

AN ORDINANCE TO PROVIDE FOR THE LEASE OF SPACE AT THE AIRPORT  
FROM THE CITY OF ROCK HILL TO  
SYNERGY CAPITAL AND DEVELOPMENT GROUP, LLC

BE IT ORDAINED by the Governing Body of the City of Rock Hill, in Council assembled:

SECTION 1. That this Ordinance is being adopted in order to effect proper compliance with the provisions of the Home Rule Act of 1975, now South Carolina Code of Laws for 1976, Section 5-7-30, Section 5-7-40 and Section 5-7-260, and Section 2-48 and 2-96 of the Code of the City of Rock Hill.

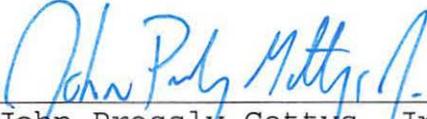
SECTION 2. That the City of Rock Hill, South Carolina, is the owner of a parcel of land at the Rock Hill-York County Airport, shown as Hanger Lease Area consisting of approximately 34,800 square feet as depicted on Attachment A of the Hangar Area Lease, which is attached hereto and made a part hereof; that the City of Rock Hill has agreed to lease Synergy Capital and Development Group, LLC said tract of land for the purpose of aircraft storage and maintenance, as specified in the proposed Hangar Area Lease; and that the rental for the above-described property shall be as set forth in the proposed Hangar Area Lease.

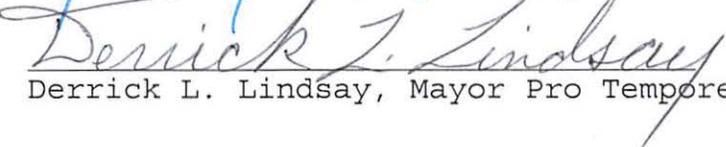
SECTION 3. That lease of the above-mentioned tract to Synergy Capital and Development Group LLC for the consideration set forth above, all pursuant to the terms fully set forth in a proposed Hangar Area Lease, a copy of which is attached hereto and incorporated herein, is hereby approved, authorized, directed, ratified and confirmed in all respects.

SECTION 4. That all ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

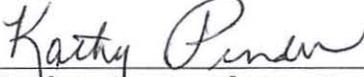
SECTION 5. That this Ordinance shall be and become finally binding immediately after same shall have received first and second readings, given in manner required by law.

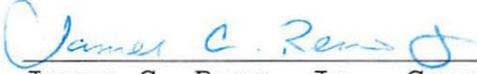
DONE AND RATIFIED in Council assembled on this the 13 day  
of JUNE, 2022.

  
\_\_\_\_\_  
John Pressly Gettys, Jr., Mayor

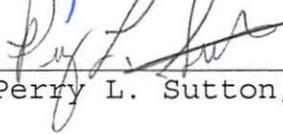
  
\_\_\_\_\_  
Derrick L. Lindsay, Mayor Pro Tempore

\_\_\_\_\_  
John A. Black, III, Councilmember

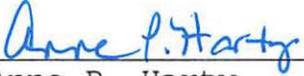
  
\_\_\_\_\_  
Kathy S. Pender, Councilmember

  
\_\_\_\_\_  
James C. Reno, Jr., Councilmember

  
\_\_\_\_\_  
Kevin H. Sutton, Councilmember

  
\_\_\_\_\_  
Perry L. Sutton, Councilmember

ATTEST:

  
\_\_\_\_\_  
Anne P. Harty  
Municipal Clerk



building code requirements of the State of South Carolina, City of Rock Hill, SC and any federal, municipal, or airport ordinance or regulations which may affect the Subject Property, now or hereafter in effect. All plans for such buildings or structures shall be reviewed and approved by the Airport Commission and the City Manager, or his designee. Title to the buildings erected by the Lessee vest to and remain with the Lessor after the expiration of this Lease.

The failure of Lessee to submit valid plans on or before March 31, 2023 and/or complete construction pursuant to such approved plans on or before December 31, 2023 shall each result in Lessor having the right to terminate this Lease, without cost or penalty, upon written notice to Lessee.

Lessee and its contractors shall use the ingress and egress route from the 400 Airport Road driveway entrance.

(b) A federal design grant and construction grant will be obtained to construct a taxi lane as shown on Attachment A. The City is expediting the taxi lane construction for Lessee as the taxi lane is necessary for construction of the hangars and aircraft access to the runway from the Premises. Lessee shall contribute the local share toward design and construction of the taxi lane, which local share for design *estimated* at \$5,600.00 and the local share for construction *estimated* at \$140,000 (which such estimate could be higher or lower). Lessee shall pay City for the local share of the design grant within five (5) days of request. Lessee shall tender the local share of the construction grant based upon contract bids within five (5) days of receipt of the bid. Lessee shall further be responsible for the local share of any change orders or cost overruns, unless caused by Lessor or Lessor's enhancement of construction improvements, and pay such costs to the City within thirty (30) days of such request. Failure to make any contribution within the time parameters set forth above shall be grounds to terminate this Lease.

3. **Term.** The term of this lease shall be for a period of thirty-five (35) years commencing on January 1, 2023.

4. **Rent.** The Lessee agrees to pay to the Lessor for the use of the premises, rights, and easements herein

provided for, an initial yearly rental of .35 cents per square foot of building footprint area equal to a minimum of \$12,180.00, payable in one advance annual payment on the commencement and on the first day of each year after commencement of this Lease as set forth above. The parties will confirm in writing the total square feet of building footprint (which is estimated at 34,800 square feet on **Attachment A**). It is understood and agreed that the rental rate herein specified shall be adjusted based on the Consumer Price Index ("CPI") published by the United States Treasury Department at the end of each year commencing five (5) years following execution of this Lease (the first adjustment will be at the end of 2027 for the 2028 rental year payment).

**5. Non-Exclusive Use.** The Lessee shall have the right to the non-exclusive use, in common with others, of the airport parking areas, appurtenances and improvements thereon; the right to install, operate, maintain and store, subject to the approval of the Lessor in the interests of safety and convenience of all concerned, all equipment necessary for the safe hangaring of the Lessee's aircraft, the right of ingress to and egress from the demised premises, which right shall extend to Lessee's employees, guests, and patrons; the right, in common with others authorized to do so, to use common areas of the airport, including runways, taxiways, aprons, roadways, and other conveniences for the take-off, taxiing and landing of aircraft. Notwithstanding the above, the parties hereto acknowledge and agree that the access and rights of the Lessee as set forth above may be substantially affected by rules and ordinances promulgated by the State of South Carolina, City of Rock Hill, SC, and any federal, municipal, or airport ordinances or regulations which may affect the property, now or hereafter in effect.

**6. Laws, Regulations and Recitals.** The Lessee agrees to observe and obey during the term of this lease all laws, ordinances, rules and regulations promulgated and enforced by Lessor, and by other proper authority having jurisdiction over the conduct of operations at the airport (local, state and federal laws). Without limiting the foregoing, these regulations include but are not limited to the Rock Hill - York County Airport Minimum Standards for General Aviation and Commercial Aeronautical Activities Regulations and Minimum Standards, as may be amended or modified (collectively, the "Minimum Standards"), the terms

of which Minimum Standards are incorporated herein by this reference and declared to be fully binding upon Lessee and its agents and employees. In addition, the preambulatory recitals set forth above are agreed to by the parties hereto and made a part hereof.

7. **Hold Harmless Repair of Damage; Risk of Loss.** The Lessee agrees to hold the Lessor free and harmless from loss from each and every claim and demand of whatever nature made upon the behalf of or by any person or persons for any wrongful act or omission on damages by reason of such acts or omissions of Lessee or Lessee's employees, patrons or guests. Lessee shall repair all damages to the Premises and the airport caused by Lessee or Lessee's employees, patrons, or its operations thereon. Any improvements or personal property located on the Premises shall be at the sole risk of Lessee and Lessor shall have no liability or responsibility for any theft, misappropriation or damage thereof unless due to the willful misconduct of Lessor.

8. **Insurance.** The Lessee shall carry liability insurance on the premises in the amount of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate and a copy of the said policy is to be filed with the airport manager and kept in full force and effect at all times during the term of this lease, and shall also keep any increased or additional insurance as the Lessor may from time to time require on other lessees (including, but not limited to, any requirements in the Minimum Standards, as amended). Lessor, its elected and appointed officials, employees and volunteers shall be named as an additional insured.

9. **Maintenance of Subject Property.** The Lessee will maintain the structures occupied by it and the surrounding land premises in good order and make such repairs as are necessary. In the event of fire or any other casualty, the owner of any such structure so affected shall either repair or replace the building or restore the leased land to its original condition, or remove the damaged building and restore the leased area to its original condition; such action must be accomplished within one hundred twenty (120) days of the date the damage occurred. Upon petition by the Lessee, the Lessor may grant an extension of time if it appears such extension is warranted.

10. **Right to Inspect.** Lessor reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this agreement.

11. **Taxes.** Lessee shall pay all taxes or assessments that may be levied against real property leased exclusively to Lessee (including the building and improvements constructed by Lessee) along with any personal property including aircraft located thereon.

12. **Signs.** Lessee agrees that no signs or advertising matter may be erected without the consent of the Lessor other than one (1) sign per hangar unit, measuring no more than five (5) square feet, which may be posted by the Lessee for the purpose of advertising a hangar for sale, rent or lease. Notwithstanding the above, in no event shall any sign pursuant to the above provision be placed outside the subject property. Signs must further comply with all rules and ordinances promulgated by the State of South Carolina, City of Rock Hill, SC, and any federal, municipal, or airport ordinances or regulations which may affect the property, now or hereafter in effect.

13. **Default.** Failure on the part of Lessee to pay the rent hereunder within thirty (30) days after same shall become due shall authorize Lessor, at its option and without legal proceedings, to declare this lease void, cancel the same, and re-enter and take possession of the premises. Also, if Lessee shall violate any of the restrictions in this lease, or shall fail to keep any of its covenants after written notice to cease such violation and shall fail to correct such violation within thirty (30) days, the Lessor may at once, if it so elects, terminate the same and take possession of the premises.

14. **Lease Transfer.** Lessee may, at any time during the time of this lease, sublease, assign, hypothecate or transfer this agreement or any interest therein, with the written consent of the Lessor. This transfer may include individual hangars provided that all transfers are subject to the terms of this agreement for the respective interest transferred and the execution documentation reasonably satisfactory to Lessor. Lessor shall not withhold such written consent unreasonably. In the event that the Lessor does withhold written consent for such transfer, the Lessor

shall give written explanation as to the reasons for withholding such consent, and such reasons shall be provided to the Lessee within thirty (30) days of initial request for consent. In the event that the Lessee should default on loan obligations related to this lease, then the lender shall have the right to assume all rights and responsibilities of this lease; in such case the lender shall then become the Lessee, and the lease will continue without interruption. Any successor or assigns shall be bound by the terms of this Lease and Lessee shall ensure that any transfer include language to comply with the terms hereof.

15. **Airport Development.** The Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance from Lessee.

16. **Approach Protection.** The Lessor reserves the right to take any action it considers necessary to protect the aerial approaches to the airport against obstruction, together with the right to prevent the Lessee from erecting or permitting to be erected any building or other structure on the airport which, in the opinion of the Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

17. **Subordination Clause.** This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States, relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the airport.

18. **Default Resolution.** Any controversy or claim arising out of or relating to this Lease or any alleged breach thereof, which cannot be settled between the parties, shall be settled by a court of competent jurisdiction in South Carolina under South Carolina law. All remedies available under law or equity shall be available to the non-defaulting party and the non-defaulting party shall be entitled to recover against the defaulting party a reasonable attorney's fee and related costs and court costs.

19. **Termination; Improvements.** This Lease shall terminate as set forth in Paragraph 13 or at the end of the Term and Lessee shall have no further right or interest in any of the lands or improvements demised hereunder. At termination, any and all improvements located on the Subject Property (including but not limited to the hangars described in Paragraph 2) shall become the property of the Lessor. Upon the termination, Lessee shall surrender the Subject Property in the same condition that existed on the commencement, normal wear and tear excepted, subject to any improvements made by Lessee and permitted to remain on the Subject Property.

If Lessee remains in possession of the Subject Property or any part thereof after the expiration of the Term, whether with or without Lessor's acquiescence, Lessee shall be deemed only a tenant-at-will and there shall be no renewal of this Lease or extension of the Term without a written agreement signed by both Parties. The rent payable by Lessee during any such holdover period shall be one hundred fifty percent (150%) of the prorated annual rent payable immediately prior to expiration of the Term and other sums due hereunder. Lessee shall remain liable to Lessor for any and all damages, direct and consequential, suffered by Lessor as a result of any holdover by Lessee.

20. **Limited Use; Commercial Activity.** The Subject Property shall only be used for hangars for aircraft storage. The Parties agree that no commercial activity may be conducted on the leased premises unless the commercial activity (i) is related to aeronautical operations; (ii) complies with the Minimum Standards; and (iii) is approved by Lessor in writing.

21. **Based Aircraft Report.** Lessee will compile and provide Lessor an annual report in January of each year of the Lease identifying the aircraft by registration number, make, model and year of manufacture along with the aircraft owner and mailing address.

22. **War, National Emergency, Riot, or Natural Disaster.** During time of war, national emergency, riot or natural disaster, Lessor shall have the right to lease or otherwise allow use of the airport or any portion thereof to any federal, state or local government. Lessee may be restricted or prohibited from using the Premises, airport

and/or airport runway during any such time described in this Paragraph.

**23. Short-Term Runway Access or Flight Limitations.** In the event that the airport and/or airport runway is unusable for normal VFR flight operations by aircraft based on the leased premises for a period of more than 10 days but not more than 60 days during any calendar year, then the Lessee shall be relieved of any rent charges during that period of unusable time. A request for rent relief must be made within 30 days of the calendar year of unusable runway time. Unusable runway time of less than 10 days shall not entitle Lessee to any rent relief or other relief under this Agreement.

**24. Long-Term Runway Access or Flight Limitations.** In the event that the airport and/or airport runway is unusable for normal VFR flight operations by aircraft based on the leased premises for a period of more than 60 days during any calendar year, then the Lessee shall, at his option, be authorized to terminate this Lease by providing Lessor written notice of termination within 15 days of resumed runway access. Any termination under this Paragraph shall be governed by the termination provisions of Paragraph 20 hereof. Further, should the Lessee not exercise its right to be relieved of the duties of this Lease in the event of such extended access or flight limitations, then the Lessee shall resume payment of its rental obligations upon resumption of use for normal VFR flight operations. Lessee shall be relieved of any rent charges during such period of unusable time.

**25. Notices.** All notices, requests, demands or other communications given hereunder shall be delivered either (a) by hand, or (b) by certified United States Mail, return receipt requested, or (c) by commercial overnight delivery service, in any event with postage, fees and delivery charges prepaid. Such notice shall be deemed to have been delivered on the earliest of the following: (i) the day that delivery is attempted by any means and refused or returned; or (ii) the date of delivery as set forth on the return receipt or affidavit of service. All notices shall be mailed or delivered, as set forth above, addressed as follows:

LESSOR: City Manager  
City of Rock Hill  
P. O. Box 11706  
155 Johnston Street  
Rock Hill, South Carolina 29731-1706

LESSEE: David Burke  
Synergy Capital and Development Group LLC  
520 Folly Road, Ste. 25-287  
Charleston, SC 29412

Each Party may change the address or addresses to which notice is to be delivered to it by notifying the other Party of the address or addresses in the manner provided herein for giving notice, and each such change or address shall be effective 30 days after such notice of change is given.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

Lessor:

In the Presence of:

City of Rock Hill,  
a municipal corporation

By: \_\_\_\_\_

\_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_

Lessee:

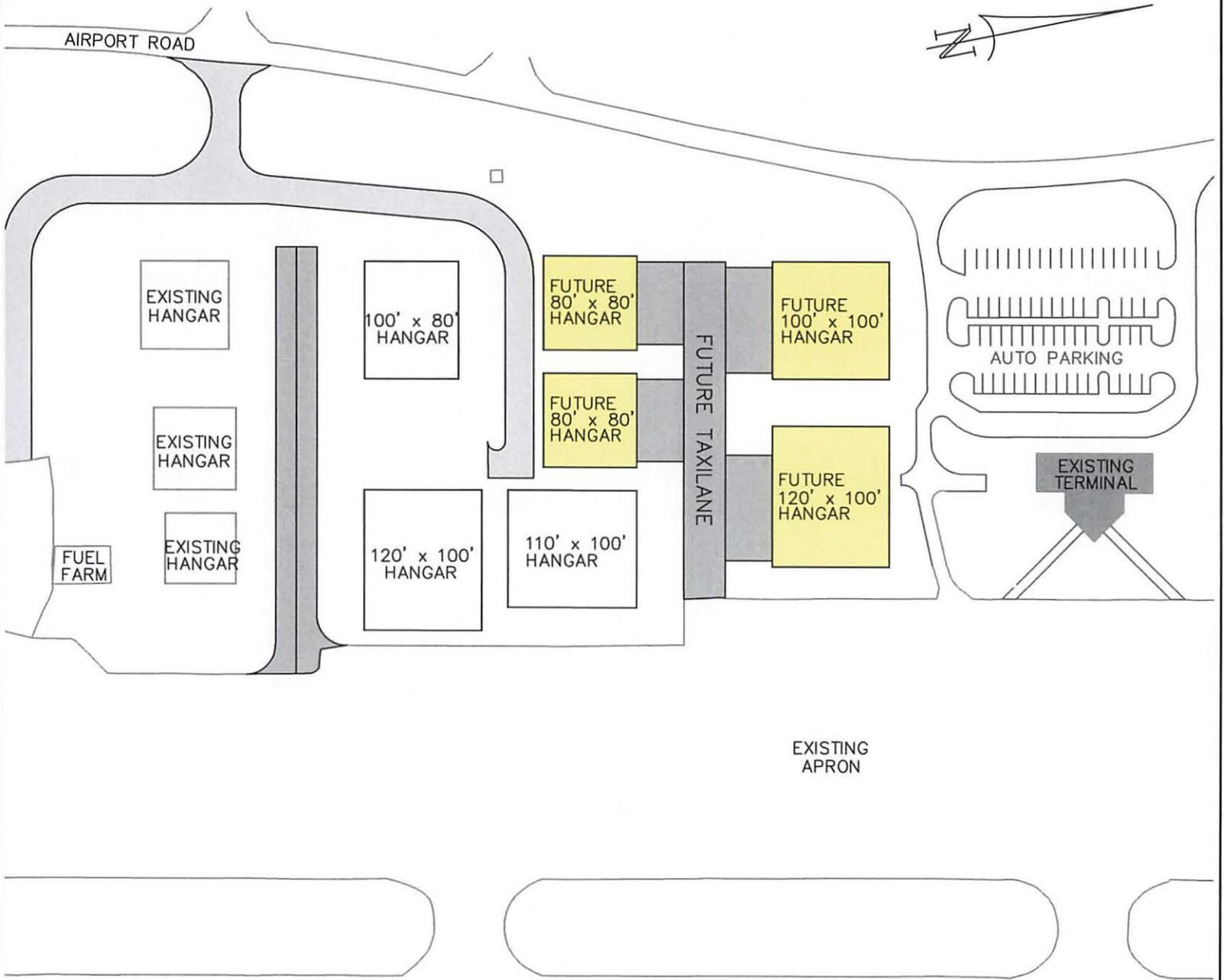
Synergy Capital and Development Group LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

\_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_



Attachment A

Rock Hill - York County Airport



SCALE: 1" = 120'

LEGEND



HANGAR AREA  
34,800 SF