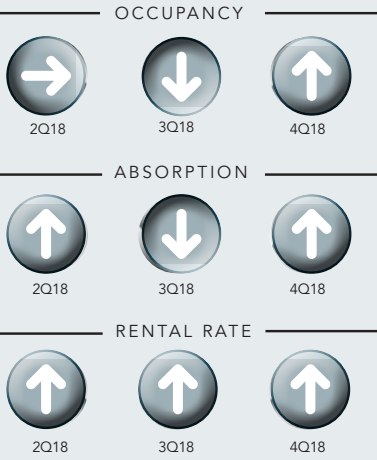


2018 Charleston Economy Spotlight

- Charleston Currently Averaging 28 People Moving to Area Per Day (Source: U.S. Census Bureau)
- Ranked 20th in the U.S. for Advanced Industries (Source: Brookings Institution)
- 33% of the Local Workforce has attained a Bachelors Degree or Higher (Source: U.S. Bureau of Labor Statistics)
- 50% of Local Residents are Between the Ages of 20-54 (Source: U.S. Census Bureau)



Market Indicators



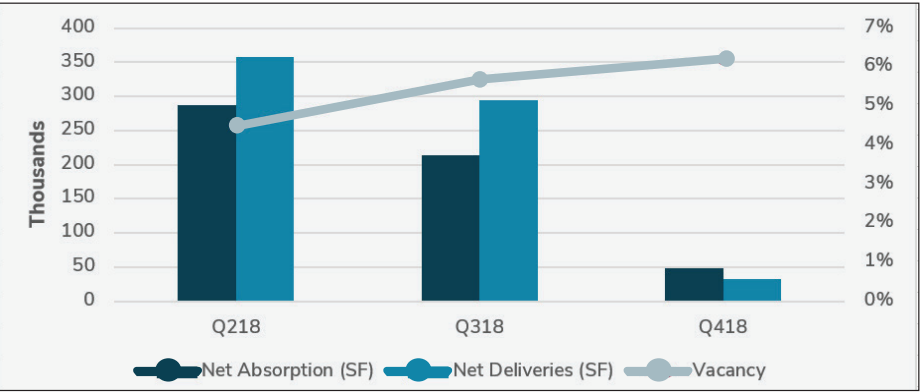
2018 Charleston Economy Spotlight

- Largest Employment Industry: Trade, Transportation & Utilities (Source: NAICS)
- 602,202 SF Office Space Under Construction (Source: CoStar)
- 3,226 Existing Inventory of Office Buildings (Source: CoStar)
- South Carolina Ranked #5 Top States for Doing Business (Source: Area Development Online)

FOURTH QUARTER SUMMARY

Vacancy rates rose for the third straight quarter to 6.3% at years end, however, this is still far lower than the national average of 9.8%. Charleston Office rents remain the highest in South Carolina at roughly \$27.00/SF. Office development increased considerably throughout the year with

the help of 65,000 SF Gateway Mount Pleasant being delivered in October. Charleston's booming economy continues to bring more investors to the area with more than \$300 million trading by years end with the average cap rate at 6.9%.



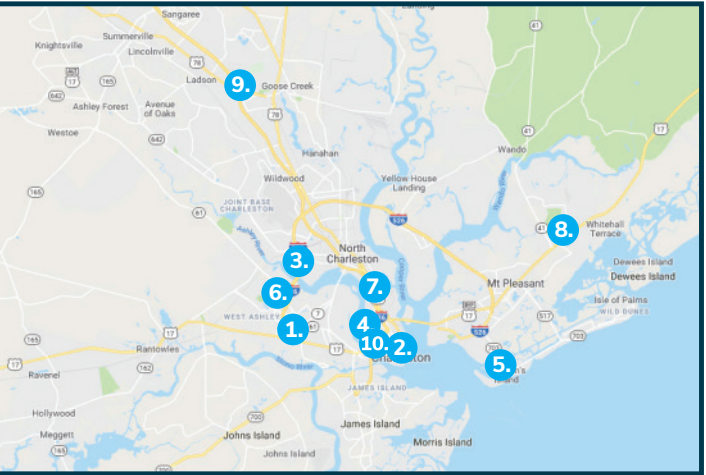
1014 St. Andrews Blvd
PRICE: \$33.75/SF (Annual)
SIZE: 1,088-28,324 SF
AGENTS: Reid Davis, CCIM, SIOR
Pete Harper, CCIM
Cameron Yost

1014 St. Andrews Blvd, or The Truluck Center, offers office tenants the unique opportunity to lease brand new, Class A space in the heart of West Ashley! All suites can be delivered turn key and provide users with hard to find amenities including ample free parking and great visibility. This exclusive property is in close proximity to downtown and major thoroughfares including: I-26, I-526, Savannah Hwy, Hwy 61, and Sam Rittenberg Blvd—making this location ideal for a wide variety of users.



4Q 2018 Office Standings by Submarket

Submarket	Total Buildings	Total SF	Direct Vacant SF	% Vacancy	YTD Net Absorption (SF)	YTD Deliveries (SF)	# SF Under Construction	Quoted Rates
Dorchester County	411	1,932,940	66,276	3.4%	8,784	14,632	35,331	\$22.41
Downtown Charleston	460	5,910,000	205,408	3.5%	(13,717)	11,000	248,000	\$31.88
E Charleston County	3	35,233	0	0.0%	0	0	0	\$26.35
East Islands/Mt. Pleasant	435	4,023,821	303,046	7.5%	(3,198)	172,936	144,815	\$28.45
Greater Charleston	572	5,101,728	314,538	6.2%	244,462	172,000	88,100	\$26.35
James Island/Folly Beach	142	541,627	9,935	1.8%	4,581	4,898	0	\$27.95
North Charleston	741	9,822,214	724,196	7.4%	(52,950)	282,510	47,052	\$23.80
Outlying Berkeley County	362	2,543,184	179,985	7.1%	172,576	229,015	30,000	\$22.14
W Charleston	29	96,881	1,204	1.2%	(1,204)	0	0	\$23.97
West Island	71	270,221	18,452	6.8%	(7,410)	0	8,904	\$25.35
Totals	3,226	30,277,849	1,823,040	5.9%	351,924	886,991	602,202	\$25.87



4Q 2018 Top 10 Office Sales

Rank	Address	Size	Price	Price/SF
1.	1 S Park Cir	139,060	\$25,000,000	179.78
2.	87 Broad St	49,692	\$24,000,000	482.98
3.	4390 Belle Oaks Dr.	104,610	\$21,000,000	200.75
4.	19 Hagood Ave	165,742	\$18,600,000	112.22
5.	2113 Middle St	6,600	\$4,580,000	693.94
6.	2051 Charlie Hall Blvd	8,008	\$3,300,000	412.09
7.	1819 Meeting St	5,908	\$1,530,000	258.97
8.	1200 Innovation Way	51,000	\$1,350,000	26.47
9.	9279 Medical Plaza Dr	10,500	\$1,341,450	127.76
10.	33 Lockwood Dr	5,000	\$1,231,306	246.26

Source: CoStar



EXPERIENCE IN CHARLESTON

LEE & ASSOCIATES
NATIONWIDE

Lee & Associates British Columbia

Vancouver, BC

Lee & Associates West

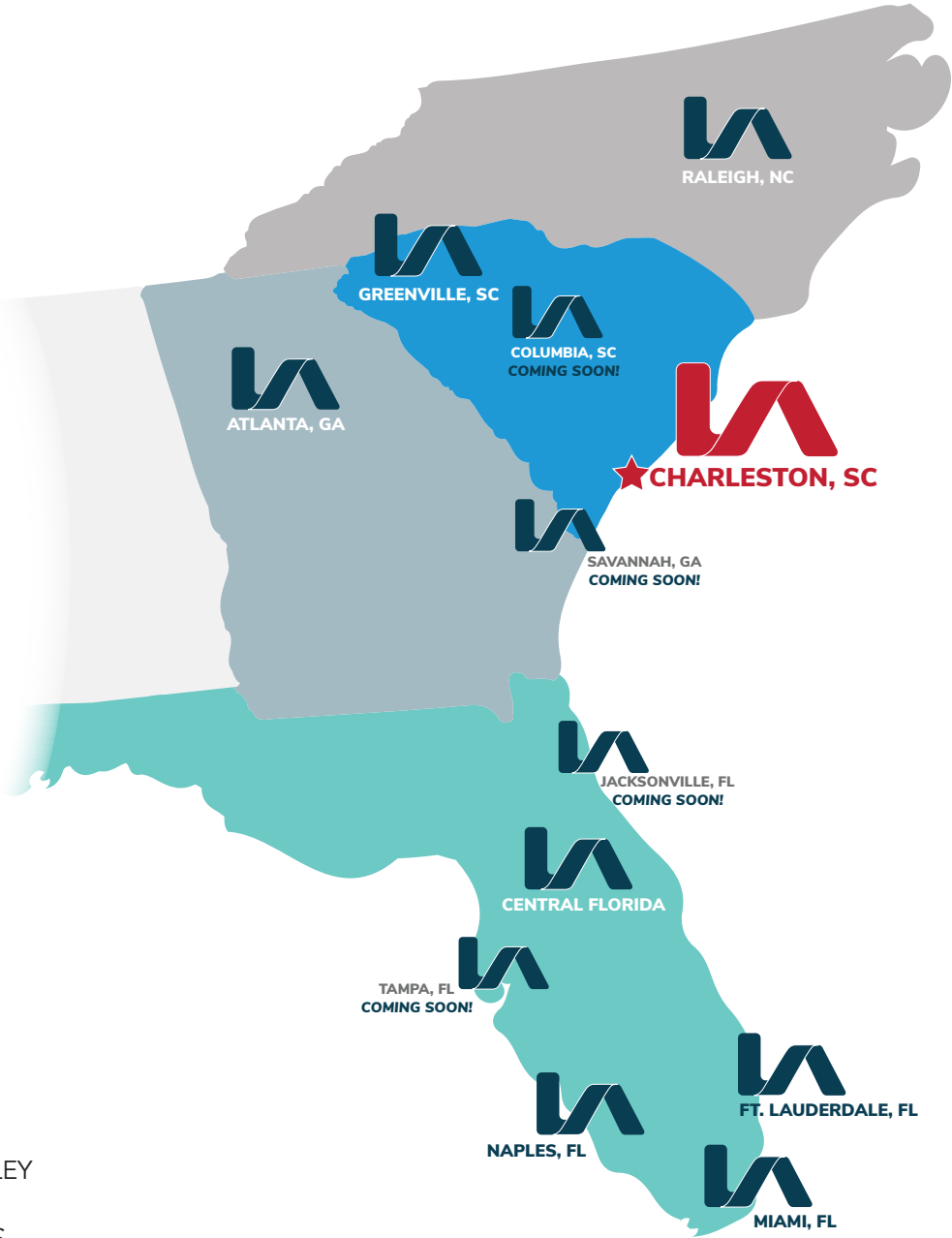
Seattle, WA
Tacoma, WA
Boise, ID
Denver, CO
Reno, NV
Pleasanton, CA
Stockton, CA
Oakland, CA
Walnut Creek, CA
San Luis Obispo, CA
Los Olivos, CA
Oxnard, CA
Santa Barbara, CA
Gardena, CA
Pasadena, CA
City of Industry, CA
Victorville, CA
Long Beach, CA
Riverside, CA
Irvine, CA
Murrieta, CA
Carlsbad, CA
San Diego, CA
Palm Desert, CA
Los Angeles, CA | ANTELOPE VALLEY
Los Angeles, CA | CALABASAS
Los Angeles, CA | SHERMAN OAKS
Los Angeles, CA | NEWPORT BEACH

Lee & Associates Southwest

Phoenix, AZ
Dallas/Ft.Worth, TX
Houston, TX

Lee & Associates Midwest

Minneapolis, MN
Chicago, IL
St. Louis, MO
Indianapolis, IN
Greenwood, IN
Detroit, MI
Cincinnati, OH
Cleveland, OH
Columbus, OH
Madison, WI



Lee & Associates Northeast

Mechanicsburg, PA | EASTERN & CENTRAL PENNSYLVANIA
Columbia, MD | MARYLAND
Fort Washington, PA | EASTERN & SUBURBAN PHILADELPHIA
Elmwood Park, NJ | NORTH & CENTRAL NEW JERSEY
New York, NY | NEW YORK

Lee & Associates Southeast

Atlanta, GA
Atlanta, GA | VALUATION & CONSULTING
Greenville, SC
Charleston, SC
Orlando, FL
Ft. Myers, FL
Ft. Lauderdale, FL
Miami, FL
Raleigh, NC

EXPERIENCE IN CHARLESTON

LEE & ASSOCIATES IS THE LARGEST
BROKER-OWNED COMMERCIAL REAL
ESTATE FIRM IN NORTH AMERICA

Industry Sponsorships
& Organizations



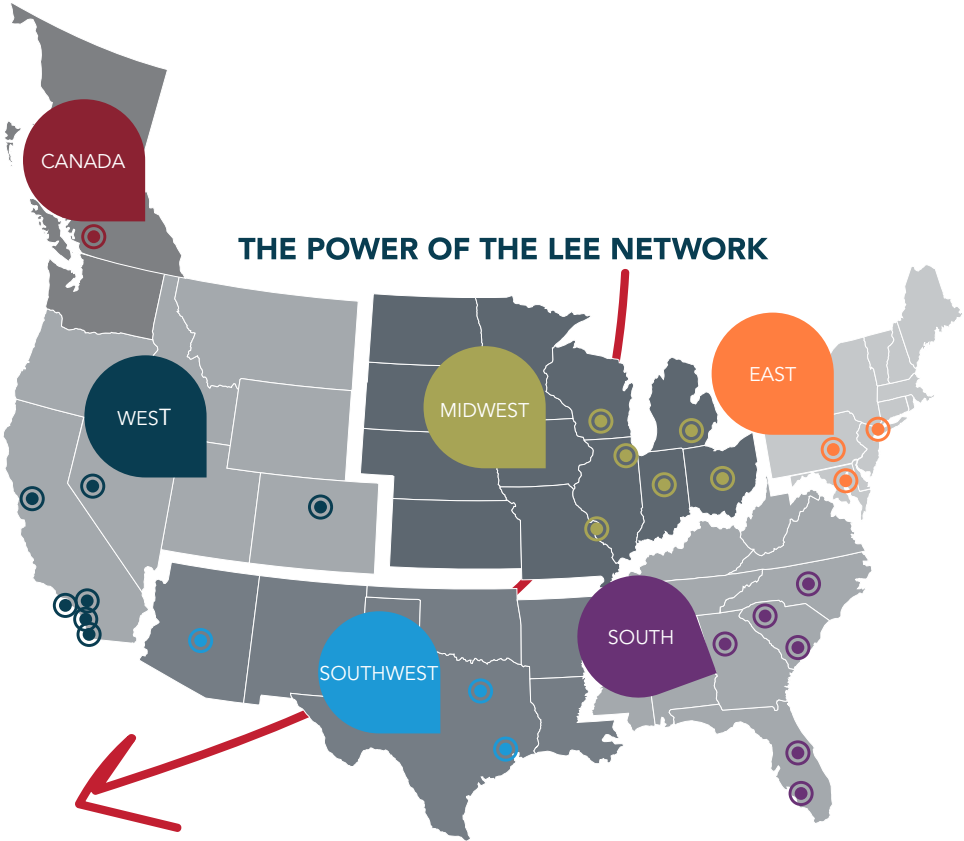
More than 60 American Locations
to Locally Serve Our Clients

ARIZONA
BRITISH COLUMBIA
CALIFORNIA
COLORADO
FLORIDA
GEORGIA
IDAHO
ILLINOIS
INDIANA
MARYLAND
MICHIGAN
MINNESOTA
NEVADA
NEW JERSEY
NEW YORK
NORTH CAROLINA
OHIO
PENNSYLVANIA
SOUTH CAROLINA
TEXAS
WASHINGTON
WISCONSIN

GERALDEVE AFFILIATE
INTERNATIONAL
RELATIONSHIP

- ▶ AUSTRIA
- ▶ BELGIUM
- ▶ FRANCE
- ▶ IRELAND
- ▶ LUXEMBOURG
- ▶ NETHERLANDS
- ▶ POLAND
- ▶ SLOVAKIA
- ▶ SPAIN
- ▶ TURKEY

THE POWER OF THE LEE NETWORK



- 1 MARKET LEADER**
Specializing in market intelligence
- 2 RELEVANT WORK**
Seasoned agents with relevant transaction experience
- 3 WE SAVE YOU TIME**
Creative problem solving skill sets
- 4 ABILITY TO UNDERSTAND**
Effective client communication
- 5 INTEGRITY**
Shapes our culture & defines the character

Every Lee & Associates office delivers world-class service to an array of regional, national, and international clients-from small businesses and local investors to major corporate users and institutional investors.

Our professionals combine the latest technology, resources and market intelligence with their experience, expertise and commitment to superior service to optimize your results.



"Lee & Associates brokers have been highly effective at leasing several of our premier properties. No question they've helped us to stand apart from our competitors in the marketplace and close deals with the best tenants."
- Brian L. Harvey,
Cypress Land Company

QUALITY OF REFERENCES

Mount Holly Associates, LLC

Henry Fishburne
843-729-2021 | hfishburne@lee-associates.com
Collaborative Assignment



Town of Mt. Pleasant

Eric DeMoura
843-884-8517 | edemoura@tompsc.com
www.tompsc.com.com



American Heart Association

Lisa Wideman
804-965-6560 | lisa.wideman@heart.org
www.heart.org
Tenant Rep - Office



Harbor Services Incorporated

Neeson & Melissa Levinson
843-856-1155 | Neeson@harborservicescorp.com
www.harborservicescorp.com
Landlord Rep - Office



Bluestein, Johnson & Burke, LLC

Ryan D. Bluestein
843-571-7161 | rbluestein@bjblawfirm.com
http://www.bjblawfirm.com
Buyer & Landlord Rep - Office



Morris Financial Concepts

Kyra Morris
843-884-6192 | kyra.morris@mfcplanners.com
www.mfcplanners.com
Tenant & Landlord Rep - Office



Winsor South, LLC

Jeff Thomas
843-856-1820 | j_thomas@winsorsouth.com
www.winsorcustomhomes.com
Landlord Rep - Office
300 W. Coleman Blvd., Mt. Pleasant, SC



Woodhouse Day Spa

Kim Powell
843-628-2683 | powellkk@gmail.com
www.woodhousespas.com
Buyer Rep - Retail



Levelwing

Steve Parker Jr.
843-631-4587 | steve@levelwing.com
www.levelwing.com
Buyer, Tenant & Landlord Rep - Office



T & S Family Limited Partnership

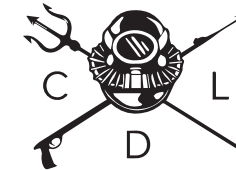
Tony Santiago
843-216-78888 | tony@taxsearchinc.com
www.taxsearchinc.com
Buyer & Landlord Rep - Office

QUALITY OF PREVIOUS WORK



DOG & DUCK

Retail Tenant. Since 2013 Jon Chalfie has been assisting the restaurant group in securing space and managing renewals. Locally owned and operated family friendly pub specializing in unique sandwiches, tacos, hotdogs, wings and more. Two locations in Mt. Pleasant, SC.



CHARLESTON DIVE LOCKER

Retail Tenant. Jon Chalfie & Hailey Clifton represented the Charleston Dive Locker in procuring a new retail site for their Dive Shop in Mt. Pleasant, SC. The Charleston Dive Locker is a full service dive training facility, which offers classes, gear repair and services, charters and a full line of gear for purchase.



TERM

The proposed Term of the Agreement to Lease Real Property and analyze lease term details shall be for a term of approximately One (1) year.

LEASE FEES

Six (6%) of the gross lease value payable at lease execution.

Should a cooperating broker be involved in a lease transaction, up to one-half of this amount shall be paid directly to the cooperating broker.

HOURLY FEES

\$120.00/hr for any consulting work done outside of the scope of customary lease evaluation and negotiations.



*We obtained the information above from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions or estimates for example only, and they may not represent current or future performance of the property. You and your tax and legal advisors should conduct your own investigation of the property and transaction.



JON CHALFIE

Broker

(843) 345-6000

JChalfie@Lee-Associates.com

HAILEY CLIFTON

Associate

(843) 300-5209

HClifton@Lee-Associates.com



960 Morrison Drive, Suite 400 | Charleston, SC 29403 | 843.747.1200 | lee-charleston.com



668 Marina Drive, Suite B-1
Charleston, SC 29492
PH: (843) 849-8945 ♦ Fax: (843) 849-8974
cse@civilsiteenv.com

April 3, 2019

Ms. Desiree Fragoso
City of Isle of Palms
1207 Palm Blvd
Isle of Palms, SC 29451

Re: 45th to 52nd Avenue Drainage Improvements
Change Order #9 Engineer assessment

Desiree-

Please accept this letter as our assessment of Change Order #9. The change order is a result of the need to make depth adjustments to the proposed drainage line connecting the ponds adjacent to Morgan Place Drive within Wild Dunes.

After excavating the existing utilities in the area it was discovered that the vertical location of several large (6" diameter) power and phone conduits would conflict with the proposed pipe to be installed. The vertical locations of the conduits and waterline were offset such that a single continuous adjustment would clear the drainage line of some utilities but not others. In order to resolve the conflicts it was determined that installing a junction box partway down the drainage line and adjusting the inverts on either side to miss the conflicting utilities would be the best solution.

Additionally, the alignment of the existing pipe was such that placing the new pipe in parallel to the existing pipe as originally planned would have created erosion problems for the adjacent pond banks which abutted resident's property. Because the end of the existing pipe closest to the pond was in poor condition the best solution was to adjust the alignment of the new pipe and cut and cap the existing pipe to allow for the new alignment. This change to the existing pipe will not affect the system's overall performance.

Our assessment is that the costs associated with this change order is that the costs are reasonable and amount to the material cost of the junction box with some associated additional labor to adjust the depth of a portion of the pipe, install the new box, and remove the existing pipe.

If you have any questions please feel free to contact myself or David Stevens.

Sincerely,

Jason Milner, P.E.
Project Engineer

PROPOSAL/ ESTIMATE FOR CONTRACT MODIFICATION

DATE:

04/03/19

CONTRACT TITLE: IOP Drainage Phase II		CONTRACT NO:	
OWNER: Isle of Palms			
DESCRIPTION: COR #9 Pipe adjustments at Morgan's Place Drive			
PRIME CONTRACTOR'S WORK		REVISIONS/ COMMENTS	
1 Direct Materials		\$0.00	
2 Sales Tax on Material	8.00% of line 1	8.00%	\$0.00
3 Direct Labor		\$0.00	
4 Insurance, Taxes, and Fringe Benefits	42.00% of line 3	42.00%	\$0.00
5 Rental Equipment		\$0.00	
6 Sales Tax on rental Equipment	8.00% line 5	8.00%	\$0.00
7 Equipment Ownership and Operating Expenses		\$0.00	
8 SUBTOTAL (add lines 1-7)			\$0.00
9 Field Supervision	0.00%	\$0.00	
10 SUBTOTAL (Add Lines 8 & 9)		\$ -	

Prime Remarks:

SUB-CONTRACTOR'S WORK			REVISIONS/ COMMENTS
11 Direct Materials		\$723.76	
12 Sales Tax on Material	0.00% of line 11	0.00%	\$0.00
13 Direct Labor		\$9,751.95	
14 Insurance, Taxes, and Fringe Benefits	0.00% of line 13	0.00%	\$0.00
15 Rental Equipment			\$0.00
16 Sales Tax on rental Equipment	8.00% line 15	8.00%	\$0.00
17 Equipment Ownership and Operating Expenses			\$0.00
18 SUBTOTAL (add lines 1-7)			\$10,475.71
19 Field Overhead	0.00% of line 18	0.00%	\$0.00
20 SUBTOTAL (Add Lines 8 & 9)			\$10,475.71
21 Home Office Overhead	0.00% of line 20	0.00%	\$0.00
22 Profit	10.00% of line 20	10.00%	\$1,047.57
23 SUBTOTAL (ADD LINES 20-22)			\$11,523.28

Subcontractor Remarks:

SUMMARY			REVISIONS/ COMMENTS
24 Prime Contractor's Work (from line 10)		\$0.00	
25 Sub- Contractor's Work (from line 23)		\$11,523.28	
26 SUBTOTAL (add lines 24 & 25)		\$11,523.28	\$11,523.28
27 Prime Overhead on sub-contractor	7.00% of line 20	7.00%	\$806.63
28 Prime's home Office Overhead	8.00% of line 24	8.00%	\$0.00
29 PRIME PROFIT	7.00% of line 26	7.00%	\$806.63
30 SUBTOTAL (add lines 26-29)			\$13,136.54
31 PRIME CONTRACTOR Bond	0.00% of line 30	0.00%	\$0.00
32 TOTAL COST (Add Line 30 & 31)			\$13,136.54

Estimated time extension and justification

Request time extension as follows:

Process change order	0 days
Complete Work in field	10 days
Total time extension	10 days

Prime Contractor name: IPW Construction Group, LLC

Subcontractor name:

signature & title of preparer



Date

04/03/19

Bryan H. Rembert, P.E. - Director of Operations

DATE: 4/3/2019

ITEMS OF WORK FOR Sub- contractor	Qty	UNITS	MATERIALS		LABOR		R O	EQUIPMENT		
			UNIT COST	TOTAL COST	UNIT COST	TOTAL COST		Days	Rate	Total
Pipe adj at Morgan Place	1	ea	\$ 723.76	\$ 723.76	\$ 9,751.95	\$ 9,751.95				
				\$ -		\$ -				
				\$ -		\$ -				
				\$ -		\$ -				
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				\$ -		\$ -				
DIRECT Sub-contractor's TOTALS				\$723.76		\$9,751.95		R Total (rental)		\$0.00
								O Total (owned)		

Description of Work To Be Performed:

IOP Additional JB and added depth for Morgan's Place conflict

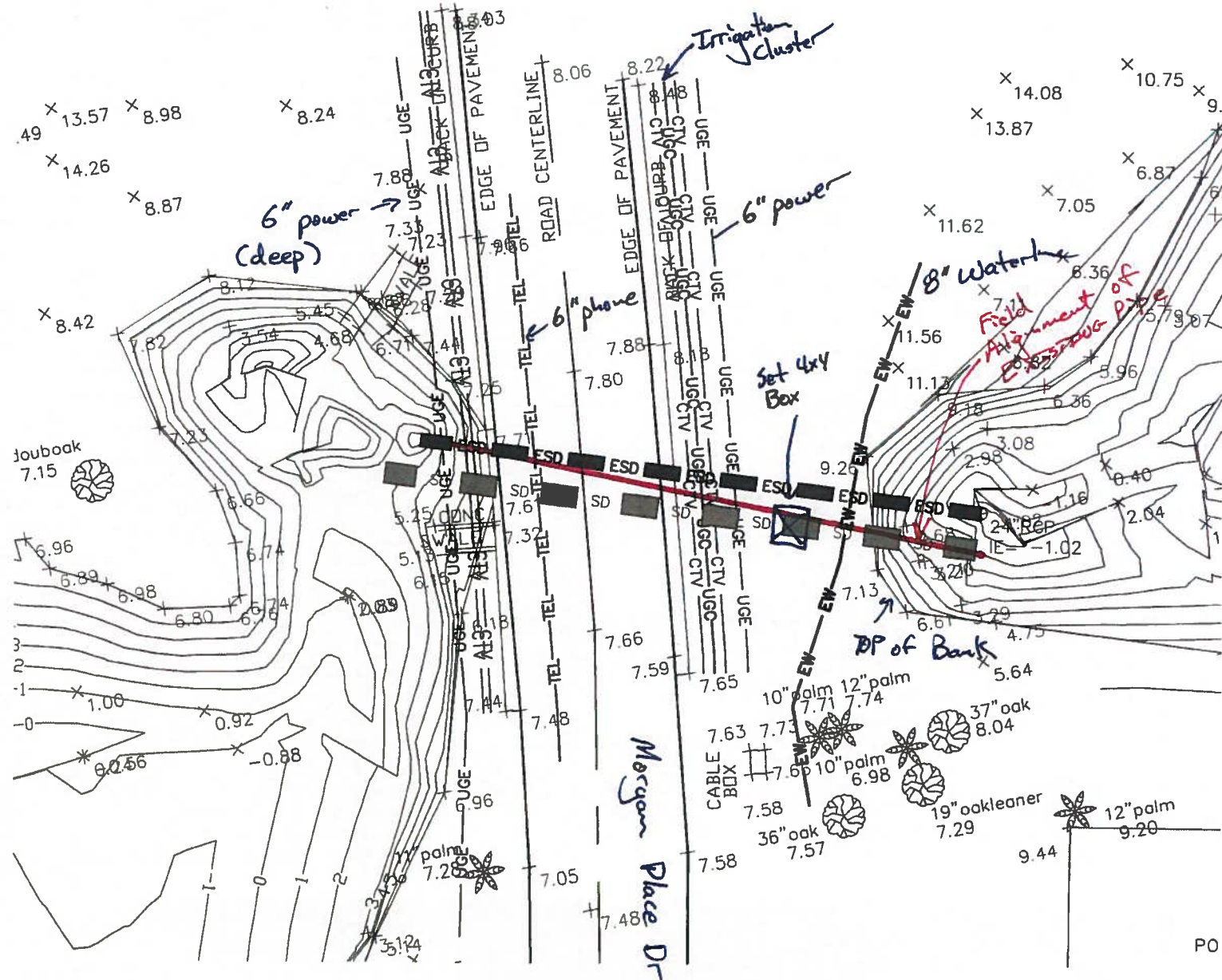
Eadie's Construction Co. Inc.

Storm drain

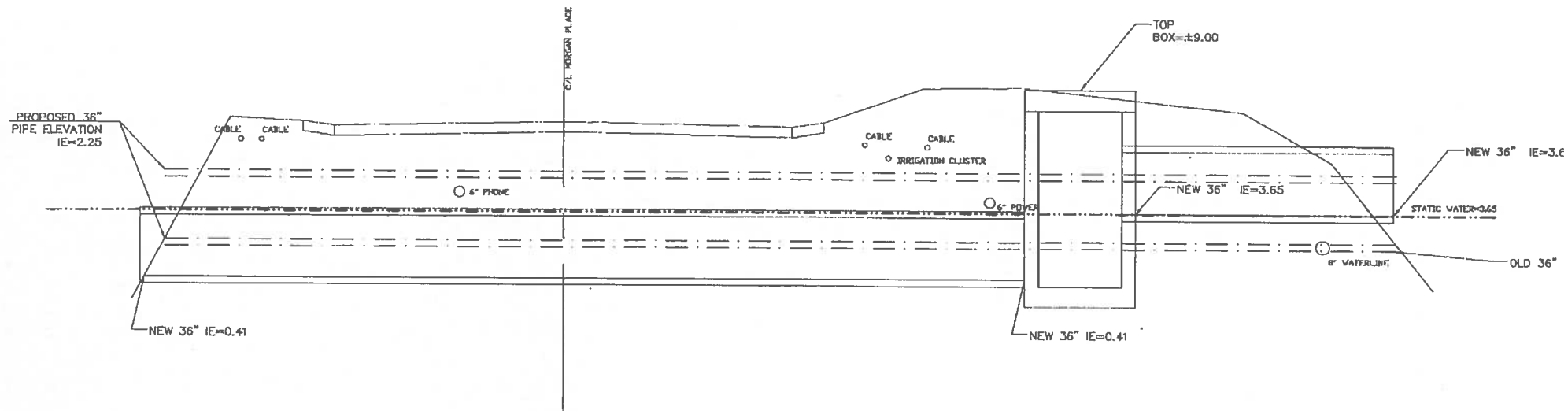
4/2/2019

1	1	ea	4x4x4.5' knockout box	\$1,231.95	\$ 1,231.95
2	1	ls	Reset Wellpoints due to elev change	\$3,600.00	\$ 3,600.00
3	1	cy	sand	\$76.30	\$ 76.30
4	1	pal	8x16x4 solid cap block	\$647.46	\$ 647.46
5	1	job	mason labor	\$825.00	\$ 825.00
6	1	Day	Eadies labor	\$3,600.00	\$ 3,600.00
7	1	ls	Sawcut extg box	\$495.00	\$ 495.00
8				\$0.00	\$ -
					\$ 10,475.71
				10%markup	\$ 1,047.57
				CO#3 Due	\$ 11,523.28

45th + 63rd Ave Driveway



45th to 52nd Ave Drainage



OFFICIAL SEALED BID OPENING
RFB 2019-03 – Rebid: One F150 4x4 crew cab pickup truck
10:00 a.m., Thursday, March 14, 2019
Council Chambers in City Hall
1207 Palm Boulevard, Isle of Palms, South Carolina

Present: Fire Chief Graham
City Clerk Copeland

Chief Graham announced the sealed bid opening for RFB 2019-03 – One F150 4x4 crew cab pickup truck. She stated that the bid had been advertised in *The Post and Courier* and on the City's website in accordance with the City's Procurement Ordinance.

<u>Bidders</u>	<u>Pricing</u>
Jones Ford 5757 Rivers Avenue North Charleston, SC 29406	\$34,010.12
Ravenel Ford 6340 Savannah Hwy. Ravenel, SC 29470	\$32,738.00

Chief Graham will evaluate the bids for accuracy and compliance with the bid. She will make a recommendation to the Public Safety Committee at their meeting of April 1st; if the Committee agrees with the recommendation, it will go to the Ways & Means Committee on April 16th and to City Council on April 23rd for an award of a contract.

Respectfully submitted,

Marie Copeland
City Clerk

CITY OF ISLE OF PALMS


South Carolina



DEPARTMENT OF BUILDING, PLANNING AND LICENSING

MEMORANDUM

TO: Desiree Fragoso, Interim City Administrator

FROM: Douglas Kerr, Director of Building and Planning 

RE: Change orders to Thomas and Hutton Phase 3 Drainage Outfall Project

DATE: March 1, 2019

Attached are two proposed change orders to the Thomas and Hutton contract for their work on the Phase 3 Drainage Outfall Project.

The total budget proposed for task 11 of the RFP, which is project administration and meetings, is \$37,220. The budget that was approved by Council did not include any funds for this task and their request is that \$13,000 of this task be paid during the first phase of the project and the remaining \$24,220 be paid in subsequent phases. This oversight was discovered during the execution of the contract. The hours and charges appear to be justified by the expectation of meetings that this phase will require.

The second change is for an additional \$23,300 and would cover an expansion of their services to allow them to analyze the drainage basins that connect to the outfalls and identify high value projects that could be undertaken in the upcoming fiscal year. This expansion of services assumes that the budget currently being considered by Council will be modified to include additional funding for drainage construction projects within the upcoming fiscal year. Additionally, it should be noted that these fees do not include actual design work, which will be determined when the projects are identified and agreed upon.



In agreement with the City of Isle of Palms, Thomas & Hutton has prepared a revised project scope for the Phase 3 Drainage Outfall Design and Permitting project. The revised scope is structured around the scope of services outlined in the Request for Proposals and has been modified to meet the needs of the City.

Our revised scope of services is as follows:

- Existing Data Collection and Analysis (City Scope of Work Item 1) - **Included**
- Survey (City Scope of Work Item 2) - **Included**
- Study, Alternatives Analysis and Recommended Outfall Improvements (City Scope of Work Items 3 and 4) - **Included**
- Engineering Design and Plans Preparation (City Scope of Work Item 5) - **Excluded**
- Permitting (City Scope of Work Item 6) - **Excluded**
- Opinion of Probable Construction Cost (City Scope of Work Item 7) - **Included (Partially)**
 - Revised to provide only conceptual opinions of probable costs for the alternatives developed in the study phase (Task 3 above).
- Funding Assistance (City Scope of Work Item 8) - **Excluded**
- Project Phasing Plan (City Scope of Work Item 9) - **Excluded**
- Project Schedule Development (City Scope of Work Item 10) - **Excluded**
- Project Administration and Meetings (City Scope of Work Item 11) - **Included (Partially)**
 - Revised to include a kick-off meeting, one presentation to the City's boards, and at least two other meetings.
- Bid Phase Services (City Scope Alternate #1) - **Excluded**
- Construction Phase Services (City Scope Alternate #1) - **Excluded**

Per this addendum, our revised fee and fee structure are attached. The proposed fees are broken down by the tasks (or services) listed in the City's request for qualifications.



City of Isle of Palms - Phase 3 Drainage Outfall Design and Permitting
Proposed Fee Breakdown
December 6, 2018

Description	Type of Fee	Fee
Base Project		
Existing Data Collection and Analysis (City Scope of Work Item 1) - Included	Lump Sum	\$12,500
Survey and Wetlands/Critical Area Delineations (City Scope of Work Item 2) - Included	Lump Sum	\$26,900
Study, Alternatives Analysis and Recommended Outfall Improvements (City Scope of Work Items 3 and 4) - Included	Lump Sum	\$55,700
Engineering Design and Plans Preparation (City Scope of Work Item 5) - Excluded	Lump Sum	-
Permitting Phase (City Scope of Work Item 6) - Excluded	Time & Expense	-
Opinions of Probable Construction Costs (City Scope of Work Item 7) - Included (Partially)	Lump Sum	\$5,700
Funding Assistance (City Scope of Work Item 8) - Excluded	Time & Expense	-
Project Phasing Plan (City Scope of Work Item 9) - Excluded	Lump Sum	-
Project Schedule Development (City Scope of Work Item 10) - Excluded	Lump Sum	-
Project Administration and Meetings (City Scope of Work Item 11) - Included (Partially)	Lump Sum	\$13,000
TOTAL BASE PROJECT FEE		\$113,800
Alternates		
Bid Phase Services (City Scope Alternate #1) - Excluded	Time & Expense	-
Construction Phase Services (City Scope Alternate #2) - Excluded	Time & Expense	-
TOTAL ALTERNATES FEE		\$0

SIMILAR PRODUCTS

Elkay LK4430BF1M, Tri-Level Outdoor

Item # WRB729408

Not Yet Rated



\$5,023.00

Elkay LK4420BF1UDB, Tri-Level Outdoor

Item # WRB729414

Not Yet Rated



\$4,599.00

Elkay LK4420BF1UBLU, Bi-Level Outdoor

Item # WRB2221790

Not Yet Rated



\$3,289.00

Elkay LK4430BF1U, Tri-Level Outdoor

Item # WRB729407

Not Yet Rated



\$5,150.00

Elkay LK4420BF1LDB, Tri-Level Outdoor

Item # WRB729415

Not Yet Rated



\$4,749.00

Shop Categories

Help

Welcome Log in
Account Tools

(0)
Lists

All

Return to Category List

Home

Plumbing & Pumps

Drinking Fountains

Water Refilling Stations & Retrofit Kits

Elkay® Out



prev [See all 12 items in product family](#) next

Elkay LK4420BF1UDB, Tri-Level Outdoor Pedestal Tubular W/Pet Fountain, Upper Water Refilling Station

Item #: WRB729414

Email

Print

Ships same day.

0 reviews | [Write a review](#)

List Price: ~~\$7,338.00~~ Save up to 37%

Price: \$ 4,599.00

Frequently Purchased Together



Elkay EZH2O LZ55WSLK
Filtered Water Bottle

(1)

Add

\$1,009.00



Elkay EZH2O LZ55WSLK
Water Bottle Refilling Station

(13)

Add

\$1,049.00



Elkay EZ55WSLK Water
Refilling Station, Non

(5)

Add

\$967.00

Product Information

Customer Review

Product Q&A

Accessories

Elkay LK4420BF1UDB, Tri-Level Outdoor Pedestal Tubular W/Pet Fountain, Upper Water Refilling Station

Outdoor Bottle Filling Stations ideal for educational campuses and recreational areas. Powder-coated exterior over a corrosion-resistant stainless steel type-316 base material to provide protection from the elements.

Features:

- Corrosion-resistant base material provides the ultimate protection from the elements
- Heavy-gauge construction with tamper-resistant screws that resist stains and corrosion
- Vandal-resistant bubblers feature chrome-plated integral hood guard to prevent contamination from other users, airborne deposits and tampering
- Laminar flow provides clean fill with minimal splash
- Pet fountain features slow drainage for easy drinking
- Freeze-resistant options available
- Available in 12 stunning finishes
- Ideal for outdoor use.

Product Specifications

BRAND	Elkay
MANUFACTURERS PART NUMBER	LK4420BF1UDB
COLOR FINISH	Evergreen
FILTER	No
REFRIGERATED	No
WIDTH INCHES	29
DEPTH INCHES	26
HEIGHT INCHES	64
GALLONS PER HOUR	-
ADA CERTIFIED	Yes
INSTALLATION TYPE	Floor
FOR OUTDOOR USE	Yes
WATER SUPPLY INCHES	3/8
COOLER/FOUNTAIN ACTIVATION	Push Button
PET STATIONS	1
OUTLET	1 1/2
WATER REFILLING STATIONS	1
CONSTRUCTION	Heavy Duty Steel
STANDARD BUBBLER STATIONS	1
WATER REFILLING LOCATION	Upper
NUMBER OF STATIONS	3

Customers Who Viewed This Also Viewed



Tidal Wave Water Sports, Inc.

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

COMMERCIAL LEASE AGREEMENT

THIS AGREEMENT is made and entered into effective this first day of June, 2004, by and between The City of Isle of Palms, S.C. ("Landlord"), and Tidal Wave Water Sports, Inc., a South Carolina corporation ("Tenant").

In consideration of the mutual covenants and agreements of the respective parties herein contained, which are expressly agreed to by Landlord and Tenant, the parties hereto, for themselves, their respective successors and permitted assigns, hereby agree as follows:

1. LEASED PREMISES. Landlord by these presents does hereby demise and let unto Tenant and Tenant hires and leases from Landlord that certain strip of highland and adjoining dock, situated on the Intracoastal Waterway side of the Isle of Palms Marina, the exact description of which is set forth on the drawing attached hereto and made a part hereof, labeled Exhibit I (the "Leased Premises").

2. TERM OF LEASE. The term of this Lease shall commence on June 1, 2004, and end on September 30, 2005. This Lease shall be automatically renewed for successive one (1) year terms commencing on October 1, 2005, under the same terms, covenants and conditions set forth in this agreement until either party gives the other party at least ninety (90) days prior written notice of termination of this Lease at the end of any such renewal term. ~~Provided, however, that notwithstanding any provision in this Section to the contrary, if the Marina Management Agreement between Landlord and Marina Joint Ventures, Inc. is terminated for any reason, Landlord may terminate this Lease upon ninety (90) days prior written notice to Tenant.~~

Deleted
as
Amendment
#1

3. RENT.

A. Tenant agrees to pay initial annual base rent to the Landlord, or such agent of

Landlord as Landlord may from time to time designate in writing, in the sum of Eighteen Thousand and no/100 (\$18,000.00) Dollars, due and payable in equal monthly installments of One Thousand Five Hundred and no/100 (\$1,500.00) Dollars, due and payable in advance on or before the first day of each month, commencing on June 1, 2004, and continuing throughout the entire term of this Lease.

B. In addition to the base rent set forth in this Section, Tenant agrees to pay additional annual rent to Landlord equal to twenty (20.00%) percent of Tenant's gross profit (as defined by Generally Accepted Accounting Principles, or "GAAP") derived from the Leased Property in excess of Three Hundred Thousand and no/100 (\$300,000.00) Dollars per lease year. Such amount shall be due and payable in full within thirty (30) days after the end of each year of each lease year. Tenant agrees to keep true, accurate and complete records of all activities conducted at the Leased Property and along with the payment of the additional annual rent shall provide Landlord with a certified statement showing the monthly gross income for the subject year. Landlord and its agents and representatives are hereby authorized to inspect and copy all books and records of Tenant relating to the Leased Property at such times as Landlord may determine. Tenant agrees that each year, within 90 days after the end of Tenant's fiscal year, Tenant will provide Landlord with a copy of Tenant's annual compiled financial statements, certified by Tenant's independent accounting firm. Tenant also agrees that each year, Tenant will provide Landlord with a certified copy of Tenant's state and federal income tax returns no later than the due date for filing the returns. If Tenant receives an extension for filing any such return, Tenant will provide Landlord with copy of same upon filing. To the extent allowed by the South Carolina Freedom of Information Act, Landlord agrees to keep all such information confidential.

C. For the first renewal term, if any, and for each renewal term thereafter, if any, the monthly rental for each such term shall be increased by a percentage equal to the average yearly increase in the Consumer Price Index for All Urban Consumers (CPI-U) most recently published prior to the expiration of the preceding term by the South Carolina Department of Revenue and Taxation for Landlord's use in determining the allowable real property tax cost of living millage increase (the "Index"). If the Index is discontinued, then the parties agree to use the closest comparable measure of the effect of inflation in lieu of the Index. Provided, however, that notwithstanding any provision contained herein, the monthly rental shall never be lower than the amount paid for the initial term.

D. In the event that Landlord fails to receive any rental payment within ten (10) days of the due date, a late charge of five (5%) percent of the rental payment shall be added to the rental and paid to Landlord for each such late payment, and the same shall be deemed to be additional rent, due and payable with such rental payment.

4. SECURITY DEPOSIT. Landlord waives the requirement of an initial Security Deposit but reserves the right to at any time require Tenant to deposit with Landlord the sum of Five Thousand and no/100 (\$5,000.00) Dollars as security for the full and faithful performance by Tenant of all the terms of this Lease required to be performed by Tenant. The deposit, without interest, will be returned to Tenant after the termination of this Lease provided that Tenant has fully and faithfully performed all of its obligations hereunder.

5. USE OF THE LEASED PREMISES.

A. The Leased Premises and all improvements located thereon shall be used only for the rental of personal watercraft, water skiing rides, parasailing rides, or, so long as all City Marina dock slips are then-leased, off-season dock slip rentals, in strict compliance with the

operational limitations and rights set forth in subsection B, and for no other purposes. Tenant agrees to obtain and maintain, at Tenant's sole expense, such licenses or permits as are required for its use of the Leased Premises, and Tenant agrees that all activities conducted on and about the Leased Premises shall be in compliance with all applicable federal, state and local laws, rules and regulations. The rights granted to Tenant in this Lease shall have no effect on any City ordinances which are now or may in the future become applicable to Tenant's use of the Leased Premises.

B. OPERATIONAL LIMITATIONS AND RIGHTS.

1. Tenant agrees to not store, operate or keep more than sixteen (16) personal watercraft at the Leased Premises at any time.
2. Tenant may store, operate or keep at the Leased Premises two (2) outboard motor boats no longer than twenty (20) feet each, and one (1) parasailing motor boat no longer than thirty-five (35) feet, for Tenant's use in monitoring and supervising the use of the personal watercraft or conducting water skiing and parasailing activities.
3. Tenant agrees not to operate, or allow to be operated, personal watercraft above "idle" speed within a one-half (.50) mile radius of the Isle of Palms Marina. Launching and landing at the Marina ramp, and fueling at the fuel dock shall only be performed by Tenant's employees. Tenant agrees not to allow or conduct water skiing or parasailing within the City of Isle of Palms corporate limits or within a one-half (.50) mile radius of the Isle of Palms Marina.
4. Personal watercraft, water skiing, or parasailing activities shall be operated or conducted on or about the Leased Premises only during daylight hours.
5. Tenant shall be provided eight (8) parking places for customers and two

(2) parking places for employees in the locations designated on the attached Exhibit I.

6. Tenant shall be entitled to reasonable Marina ramp usage for launchings and landings of Tenant's watercraft permitted under this Lease, not to exceed a total of eighteen (18) per day, at no additional charge. Landlord reserves the right to establish and modify reasonable rules and regulations regarding the time and manner of Tenant's ramp use to minimize interference with the ramp's primary use as a public boat ramp.

7. Tenant is entitled at all times throughout the term of this Lease, for so long as Landlord operates the fuel dock at the Isle of Palms Marina, to purchase gasoline for its operations allowed hereunder at the fuel dock at a price of ten (10 %) percent less than the retail price charged at the fuel dock.

6. CONDITION AND MAINTENANCE OF THE PREMISES. The Tenant accepts the property in its present condition. City makes no representations or warranties to Tenant regarding the condition of any of the Leased Premises or its fitness for any particular purpose. Tenant agrees that at all times during the term of this Lease and any renewals thereof it will be responsible for all normal and routine repairs and maintenance at the Leased Premises, and Tenant agrees to keep the Leased Premises in as good of order and repair as it is as of the commencement of the term of this Lease, normal wear and tear excepted. All repairs, replacements and renovations shall be performed in a good and workmanlike manner. The Tenant's maintenance includes, but is not limited to, the responsibility for garbage, trash or rubbish disposal in compliance with all applicable laws, rules and regulations prescribed from time to time. Tenant agrees to be responsible for litter control and agrees to maintain the Leased Premise in a clean, safe and orderly condition. Landlord agrees to be responsible for any extraordinary maintenance, repairs or replacements at the Leased Premises which are not caused

by the fault or neglect of the Tenant or its agents, employees, invitees and licensees.

7. TAXES. Throughout the term of this Lease, Tenant agrees to be responsible for the payment of all real property taxes accruing against the Leased Premises during the term of this Lease, including the County of Charleston Solid Waste Disposal User's fee.

8. UTILITIES. Tenant agrees to be responsible for the payment of all telephone, electrical, water, sewer or other utility service to the Leased Premises, which accounts shall be in the name of Tenant.

9. ASSIGNMENT OR SUBLEASE. Tenant agrees not to assign or sublet the Leased Premises or any part thereof without Landlord's prior written consent. Any change in control of the ownership of Tenant shall be deemed to be an assignment of this Lease.

10. SUBORDINATION OF LEASE. Tenant's rights under this Lease shall be and remain subordinate to any bona fide mortgage debt which is now or may hereafter be placed upon the Leased Premises by Landlord. Tenant agrees to execute such written estoppel certificates regarding the status of this Lease as Landlord may request from time to time.

11. RIGHT OF ENTRY BY LANDLORD OR LANDLORD'S AGENTS. Tenant agrees to permit inspection of the Leased Premises at all times during the term of this Lease during reasonable business hours by Landlord or Landlord's agents or representatives for any purpose. Landlord may make emergency inspections at any time. Tenant also agrees to cooperate fully with the present or any future environmental contamination remediation efforts at the Marina, including access to the Leased Premises as required by such efforts.

12. INDEMNIFICATION. Tenant agrees to hold harmless and indemnify Landlord against any loss or damage, including attorney's fees and expenses, incurred as a result of any and all claims, demands, causes of action, suits, judgments, fines or penalties (including but not

limited to all fees and expenses incurred as a result of death or injury to persons or for loss of or damage to property) arising out of or in connection with the use and occupancy of the Leased Premises by Tenant, its agents, employees, customers, licensees or invitees. In the event of any such claims made or suits filed, Landlord agrees to give Tenant reasonable notice thereof, and Tenant shall have the right to defend or settle the same to the extent of its interest hereunder. Tenant agrees to at all times carry public liability insurance in the amount of at least \$300,000.00 per person and \$1,000,000.00 per claim, and \$300,000.00 per claim property damage, with Landlord named as an additional insured, through a company approved by Landlord, and agrees to provide Landlord with proof of such coverage from time to time upon Landlord's request.

13. IMPROVEMENTS AND ALTERATIONS.

A. No alterations or improvements to the Leased Premises shall be made by Tenant without the prior written consent of Landlord. Any alterations, additions or improvements made by the Tenant and any fixtures installed by Tenant shall at the Landlord's option become the property of the Landlord at the expiration or other sooner termination of this Lease; provided, however, that Landlord has the right to require Tenant to remove all such modifications upon the termination of this Lease, at Tenant's expense.

B. Tenant desires to make certain improvements to the dock. Landlord is agreeable to Tenant effecting the improvements so long as the plans, specifications and exact cost for the work are approved in writing in advance by Landlord, who shall be under no legal obligation to consent to any improvements. For improvements made by Tenant with Landlord's consent, Landlord agrees to reimburse Tenant for actual out-of-pocket expenses for materials and supplies incorporated into the improvements through a proportionate abatement of future rent accruing after the completion of the improvements by Tenant and so long as the improvements

are completed in strict accordance with the approved plans and specifications.

14. DAMAGE OR DESTRUCTION. If the Leased Premises are partially damaged by fire or other casualty without the fault of Tenant or its employees, invitees and licensees, the damage shall be repaired by and at the expense of Landlord. If such damage shall render the premises untenable in whole or in part, the rent shall be abated wholly or proportionately as the case may be until the damage is repaired and the premises are restored. All insurance proceeds from such loss shall be paid to Landlord. If the damage is so extensive as to require the substantial rebuilding (i.e. expenditure of 50% or more of the replacement cost) of the Leased Premises, Landlord may elect to retain the insurance proceeds thereof and terminate this Lease by written notice to the Tenant, provided that such notice shall be given within thirty (30) days after occurrence of such damage.

15. DEFAULT.

A. If Tenant defaults in the fulfillment of any of the covenants and conditions hereof Landlord may, at Landlord's option, after thirty (30) days prior written notice to Tenant, make performance for Tenant and for that purpose advance such amounts as may be necessary. Any amount so advanced or any reasonable expense incurred or sum of money paid by Landlord by reason of the failure of Tenant to comply with any covenant, agreement, obligation, or provision of this Lease, or in defending any action to which Landlord may be subjected by reason of any such failure shall be deemed to be additional rent for the Leased Premises and shall be due and payable to Landlord on demand. The acceptance by Landlord of any installment of fixed rent or any additional rent hereunder shall not be a waiver of Landlord's right to demand full payment of any additional rent then due and to hold Tenant in default under this Lease.

B. If Tenant fails to pay rent when due, or to promptly perform any of the other

covenants herein, and such failure continues for fifteen (15) days, then Tenant shall be in default under this Lease. However, Landlord agrees that Tenant will have 15 days after receipt of written notice thereof, which written notice need only be given by Landlord to Tenant twice during any calendar year, to cure any such default. In the event of any default, Landlord may, in addition to any other rights or remedies, declare the Lease to be in default, retake possession of the Leased Premises, declare the full amount of the remaining rent for the balance of the term at once due and payable, re-let or sublet the Leased Premises at the risk of Tenant, or declare this Lease terminated for the balance of its term, all of which rights and remedies shall be cumulative.

16. ENFORCEMENT. If either party enforces the terms of this Lease by legal proceedings, then the prevailing party in such proceedings shall be entitled to reimbursement from the other party of all costs and expenses incurred by the prevailing party in connection therewith, including reasonable attorney's fees, at all trial and appellate levels.

17. RIGHTS OF SUCCESSORS AND ASSIGNS. The covenants and agreements contained in the Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and their respective successors and permitted assigns.

18. PARAGRAPH HEADINGS. The paragraph headings as to the contents of particular paragraphs herein, are inserted only for convenience and are in no way to be construed to be part of such paragraph or as a limitation on the scope of the particular paragraph to which they refer.

19. ENTIRE AGREEMENT. This agreement contains the entire understanding of the parties hereto. There are no oral understandings, terms or conditions and neither party has relied upon any representation by the other party, either express or implied, which are not contained in this agreement. All prior understandings, terms or conditions are deemed merged into this agreement. This Lease may be altered or amended only by an instrument in writing signed by

both parties.

20. ADDITIONAL INSTRUMENT. The parties agree to execute and deliver any instruments in writing necessary to carry out any agreement, term, condition, or assurance in this agreement whenever occasion shall arise.

21. SURRENDER OF LEASED PREMISES. Tenant agrees to deliver all keys and to surrender the Leased Premises at the expiration or sooner termination of this Lease, or any extension thereof, broom clean and in substantially the same condition as when said Premises were delivered to Tenant, or as altered pursuant to the provisions of this Lease, reasonable wear and tear excepted, and Tenant agrees to remove all of its personal property. Tenant agrees to pay a reasonable cleaning charge if it is necessary for Landlord to restore or cause to be restored the Leased Premises to a clean and orderly condition.

22. WAIVER OF COVENANTS. It is agreed that the waiver of any of the covenants of this Agreement by either party shall be limited to the particular instance and shall not be deemed a waiver of any other breaches of such covenant or any other provision herein contained.

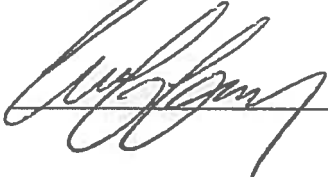
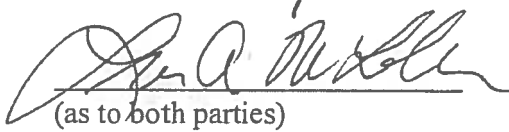
23. NOTICE. Any notices or demand required or permitted by law, or any provision of this agreement, shall be in writing, and shall be deemed to be received by Landlord when personally delivered to Landlord, or when deposited in the United States mail, registered or certified, with return receipt requested, postage prepaid, and addressed to Landlord, attention City Administrator, at Post Office Drawer 508, Isle of Palms, S.C. 29451, or at such other address as Landlord may hereafter designate in writing to Tenant.

Any such notice or demand to be served upon the Tenant shall be in writing and shall be deemed to be received by Tenant when personally delivered to Tenant, or when deposited in the United States mail, registered or certified, with return receipt requested, postage prepaid, and

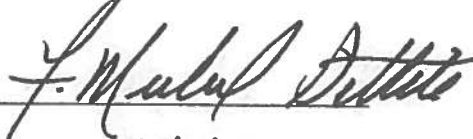
addressed to Tenant at Post Office Box 412, Isle of Palms, S.C. 29451, or at such other address as Tenant may hereafter designate in writing to Landlord.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, by and through the undersigned officers, effective as of the date stated above.

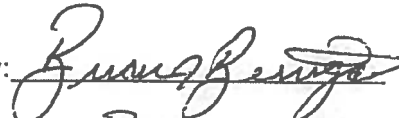
WITNESS:

 3/3/05

(as to both parties)

The City of Isle of Palms, S.C.

By: 
Title: MAYOR

Tidal Wave Water Sports, Inc.

By: 
Title: PRESIDENT

- REF ID: A66666

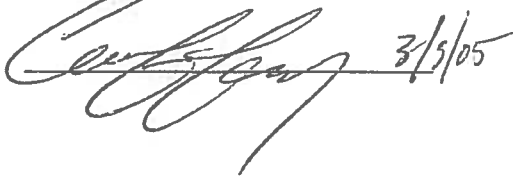
STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) UNCONDITIONAL GUARANTY
) OF LEASE AGREEMENT

IN CONSIDERATION of independent value received by me, the receipt and sufficiency of which are hereby acknowledged, I hereby unconditionally guarantee the performance of all terms, covenants and conditions contained in the foregoing Lease Agreement to be performed by Tenant, and all extensions, renewals or modifications thereto, and all expenses, including attorney's fees, to which Landlord may become entitled to under the Lease, and hereby waive presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and agree that the Lease may from time to time be modified, renewed or extended without notice to or consent by the undersigned and without affecting the undersigned's liability hereunder, and the undersigned agrees that the undersigned may be sued with or without joining Tenant or any other Guarantor hereof and without first or contemporaneously suing such persons or otherwise seeking or proceeding to collect from them.

This is a continuing unconditional guaranty of payment and performance and not of collection and shall remain in full force and effect throughout the entire term of the Lease and any extensions or renewals thereof and so long as any amounts due from Tenant under the terms of the Lease remain unpaid.

IN WITNESS WHEREOF, the undersigned Guarantor has hereunto set his hand and seal effective as of the first day of June, 2004.

WITNESS:

 3/5/05


Brian J. Berrigan, Guarantor

(as to Guarantor)

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON) **CONSENT TO ASSIGNMENT OF LEASE
AND AGREEMENT TO AMEND LEASE**

This Agreement is made and entered into this 30th day of September, 2006, by and between the City of Isle of Palms, S.C. ("Landlord"), Tidal Wave Water Sports ("Assignor") and Water Toys, LLC ("Assignee").

WHEREAS, by Commercial Lease Agreement dated June 1, 2004 (the "Lease"), Landlord and Assignor entered into the lease of certain highland and dock space at Landlord's marina, the exact description of which is set forth in the Lease; and

WHEREAS, Assignor desires to transfer and assign the Lease to Assignee and Assignee desires to assume the Lease from Assignor; and

WHEREAS, Landlord is willing to consent to the assignment of the Lease subject to the terms of this Agreement; and

WHEREAS, Landlord and Assignee desire to amend the Lease in certain respects.

THEREFORE, in consideration of the premises and the mutual covenants and conditions set forth in this Agreement, the parties hereto agree as follows:

1. Landlord hereby consents to the assignment of the Lease from Assignor to Assignee, conditional upon its receipt of a copy of a written Assignment of Lease from Assignor to Assignee whereby Assignee has agreed to be bound by all terms and conditions contained in the Lease and to perform and keep all promises, covenants, conditions and agreements of the tenant thereunder which arise or accrue after the delivery of the Assignment.

2. Landlord agrees to release Assignor's principal, Brian J. Berrigan, from his personal guaranty of the Lease as to all matters arising after the date of the assignment upon the execution and delivery to Landlord of the attached unconditional guaranty of the Lease from Assignee's principals, Mark Fiem and Michael Fiem, as to all matters arising after the date of the assignment.

3. Landlord and Assignee agree to amend the Lease by deleting the last sentence of Section 2 of the Lease in its entirety.

4. All terms and conditions of the Lease which are not inconsistent with the terms of this Agreement shall remain in full force and effect.

*Amend
#1*

IN WITNESS WHEREOF, the parties hereto, by and through their undersigned agents, have executed this Agreement as of the date stated above.

WITNESS:

Ang S. Williams
Linda Lovvorn Tucker
(as to Landlord)

The City of Isle of Palms, South Carolina

By: *Linda Lovvorn Tucker*

Title: Linda Lovvorn Tucker, City Administrator

Michael Malley
Michael Malley
(as to Assignor)

Tidal Wave Water Sports, Inc.

By: *Brian J. Berrigan*

Title: OWNER

Michael Malley
Michael Malley
(as to Assignee)

Water Toys, LLC

By: *Michael Malley*

Title: OWNER

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Assignment Agreement") is executed this 30th day of August 2006, by and between Tidal Wave Watersports, a South Carolina corporations (the "Seller"), Watertoys LLC dba "Tidalwave Watersports," a South Carolina limited liability company (the "Buyer"), and the South Carolina City of ISLE OF PALMS (the "City").

RECITALS

1. Tidalwave Watersports, Inc. (the Seller) and the City are parties to an agreement dated June 1, 2004 for the performance of lease services, a copy of which is attached hereto as Exhibit A (the "Lease").
2. Tidalwave Watersports, Inc. (the Seller) desires to assign to, and Watertoys, LLC (the "Buyer") desires to accept the assignment of and assume the obligations under, the Lease upon the terms and conditions set forth herein.

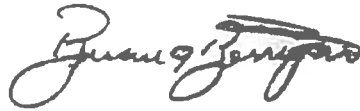
AGREEMENTS

NOW, THEREFORE, in consideration of the recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that:

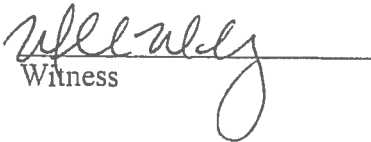
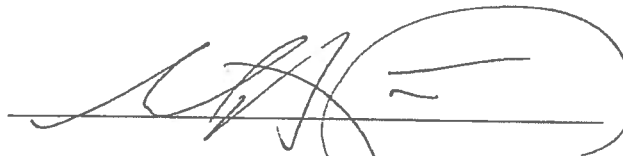
1. Assignment. The Seller hereby sells, assigns, conveys, transfers and delivers to the Buyer all of the Seller's rights, title and interest in and to the Lease.
2. Assumption. The Buyer hereby accepts the foregoing assignment, and in connection therewith, agrees to assume, perform and discharge Seller's obligations under the Lease arising from and after the date hereof.
3. Consent to Assignment. The City hereby consents to the assignment of the Lease from Seller to Buyer. The City hereby confirms that, to the best of its knowledge, that no default exists under the Lease and the City has no claims against the Seller for default under the Lease as of the date hereof.
4. Effective Time. The effective time of this Assignment Agreement is the date first set forth above.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

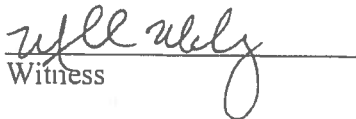
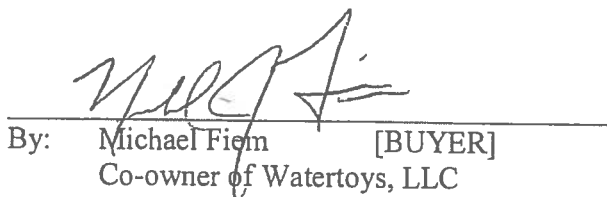
IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the date first above written.




By: Brian J. Berrigan [SELLER]
Owner, Tidal Wave Watersports, Inc.


Witness


By: Mark Fiem [BUYER]
Co-owner of Watertoys, LLC


Witness

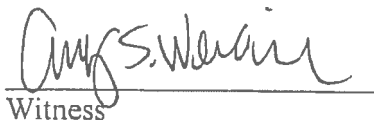
By: Michael Fiem [BUYER]
Co-owner of Watertoys, LLC


Witness

CITY OF ISLE OF PALMS



By: Linda Lovvorn Tucker [CITY]
City Administrator


Witness

STATE OF SOUTH CAROLINA)

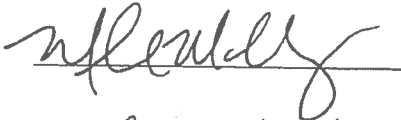

COUNTY OF CHARLESTON) **UNCONDITIONAL GUARANTY
OF LEASE AGREEMENT**

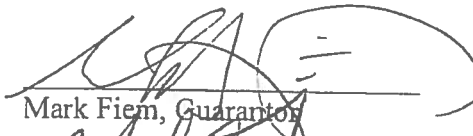
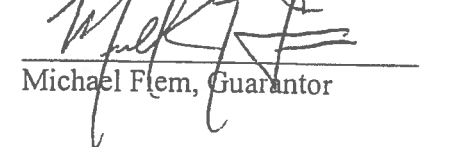
IN CONSIDERATION of independent value received by us, the receipt and sufficiency of which are hereby acknowledged, we hereby unconditionally guarantee the performance of all terms, covenants and conditions contained in that certain Commercial Lease Agreement by and between The City of Isle of Palms, S.C., as Landlord, and Tidal Wave Water Sports, Inc. as Tenant, dated June 1, 2004, to be performed by the Tenant from and after the date of this Agreement, including without limitation all extensions, renewals or modifications thereto, and all expenses, including attorney's fees, to which Landlord may become entitled to under the Lease, and hereby waive presentment, demand, notice of dishonor, protest and all other notices whatsoever, and agree that the Lease may from time to time be modified, renewed or extended without notice to or consent by the undersigned and without affecting the undersigned's liability hereunder, and the undersigned agrees that the undersigned may be sued with or without joining the Tenant or any other Guarantor hereof and without first or contemporaneously suing such persons or otherwise seeking or proceeding to collect from them.

This is a continuing unconditional guaranty of payment and performance and not of collection and shall remain in full force and effect throughout the entire remaining term of the Lease and any extensions or renewals thereof and so long as any amounts due from Tenant under the terms of the Lease remain unpaid.

IN WITNESS WHEREOF, the undersigned Guarantors have hereunto set their hands and seals this 30th day of September, 2006.

WITNESS:


Mark Fiem, Guarantor

Michael Fiem, Guarantor

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) SECOND AMENDMENT TO COMMERCIAL
) LEASE AGREEMENT

THIS SECOND AMENDMENT TO COMMERCIAL LEASE AGREEMENT is made and entered into this 17th day of November, 2010, by and between The City of Isle of Palms, South Carolina ("Landlord") and Watertoys, LLC, d/b/a, "Tidalwave Watersports," a South Carolina limited liability company ("Tenant").

WHEREAS, by Commercial Lease Agreement dated June 1, 2004 (the "Lease"), Landlord and Tidal Wave Water Sports, Inc. ("Assignor"), entered into the lease of certain highland and dock space at Landlord's marina, the exact description of which is set forth in the Lease; and

WHEREAS, by Assignment Agreement dated August 30, 2006 ("Assignment Agreement"), Assignor assigned to Tenant all rights, title and interest in and to the Lease; and

WHEREAS, by Consent to Assignment of Lease and Agreement to Amend Lease dated September 30, 2006 ("Consent to Assignment and Agreement to Amend Lease"), Landlord consented to the Assignment Agreement and Landlord and Tenant made certain amendments to the terms of the Lease; and

WHEREAS, Landlord and Tenant desire to further amend the Lease as hereinafter set forth.

THEREFORE, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, and other good and valuable consideration in hand paid by each to the other, the parties hereto hereby agree as follows:

1. Text additions are displayed in **bold and underlined** text. Text deletions are displayed as strike-through text (i.e., ~~strike-through~~).
2. That Section 1, "Leased Premises," of the Lease, is hereby amended to add a sentence at the end of the Paragraph:

"Landlord may, upon reasonable notice to Tenant, amend the exact location of the dock space described in Exhibit I; provided, however, that Tenant shall at all times have adequate dock space for the uses defined in Section 5 of the Lease."

3. That Section 2, "Term of Lease," of the Lease is hereby amended as follows:

"The term of this Lease shall commence on ~~June 1, 2004~~ **October 1, 2010**, and end on ~~September 30, 2005~~ **September 30, 2015**. This Lease shall be automatically renewed for **three (3)** successive ~~one (1)~~ **five (5)** year terms commencing on ~~October 1, 2005~~ **October 1, 2015**, under the same terms, covenants and conditions set forth in this agreement until either party gives the other party at least ~~ninety (90) days~~ **1 year** prior written notice of termination of this Lease at the end of any such renewal term."

4. That Section 3, "Rent," of the Lease is hereby amended in Paragraphs A and B as follows:

"A. Tenant agrees to pay initial annual base rent to the Landlord, or such agent of Landlord as Landlord may from time to time designate in writing, in the sum of Eighteen Thousand and no/100 (\$18,000.00) Dollars, due and payable in equal monthly installments of One Thousand Five Hundred and no/100 (\$1,500.00) Dollars, ~~due and payable~~ in advance on or before the first day of each month, commencing on ~~June 1, 2004~~ **October 1, 2010**, and continuing throughout the entire term of this Lease. **Notwithstanding any other provision contained in this Section to the contrary, for any lease year Tenant may elect to re-allocate the payment of annual rent due for such lease year into variable installments,**

provided that the total amount of annual rent due is paid in full by September 30 of each lease year.

B. In addition to the base rent set forth in this Section, Tenant agrees to pay additional annual rent to Landlord equal to twenty (20.00%) percent of Tenant's gross profit (as defined by Generally Accepted Accounting Principles, or "GAAP") derived from the Leased Property in excess of Three Hundred Thousand and no/100 (\$300,000.00) Dollars per lease year. Such amount shall be due and payable in full within thirty (30) days after the end of ~~each year of~~ each lease year. Tenant agrees to keep true, accurate and complete records of all activities conducted at the Leased Property and ~~along with the payment of the additional annual rent shall~~ provide Landlord with a certified statement, certified by the Tenant's Owner to be true and correct, showing the monthly gross income revenues and deductions from gross revenues to derive gross profit for the subject year. Such statement shall be provided along with the payment of the additional annual rent, or if no additional annual rent is due, within thirty (30) days after the end of each lease year.

Landlord and its agents and representatives are hereby authorized to inspect and copy all books and records of Tenant relating to the Leased Property at such times as Landlord may determine. ~~Tenant agrees that each year, within 90 days after the end of Tenant's fiscal year, Tenant will provide Landlord with a copy of Tenant's annual compiled financial statements, certified by Tenant's independent accounting firm. Tenant also agrees that each year, Tenant will provide Landlord with a certified copy of Tenant's state and federal income tax returns no later than the due date for filing the returns. If Tenant receives an extension for filing any such return, Tenant will provide Landlord with copy of same upon filing. To the extent~~

allowed by the South Carolina Freedom of Information Act, Landlord agrees to keep all such information confidential."

5. That Section 9, "Assignment or Sublease," of the Lease is hereby amended as follows:

"Tenant agrees not to assign or sublet the Leased Premises or any part thereof without Landlord's prior written consent. Any change in control of the ownership of Tenant shall be deemed to be an assignment of this Lease. Notwithstanding any such consent by Landlord, Tenant agrees to remain personally liable for the full performance of all terms and conditions contained in this Lease to be performed by the Tenant. Tenant agrees to hold harmless and indemnify Landlord against any loss or damage, including attorney's fees and expenses, incurred as a result of any and all claims, demands, causes of action, suits, judgments, fines or penalties (including but not limited to all fees and expenses incurred as a result of death or injury to persons or for loss of or damage to property) arising out of or in connection with Tenant's sublease or assignment of the Leased Premises and any activities performed thereunder, including negligent or willful acts or omissions, by Tenant, Tenant's sublessee or assignee, and their respective members, officers, agents, employees, subcontractors, customers, licensees, and invitees.

All insurance coverage required to be maintained by Tenant and its sublessees under any City-approved subleases pursuant to this Section of the Lease shall be with companies approved by Landlord, who shall be named as an additional insured on all such policies held by Tenant and its sublessees. Tenant agrees to provide City with certificates of such insurance for Tenant and its sublessees within ten (10) days from the renewal date of each such policy."

6. That Section 12, "Indemnification," of the Lease is hereby amended in the last sentence as follows:

"Tenant agrees to at all times carry public liability insurance in the amount of at least \$300,000.00 per person and \$1,000,000.00 per claim, and \$300,000.00 per claim property damage, with Landlord named as an additional insured, through a company approved by Landlord, and agrees to provide Landlord with ~~proof of such coverage from time to time upon Landlord's request~~ **certificates of such insurance within ten (10) days from the renewal date of such policies.**"

7. That all other terms and conditions of the Lease, Assignment Agreement and Consent to Assignment and Agreement to Amend Lease, which are not inconsistent herewith shall remain in full force and effect.

IN WITNESS WHEREOF, the Landlord and Tenant have caused this Second Amendment to be duly executed, sealed and delivered, by and through the undersigned agents, as of the date stated above.

SIGNATURE PAGE FOLLOWS

C.A. Tucker
(Witness #1 as to Landlord)

Erin D. Dyer
(Witness #2 as to Landlord)

[Signature]
(Witness #1 as to Tenant)

[Signature]
(Witness #2 as to Tenant)

The City of Isle of Palms, S.C., Landlord

By: [Signature]

Title: City Administrator

Watertoys, LLC d/b/a "Tidalwave Watersports,"
Tenant

By: [Signature]

Title: Owner



To IOP Council:

As our busy season is coming up so is the renewal of our current lease. We feel that beginning the process of the renewal would be best if we started now. We are including some of our proposed lease terms.

- Base rent of \$43,000 annually plus 1% of total sales which were \$761k (2018). This would yield \$50,610 annually. Currently our lease is around about \$24,000 plus .20% gross profit above \$300K. This year it was only about \$229K so no money was made off the gross profit.
- 7yr initial term with the option to renew 3 additional 5 yr terms. Both landlord and tenant (TW) will have an opt out 1yr prior to the end of each term.
- TW must carry a \$1 million-dollar insurance with an "A" rated insurance company. Policy must include the City of the Isle of Palms.
- TW is allowed to do Watersports which are considered normal in the industry. This includes but not limited to Parasailing, Jet ski Activities, Banana Boats, Towed Watersports Charters, and Dolphin watching provided the TW has proper insurance in accordance with the lease and is not currently offered at the marina.
- No activity will occur within a 1/4-mile radius of the marina.
- TW agrees to conduct all business with the operational limits set forth by DEHEC, and the Army Corp of Engineers.
- TW agrees to do any normal repairs/replacement of the dock including but not limited to: replacement of floats, dock boards and framing, electrical, and water.
- Repairs involving moving / replacing pilings and dredging will be handled by the landlord.
- TW seeks the current parking footprint 70'x 90' in the far corner of the marina lot. (see attached)
- TW will allow parking for overflow of restaurant traffic after 5pm provided it does not interfere with our operation.
- TW seeks to continue to receive 5% discount on fuel purchased at marina.
- TW agrees to give 10% off to any resident.
- TW seeks to be able to transfer ownership of lease provided new owner meets all credentials necessary.

While this is only a proposal and some negotiations will most certainly occur, we really want to know what our future holds. Is the city looking at the future with Tidalwave as a part of it? We have had the pleasure of being a part of this community since 2005 and would love to continue for years to come.

Michael Fiem
Owner
Tidalwave Watersports

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THIRD AMENDMENT TO COMMERCIAL
LEASE AGREEMENT

THIS THIRD AMENDMENT TO COMMERCIAL LEASE AGREEMENT (“Third Amendment”) is made and entered into this 23rd day of May, 2018, by and between The City of Isle of Palms, South Carolina (“Landlord”) and Barrier Isles, LLC, a South Carolina limited liability company (“Tenant”).

WHEREAS, Tenant is the tenant under that certain Commercial Lease Agreement dated May 17, 2002, between Landlord and Tenant (the “Lease”), covering certain real property commonly known as “Morgan Creek Grill,” located near the northeastern corner of the Isle of Palms Marina; and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the First Amendment (“First Amendment”) to Lease Agreement dated March 12, 2010; and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the Second Amendment (“Second Amendment”) to Lease Agreement dated October 26, 2017; and

WHEREAS, Landlord and Tenant desire to further amend the Lease as hereinafter set forth.

THEREFORE, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, and other good and valuable consideration in hand paid by each to the other, the parties hereto hereby agree as follows:

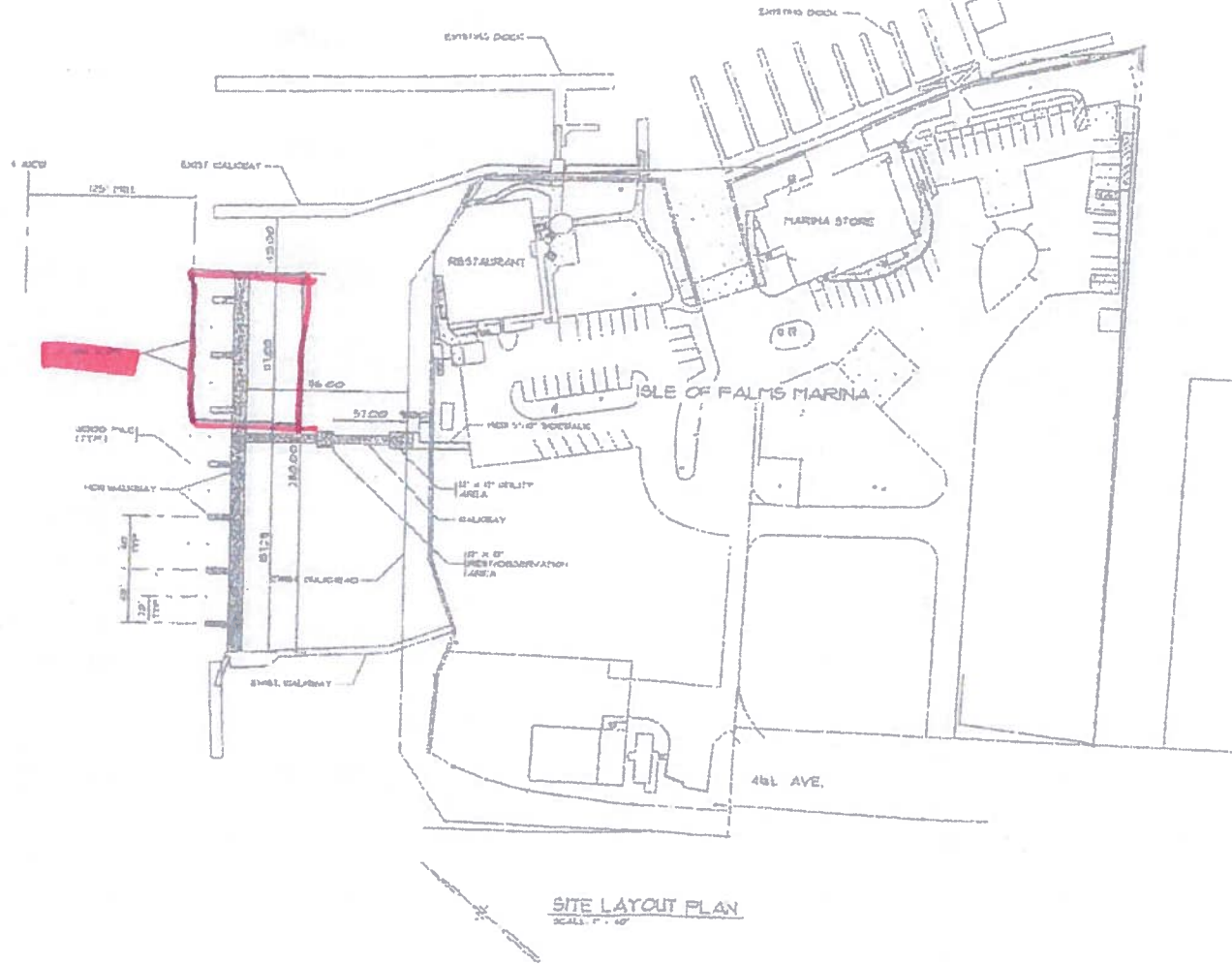
1. That the Lease is hereby amended to add the following new Section 28:
- “28. DOCK USE BY TENANT’S PATRONS. Landlord agrees to reserve the dock space (the “Restaurant Dock”) shown on Exhibit I attached hereto for the exclusive use of Tenant’s patrons from June 1, 2018 to May 31, 2019. Landlord shall have no further obligation to reserve the Restaurant Dock, or

any portion thereof, for Tenant's exclusive use after May 31, 2019. Tenant agrees to be responsible for payment of all property taxes assessed against the Restaurant Dock property which accrue during the time period for which the Restaurant Dock is reserved for the Tenant's exclusive use. Tenant agrees to prohibit overnight mooring of vessels at the Restaurant Dock other than for exceptional circumstances. Landlord agrees to be responsible for all repairs and maintenance at the Restaurant Dock which are not caused by the negligent or willful acts of Tenant or Tenant's patrons. Tenant agrees to be responsible for all repairs and maintenance at the Restaurant Dock which are caused by the negligent or willful acts of Tenant or Tenant's patrons. Tenant agrees to hold harmless and indemnify Landlord against any loss or damage, including attorney's fees and expenses, incurred as a result of any and all claims, demands, causes of action, suits, judgments, fines, or penalties (including but not limited to all fees and expenses incurred as a result of death or injury to persons or for loss of or damage to property) arising out of or in connection with the use of the Restaurant Dock by Tenant, its agents, employees, licensees, or invitees except to the extent caused by the fault or neglect of Landlord or its employees, agents, invitees and licensees."

2. That all other terms and conditions of the Lease, First Amendment, and Second Amendment which are not inconsistent herewith shall remain in full force and effect.

Exhibit I
(Attach Map Showing Restaurant Dock)

EXHIBIT I



50% DESIGN SUBMITTAL



RL
 Robert L. Anderson, P.E.
 Consulting Engineer
 Resident, South Carolina 29407

SITE LAYOUT PLAN

ISLE OF PALMS
 MARINA EXPANSION
 CITY OF ISLE OF PALMS
 CHARLESTON COUNTY

DATE	02/01/2012
DESIGNED BY	RLA
CHECKED BY	RLA
SCALE	1" = 40'

G-3

IN WITNESS WHEREOF, the Landlord and Tenant have caused this Third Amendment to be duly executed, sealed and delivered, by and through the undersigned agents, as of the date stated above.

WITNESS:

Amy Lee

The City of Isle of Palms, S.C., Landlord

By: [Signature]

Title: City Administrator

[Signature]
(as to Landlord)

Barrier Isles, LLC, Tenant

Rebecca Orsini

By: [Signature]

Title: Pres. Barrier Isles LLC

[Signature]
(as to Tenant)

ACCOUNTS PAYABLE VOUCHER

PAGE: 1

VOUCHER NO.

WARRANT NO.

DATE ALLOWED 04 13 2019
Mo. Day Yr.

IN THE SUM OF \$ 13910.40

CITY OF ISLE OF PALMS

Payee SOFTWAREONE,

<p>VENDOR # 06546</p> <p>SOFTWAREONE, INC.,</p> <p>DEPT CH 10768</p> <p>PALATINE, IL 60055-0768</p>	<p>Purchase Order No.</p> <p>Terms</p> <p>Due Date 04/13/2019</p>
--	--

INVOICE DATE	INVOICE NUMBER	APPROP NUMBER	PROJECT	DESCRIPTION	AMOUNT
03/13/2019	US-SCO-645352	20-4440.5026		115 EXCHANGE ONLINE, 25 GOV E3 & 25 3	13,910.40

CITY OF ISLE OF PALMS			
Favor Of			
SOFTWAREONE, INC.,			
Total Amount of Voucher Deductions		\$	
Total Amount of Warrant		\$	
Month of _____, _____			

[illegible]

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except

Mo. Day Yr.

Signature

[illegible]

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.

Mo. Day Yr.

Signature _____

Officer/Title	
---------------	--

Board/Council Members



Proposal

100 Perimeter Park Dr, STE H, Morrisville, NC 27560
Phone: 919-838-7555

No. QUO-0106956

Sales Person : William Jernigan
Phone No.: 803-731-4140
E-Mail: bjernigan@jones-frank.com

Revision: 4
Date: 4/8/2019

Sold to: CITY OF ISLE OF PALMS
PO DRAWER 508
Isle Of Palms, SC 29451

RE: RFC – MARINA LOCATION (REVISION #1)
ADD EXTENSIONS TO ISLAND AND RELOCATE VENTS

Comments

This change order in no way affects or alters the terms of the agreement signed by the parties on or about March 15, 2018.

No.	Description	Qty.	Unit Price	Amount
ISLAND EQUIPMENT				
QUO-WJ	4' LONG X 9" HIGH STRAIGHT ISLAND FORM SECTIONS	2		
INSTALLATION				
INSTALL LABOR	INSTALLATION	1		

TOTAL PRICE: 11,577.95

This proposal has applicable tax included.

SCOPE OF WORK

- Add extensions to island form
- Uncover existing vent piping and relocate to island area
- Backfill and compact excavated areas (hand digging required)

TERMS & CONDITIONS

UNLESS FREIGHT IS DEFINED AND INCLUDED ABOVE, FREIGHT CHARGES WILL BE ADDED TO THE INVOICE.

1. PURCHASE ORDER TERMS, CONDITIONS OR PROVISIONS INCONSISTENT WITH THOSE ON THIS AND THE OTHER SIDE HEREOF SHALL BE DEEMED INEFFECTIVE. It is mutually agreed that all terms, conditions and provisions (whether printed, stamped, typed, or written) on customer's purchase order or other communications (except the description and specification of goods, ordered, quantity, price, invoice number, shipping instructions and tax exemption certificate) shall be ineffective, and in lieu thereof, the terms, conditions and provisions on this and the other side hereof shall govern all orders and shall be applicable thereto with the same force and effect as if they physically appeared thereon.

Customer Initials DF
Jones & Frank - Confidential

Jones & Frank Initials _____
Quotation valid for 30 days

QUO-0106956

Page 1 of 4

as an acceptance or approval of any terms, provisions or conditions printed, stamped, typed or written on such order or communication inconsistent with those herein set forth.

No waiver, alteration or modification of the terms and conditions on this and the other side hereof shall be binding unless in writing and designed by an Executive Officer or Sales Manager of JONES & FRANK. For purposes hereof, the terms "we", "us" and "JONES & FRANK" shall mean JF Acquisition, LLC.

2. We will not accept goods returned for credit, unless we previously approve such return for credit in writing, in conformance with the Returns Goods Policy and subject to applicable restocking fees.
3. ALL EXPRESS AND IMPLIED WARRANTIES ARE HEREBY DISCLAIMED (INCLUDING THE WARRANTY OF MERCHANTABILITY, THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND THE WARRANTY OF TITLE) THAT ARE NOT OTHERWISE INCLUDED ON THE FACE HEREOF, OR PUBLISHED BY THE MANUFACTURERS INVOLVED. IN NO EVENT SHALL THE OBLIGATION OF JONES & FRANK EXTEND BEYOND THE REPAIR OR REPLACEMENT OF ANY PRODUCT SOLD BY IT WHICH PROVES TO HAVE BEEN DEFECTIVE, AND THEN ONLY IF THE PRODUCT IS RETURNED TO THE DESTINATION WE DESIGNATE WITH ALL TRANSPORTATION CHARGES PREPAID AND IS FOUND BY INSPECTION TO HAVE BEEN DEFECTIVE. NO MERCHANDISE SHALL BE RETURNED WITHOUT JONES & FRANK'S PRIOR WRITTEN AUTHORIZATION. WRITTEN NOTICE OF CLAIMED DEFECTS MUST BE GIVEN BY THE CUSTOMER TO JONES & FRANK WITHIN A REASONABLE TIME AFTER DELIVERY OF THE PRODUCT TO THE CUSTOMER, AND IN NO EVENT LONGER THAN TWO WEEKS.
4. By acceptance of proposal, Customer grants to JONES & FRANK a security interest in all equipment or merchandise delivered hereunder which security interest shall remain in full force and effect until JONES & FRANK has received payment in full. Customer agrees to execute all documents necessary to perfect the lien of said security interest, as required by JONES & FRANK prior to delivery of equipment and merchandise. Customer agrees that, if required by JONES & FRANK to do so, it will obtain the execution of any document necessary to perfect said security interest in any equipment or merchandise to be attached to or placed in the ground by the owner of the site, prior to the attachment or burial of such equipment or merchandise. Customer's failure to comply with the terms hereof shall give JONES & FRANK the right to cancel at its option, the agreement without further obligation to Customer.
5. The terms of FOB Shipping Point shall apply to all equipment shipments. JONES & FRANK shall not be responsible for loss or damage to equipment or merchandise while in transit on any carrier not owned by JONES & FRANK. Any claim made for such loss or damage shall be made by Customer against the carrier.
6. Deliveries shall be subject to availability of equipment or merchandise at the time specified for delivery. JONES & FRANK shall have no liability for delays caused by unavailability of equipment or merchandise, or by strikes, fire or other event beyond the control of JONES & FRANK. To the extent there is such delay or suspension resulting in increased cost or expense to JONES & FRANK, JONES & FRANK shall be entitled to receive an adjustment to compensation and any other terms and conditions applicable and as reasonably necessary, on an equitable basis to account for such increase.
7. Orders placed with us and accepted by us are not subject to cancellation except with our consent. Additionally, Customer may, at any time in writing, request changes in, additions to or deletions from the purchase order; however, such changes are subject to our consent. JONES & FRANK will be entitled to an adjustment in compensation for any changes that is performed on a cost-reimbursable or time and materials basis.
8. If items are manufactured in accordance with Customer's designs, blueprints, drawings, samples or specifications, the Customer shall indemnify and save seller harmless from any and all expenses, injury or loss arising out of Claims of Patent Infringement because of the manufacture, use, or sale of such products.
9. The interpretation, validity and enforcement of these Conditions or any resulting order, and all legal actions brought under or in connection with the subject matter of these Conditions or any resulting order, shall be governed by the laws of the State of North Carolina (except that any conflict of laws principles of such state that would result in the application of the law of another jurisdiction shall be disregarded).

Customer Initials DF

Jones & Frank Initials _____

10. In the event that any suit is instituted concerning or arising out of the agreement, the prevailing party shall be entitled to recover all of such costs, including, but not limited to, the court costs, reasonable attorney's fees and other costs related to collection.

11. If any of these conditions are held invalid the remainder of the conditions shall not be affected thereby.

12. With respect to all items manufactured in accordance with Buyer's design, blueprints, drawings, samples, or specifications, Customer will accept under-runs and over-runs on each individual item not exceeding 10% of the quantities ordered and the billings adjusted accordingly.

13. For any dispensers that require temporary storage by Jones & Frank because they are not being installed by Jones & Frank, and

are not being shipped directly to a customer site, execution of a bill and hold agreement will be required. Jones & Frank will provide up to 30 days of free storage on all new dispensers ordered. All requests for temporary storage of new dispensers must be made in writing at the time of the execution of this agreement. Additionally, an anticipated delivery date to the installation site must be specified. Upon production, Jones & Frank will arrange delivery of finished goods/ dispensers to the Bill & Hold warehouse and invoice the customer. Standard payment terms will apply.

After the initial 30 days of storage of the goods, a fee is charged to the customer at a rate of 0.5% per month of net invoiced amount

of equipment in storage for a maximum of six (6) months after original invoice date. To release equipment for shipment from the Bill & Hold warehouse, customer must advise their Jones & Frank Customer Service Representative via e-mail. It normally takes 3-5

business days to ship equipment from the Bill & Hold warehouse. Customer is responsible for charges until equipment is physically removed from the warehouse. Upon expiration of the 6 month maximum storage period, customer will be notified that the goods will

be shipped to the location noted on the original bill & hold request form. Customers will be notified 3-5 business days in advance of the shipment so as to provide an opportunity to confirm routing instructions. Note: the standard warranty period begins at date of invoice for all equipment. Please do not leave equipment in Bill & Hold for an extended length of time.

14. This proposal is intended for prompt acceptance by Customer and, if not accepted within 30 days, may be withdrawn by JONES & FRANK without notice. In any event, due to the uncertainty of prices of components, prices quoted are those currently in effect. Such prices may be significantly higher at time of delivery and, if so, such increase shall be added to the contract price. JONES & FRANK shall itemize such increases upon receipt of a signed order. If increases are unacceptable to Customer, Customer may elect to cancel its order.

15. Customer shall not assign any rights or delegate any duties or obligations pursuant to the agreement without our written consent. Any assignment or delegation made without our express written consent will be without effect.

16. On any underground tank installation, Customer agrees to supply hold-down product at job site at time of excavation.

17. Any unforeseen underground condition, i.e., water, rock, electric and water lines, disposal of contaminated soils, or other obstacles will be charged to Customer on a time and materials basis

18. Backfill will be with on site material unless otherwise specified.

19. JONES & FRANK reserves the right to approve the credit of all Customers. To Customers with approved credit, JONES & FRANK offers the following terms:

POS, DISPENSER and FLEX PAY KITS: NET 10 DAYS FROM DATE OF INVOICE;

EQUIPMENT WILL BE INVOICED UPON SHIPMENT FROM MANUFACTURER

INSTALLATION: NET UPON COMPLETION WITH PROGRESS PAYMENTS DUE ON PRESENTATION

If Customer's credit is not approved, JONES & FRANK shall notify Customer of that fact within 21 days after receipt of a signed Order. In such event, JONES & FRANK reserves the right to require, at its option, a substantial deposit, or such other payment arrangements as shall be acceptable to JONES & FRANK. Customer's failure to comply with such payment arrangements shall give JONES & FRANK the right to cancel the agreement without further obligation to Customer.

Customer Initials



Jones & Frank Initials _____

ACCEPTANCE

This proposal, when accepted by the purchaser, and final approval of Seller's Official Officer, will constitute a bona fide contract between us, subject to all terms and conditions on the reverse side.

It is expressly agreed that there are no promises, agreements or understandings, oral or written, not specified in this proposal.

Company Name City of Isle of Palms, SC

Signature Desirée Frago Date 11/8/2019

Print Name Desirée Frago

Print Title Interim Administrator

Jones & Frank Acceptance

Signature of Officer _____

Title: _____

Date: _____

RECEIVED
11/8/2019
CIS-SS-218

Forwarded to manager, pending approval

Customer Initials DF

Jones & Frank Initials _____