

Real Property Committee
4:00 p.m., Wednesday, September 5, 2018
Council Chambers
1207 Palm Boulevard, Isle of Palms, South Carolina

AGENDA

1. **Call to Order** and acknowledgement 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**
Regular Meeting of August 6, 2018
3. **Citizens' Comments**
4. **Comments from Marina Tenants**
5. **Old Business**
 - A. Consideration of Morgan Creek Grill lease renewal and extension
 - B. Update on unlicensed businesses operating out of the IOP Marina with no lease with City or Marina Manager
 - C. Update regarding 1100 Palm and right-of-way on Pavilion Drive
 - D. Update on Marina operations
6. **New Business**
 - A. Discussion of long-term visions for IOP Marina
 - B. Consideration of a proposal from Coastal Science and Engineering (CSE) for annual island-wide and post-project monitoring services from 2019-2023
 - C. Discussion of alternatives available to optimize the municipal parking lot on Pavilion Drive
7. **Miscellaneous Business**
Tenant Rents Report

Next Meeting Date: 4:00 p.m., Wednesday, October 3, 2018 in the Conference Room
8. **Executive Session**
Upon returning to open session, the Committee may take action on matters discussed in Executive Session.
9. **Adjournment**

REAL PROPERTY COMMITTEE

4:00 p.m., Monday, August 6, 2018

The regular meeting of the Real Property Committee was held at 4:00 p.m., Monday, August 6, 2018 in the City Hall Conference Room, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Councilmember Ferencz, Chair Bell, Interim Administrator Fragoso and Clerk Copeland; a quorum was present to conduct business. Councilmember Ward was absent.

1. Chair Bell 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 Ferencz moved to approve the minutes of the regular meeting of July 3, 2018 as submitted; Chair Bell seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments

Jim Raih, 3904 Cameron Boulevard, stated that he served on the Real Property Advisory Committee for four (4) years and understood how difficult it was to grasp everything that goes on at the marina, what businesses are operating out of it and how they are interconnected. He stated that the marina was a great asset for the City that "needed some attention," and he encouraged the Committee members to seek out past Committee members for historical information.

4. Comments from Marina Tenants

Michael Fiem of Tidal Wave Water Sports took the opportunity to remind the Committee about the Residents Appreciation Day scheduled for Saturday, September 8, 2018 when residents will be invited to participate in any and all of the activities offered by Tidal Wave at no charge, but donations to the MUSC Children's Hospital would be encouraged. Reservations for activities will be taken beginning August 15th.

5. Old Business

A. Results of RFP 2018-01 – Engineering, Design and Permitting for Isle of Palms Marina Docks Rehabilitation

Interim Administrator Fragoso directed attention to the bid summary included in the meeting packet stating that the City received proposals from Jon, Guerry, Taylor and Associates, SHFR Waterfront Solutions and Applied Technology Management (ATM); staff's recommendation was to award the contract to ATM, the lowest price submitted. Noting that ATM was the firm the previous Real Property Committee worked with on the Marina Enhancement Plan, the Interim Administrator stated that they have an in-depth knowledge of the marina that will translate into their ability to "hit the ground running." The City has found ATM to be very responsive and has developed a good working relationship with them. Although some citizens might be concerned about awarding this contract to them because of their work on the Enhancement Plan, she remarked that ATM did the job they were hired to do and followed the directions given to them by

the Committee and City Council; therefore, their previous work for the City should not be a drawback to them on this new contract. ATM is well-qualified and will do a good job for the City.

The other two (2) firms who submitted proposals were equally qualified, but staff had concerns about both. Jon, Guerry, Taylor designed and engineered the bulkhead replacement, and the bulkhead has recently undergone a costly rehabilitation for erosion behind it caused by the incorrect installation of the weep holes. SHFR Waterfront Solutions is undergoing a transition due to the untimely death of the owner about a month ago.

Chair Bell reiterated that the dock rehabilitation was a separate project from the Marina Enhancement Plan, and the reasons the referendum failed did not involve the quality of work done by ATM. In discussing the bids with the Interim Administrator, they concluded that, if the RFP was to go out a second time, the City would likely receive the same three (3) proposals because few companies did this type of work. The Chair agreed that ATM has a stellar reputation in this field of work, and he was comfortable going forward with staff's recommendation.

Councilmember Ferencz asked that ATM use all of the data they have gathered, but to look at the dock rehabilitation with a fresh set of eyes; she also asked that they concentrate on ADA compliance in their scope of work.

MOTION: Councilmember Ferencz moved to recommend to the Ways and Means Committee the award of the contract for design, engineering and permitting of the dock rehabilitation to ATM; Chair Bell seconded.

Interim Administrator Fragoso recommended also that Alternate #2 for the construction administration could be excluded at this time since no one expects construction to begin in this fiscal year; without Alternate #2, the contract amount would be sixty-two thousand dollars (\$62,000). In the FY19 Marina Fund budget, two hundred eighty-five thousand dollars (\$285,000) has been allocated to this project, i.e. thirty-five thousand dollars (\$35,000) related to the Boating Infrastructure Grant and two hundred fifty thousand dollars (\$250,000) related to the dock rehabilitation.

VOTE: The motion PASSED UNANIMOUSLY.

B. Update regarding 1100 Palm and right-of-way on Pavilion Drive

The Interim Administrator stated that the City has been researching the ownership of Pavilion Drive and found that SCDOT has not conveyed the entirety of Pavilion Drive between Carolina Boulevard and J.C. Long Boulevard. As a result, the real estate attorney asked that the City get a current survey; that has been completed and the results have been sent to the attorney. Once finalized, the City will use the new survey to request and obtain title to the entire right-of-way area and will be in a position to address the owners request to convey part of the right-of-way to him to enable him to get clear title to the property.

C. Update on Marina operations and requests for documentation

Chair Bell thanked the tenants who have responded to the City's requests and stated that he has questions about some of the information that has been provided, and that, through the data provided, the Committee was trying to understand how big an operation the marina was. The rainy weather of the past three (3) weeks and the resulting flooding have highlighted some of the urgency around the City's financial decisions when looking at the overall picture of the City's

financial planning related to the drainage issues and the need to make a substantial investment in the marina to make it safer for users. At the marina, the questions that need to be answered are:

- Fit, form and purpose to the residents;
- Who is using it and at what level?
- How much the City needs to invest?

From this point forward, he believes that the Committee will be taking a comprehensive look at the entirety of the marina and coming up with a plan that serves the purposes of the residents. He reiterated that the marina is a City-owned property that, according to the opinion of many residents, has become too commercialized with too many businesses operating there.

Councilmember Ferencz stated that she wanted to compile the information so that the Committee could get a global view and look into the future to learn what the marina represents for the island. The Committee believes that the composite information will provide some guidance in where money should be invested.

Chair Bell thanked Mr. Berrigan for the information received prior to the meeting, and, giving a look at the information briefly, he referred to the March 24, 2015 minutes of the Ways and Means Committee when "Councilmember Ferencz reported that Marina Manager Berrigan had stated that he sold six thousand (6,000) launch vouchers to people from off-island and three hundred (300) to residents." The information received today indicates that through July 2018 forty-six hundred fifty-five (4,655) resident launch passes have been sold and approximately nineteen hundred sixty-seven (1,967) non-resident launch passes have been sold. He questioned the accuracy of the numbers and asked what has happened at the marina to make such a dramatic change in three (3) years. Since the Chair lives on 41st Avenue, he reported a steady stream of non-resident boats and trailers passing by all day every day; he stated that, when he goes to the marina, he sees very few resident decals. Chair Bell added that it was going to be very difficult to explain to residents the City's investment without being able to tell them what that investment would do for them; he noted that the Councilmembers elected in November told the voters that future decisions about the marina would be based on residents. He closed his comments by stating that the Committee was interested in seeing the marina become what it should be.

In reviewing the data, Councilmember Ferencz found it hard to put the pieces together, which was the goal of the Committee; they were interested in getting a global view of the marina.

Chair Bell stated that the only parking for residents at the marina was the thirty minute (30 min.) parking at the marina store; all other parking was assigned to the restaurant, Tidal Wave, etc. He commented that the same cars were parking on 41st every day, and he has concluded that they belong to marina employees. He recalled that City Council passed some changes to the parking plan that will make parking on 41st Avenue "Resident Only" parking; the signage has been order and will be installed very soon. He cautioned the business owners to notify their employees that, if they continue to park on 41st Avenue, they will be ticketed; the Chair also reiterated that the point that the marina manager's contract states that he is to provide spaces for employees to park. He repeated his opinion that the best option for employee parking would be to park in the municipal lots and be shuttled to the marina.

6. New Business

Unlicensed businesses operating at IOP Marina, no lease with City or marina manager

Chair Bell stated that “x” number of leased, tenant charter boat operated at the marina; when the Committee reviews the insurance documentation provided by the marina tenants, the Committee will be looking at the amount of insurance each carries and whether or not the policies name the City as “an also insured.” He noted that he was not wanting to tell non-lease charter boat captains that they could not operate out of the IOP Marina; he assumed that they pick up from several marinas in the area. The question the Committee was asking was if the City had any less liability because they are not renting a slip; City Attorney Copeland has been asked to research this matter and to advise the Committee what it should do. He opined that the boat captain should have an agreement with the marina operator that allows him to operate out of the IOP Marina, and the same insurance requirements would be required on them as other leased charter boat operations.

From discussions with City Attorney Copeland, Interim Administrator Fragoso informed the Chair that the Committee has two (2) options, i.e. the City could enter into leases with these businesses or the marina manager could enter into a lease agreement with them. In both scenarios, the boat captains would be required to meet the City’s insurance requirements because the charter boats that pickup at the IOP Marina do represent a potential liability to the City.

At this point the Chair asked who would be responsible for enforcement and what would happen if someone was in violation.

7. Miscellaneous Business

Marina rents report – All tenants were current,

Next Meeting Date: 4:00 p.m., Wednesday, September 5, 2018 in the Conference Room

8. Executive Session – not needed

9. Adjournment

MOTION: Chair Bell moved to adjourn the meeting at 4:35 p.m.; Councilmember Ferencz seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk

State of South Carolina
County of Charleston

Commercial Lease Agreement

This agreement ("this Lease") is made and entered into as of this ____ day of _____, 2018, by and between The City of Isle of Palms, SC ("Landlord") and Barrier Isles LLC, a South Carolina limited liability company, and its permitted assigns ("Tenant").

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

1. LEASED PREMISES: PARKING

A. Landlord by the presents hereby demises and let unto Tenant and Tenant hereby hires and leases from Landlord, that certain restaurant building and adjoining grounds, situated near the northeastern corner of the Isle of Palms Marina, an exact description of which is set forth on the map attached hereto and made a part hereof, labeled Exhibit 1 ("the Leased Premises")

B. Tenant is allowed employee parking and excess customer parking in the Marina parking area.

2. INITIAL TERMS: RENEWALS

A. The initial term of this Lease shall commence as of _____ 1, 2018 and end on _____, 2036.

B. Tenant has the option to renew this lease for five (5) additional, consecutive three (3) year terms, covenants and conditions set forth in this lease. Each option to renew must be exercised by Tenant in writing in strict accordance with the notice provisions contained in Sections 23 of the Lease, at least ninety (90) days prior to the expiration of the preceding term. Tenant may not renew this Lease if Tenant is in default of any provision of this Lease at the time Tenant exercises the option or at the time of the commencement date of the renewal term.

3. RENT:

A. During the initial term of this Lease and any renewal hereof, Tenant agrees to pay all monthly rent due hereunder to Landlord, or such agent of landlord as Landlord may from time to time designate in writing, payable in advance of the first day of each month commencing on _____ 1, 2018, or such earlier date as Tenant may conduct any sales at the Leased Premises, as follows:

B. During the first two (2) years of the Lease, i.e., June 1, 2018 through May 31, 2020, Tenant shall pay to Landlord the monthly sum of \$10,000.00 commencing June 1, 2018 and on the first day of each month thereafter through May 1, 2020 ("Base Rent"). For the third year of the Lease and every third year thereafter, the monthly rent payable from Tenant to Landlord shall be an amount equal to the Base Rent plus a percentage increase equal to the percentage increase, if any, in the consumer price index for all urban consumers, U.S. City average, as published by the United States Department of Labor, Bureau of Labor Statistics ("Index"). If such Index is discontinued, then the parties agree to use the closest comparable measure of the effect of inflation provided, however, notwithstanding any change in the Index, the Base Rent shall never be lower than the amount paid for the preceding Lease year.

- C. If Landlord fails to receive any rental payment due under this lease within ten (10) days after the due date, a late charge of five (5%) percent of the rental amount shall be added to the rental and paid to landlord for each such late payment, and the same shall be treated as additional rent, due and payable with such rental payment.

4. SECURITY DEPOSIT: Landlord agrees to retain the initial Security Deposit in the sum of Ten Thousand and No/100 (\$10,000.00) Dollars paid by Tenant at the time the original Commercial Lease Agreement was executed on May 17, 2002 as security for the full and faithful performance by Tenant of all the terms of this Lease required to be performed by Tenant. This deposit, without interest, will be returned to Tenant after the expiration of this Lease provided that Tenant has fully and faithfully performed all of its terms and conditions.

5. USE OF THE LEASED PREMISES: COMPLIANCE WITH PPLICABLE LAWS
 - A. The Leased Premises and all improvements located thereon shall be used only as a full-service restaurant, which at Tenant's option may include the on-premise sale and consumption of alcoholic beverages, the sale of artwork, or clothing apparel or other gift shop items which carry Tenant's restaurant logo, lounge areas and carry out and delivery service. Except to extent that Tenant needs to close the restaurant for approved repairs or renovations, Tenant agrees to keep the restaurant open for business year-round, serving dinner at least five (5) days per week and during the tourist season (Memorial Day weekend through Labor Day weekend), serving lunch and dinner at least six (6) days per week. Provided, however, that if tenant is unable to make a profit serving lunch as a direct result of restrictions on excess customer parking at the Marina during lunch hours, Tenant agrees to give Landlord written notice thereof. Landlord shall have thirty (30) days from receipt of such notice to eliminate the restrictions on Tenants excess customer parking during lunch hours. If landlord does not eliminate such restrictions within said thirty (30) day period, then Tenant shall not be required to serve lunch until such restrictions are eliminated.
 - B. Tenant agrees that all activities conducted at the leased Premises by Tenant will at all time comply with all applicable federal, state and local laws, rules and regulations including all state and federal environmental laws, rules and regulations promulgated thereunder. Tenant agrees that Tenant has familiarized himself with Landlord's City Code of Ordinances including, but not limited to zoning, noise and parking regulations. Tenant acknowledges and agrees that Tenant's failure to comply strictly with all such applicable federal, state and local laws, rules and regulations will, at City's option, be deemed a material default by Tenant under this Lease. Provided, however, that nothing in this subsection is to be construed as modifying nor does it modify, Tenant's rights to cure any default as set forth in Section 16 of this Lease.
 - C. Tenant agrees to obtain and maintain all licenses and permits which are required for Tenant's operation of the Restaurant, construction of any alterations or improvements, and any other activities conducted by Tenant in connection therewith.

6. CONDITION AND MAINTENANCE OF THE PREMISES: Unless otherwise provided in this Lease, Tenant agrees to accept the Leased Premises in its present condition. Landlord makes no representation or warranties, either express or implied, regarding the condition of the Leased Premises or its fitness for any particular purpose. Except as otherwise expressly stated in this Lease, Tenant agrees that at all times during the term of this Lease and any renewals thereof, Tenant shall be responsible for any and all repairs, maintenance and replacement, both ordinary and extraordinary, at the Leased Premises and all of

it appurtenant systems, except to the extent of any damage covered and paid by Landlord casualty insurance carried pursuant to this Lease. Tenant agrees to keep the Leased Premises in a good, clean and safe order and repair and in good operating condition. All repairs, replacements and renovations shall be of good quality material and workmanship. Tenant's maintenance shall include but is not limited to, 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 at the leased premises and to maintain the property free from trash, debris and other litter. Tenant agrees to keep the grounds of the leased premises in good condition and properly landscaped. Notwithstanding the foregoing, Landlord agrees to be responsible for any and all repairs, maintenance and replacement, both ordinary and extraordinary, which are necessary for the marina's bulkheads and retaining walls adjacent to the Leased Premises, and Tenant shall have no responsibility to maintain, repair or replace said bulkhead and retaining walls except for any damage caused by Tenant or Tenant's employees, invitees or licensees which is not covered and paid by Landlord's insurance carried hereunder. Further, notwithstanding any provision herein to the contrary, Landlord agrees to be solely responsible for any and all repairs, maintenance and replacements, both ordinary and extraordinary, which are necessary for the restaurant buildings' foundation, marina bulkheads and retaining walls adjacent to the Leased Premises. Tenant shall have no responsibility to maintain, repair or replace said foundations, bulkheads and retaining walls except for damage caused by Tenant or Tenant's employees, invitees or licensees which is not covered and paid by Landlord's insurance carrier.

7. **TAXES AND INSURANCE:** As additional rent, Tenant agrees to be responsible for payment of all real and personal property taxes assessed against the Leased Premises which accrue during the term of this lease, including the County of Charleston Waste Disposal Users Fee. All such payments shall be paid to Landlord with fifteen (15) days after Tenant's receipt of written notice thereof. Tenant also agrees to promptly reimburse Landlord for and Landlord agrees to maintain all premiums for flood, earthquake, fire and extended casualty, windstorm and hail insurance coverage in amounts not less than the appraised value of the building and any other improvements now or hereafter located on the Leased Premises. Tenant agrees to maintain comprehensive general liability insurance coverage on the Leased Premises including Dram Shop Act Liability in an amount not less than \$250,000.00 per person, \$1,000,000.00 per claim and \$100,000.00 per claim for property damage. All insurance coverage required to be maintained by Tenant hereunder shall be with companies reasonably approved by Landlord, who shall be named as an additional insured on all such policies.
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 the Tenant.
9. **NO ASSIGNMENT OR SUBLEASE:** Tenant agrees not to sublease or assign Tenant's interest in the Leased Premises or any part thereof, or to encumber same in any manner, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. 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.
10. **SUBORDINATION AND ATTORNMENT:** So long as Tenant is provided with a written non-disturbance agreement from all such holders, Tenant agrees that this Lease shall be subject and subordinate to any mortgage which Landlord may hereafter place upon the Leased Premises, and to all modifications thereto, and to all present and future advances made with respect to any such mortgage. If

Tenant is provided with such non-disturbance agreements, Tenant agrees to attorn to any mortgages and to any purchaser at a sale pursuant to foreclose thereof.

11. **RIGHT OF ENTRY BY LANDLORD OR LANDLORD'S AGENTS:** Tenant agrees to at all times during the term of this Lease permit inspection of the Leased Premises during reasonable business hours by Landlord or Landlord's Agents or representatives for any purpose. Tenant also agrees to fully cooperate with the present or any future environmental contamination remediation efforts at the Marina, including access to the Leased Premises as reasonably required by the Landlord.
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 connections with the use and occupancy of the Leased Premises by Tenant, it's agents, employees, invitees and licenses and excluding any such claims by Landlord or its employees, agents, invitees and licenses and excluding any such claims by Landlord's authorized users of the pedestrian access reserved to Landlord in Section 15 of this Lease. 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. Nothing contained in this Lease is to be construed as, nor does it create any obligation by Tenant to any person or entity other than the Landlord or it successors to make any payments or be responsible for any claims, demands, causes of action, suits, judgments, fines or penalties whatsoever.
13. **IMPROVEMENTS AND ALTERATIONS:** No alterations or improvements to the Leased Premises shall be made by Tenant without the prior written consent of Landlord. Unless otherwise agreed to in writing by Landlord, all alterations, additions or improvements made by the Tenant and all fixtures, including trade fixtures, installed by Tenant shall be performed or installed in a good and workmanlike manner and 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. Tenant acknowledges that all property listed on Exhibit II, whether fixtures or movable personal property is owned by Landlord. Notwithstanding any provision contained in this Lease to the contrary, Tenant shall solely pay the cost to replace the walk-in freezer located at the Leased Premises. The replacement of the walk-in freezer by Tenant shall be done in a workmanlike manner and consistent with all applicable building codes. Notwithstanding the provisions of Section 3 of the Lease entitled "Rent" and in consideration of Tenant's replacement of the walk-in freezer located at the Leased Premises, Tenant shall receive an abatement of rent to cover the carrying cost of debt in the amount of \$110,000.00 over a period of five (5) years commencing _____ 1, 2018, i.e., the Base Rent due from Tenant to Landlord in accordance with Section 3 shall be reduced by the sum of \$2,088.46 per month commencing _____ 1, 2018 through _____ 1, 2023.
14. **DAMAGE OR DESTRUCTION:** If the Leased Premises are totally or partially damaged by fire or other casualty, Landlord agrees to repair or replace the damage at Landlord's expenses in such a manner as is reasonably determined by Landlord. Landlord agrees to complete such repairs or replacements with a commercially practicable period of time. There shall be no abatement of rent for a period of nine (9) months from the date of such damage. If such repairs or replacements are not completed by

Landlord within the said nine (9) month period, rent shall then abate to the extent Tenant does not have viable use of the Lease Premises.

15. **RESERVATION OF PEDESTRIAN INGRESS AND EGRESS TO DOCKS:** Throughout the entire term of this Lease, Landlord hereby expressly reserves unto itself, its successors and assigns, its invitees and licenses, and all authorized users of the Marina, a non-exclusive easement of pedestrian ingress and egress across and through the grounds of the Leased Premises for the purpose of access to the Marina Docks which are adjacent thereto.
16. **DEFAULT:** If Tenant defaults in the fulfillment of any of the covenants and conditions hereof, Landlord may, at Landlord's option, after ten (10) days prior to 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 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.
If Tenant defaults in the payment of rent when due and such default continues for a period of fifteen (15) days, or if Tenant defaults in the prompt performance of any of the other covenants herein, and such default continues for a period of thirty (30) days the Landlord may, in addition to any other rights or remedies, declare this Lease to be in default, retake possession of the Leased Premises, declare the full amount remaining rent for the balance of the term at once due and payable, re-let or sublet the 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. Notwithstanding anything hereinabove to the contrary, none of the above shall constitute an event of default unless, as to monetary defaults, it continues for a period of fifteen (15) days after written notice is given by Landlord to Tenant as set forth in Section 23 of this Lease, or, as to non-monetary defaults, it continues for a period of thirty (30) days after written notice is given by Landlord to tenant as set forth in Section 23 of this Lease; provided, however, that Landlord shall not be required to give Tenant written notice prior to declaring a default more than twice in any Lease Year.
17. **GOVERNING LAW: ENFORCEMENT:** This Lease shall be governed by the law of the State of South Carolina. If either party enforces the terms of this lease by legal proceedings, 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.
18. **RIGHTS OF HEIRS AND ASSIGNS:** The covenants and agreements contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and their respective heirs, successors and permitted assigns.
19. **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.

20. **ADDITIONAL INSTRUMENTS:** The parties agree to execute and deliver any instruments in writing necessary to carry out any agreement, term condition or assurance in this Lease whenever occasion shall arise including the execution of a short form memorandum of Lease Agreement which may be recorded at the Charleston County RMC Office by Tenant at Tenant's sole expense.
21. **SURRENDER OF PREMISES:** Tenant agree to deliver all keys and to surrender the Leased Premises at the expiration or sooner termination of this Lease, or any extensions 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 expected, and Tenant agrees to remove all of its personal property. Tenant agrees to pay a reasonable cleaning charge if necessary for Landlord to restore or cause to be restored the premises to a clean and orderly condition.
22. **WAIVER OF COVENANTS:** It is agreed that the waiver of any of the covenants of this Lease 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 Lease, shall be in writing, and shall be deemed to be received by Landlord when personally delivered to Landlord or three days (3) after same is deposited in the United States Mail, registered or certified, with return receipt requested, postage prepaid, and addressed to the Landlord, Attention: City Administrator, at Post Office Box 508, Isle of Palms, SC 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 three (3) days after same is deposited in the United States Mail, registered or certified, with return receipt requested, postage prepaid and addressed to Tenant at 80 41st Avenue Isle of Palms, SC 29451 or at such other address as Tenant may hereafter designate in writing to Landlord.
24. **ENTIRE AGREEMENT:** This lease 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 Lease. All prior understandings, terms or conditions are deemed merged into this Lease. This Lease may be altered or amended only by an instrument in writing signed by both parties.
25. **DOCK USE BY TENANT'S PATRONS:** Landlord Agrees to reserve the dock space (the "Restaurant Dock") shown on Exhibit II attached hereto for the exclusive use of Tenant's patrons from June 1, 2018 to May 31, 2019. at which time Landlord has the option to relocate dock space for restaurant patrons to a comparable dock space within the marina. 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 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 Tenants, 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.

26. BOAT CRUISES: Tenant is allowed to host boat cruises which embark from the Restaurant dock so long as all such cruises are conducted in accordance with all governmental laws, rules and regulations and vehicular parking for such cruises does not materially interfere with the operations of Landlord's Marina Operations Tenant.

27. NOTICE REGARDING ISSUES AFFECTING TENANT: Landlord shall provide Tenant at least forty-eight (48) hours prior written notice of any meetings and/or other action by Landlord or any of the Marina tenants of which Landlord has knowledge which materially affects the operation of Tenant's business at the Leased Premises.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease Agreement to be duly executed, sealed and delivered, by and through their undersigned authorized representatives, as of the date stated above.

WITNESS:

LANDLORD

The City of Isle of Palms

By: _____
Jimmy Carroll, Mayor

TENANT

Barrier Isles, LLC

By: _____
James P. Clarke, Member



Health Dept Inspection
Morgan Creek Grill
Jan 10, 2018

Retail Food Establishment Inspection Report

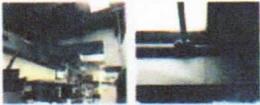
Facility Information		Audit Information	
Permit:	10-206-04247	Audit Name:	Retail Food Establishment Inspection Report
Facility Name:	MORGAN CREEK GRILL	Audit Type:	10_Routine Inspection
Address:	80 41ST AVENUE	Start Date:	10 Jan 2018 01:00 PM
Facility Service (Full/Limited):	F	End Date:	10 Jan 2018 03:45 PM
City/State/Zip:	ISLE OF PALMS, SC 294510000 CHARLESTON	Inspector:	Jessica Reed
Contact Name:	Chef Ian		

Overall Score
89%

Foodborne Illness Risk Factors & Interventions and Good Retail Practices

Item	Answer	Points Current	Points to Total
1. PIC Present, Demonstration - Certification by accredited program, and Performs duties. Comments <ul style="list-style-type: none"> ** Consecutive Violation ** 2-102.11 - Demonstration (Priority Foundation Violation) - Advised the PIC of the multiple Priority violations that were out of compliance. ** Consecutive Violation ** If the violation identified as consecutive is observed on the next inspection, the facility may be referred to the Enforcement Section. <i>Two or more priority violations were found to be out of compliance during inspection. Not corrected. Verification required.</i> 	Out	0	2
2. Management and food employee knowledge, and conditional employee, responsibilities and reporting. Comments <ul style="list-style-type: none"> Non-Violation Notes 2-103.11(O) - Policy / References observed for employee health exclusion, restriction and reinstatement. 	In	2	2
3. Proper use of reporting, restriction and exclusion	In	2	2
4. Proper eating, tasting, drinking, or tobacco use	In	2	2
5. No discharge from eyes, nose, and mouth	In	2	2
6. Hands clean and properly washed	In	4	4
7. No bare hand contact with RTE foods Comments <ul style="list-style-type: none"> Non-Violation Notes Employees are handling ready to eat foods with single use gloves and/or utensils. 	In	3	3
8. Handwashing sinks, properly supplied and accessible Comments <ul style="list-style-type: none"> Non-Violation Notes All hand washing stations supplied with soap and paper towels. 	In	2	2
9. Food obtained from approved source	In	2	2
10. Food received at proper temperature	Not Observed	2	2
11. Food in good condition, safe and unadulterated	In	2	2
12. Required records available: shellstock tags, parasite destruction Comments <ul style="list-style-type: none"> Non-Violation Notes Shellstock tags for oysters, mussels and clams are retained for 90 days. Date when last item is sold/consumed is indicated on the tags. 	In	2	2
13. Food separated and protected	In	3	3
14. Food-contact surfaces: cleaned and sanitized Comments <ul style="list-style-type: none"> 4-501.114 - Warewashing Equipment-Chemical Sanitization-Criteria (Priority Violation) - Advised PIC that warewashing equipment must operate according to manufacture's date plate or meet the criteria specified in 7-204.11. ** Consecutive Violation ** 4-501.114 - Warewashing Equipment-Chemical Sanitization-Criteria (Priority Violation) - Advised PIC that warewashing equipment must operate according to manufacture's date plate or meet the criteria specified in 7-204.11. <i>Second level kitchen: Kitchen: mechanical ware-washing: Low temperature chemical dish machine: no sanitizer registering. Chlorine 0ppm. Chlorine test tape used. Not corrected. Verification required.</i> Non-Violation Notes First floor kitchen: Mechanical ware-washing; lowtemperature chemical dish machine: Wash 120 F, Rinse 120 F, Chlorine 50ppm. Chlorine test tape used. 	Out	0	3
15. Proper disposition of returned, previously served, reconditioned, and unsafe food	In	2	2
16. Proper cooking time and temperatures	Not Observed	3	3
17. Proper reheating procedures for hot holding	Not Observed	3	3
18. Proper cooling time and temperatures	Not Observed	3	3
19. Proper hot holding temperatures Comments	In	3	3

<ul style="list-style-type: none"> Non-Violation Notes Kitchen: Steam-table: queso 170 F. 			
20. Proper cold holding temperatures	Out	0	3
Comments			
<ul style="list-style-type: none"> ** Consecutive Violation ** 3-501.16 (A2) - TCS Food-Cold Holding (Priority Violation) - Proper Holding Temperatures and Time as a Public Health Control Measure for Hot or Cold Food. - Provided and explained Fact Sheet - Time as a Public Health Control Measure for Hot or Cold Food. ** Consecutive Violation ** If the violation identified as consecutive is observed on the next inspection, the facility may be referred to the Enforcement Section. First floor kitchen: Hoshizaki double-door cooler: diced tomatoes 46 F, butter 47 F, stuffed oysters 46 F, micro-greens 46 F. Non-Violation Notes Lower level kitchen: Cookline: beverage-air cooler: Compound butter 40 F, sausage sweet potatoes 40 F. Walk-in cooler: diced tomatoes 39 F, ground beef 38 F, queso 39 F, salmon 40 F, oysters 40 F, flounder 40 F, scallops 39 F. Cooler: Beverage air cooler next to expo line: breaded fish 38 F, chicken, Cole slaw mix 39 F. Cookline cooler in front of oven-range: chicken 39 F, vegetable stock 39 F. Salad station: prep cooler: cut lettuce 38 F, diced tomatoes 38 F. 			
21. Proper date marking and disposition	In	3	3
22. Time as a Public Health Control: procedures and records	Not Applicable	2	2
23. Consumer advisory provided for raw or undercooked foods	In	1	1
Comments			
<ul style="list-style-type: none"> Non-Violation Notes Disclosure Reminder Verified. 			
24. Pasteurized foods used; prohibited foods not offered	Not Applicable	2	2
25. Food additives: approved and properly used	Not Applicable	2	2
26. Toxic substances properly identified, stored, and used	In	2	2
27. Compliance with variance, specialized process, reduced oxygen packaging criteria or HACCP plan	Not Applicable	2	2
28. Pasteurized eggs used where required	Not Applicable	1	1
29. Water and ice from approved source	In	2	2
30. Variance obtained for specialized processing methods	In	1	1
31. Proper cooling methods used; adequate equipment for temperature control	In	1	1
32. Plant food properly cooked for hot holding	In	1	1
33. Approved thawing methods used	In	1	1
34. Thermometers provided and accurate	In	1	1
Comments			
<ul style="list-style-type: none"> Non-Violation Notes Probe thermometer provided. Ambient air thermometers provided in all cooler units. 			
35. Food properly labeled: original container	In	1	1
36. Insects and rodents not present; no unauthorized animals	Out	0	2
Comments			
<ul style="list-style-type: none"> 6-501.111 - Controlling Pests (Priority Foundation Violation) - Advised the PIC effective measures shall be taken to eliminate the presence of insects, rodents, and other pests. Kitchen: Lower level, cook line: Observed roach activity around cook line. Observed live roach activity behind cook-line. Not corrected. Verification required. 			
37. Contamination prevented during food preparation, storage and display	In	2	2
38. Personal cleanliness	In	2	2
39. Wiping cloths: properly used and stored	In	1	1
40. Washing fruits and vegetables	In	1	1
41. In-use utensils: properly stored	In	1	1
42. Utensils, equipment and linens: properly stored, dried & handled	In	1	1
43. Single-use and single-service articles: properly stored and used	In	1	1
44. Gloves used properly	In	1	1
45. Equipment, food and non-food-contact surfaces approved; cleanable, properly designed, constructed and used	In	2	2
46. Warewashing facilities: installed, maintained and used; test strips	In	1	1
Comments			
<ul style="list-style-type: none"> Non-Violation Notes Chemical test tape provided. 			
47. Non-food-contact surfaces clean	In	1	1
48. Hot and cold water available; adequate pressure	In	2	2
49. Plumbing installed; proper backflow devices	In	2	2
50. Sewage and waste water properly disposed	In	2	2
51. Toilet facilities: properly constructed, supplied and cleaned	In	1	1
52. Garbage and refuse properly disposed; facilities maintained	In	1	1
53. Physical facilities installed, maintained and clean	Out	0	1
Comments			
<ul style="list-style-type: none"> 6-101.11 - Surface Characteristics-Indoor Areas Walk-in cooler and freezer: Floors are in poor repair and are no longer easily cleanable. 			
			
<ul style="list-style-type: none"> 6-201.11 - Floors, Walls and Ceilings-Cleanability Floors, walls, and ceiling structures throughout the lower level kitchen are in poor repair and not maintained. No longer easily cleanable. 			



- 6-501.11 - Repairing-Premises, Structures, Attachments, and Fixtures-Methods
 Kitchen: walls, ceiling, and floors throughout lower level are in poor repair.

54. Meets ventilation and lighting requirements; designated areas used	In	1	1
55. Chapter 8 - Meets all requirements of Chapter 8: Compliance & Enforcement	In	0	0
56. Chapter 9 - Meets all applicable requirements of Chapter 9: Standards for Additional Operations	In	1	1
Totals		89	100

Temperature Observations

Item	Answer	Points Current	Points to Total
PRODUCT, PROCESS, LOCATION AND TEMPERATURE - Documented	Yes		
Totals			

Inspection Report Information

Comments:

Complaint investigated: ID #: 31888 verified.
 Preventative pest control services performed routinely in facility. Invoices provided.
 Technician repair cooler unit on site at time of inspection.

Item	Answer	Points Current	Points to Total
Facility Category	Category 3		
Grade Posted	A		
Is a Follow-Up required within 10 days?	Yes		
A Follow-up Inspection will be performed by the date indicated.	18 Jan 2018		
DHEC Contact Phone and Fax Number.	Low Country EQC McMillian - (843)-953-0150 Fax- (842)- 953-0151		
Violations may be subject to enforcement action and penalty. Information collected on this form is subject to public scrutiny or release as well as the Freedom of Information Act.	Notification	0	0
For fact sheets, the regulation, and additional information, please see www.scdhec.gov/food .			
Totals			

Auditor Signature: Jessica Reed

Account Signature: Chef Ian



Health Dept Reinspection

Morgan Creek Grill

Jan 18, 2018

Retail Food Establishment Inspection Report

Facility Information		Audit Information	
Permit:	10-266-04247	Audit Name:	Retail Food Establishment Inspection Report
Facility Name:	MORGAN CREEK GRILL	Audit Type:	19 Follow-Up Inspection
Address:	60 41ST AVENUE	Start Date:	18 Jan 2018 12:08 PM
Facility Service (Full/Limited):	F	End Date:	18 Jan 2018 12:37 PM
City/State/Zip:	ISLE OF PALMS, SC 294510000 CHARLESTON	Inspector:	Jessica Reed
Contact Name:	Chef Ian, Chef Kaman		

Overall Score
100%

Foodborne Illness Risk Factors & Interventions and Good Retail Practices

Item	Answer	Points Current	Points to Total
1. PIC Present, Demonstration - Certification by accredited program, and Performs duties.	In	2	2
2. Management and food employee knowledge, and conditional employee; responsibilities and reporting.	In	2	2
Comments			
• Non-Violation Notes			
• 2-103.11(O) - Policy / References observed for employee health exclusion, restriction and reinstatement.			
3. Proper use of reporting, restriction and exclusion	In	2	2
4. Proper eating, tasting, drinking, or tobacco use	In	2	2
5. No discharge from eyes, nose, and mouth	In	2	2
6. Hands clean and properly washed	In	4	4
7. No bare hand contact with RTE foods	In	3	3
Comments			
• Non-Violation Notes			
Employee are handling ready to eat foods with single use gloves and/or utensils.			
8. Handwashing sinks, properly supplied and accessible	In	2	2
Comments			
• Non-Violation Notes			
All hand washing stations supplied with soap and paper towels.			
9. Food obtained from approved source	In	2	2
10. Food received at proper temperature	Not Observed	2	2
11. Food in good condition, safe and unadulterated	In	2	2
12. Required records available: shellstock tags, parasite destruction	In	2	2
Comments			
• Non-Violation Notes			
Shellstock tags for oysters, clams, plastic			
13. Food separated and protected	In	3	3
14. Food-contact surfaces: cleaned and sanitized	In	3	3
Comments			
• Non-Violation Notes			
First floor kitchen: Mechanical ware-washing: lowtemperature chemical dish machine: Wash 120 F, Rinse 120 F, Chlorine 50ppm. Chlorine test tape used. Bar, top floor: Wash 120 F, rinse 120 F, Chlorine 50ppm. Chlorine test tape used.			
15. Proper disposition of returned, previously served, reconditioned, and unsafe food	In	2	2
16. Proper cooking time and temperatures	Not Observed	3	3
17. Proper reheating procedures for hot holding	Not Observed	3	3
18. Proper cooling time and temperatures	Not Observed	3	3
19. Proper hot holding temperatures	In	3	3
Comments			
• Non-Violation Notes			
Kitchen: Steam-table: quasa 170 F.			
20. Proper cold holding temperatures	In	3	3
Comments			
• Non-Violation Notes			
Kitchen: Reach-in cooler: Oysters 38 F.			
21. Proper date-marking and disposition	In	3	3
22. Time as a Public Health Control: procedures and records	Not Applicable	2	2
23. Consumer advisory provided for raw or undercooked foods	In	1	1
Comments			
• Non-Violation Notes			
Disclosure Reminder Verified.			
24. Pasteurized foods used; prohibited foods not offered	Not Applicable	2	2

25. Food additives: approved and properly used	Not Applicable	2	2
26. Toxic substances properly identified, stored, and used	In	2	2
27. Compliance with variance, specialized process, reduced oxygen packaging criteria or HACCP plan	Not Applicable	2	2
28. Pasteurized eggs used where required	Not Applicable	1	1
29. Water and ice from approved source	In	2	2
30. Variance obtained for specialized processing methods	In	1	1
31. Proper cooling methods used, adequate equipment for temperature control	In	1	1
32. Plant food properly cooked for hot holding	In	1	1
33. Approved thawing methods used	In	1	1
34. Thermometers provided and accurate	In	1	1
Comments			
• Non-Violation Notes			
Probe thermometer provided. Ambient air thermometers provided in all cooler units.			
35. Food properly labeled: original container	In	1	1
36. Insects and rodents not present; no unauthorized animals	In	2	2
37. Contamination prevented during food preparation, storage and display	In	2	2
38. Personal cleanliness	In	2	2
39. Wiping cloths: properly used and stored	In	2	2
40. Washing fruits and vegetables	In	1	1
41. In-use utensils: properly stored	In	1	1
42. Utensils, equipment and linens: properly stored, dried & handled	In	1	1
43. Single-use and single-service articles: properly stored and used	In	1	1
44. Gloves used properly	In	1	1
45. Equipment, food and non-food-contact surfaces approved; cleanable, properly designed, constructed and used	In	2	2
46. Warewashing facilities: installed, maintained and used: test strips	In	1	1
Comments			
• Non-Violation Notes			
Chemical test tape provided			
47. Non-food-contact surfaces clean	In	1	1
48. Hot and cold water available: adequate pressure	In	2	2
49. Plumbing installed: proper backflow devices	In	2	2
50. Sewage and waste water properly disposed	In	2	2
51. Toilet facilities: properly constructed, supplied and cleaned	In	1	1
52. Garbage and refuse properly disposed: facilities maintained	In	1	1
53. Physical facilities installed, maintained and clean	In	1	1
Comments			
• Non-Violation Notes			
Plans submitted for walk-in cooler replacement.			
54. Meets ventilation and lighting requirements; designated areas used	In	1	1
55. Chapter 8 - Meets all requirements of Chapter 8: Compliance & Enforcement	In	0	0
56. Chapter 9 - Meets all applicable requirements of Chapter 9: Standards for Additional Operations	In	1	1
Totals		160	160

Temperature Observations

Item	Answer	Points Current	Points to Total
PRODUCT, PROCESS, LOCATION AND TEMPERATURE - Documented	Yes		
Totals			

Inspection Report Information

Item	Answer	Points Current	Points to Total
Facility Category	Category 3		
Grade Posted	A		
Is a Follow-Up required within 10 days?	No		
DHEC Contact Phone and Fax Number:	Low Country EOC McMillan - (843)-953-0150 Fax- (842)-953-0151		
Violations may be subject to enforcement action and penalty. Information collected on this form is subject to public scrutiny or release as well as the Freedom of Information Act.	Notification	0	0
For fact sheets, the regulation, and additional information, please see www.scdhec.gov/factd .			
Totals			

Inspector Signature: Jessica Reed

Account Signature: Chief Ins, Chief Korman

- 47. Hand-wash facilities available
- 48. Hot and cold water available, adequate pressure
- 49. Plumbing installed; proper backflow devices
- 50. Sewage and waste water properly drained
- 51. Toilet facilities: properly constructed, supplied and cleaned
- 52. Garbage and refuse properly disposed; facilities maintained
- 53. Physical facilities well kept, maintained and clean

Comments

- Non-Standard Notes

Plans submitted to health department

- 54. Meats ventilation and lighting requirements, designated areas used
- 55. Chapter 8 - Meats all requirements of Chapter 8: Compliance & Enforcement
- 56. Chapter 9 - Meats all applicable requirements of Chapter 9: Standards for Ad

Table

Temperature Observations

Ref

PRODUCT, PROCESS, LOCATION AND TEMPERATURE - Documented

**Isle of Palms Marina
Boat Launch**

Jul-18

Resident	\$	1,020
Non-Resident	\$	12,610
Parking	\$	5,238

January - July 2018

Resident	\$	7,748
Non-Resident	\$	43,710
Parking	\$	19,163

January - July 2017

Resident	\$	51,197
Non-Resident	\$	7,495
Parking	\$	5,202



THE PROPOSAL — EXHIBIT A

[P2492]

2019–2023 Beach Condition Monitoring Isle of Palms (SC)

INTRODUCTION

This proposal is submitted at the request of the City of Isle of Palms (SC) for annual beach monitoring services following the recent completion of a beach nourishment project and conclusion of a previous monitoring agreement with the City. The proposed services follow successful completion of previous beach monitoring from 2009 to 2017. A portion of the work outlined in the present proposal will serve to satisfy special conditions of permit P/N 2016-00803, which authorized the recent beach nourishment project.

The 2018 beach restoration project at the northeastern end of the Isle of Palms added ~1,675,000 cubic yards (cy) of sand from offshore borrow areas to critically eroded sections of the beach between 56th Avenue and the 18th hole of the Links Course. The underlying cause of erosion near Dewees Inlet is related to the process of shoal bypassing, whereby large sand bars migrate onshore and attach to the beach. While this process adds new sand to the beach system near inlets, it also modifies wave patterns. Areas adjacent to the shoal-attachment point undergo focused erosion for periods of time. The 2018 project addressed large-scale erosion by importing sand from offshore and widening the beach up to 600 feet (ft) along portions of the island.

CSE has previously been retained by the City to complete post-nourishment monitoring of the project area as well as the downcoast areas of the Isle of Palms. CSE completed comprehensive surveys of the island and adjacent inlets every year between 2009 and 2017, including additional surveys following a 2008 nourishment project and hurricanes from 2015 to 2017. That monitoring provided yearly updates on the beach condition as well as guidance on expected future trends for project planning. It also served as pre-storm conditions for determining FEMA-eligible storm losses during declared disasters (Hurricanes *Joaquin*, *Matthew*, and *Irma*). The surveys allowed the City to receive \$2,725,000 in federal funds for use in construction of the 2018 project.

The present proposal covers the following engineering services required to provide five years of updated condition assessments for the beach at Isle of Palms. Proposed work includes:

- ***Annual surveys of the project area (53rd Avenue to Dewees Inlet).
- Annual surveys of the downcoast area of the island (Breach Inlet to 53rd Avenue).
- Annual surveys of the Dewees Inlet ebb-tidal delta.
- Annual surveys of the Breach Inlet ebb-tidal delta.
- ***Post-project surveys of the borrow area (Years 1, 3 and 5).
- ***Sediment sampling of the borrow area (Years 1, 3 and 5).
- ***Compaction monitoring (Years 1-3).
- ***Annual reports documenting beach volume changes and nourishment performance.

*** These tasks are required by permits for the 2018 project. Surveys of the project area are required in years 1-3 (2019-2021), while borrow area surveys and sediment analysis are required in years 1, 3 and 5 (2019, 2021, 2023). Reports documenting the results of the surveys/analysis are required to be submitted to regulatory agencies each year. In the cost proposal, CSE separates fees and expenses for permit-required tasks and additional tasks (encompassing the remainder of the island).

BASIC SERVICES

References to the “Engineer” in the scope of services are to CSE as the project manager responsible to the City for the execution of the services proposed. Execution of the services by CSE includes completion of work as required to execute all aspects of the scope of services. References to the “City” refer to the City of Isle of Palms, a South Carolina municipality.

SCOPE OF SERVICES

The scope of services proposed herein represents the basic services and is based on CSE's work to date for the City, experience on similar projects and project components, the scope of the project as defined by this proposal, and the regulatory requirements of agencies of the state of South Carolina and the federal government with jurisdiction over construction at the site. The following scope of services is proposed.

Task 1.0 Planning, Communication, and Liaison

The planning task of the project will include coordination and meetings with City representatives to:

- Review the final plan.
- Develop schedules.
- Participate in public forums.
- Provide liaison with government agencies following the one-year post-project survey.
- Assist the City with communication and liaison.

Following authorization to proceed with the proposed scope of services:

- 1.1 CSE will meet or communicate with City representative(s) to clearly define the goals and objectives for the work.
- 1.2 CSE will work with the City to schedule monitoring surveys at a time which will not impact public events, etc. CSE will coordinate with public safety officials regarding beach access and nearshore hydrographic work.
- 1.2 CSE will assist the City in preparing periodic project summaries including display graphics for distribution to officials and the public by way of various mediums, including web sites, newspapers, or City newsletters.

Task 2.0 Annual Beach Condition Survey

This task of the project will include condition surveys of the beach and inshore zone [to (~)–12 ft) depths]. These surveys will supplement previous field data by CSE and will be used for volume change analysis using similar reaches and boundaries as recent reports.

- 2.1 CSE will conduct annual condition surveys of the beach between Breach Inlet and Cedar Creek Spit (Deweese Inlet). The Engineer will occupy previously established profile lines (0+00 thru 370+00) and will obtain cross-sections from the foredune to (~)–12-ft depth contour or at least 1,500 ft from the baseline (3,000 ft in the project area per permit conditions). This survey will be compared with prior surveys and will document volume changes in the project area and downcoast areas. Nourishment volume remaining within the fill limits of the 2018 project will be computed to assess project performance.
- 2.2 CSE will obtain hydrographic data in the vicinity of Breach Inlet to be used in creation of a digital terrain model (DTM). The DTM will be used to monitor changes in the location of shoal and channels associated with the Breach Inlet ebb-tidal delta.

Through agreements with the City and others, CSE has collected ~15 complete surveys of the Dewees Inlet ebb-tidal delta. Shoals migrating from the delta to the beach are the source of sand that has contributed to the history of long-term accretion along Isle of Palms. Monitoring efforts between 2007 and 2017 revealed that large-scale channel migrations have a significant impact on the beach at Isle of Palms. To monitor these events and associated shoal bypass events, CSE will complete the following:

- 2.3 Hydrographic data will be collected over and around the Dewees Inlet ebb-tidal delta to monitor changes in the channels and shoals of the delta. Data will be used to create DTMs of the ebb-tidal delta. Shoal positions and estimated volumes will be described using contours generated from the DTMs. Shoal movement will be monitored and potential impacts to the Isle of Palms beach will be identified.
- 2.4 DTMs will be used to create regular profile sections through the Dewees Inlet channel and to monitor channel width and depth. Data will also be incorporated into color contour models and combined with existing models to provide an animation of shoal movement.

Task 3.0 Borrow Area Surveys and Sediment Analysis

Per conditions of the project permits, monitoring of the borrow area is required to document infilling rates and sediment characteristics of the infilled material. Bathymetric surveys and analysis of surficial sediment samples are required by permits in Years 1, 3 and 5 post-project (2019, 2021, and 2023).

3.1 CSE will survey the 2018 borrow areas using the same survey lines as were completed in the post-dredging survey. Survey lines will be spaced at 100-ft intervals and will extend a minimum of 400 ft beyond the borrow area limits to account for potential changes in the slopes of the excavated area. Surveys will be completed using RTK-GPS linked to a precision ODOM echosounder with motion compensation. Using GIS-software to develop 3–D models of the borrow areas, data will be analyzed and compared with prior surveys. Infilling rates will be calculated per permit requirements. Cross-section maps comparing model surfaces from each survey will be generated and included in annual reports submitted to permitting agencies.

3.2 Sediment samples will be collected within the borrow area to determine the character of the seafloor material as the borrow area infills over time. CSE will collect ten (10) sediment samples at random locations within the excavation limits and process the samples for grain-size distribution, shell content, and mud content. CSE will produce data tables listing the results and compare the findings with pre- and post-project samples.

Task 4.0 Aerial Photography

4.1 Oblique aerial imagery will be collected annually of the beach and shoals at low tide. Imagery will be used to offer visual depictions of the beach condition, dune condition, and shoal locations. Imagery will be placed side-by-side with historical images to offer easy-to-see comparisons of the present beach condition with historical conditions.

Task 5.0 Annual Monitoring Report and Presentation

5.1 CSE will assemble results of each annual monitoring effort into a comprehensive technical report, similar to monitoring reports provided to the City under the previous monitoring agreement. Reports will document beach volume changes, changes in shoal positions and associated impacts, dune condition, and potential concerns. Permit compliance measures will be identified and data necessary to include for regulatory agencies will be included. The remaining volume of nourishment associated with the 2018 project will be described, and erosional hotspots will be identified. Reports will be submitted to the City in hard copy and digital copy. CSE will make available digital photos obtained in the monitoring effort for the City's use.

In the event the City wishes for CSE only to complete the tasks required by project permits, CSE will only complete the work for the permit-related reporting. In years 1 and 3, this includes results from the surveys in the project area and borrow area analysis. In year 2, this only includes beach surveys. In year 5, only borrow area analysis is required.

5.2 At the request of the City, CSE will present the findings of the report to City Council or other committee. CSE will prepare a brief summary of the findings and prepare a short Powerpoint® presentation to provide a visual summary for Council.

ADDITIONAL SERVICES

The work described in the scope of services (paragraphs 1.1 through 5.2) does not include work in the following categories. Work in these categories or other services requested by the City will be considered additional services.

If the City wishes CSE to perform any of the following additional services, the City shall so instruct CSE in writing and the Engineer will perform or obtain from others such services and will be paid therefore as provided in the Agreement for Professional Services between the City and the Engineer.

- Services resulting from significant changes in the general scope, extent or character of the project, or major changes in the documentation previously accepted by the City where changes are due to causes beyond CSE's control.
- Providing renderings or models outside of what is presented in Tasks 1–5.
- Detailed consideration of operations, maintenance and overhead expenses; value engineering; and the preparation of rate schedules, earnings and expense statements, cash flow and economic evaluations, feasibility studies, appraisals and valuations.
- Furnishing the services of environmental scientists, biologists, fisheries scientists, chemical analysis laboratories or other specialized scientific testing, evaluations or services not specifically included in the scope of services.
- Geotechnical engineering studies including sediment sampling, borings, and reports not specifically included in the scope of services.
- Preparing to serve or serving as a consultant or witness in any litigation, arbitration, or other legal or administrative proceeding except where required by the scope of services.
- Services of the independent cost estimator shall be additional services.

ADD-ON SERVICES

In the event the City requires any additional surveys for pre-/post-storm assessments or other reasons, CSE will complete a comprehensive survey of the island using the same scope and methods as outlined in Task 2 (cumulative for permit-required and non-permit required). Fees and expenses for additional surveys will be the same as Task 2 costs shown in Table A. A brief letter report will be prepared that will summarize volume changes from the previous survey.



PROJECT SCHEDULE

The preliminary schedule proposed is based on a start date of 1 September 2018 for the services proposed herein. The schedule may be modified at the direction of the City. If the City chooses to conduct additional beach improvement efforts, CSE will alter the schedule as necessary to allow the island-wide monitoring to assist in those efforts. Reports will contain only the analysis required by the City in the event the non-permit required work is completed by a separate company.

<u>Date</u>	<u>Task#</u>	<u>Description</u>
January 2019	1	Initiate work under present proposal / finalize plan with the City
Spring 2019	2–4	Condition survey (Year 1)
Fall 2019	5	2019 report (Year 1)
Spring 2020–2023	2–4	Years 2–5 Condition survey
Fall 2020–2023	5	Years 2–5 reports

PROPOSED BUDGET

Table A provides an itemized budget estimate for CSE’s services for Tasks 1–5 as outlined herein. CSE agrees to perform the services on a time-and-expense basis according to the enclosed fee schedule. Fees are separated by permit required tasks (which includes beach surveys of the area between 53rd Avenue and the Links Course, compaction, and borrow area surveys) and non-permit required tasks (beach surveys of the remainder of the island and aerial photography). CSE prefers to enter into a multi-year agreement; however, should the City need to commit to year-by-year services, the budget described below will be applied on a per-year basis. Should City officials require additional services, CSE will provide a quote prior to performing the work. Reimbursables will be billed at cost. CSE reserves the right to request a modification in the budget in the event the budget estimates significantly underestimate the professional time requirements. CSE will endeavor to provide services as efficiently as possible while meeting the standards of professional practice required for the project.



TABLE A. Proposed fees and reimbursable expenses for additional services under Tasks 1–5.

Task #	Task Description	Permit Required Tasks (P)			Non-Permit Required Tasks (NP)			Year Total
		Task Fee	Direct Expenses	Total	Task Fee	Direct Expenses	Total	
1	Planning, Communication, Liaison	\$2,560	\$862	\$3,422	\$3,520	\$875	\$4,395	
2	Annual Beach Condition Survey	\$10,460	\$4,887	\$15,347	\$11,180	\$4,923	\$16,103	
3	Borrow Area Survey	\$9,900	\$5,352	\$15,252	\$0	\$0	\$0	
4	Aerial Photography	\$0	\$0	\$0	\$2,640	\$831	\$3,471	
5	Annual Report	\$4,880	\$494	\$5,374	\$5,780	\$773	\$6,553	
	2019 Tasks (P1-5, NP1-5)	\$27,800	\$11,594	\$39,394	\$23,120	\$7,400	\$30,520	\$69,914
	2020 Tasks (P1,2,5; NP1-5)	\$17,900	\$6,242	\$24,142	\$23,120	\$7,400	\$30,520	\$54,662
	2021 Tasks (P1-5, NP1-5)	\$27,800	\$11,594	\$39,394	\$23,120	\$7,400	\$30,520	\$69,914
	2022 Tasks (P2,5;NP1-5)*	\$0	\$0	\$0	\$41,020	\$13,642	\$54,662	\$54,662
	2023 Tasks (P2,3,5, NP1-5)*	\$9,900	\$5,352	\$15,252	\$41,020	\$13,642	\$54,662	\$69,914
	Project Total	\$83,400	\$34,782	\$118,182	\$151,400	\$49,484	\$200,884	\$319,066
*Fees for the project area are included in the Non-Permit Required Tasks for 2022 and 2023 as beach surveys are not required in years 4 and 5								
Add-on Comprehensive Survey & Summary Letter (Optional as Required)				\$31,449				



FEE SCHEDULE

[Effective through 31 December 2023]

The fee for CSE’s services will be based on the charges listed below. All fee quotations are estimates, and actual fees are based on actual time and expenses incurred by CSE unless otherwise stated in the proposal. All rates are listed in U.S. dollars.

Fees by task are based on estimated numbers of person-days to accomplish the scope of services detailed herein. In-office expenses include communication, copying, insurance (etc), and are charged as a percentage of fees rather than separate itemization. Direct expenses include travel (standard U.S. government mileage rate), lodging and per diem, 4-by-4 beach vehicle rental at \$120/day, survey boat rental at \$500/day, RTK-GPS rental at \$400/day, fuel and dockage at cost, sediment testing at \$60/sample, and field supplies at cost.

PERSONNEL	Staff Category	Hourly Rate
	Principal	160.00
	Coastal Engineer/Project Manager	120.00
	Sr Technical Associate/Coastal Scientist	90.00
	Technical Staff (CAD)	85.00
	Tech–Field Assistants and Admin	65.00

Type of Contract Desired: Time and expense for the above-described services at a total not to exceed three hundred nineteen thousand, sixty six dollars (\$319,066) over five years according to Table A.

Billing Schedule: CSE will invoice monthly for services performed the prior month with itemization of direct expenses. Invoices will be pro-rated according to fees and expenses inside and outside the project limits. CSE reserves the right to transfer funds between tasks so as to accomplish the work in an expeditious manner, provided total cost of services does not exceed the indicated budget.