



CITY OF SPARTANBURG

SOUTH CAROLINA

CITY COUNCIL AGENDA

City Council Meeting
City Council Chambers
145 W. Broad Street
Monday, October 23, 2023
5:30 PM

- I. Moment of Silence**
- II. Pledge of Allegiance**
- III. Approval of the Minutes of the October 9, 2023 Meeting**
- IV. Approval of the Agenda of the October 23, 2023 Meeting**
- V. Public Comment**
Public Comment Forms are available at the door and should be submitted to the Clerk prior to the start of the meeting.
- VI. Recognition of City of Spartanburg Retiree, Mark Ford, Environmental Services Manager**
Presenter: Jerome Rice, Jr., Mayor
- VII. Presentation of Proclamation Celebrating the 100th Anniversary of Duncan Park**
Presenter: Jerome Rice, Jr., Mayor
- VIII. Presentation of Proclamation Recognizing October 15, 2023 as National Federation of the Blind Day.**
Presenter: Jerome Rice, Jr., Mayor
- IX. Presentation of Certificates for Appreciation to the Mayor and City Council Members by ReGenesis Health Care**
Presenter: Marlon Hunter, President & CEO of ReGenesis Health Care
- X. Update on Duncan Park Improvements and Trail Improvement Projects**
Presenter: Mitch Kennedy, Deputy City Manager
- XI. Resolutions**
 - A. A Resolution to Specify Utilization of Previously Allocated American Rescue Plan Funds for Recreation Projects.**
Presenter: Mitch Kennedy, Deputy City Manager

As required by the Americans with Disabilities Act, the City of Spartanburg will provide interpretive services for the City Council Meetings. Requests must be made to the Communications & Marketing Office (596-2020) 24 hours in advance of the meeting. This is a Public Meeting and notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information

- B. A Resolution to Approve the City to Enter Into an Agreement with Community First Developers, LLC for Duncan Park Trail Improvements
Presenter: Jay Squires, Public Works Director**
 - C. A Resolution Approving the Issuance by Spartanburg Housing of its not to Exceed \$27,000,000 Multifamily Housing Revenue Bonds (Hope Road Project) Series 2023 Pursuant to Section 147(F) of the Internal Revenue Code of 1986, As Amended; Providing Certain Other Matters in Connection Therewith; and Providng an Effective Date
Presenter: Martin Livingston, Community Development Director**
- XII. Ordinance**
 - A. An Ordinance to Authorize the City Manager to Execute the Lease of Various City Owned Aircraft Hangars at the Spartanburg Downtown Memorial Airport
Presenter: Robert P. Coler, City Attorney**
- XIII. Staff Updates**
- XIV. City Council Updates**
- XV. Executive Session**
 - A. Executive Session Pursuant to Section 30-4-70 (a)(5) of the South Carolina Code to Discuss Matters Relating to Economic Development
“Project TFV” a Potential Mixed-use Development in the Downtown Area**
 - B. Executive Session Pursuant to Section 30-4-70 (a)(5) of the South Carolina Code to Discuss Matters Relating to Economic Development
“Project Railyard” a Potential Mixed-use Development in the Downtown Area**
- XVI. Adjournment.**

City Code Sec. 2-57. Citizen Appearance. Any citizen of the City of Spartanburg may speak at a regular meeting on any matter pertaining to City Services and operations germane to items within the purview and authority of City Council, except personnel matters, by signing a Citizen's Appearance form prior to the meeting stating the subject and purpose for speaking. No item considered by Council within the past twelve (12) months may be added as an agenda item other than by decision of City Council. The forms may be obtained from the Clerk and maintained by the same. Each person who gives notice may speak at the designated time and will be limited to a two (2) minute presentation.



REQUEST FOR COUNCIL ACTION

TO: Chris Story City Manager

FROM: Mitch Kennedy, Deputy City Manager

SUBJECT: Duncan Park Improvements and Trail Improvements Projects Update.

DATE: October 23, 2023

BACKGROUND: At the upcoming City Council meeting, I plan to provide updates related to trail improvements and improvements to Duncan Park. In the FY24 budget process, City Council allocated funding toward Duncan Park improvements, maintenance and resurfacing of the Mary Black Foundation Rail Trail, and improvements connected to the Mary H. Wright Greenway. Staff will provide additional information on the specifics of these improvements and seek City Council authorization to proceed as described below.

Duncan Park Improvement Project:

- Installation of approximately 2300 feet of 10-foot asphalt trail & asphalt resurfacing of 3,600 feet of 10-foot existing asphalt trail. Bids received.
- Removal of Invasive plants from Duncan Park (approximately 55 acres)
 - Contract Awarded to Roebuck Landscaping, contractor will mobilize early November with completion in 90 days. **(Approved at October 9, 2023 Council meeting)**
- Youth Athletic Fields Improvements- Playing Field, Concession and Restroom Areas

Mary Black Rail Trail repair and resurfacing Project:

- Repair and resurfacing of approximately 2 miles of existing asphalt trail.
- City crews are responsible for repairing the existing asphalt trail & removal of trees near Public Works Facility
 - Work started the week of October 16th, completion by the end of October 27th.
 - Resurfacing will be completed by mid-December.

Mary H. Wright Greenway Expansion Project:

- Expansion of existing trail from Marion Avenue to 10-foot protected trail on the east side of Hudson Barksdale Boulevard to Caulder Avenue.
 - Working with SCDOT for the encroachment permit.

Staff has reviewed the bid and the qualifications for the contractor. Based on that review, the staff has determined that Community First Developers, LLC. is the responsive low bidder. No bids were submitted from any certified DBE firms. It is anticipated that it will take 30 calendar days to complete this project.

ACTION REQUESTED:

Allow staff to accept the bid and authorize the City Manager to enter into a contract with Community First Developers, LLC. for the completion of the trail improvement project at Duncan Park. The bid is \$230,190.00 and the request is to use ARPA Funds to pay for the project.

Allow for the allocation of \$100,000.00 of ARPA Funds for the Youth Athletic Field Improvement which will assist in leverage of additional private funds of \$175,000.00.

Additionally a request to allocate ARPA funds for the Mary Black Rail Trail Improvements and Mary H. Wright Greenway Expansion in the amount of \$250,000.00

BUDGET AND FINANCE DATA:

\$ 230,190.00 from ARPA Funds to Duncan Park Improvement Project

\$ 100,000.00 from ARPA to Complete Youth Athletic Field Improvements

\$ 250,000.00 from ARPA to Complete Mary Black Rail Trail & Mary H. Wright Greenway Improvements

A RESOLUTION

TO SPECIFY THE RECREATION PROJECTS THAT
WILL BENEFIT FROM \$600,000.00 OF AMERICAN
RESCUE PLAN FUNDS

WHEREAS, the City of Spartanburg has received funds from the Federal Government's American Rescue Plan; and

WHEREAS, City Council has heretofore expressed a desire that \$600,000.00 be allocated to recreation projects including, but not limited to, Duncan Park improvements; and

WHEREAS, City Council now desires to specify the projects that will benefit from the aforementioned \$600,000.00 allocation.

NOW, THEREFORE, BE IT RESOLVED By the Mayor and Members of Council of the City of Spartanburg, in Council assembled:

Section 1. That \$230,190.00 of the \$600,000.00 of American Rescue Plan funds earmarked for recreation projects is hereby allocated to the installation and maintenance of asphalt trails in Duncan Park. A resolution authorizing the City Manager to execute a contract for said installation and maintenance and identifying the contractor performing said installation shall be required.

Section 2. That \$100,000.00 of the \$600,000.00 of the American Rescue Plan funds earmarked for recreation projects is hereby allocated to the improvement of the youth athletic field in Duncan Park. A resolution authorizing the City Manager to accomplish the transfer of said funds and identifying the recipient of said funds shall be required.

DONE AND RATIFIED this _____ day of _____, 2023.

Jerome Rice, Mayor.

ATTEST:

Christie Lindsey, City Clerk.

APPROVED AS TO FORM:

Robert P. Coler, City Attorney

A RESOLUTION

TO AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH COMMUNITY FIRST DEVELOPERS, LLC FOR ASPHALT TRAIL INSTALLATION AND MAINTENANCE IN DUNCAN PARK

WHEREAS, the City of Spartanburg (hereinafter the “City”) has the need for a qualified, licensed, experienced, and capable contractor to install 2300 feet of new, ten foot wide, asphalt trails and to repave 3600 feet of existing, ten foot wide, asphalt trails in Duncan Park (hereinafter the “Services”); and

WHEREAS, Community First Developers, LLC (hereinafter “Contractor”) has represented to City that it has the qualifications, experience, expertise and personnel to timely perform these services for the City; and

WHEREAS, City and Contractor now wish to enter into an agreement whereby Contractor will provide Services to the City on all the terms and conditions more particularly set out in a separate Agreement executed between City and Contractor.

NOW, THEREFORE, BE IT RESOLVED By the Mayor and Members of Council of the City of Spartanburg, in Council assembled:

Section 1. That the City Manager is authorized to enter into an agreement with Community First Developers, LLC for the installation of 2300 feet of new, ten foot wide asphalt trails and repaving of 3600 feet of ten foot wide, existing asphalt trails in Duncan Park at a cost not to exceed \$230,190.00.

Section 2. This Resolution shall become effective immediately upon its enactment.

DONE AND RATIFIED this _____ day of _____, 2023.

Jerome Rice, Mayor.

ATTEST:

Christie Lindsey, City Clerk.

APPROVED AS TO FORM:

Robert P. Coler, City Attorney



REQUEST FOR CITY COUNCIL ACTION

TO: Chris Story, City Manager

FROM: Martin Livingston, Community Development Director
Shaunté Evans, Spartanburg Housing

SUBJECT: Spartanburg Housing – Hope Road Apartment Development

DATE: October 23, 2023

BACKGROUND:

Spartanburg Housing is requesting approval of bond issuance for the Hope Road Apartment Development located in Spartanburg County, South Carolina. Spartanburg Housing has the authority as a local issuer of multifamily housing revenue bonds to issue bonds for qualifying new housing developments. This expanded local capacity should aid in meeting affordable housing demand in our community and surrounding areas. Spartanburg Housing is requesting approval of a resolution to allow for the issuance of housing revenue bonds for the Hope Road Apartment Development – a private affordable housing development located in Spartanburg County.

The bonds associated with this financial program does not constitute an obligation of the City of Spartanburg. However, the legal process requires the local government in which the issuer is located to approve by resolution the issuance of the bonds. Approval of the resolution is required by the City of Spartanburg because the location of the Spartanburg Housing offices is in the City of Spartanburg.

ACTION REQUESTED:

Approval of Resolution to approve Spartanburg Housing – Revenue Bond Issuance for the Hope Road Apartment Development.

BUDGET & FINANCIAL DATA:

No financial impact to the City of Spartanburg

A RESOLUTION

APPROVING THE ISSUANCE BY SPARTANBURG HOUSING OF ITS NOT TO EXCEED \$27,000,000 MULTIFAMILY HOUSING REVENUE BONDS (HOPE ROAD PROJECT) SERIES 2023 PURSUANT TO SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Hope Road Development LP, a South Carolina limited partnership, or its successors or assigns (the “**Borrower**”), has represented to Spartanburg Housing, a body corporate and politic duly organized and validly existing under the laws of the State of South Carolina (“**Spartanburg Housing**”), and the City Council (the “**City Council**”) of the City of Spartanburg, South Carolina (the “**City**”) that it desires to acquire approximately 27.39 acres of real property located at 1304 Frey Springs Lane in the unincorporated area of Spartanburg County, South Carolina (the “**Site**”), and construct thereon such improvements for 192 three (3) and four (4) bedroom residential rental units to be occupied by members of Spartanburg Housing’s beneficiary classes (as defined in Sections 31-13-160 through 31-13-330 of the Code of Laws of South Carolina 1976, as amended), including amenities functionally related and subordinate thereto (the “**Project**”); and

WHEREAS, the Borrower has further represented to the City Council that substantial cost savings would be recognized by financing the Project through a plan of financing consisting of the issuance by Spartanburg Housing of its multifamily housing revenue bonds, in one or more series, in the aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000) (the “**Bonds**”) to finance the Project; and

WHEREAS, the Borrower has further represented to the City Council that a portion of the proceeds of the Bonds would be used for the purpose of (a) financing the cost of the land acquisition, construction and equipping of the Project and (b) paying a portion of the costs of financing, including certain reserves, capitalized interest and costs of issuance of the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended, including the U.S. Treasury Regulations promulgated thereunder (collectively, the “**Code**”), requires as a condition of exclusion from gross income for federal income tax purposes of the interest on private activity bonds, that the issuance of private activity bonds as defined in Section 141(a) of the Code, such as the Bonds, be approved after a public hearing following reasonable public notice by the governmental unit on behalf of which such Bonds are to be issued (the “**Issuer Approval**”) and the governmental unit having geographic jurisdiction over the area in which the Site and Project are located (the “**Host Approval**”); and

WHEREAS, in compliance with the provisions of Section 31-3-40 of the Code of Laws of South Carolina 1976, as amended, Spartanburg Housing and Regional Housing Authority No. 1 (the “**Regional Housing Authority**”) entered into a Cooperation Agreement, dated on or about August 23, 2021, which authorized Spartanburg Housing to exercise its powers to issue the Bonds to assist in the financing of the Project within the area of operation of the Regional Housing Authority, including the unincorporated area of Spartanburg County, South Carolina; and

WHEREAS, (i) the City Council constitutes the elected legislative body of the City, and (ii) the Borrower has represented to the City Council that it is the applicable elected representative required to provide the Issuer Approval to approve the issuance of the Bonds for the purpose of financing the Project within the meaning of Section 147(f) of the Code; and

WHEREAS, the Borrower has represented to the City Council that each of Spartanburg Housing and the County Council of the County of Spartanburg, South Carolina (as to the Host Approval), has approved or will approve prior to the issuance of the Bonds, the issuance of the Bonds and the financing of the Project consistent with all applicable requirements of federal and state law (including but not limited to Section 147(f) of the Code); and

WHEREAS, the Borrower has requested the City Council, pursuant to Section 147(f) of the Code, to provide the Issuer Approval to approve the issuance by Spartanburg Housing of the Bonds for the purpose of providing funds to the Borrower to finance the Project; and

WHEREAS, on August 23, 2023, Spartanburg Housing posted on its website a notice of public hearing to be held on August 31, 2023, at 2:00 p.m., or as soon thereafter as such matters may be heard by means of a telephonic meeting conducted by Spartanburg Housing to consider the issuance by Spartanburg Housing of the Bonds and nature of the Project to be financed with a portion of the proceeds of the Bonds; and

WHEREAS, notice of the public hearing was duly published as indicated by the copy of the notice as it appeared on Spartanburg Housing's website attached hereto as Exhibit A; and

WHEREAS, the public hearing was duly held by Spartanburg Housing on August 31, 2023, during which members of the public were afforded the opportunity to express their views on the issuance by Spartanburg Housing of the Bonds and the use of a portion of the proceeds thereof to finance the Project as indicated by the Certificate as to Telephonic Public Hearing attached hereto as Exhibit B.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Councilmembers of the City of Spartanburg, South Carolina, in Council assembled:

Section 1. The issuance by Spartanburg Housing of the Bonds in an aggregate principal amount not to exceed \$27,000,000 for the purpose of providing funds to the Borrower to finance the Project is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Section 2. A hearing open to the public, and conducted telephonically, pursuant to Internal Revenue Service Rev. Proc. 2022-20, was held on August 31, 2023, for which the Borrower has represented to the City Council that due and reasonable public notice, being published on Spartanburg Housing's website as described above, was given by or on behalf of the Borrower in accordance with the provisions of applicable law and procedures established therefor.

Section 3. Such approval by the City Council shall not be construed as (i) an endorsement of the creditworthiness of Spartanburg Housing, the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any building or other regulatory permits relating to the Project, and the City Council shall not be construed by reason of its adoption of this Resolution to make any such endorsement, finding or recommendation, to have waived any rights of the City, or to have caused the City to be estopped from asserting any rights or responsibilities it may have in such regard. Further, the Bonds shall not constitute an indebtedness of the State of South Carolina, the City or any political subdivision thereof, but shall be payable solely from revenues of the Borrower pledged to the payment of the Bonds. The approval by the City Council of the issuance of the Bonds by Spartanburg Housing to finance the Project shall not be construed to obligate the City to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the acquisition, construction or equipping of the Project.

Section 4. This Resolution shall take effect immediately upon its adoption.

Section 5. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. That all ordinances, resolutions or orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

DONE AND RATIFIED this ____ day of _____, 2023.

**CITY OF SPARTANBURG,
SOUTH CAROLINA**

(SEAL)

By: _____
Jerome Rice
Mayor

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A

Notice of Telephonic Public Hearing

EXHIBIT B

Certificate as to Telephonic Public Hearing

EXHIBIT A

Notice of Telephonic Public Hearing

08/23/2023

HOPE ROAD TEFRA NOTICE - PUBLIC HEARING

NOTICE OF TELEPHONIC PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a Public Hearing will be held by Spartanburg Housing (the "**Issuer**") on August 31, 2023, at 2:00 p.m., or as soon thereafter as the matter can be heard, and will be held via teleconference in connection with the issuance by the Issuer of its Multifamily Housing Revenue Bonds (Hope Road Project), Series 2023 (the "**Bonds**"), in one or more tax-exempt and/or taxable series, as part of a plan of financing in an aggregate principal amount not to exceed \$27,000,000. The Bonds will be an issue of "exempt facility bonds" issued to finance a "qualified residential rental project" as defined in Section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the "**Code**"). The public hearing will be held jointly on behalf of the City of Spartanburg, South Carolina (the "**City**") and Spartanburg County, South Carolina (the "**County**").

Principal User of Bonds and Project. The Issuer will sell the Bonds to a bank or other institutional investor (the "**Bondholder**") under a Loan Agreement and Trust Indenture, the proceeds of which will be loaned pursuant to Hope Road Development LP, a South Carolina limited partnership (the "**Borrower**"), to finance the acquisition of approximately 27.39 acres of real property located at 1304 Frey Springs Lane in unincorporated Spartanburg County, South Carolina and construction thereon of 24 buildings comprised of 192 affordable three (3) and four (4) bedroom residential rental units, including amenities functionally related and subordinate thereto, and a portion of the costs of financing (the "**Project**"), to be owned by the Borrower.

Limited Obligation. The Bonds will be payable by the Issuer solely and exclusively out of payments to be made by the Borrower under the Loan Agreement. The Bonds will not constitute an indebtedness of the Issuer, the State of South Carolina, or any political subdivision thereof within the meaning of any South Carolina constitutional provision or statutory limitation nor give rise to a pecuniary liability of the Issuer, the State of South Carolina, or any political subdivision thereof. The Bonds will not constitute a charge against the general credit or taxing powers of the Issuer, the State of South Carolina, or any political subdivision thereof, including, without limitation, the City and the County. The Issuer has no taxing authority.

Teleconference Only. Pursuant to IRS Revenue Procedure 2022-20 allowing remote telephone hearings to qualify as "public hearings" required for private activity bonds under Section 147(f) of the Internal Revenue Code of 1986, as amended, the Public Hearing will be conducted telephonically and the public will not be able to attend in person. However, all persons who wish to listen to the public hearing may join by calling toll free at (833) 473-1477 (no access code needed). Members of the public may submit oral or written comments to the Issuer to express their views for or against the proposed issuance of the Bonds, the location and nature of the Project, or the approval of the issuance of the Bonds. **All persons who wish to submit oral comments during the Public Hearing must contact the Issuer, not less than 24 hours prior to the Public Hearing, via email to jjackson@spartanburghousing.org to inform the Issuer of their desire to speak at the Public Hearing.** Those who present comments during the Public Hearing will be permitted to address the Issuer regarding the Project or the Bonds for no more than three (3) minutes. Members of the public may submit views to the Issuer in writing via mail to Joseph Jackson, Director of Development, Spartanburg Housing, 170 Arch Street, Spartanburg, South Carolina 29303, or via email to jjackson@spartanburghousing.org. The Issuer will not prepare a transcript of the Public Hearing.

In accordance with the Americans with Disabilities Act, persons needing special accommodations to participate in the Public Hearing should contact the Spartanburg Housing at (864) 598-6084 not later than three days prior to the Public Hearing.

SPARTANBURG HOUSING

Joseph Jackson

Director of Development

EXHIBIT B

Certificate as to Telephonic Public Hearing

CERTIFICATE AS TO TELEPHONIC PUBLIC HEARING

I, the undersigned, on behalf of the Housing Authority of the City of Spartanburg, South Carolina ("Spartanburg Housing"), the City of Spartanburg, South Carolina, and Spartanburg County, South Carolina do hereby certify as follows:

1. Attached hereto is the Notice of Telephonic Public Hearing (the "Notice") published on the Spartanburg Housing website on August 23, 2023, related to a telephonic public hearing (the "Public Hearing") held on August 31, 2023 at 2:00 p.m. by Spartanburg Housing in connection with the issuance by Spartanburg Housing of its not exceeding \$27,000,000 aggregate principal amount Multifamily Housing Revenue Bonds (Hope Road Project), the proceeds of which will be made available to Hope Road Development LP, a South Carolina limited partnership (the "Borrower"), to assist it with the financing of the costs of acquiring approximately 27.39 acres of real property located at 1304 Frey Springs Lane in unincorporated Spartanburg County, South Carolina and constructing thereon 192 affordable three (3) and four (4) bedroom residential rental units, including amenities functionally related and subordinate thereto, and a portion of the costs of financing (the "Project"). The Project will be initially owned by the Borrower.

2. Representatives of Spartanburg Housing and the Borrower were present at the Public Hearing described in the above-mentioned Notice, which hearing was held at the time and manner specified therein. Pursuant to Internal Revenue Service Rev. Proc. 2022-20, the Public Hearing was conducted telephonically and the public was provided a toll free access number to listen to the meeting, and provided an email and mailing address to submit written comments. All persons desiring to do so were given reasonable opportunity to speak and, if requested, to present their opinions in writing regarding the issuance by Spartanburg Housing of the Bonds and the use of the proceeds for the purposes described in paragraph 1 above. There were no written comments received and there was no opposition to the issuance of the Bonds for the purposes described in paragraph 1 above.

IN WITNESS WHEREOF, I have hereunto set my hand this 4 day of October, 2023.



Shaunte Evans, Chief Executive Officer

EXHIBIT A

Notice of Telephonic Public Hearing

08/23/2023

HOPE ROAD TEFRA NOTICE - PUBLIC HEARING

NOTICE OF TELEPHONIC PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a Public Hearing will be held by Spartanburg Housing (the "Issuer") on August 31, 2023, at 2:00 p.m., or as soon thereafter as the matter can be heard, and will be held via teleconference in connection with the issuance by the Issuer of its Multifamily Housing Revenue Bonds (Hope Road Project), Series 2023 (the "Bonds"), in one or more tax-exempt and/or taxable series, as part of a plan of financing in an aggregate principal amount not to exceed \$27,000,000. The Bonds will be an issue of "exempt facility bonds" issued to finance a "qualified residential rental project" as defined in Section 142(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code"). The public hearing will be held jointly on behalf of the City of Spartanburg, South Carolina (the "City") and Spartanburg County, South Carolina (the "County").

Principal User of Bonds and Project The Issuer will sell the Bonds to a bank or other institutional investor (the "Bondholder") under a Loan Agreement and Trust Indenture, the proceeds of which will be loaned pursuant to Hope Road Development LP, a South Carolina limited partnership (the "Borrower"), to finance the acquisition of approximately 27.39 acres of real property located at 1304 Frey Springs Lane in unincorporated Spartanburg County, South Carolina and construction thereon of 24 buildings comprised of 192 affordable three (3) and four (4) bedroom residential rental units, including amenities functionally related and subordinate thereto, and a portion of the costs of financing (the "Project"), to be owned by the Borrower.

Limited Obligation The Bonds will be payable by the Issuer solely and exclusively out of payments to be made by the Borrower under the Loan Agreement. The Bonds will not constitute an indebtedness of the Issuer, the State of South Carolina, or any political subdivision thereof within the meaning of any South Carolina constitutional provision or statutory limitation nor give rise to a pecuniary liability of the Issuer, the State of South Carolina, or any political subdivision thereof. The Bonds will not constitute a charge against the general credit or taxing powers of the Issuer, the State of South Carolina, or any political subdivision thereof, including, without limitation, the City and the County. The Issuer has no taxing authority.

Teleconference Only Pursuant to IRS Revenue Procedure 2022-20 allowing remote telephone hearings to qualify as "public hearings" required for private activity bonds under Section 147(f) of the Internal Revenue Code of 1986, as amended, the Public Hearing will be conducted telephonically and the public will not be able to attend in person. However, all persons who wish to listen to the public hearing may join by calling toll free at (833) 473-1477 (no access code needed). Members of the public may submit oral or written comments to the Issuer to express their views for or against the proposed issuance of the Bonds, the location and nature of the Project, or the approval of the issuance of the Bonds. All persons who wish to submit oral comments during the Public Hearing must contact the Issuer, not less than 24 hours prior to the Public Hearing, via email to jjackson@spartanburghousing.org to inform the Issuer of their desire to speak at the Public Hearing. Those who present comments during the Public Hearing will be permitted to address the Issuer regarding the Project or the Bonds for no more than three (3) minutes. Members of the public may submit views to the Issuer in writing via mail to Joseph Jackson, Director of Development, Spartanburg Housing, 170 Arch Street, Spartanburg, South Carolina 29303, or via email to jjackson@spartanburghousing.org. The Issuer will not prepare a transcript of the Public Hearing.

In accordance with the Americans with Disabilities Act, persons needing special accommodations to participate in the Public Hearing should contact the Spartanburg Housing at (864) 598-6084 not later than three days prior to the Public Hearing.

SPARTANBURG HOUSING

Joseph Jackson

Director of Development



REQUEST FOR COUNCIL ACTION

TO: Chris Story, City Manager

FROM: Robert P. Coler, City Attorney

SUBJECT: Ordinance Authorizing Execution the Lease of Various City Owned Aircraft Hangars at the Spartanburg Downtown Memorial Airport

DATE: October 20, 2023

The attached ordinance would authorize the City Manager to execute the lease of various City owned aircraft hangars at the Spartanburg Downtown Memorial Airport. The City currently owns a number of aircraft hangars at the Spartanburg Downtown Memorial Airport which for decades have been leased to individuals for the storage of their aircraft, and in limited circumstances, for the provision of mechanical repair services and charter services.

It is now time to renew the leases on two (2) of the large hangars, commonly referred to as Hangar B and Hangar C. It is also an appropriate and convenient time to update the language for our small personal aircraft storage hangars, commonly referred to as T-Hangars.

We look forward to the discussion and questions you may have.

AN ORDINANCE

**TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE
LEASE OF VARIOUS CITY OWNED AIRCRAFT HANGARS
AT THE SPARTANBURG DOWNTOWN MEMORIAL
AIRPORT**

WHEREAS, pursuant to Section 5-7-40 of the South Carolina Code of Laws, all municipalities of this State may, upon such terms and conditions as its City Council deems advisable, lease its property; and

WHEREAS, the City owns a number of aircraft hangars at the Spartanburg Downtown Memorial Airport; and

WHEREAS, for decades the City has leased the aforementioned hangars to individuals for the storage of their aircraft, and in limited circumstances, for the provision of mechanical repair services and charter services; and

WHEREAS, the time has come to renew the leases on two of the large hangars, commonly referred to as Hangar B and Hangar C; and

WHEREAS, it is also an appropriate and convenient time to update the language for our small personal aircraft storage hangars, commonly referred to as T Hangars.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND MEMBERS OF COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. The City Manager is hereby authorized to execute a lease, substantially similar to that lease attached hereto and marked as Exhibit 1 for reference, for Hangar B.

Section 2. The City Manager is hereby authorized to execute a lease, substantially similar to that lease attached hereto and marked as Exhibit 2 for reference, for Hangar C.

Section 3. The City Manager is hereby authorized to execute leases, substantially similar to that lease attached hereto and marked as Exhibit 3 for reference, for various T Hangars as leases for said T Hangars expire or are terminated.

DONE AND RATIFIED this _____ day of _____, 2023.

Jerome Rice, Mayor

ATTEST:

Christie B. Lindsey, City Clerk

APPROVED AS TO FORM:

Robert P. Coler, City Attorney

____/____/____ 1st Reading

____/____/____ 2nd Reading

**CITY OF SPARTANBURG
DOWNTOWN MEMORIAL AIRPORT
HANGAR B LEASE AGREEMENT**

This Lease Agreement (the “Agreement”) is made and entered into this 1st day of October 2023 by and between the City of Spartanburg (hereinafter sometimes “Lessor”) and Fenix Air Charter LLC (hereinafter sometimes “Lessee”) for certain rights and privileges at the Spartanburg Downtown memorial Airport (the “Airport”).

The following terms and conditions shall govern the rental of Hangar B located at the Airport by the Lessee from the Lessor:

- 1. Term:** This Agreement shall commence on the 1ST day of October 2023 and remain in effect for twenty-four (24) months unless sooner terminated as set forth herein.

This Agreement supersedes and relaces all previous lease agreements between the parties concerning these Leased Premises (as defined herein).

2. Rent: Lessee shall pay Lessor as rent for the Leased Premises as follows: \$0.33/sq. on 17,640 sq. ft. = \$5,821 /month, payable in advance on or before **the last day of the preceding month**. The first month’s rent shall paid herewith and the next month’s rent shall be due on or before October 31, 2023.

Rent shall be due regardless of whether the Lessee stores or has stored any aircraft in the leased premises during any rental period. A ccount statements will be mailed to Lessee and payments shall be **made payable to Spartanburg Downtown Memorial Airport** and mailed or delivered to:

Spartanburg Downtown Memorial Airport
500 Ammons Road
Spartanburg, SC 29306

or to such other address as hereinafter directed by Lessor. Payments received more than five days after the date due shall be considered late. **A service charge equal to two percent (2%) of the unpaid statement balance will be applied to the account in the event of a later payment.**

3. Premises: The “Leased Premises” shall be Hangar B located on the Lessor’s premises at the Airport and more fully described and shown on a diagram of Leased Premises maintained by the Lessor (a copy of which has been provided to Lessee), together with reasonably necessary rights of access utilizing the Lessor’s access rights across property owned by Lessor.

4. Insurance:

The Lessee shall maintain the following insurance coverages with limits meeting or exceeding those shown below from insurance carriers acceptable to the City of Spartanburg.

A). Aircraft Liability Insurance – Combined Single Limit Bodily Injury and Property Damage Including Passengers \$1,000,000 per occurrence. Liability coverage for bodily injury to passengers shall not be limited to less than \$100,000 per passenger per occurrence.

B). Airport Premises Liability - \$1,000,000 each occurrence covering the leased Space. In lieu of a separate policy providing coverage under this item, an endorsement to the policy above, evidencing coverage for liability arising out of the use of airport premises, is acceptable.

C). Each policy shall be primary, non-contributing with any insurance maintained by the City of Spartanburg, name the City of Spartanburg of as additional insured, and provide at least thirty (30) days advance written notice to City of Spartanburg of any material changes, cancellation, non-renewal or change adverse to the interests of the City of Spartanburg.

D). The Lessee shall furnish the City of Spartanburg with a Certificate of Insurance evidencing all required insurance coverages, limits and requirements as of the effective date of this Agreement. The Lessee shall provide a certificate of insurance upon each renewal not less than thirty (30) days prior to coverage expiration. The City of Spartanburg’s acceptance of such certificate is not to be construed as any waiver of the Lessor’s rights to the insurance required under this Agreement. Further, if the City of Spartanburg fails for any reason to receive a certificate from the Lessee, such failure shall not be deemed a waiver of required coverage. City of Spartanburg retains the right to terminate this Agreement if the Lessee fails to provide adequate and proper evidence of required insurance.

4. Liabilities:

A). Lessor hereby disclaims, to which Lessee hereby consents, any and all liability for damage or loss related to Lessee’s stored aircraft, vehicle, or property while parked in the Lease Premises or adjacent ramp, access way, or road including such damage as may be caused by Lessor’s movement or handling of Lessee’s aircraft, vehicle or property. Lessee shall be responsible for moving Lessee’s aircraft into and out of the hangar and for securing that aircraft while parked upon the Leased Premises or the Airport grounds. All locks for the securing of hangars will be provided by Lessor. The Lessee is not authorized to use any other locking devices.

B). Lessee shall be liable for any damage to Lessor’s property, and/or the property of any other person including, but not limited to, other stored aircraft, arising from Lessee’s use of the Leased Premises including, but not limited to, damage arising from: (1) the movement of Lessee’s aircraft, vehicle or property, (2) the carrying on of unauthorized activities upon the Premises, or (3) the storage of unauthorized items.

C). Notwithstanding anything herein to the contrary, Lessee shall indemnify, defend, and hold Lessor, its employees, officers, officials, contractors, agents, and/or representatives, free and harmless from and against any and all liabilities, losses, claims, demands, suits, judgments, causes of action and/or expenses of any kind or nature, including the payment of reasonable attorney's fees, resulting from property damage and/or personal injury, including death, to the extent resulting from the negligence and/or willful misconduct of Lessee, its subcontractors, agents, invitees, or representatives in connection with Lessee's use or operation, or Lessee's employees', contractors' or invitees' use or operation, of the Leased Premises, or such parties' use of the Airport and its facilities under this Agreement. Such losses, liabilities, expenses, damages and/or claims shall include, but not be limited to, civil or criminal fines or penalties, loss of use and/or service, personal injury, death, libel, slander, and attorney's fees through all levels of appeals. The foregoing indemnity shall survive the expiration or termination of this Agreement.

D). LESSOR HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES LESSOR FROM, ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE) FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE AIRCRAFT OR OTHER PROPERTY OF LESSEE THAT MAY BE LOCATED OR STORED IN THE LEASED PREMISES. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LESSOR BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF THE LEASED PREMISES UNDER THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THIS RELEASE SHALL NOT ABSOLVE LESSOR (ITS EMPLOYEES, CONTRACTORS, AGENTS OR INVITEES) OF LIABILITY FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

5. Use of Premises:

A). **The aircraft storage space herein leased is a NFPA 409 Group III metal storage building (hangar) to be used for the purpose of storing aircraft. The Lessee shall not store flammable liquids or gases that are not in appropriate containers, or allow their premises to become in such condition so as to violate, in any manner, the fire code in force in the area of the Airport. The storage of solvents, fuels, or other hazardous or volatile materials in aircraft storage hangars is prohibited.**

B). The Lessee shall maintain, at all times in the Hanger, an approved two twenty-pound dry chemical fire extinguisher suitable for use on Type "A", "B", and "C" fires with current inspection certificate from an approved fire equipment company or by the local Fire Inspector affixed.

C). All activity in and use of the Leased Premises by the Lessee shall be in strict compliance with all applicable statutes, ordinances, rules, regulations, orders, and other requirements of the Federal, State, and County governments including all rules and regulations promulgated by the Lessor and the Airport for the safe and efficient operation of the Airport. All such regulations

Initial (____/____)

now existing and any changes or amendments made hereinafter are hereby incorporated in the terms of this Agreement as if set out verbatim. Failure of compliance by the Lessee with such regulations shall be deemed a breach of the terms of this Agreement and may result in immediate forfeiture of all right, title, and interest in the Leased Premises. Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable Airport security regulations and measures.

D). Lessee shall be permitted to use the Leased Premises to operate its FAA Part 135 operations, subject to all conditions imposed upon said operation by federal, state, and local law. Other than post-maintenance run-ups in the normal course, no aircraft maintenance will be conducted on an aircraft ramp, apron, or taxiway that involves draining of fluids, or that involves the services of an aircraft mechanic other than an employee of the Lessee performing in the course of duties as such an employee. **The Leased Premises shall not be used for the purpose of any hazardous operations including fuel storage or transfer, any type of welding, torch cutting, torch soldering, doping, and spray painting other than minor touch-up as authorized by (ref FAR Part 43) and (ref NFPA 409), nor shall any hazardous materials or chemicals be stored therein contrary to Airport rules or regulations. Painting in Hangar B is strictly prohibited except for minor touch up work.**

E). Lessee specifically agrees that it will not, on the Leased Premises, be engaged in the operation of any private or public commercial golf course, parties & social functions (which may be allowed with Lessor permission first had and obtained), country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal activity of which is the sale of alcoholic beverages for consumption off premises.

F). Security of the Leased Premises itself shall be the responsibility of the Lessee. Lessor shall not be liable for theft, vandalism, or pilferage to any items stored in the Leased Premises.

G). Lessee shall not dispose of any oils or fuels on Airport grounds except in areas designated by Lessor where Lessee has been previously disposing of the same. If Lessee is found in violation of this disposal procedure, Lessor reserves the right to charge the Lessee for all charges incurred for the cleanup of improper disposal.

H). Lessee shall keep the Leased Premises clean and free of all trash and debris, and shall not place any trash or debris on the Airport grounds, except in containers provided for trash by the Airport.

I). Lessee shall not park or leave aircraft on the taxiway or on the pavement adjacent to the Leased Premises in a manner, which unduly interferes with or obstructs access to adjacent hangar spaces.

J). Lessee shall park, secure, and lock personal vehicles in designated parking areas behind Hangar A (including electric charging stations) and beside Hangar B.

K). Lessee shall not use high wattage electrical equipment, heat lamps or machinery in or about the Leased Premises, or modify existing wiring or install additional outlets, fixtures or the like therein without the prior written authorization of Lessor.

L). Reserved.

M). Lessee reserves the right to report to Lessor or its representative any defects in the Leased Premises which Lessee reasonably believes to require maintenance.

N). Lessee shall not attach to any part of the Leased Premises or pass over the struts or braces therein any hoisting or holding mechanism, including without limitation, a chain-fall, block and tackle, or winching device.

O). Lessee shall be responsible for payment of utilities as metered by Duke Energy Meter Number 1204141300. A deduction of \$25.00 to offset the Airport gate will be applied to this bill.

P). Lessee shall be responsible for moving its own aircraft in and out of Hangar B.

6. Premises Maintenance:

A). Lessee shall keep the leased premises clean accepting premises “as is” at the beginning of this Agreement. Lessee shall be responsible and liable for any damage to the hangar caused by an act, omission or neglect of Lessee, his/her agents, servants, employees, or invitees including but not limited to: bent or broken interior walls, damage to unsealed floors due to fuel and or oil spillage, doors damaged due to Lessee’s improper or negligent operation.

B). Additions, alterations, modifications, or construction by Lessee of any kind relating to the leased premises must be expressly approved, in writing, by the Lessor before the start of such activity. Any approved addition, fixture, or improvements made by the Lessee shall become property of the Lessor and be surrendered with the premises at the termination of this Agreement.

C). Lessor, the City, their agents, and authorized Governmental agencies will have reasonable right of entry, **without notice**, to enter upon the premises to inspect for compliance with the terms of this lease and with applicable governmental regulations, make repairs or to exhibit the premises.

D). Lessor shall be responsible for maintenance and repair of all permanent buildings located on the Leased Premises to include Hangar B limited to roof, walls, doors, exterior paved areas and building systems (HVAC, plumbing and electrical) except to the extent such damage and/or maintenance is necessitated by the negligence or misuse of the Lease Premises of Lessee, its employees, contractors, invitees or agents.

7. Sublease or Assignment:

Lessee shall not sublease the Leased Premises or any part thereof but may assign this Agreement to an entity owned and or controlled by Lessee or an entity that acquires a controlling interest in Lessee to include the Part 135 Certificate. The parking or storage of any aircraft in the Hanger B not owned/managed or operated under the Lessee’s Part 135 Certificate by Lessee constitutes a sublease. Any attempted sublease or assignment of Lessee’s interest in violation of the terms hereof shall be deemed a default hereunder.

8. Termination:

A). This Agreement may be terminated by Lessee upon no less than one hundred twenty (120) days' written notice to Lessor. In addition, the Lessor may terminate this Agreement immediately upon the occurrence of any of the following which shall constitute a breach of this Agreement by Lessee:

- Failure of Lessee to pay rent by the last day of the preceding month (subject to 5 day cure period);
- Failure of Lessee to comply with any condition of this Agreement after been provided with no less than thirty (30) days' notice and opportunity to cure); or
- Failure of Lessee to reasonably correct any deficiency upon notice from the Lessor after such 30 day cure period).

In the event of such breach, the Lessor shall notify the Lessee of the termination in writing. Upon receipt of such notice of termination, the Lessee shall promptly, but in no event later than thirty (30) days later, give up quiet and peaceful possession of the leased premises to the Lessor. Notice of termination shall not relieve the Lessee from the obligation to pay Lessor for the Lease Premises leased under this Agreement.

B). Termination by Default. The prompt payment of the rent for the Leased premises upon the dates named on account statements, the faithful observance and compliance with all other terms contained herein and the faithful observance and compliance with all of the Lessor's rules are the conditions for which this Agreement is made and accepted. Any failure on the part of Lessee to strictly comply with the provisions of this Agreement shall, at the option of Lessor, work for forfeiture of this Agreement and Lessor shall be entitled to terminate this Agreement, and, Lessor shall have the right to enter the premises and remove all persons and property and release the leased premises. Likewise, Lessor's failure to provide Lessee with quiet enjoyment of the Leased Premises or failure to comply with its obligations hereunder shall constitute a default by Lessor hereunder and shall entitle Lessee to enforce the terms and conditions hereof at law or in equity. Notwithstanding the foregoing, if a Lessor default may be cured by the making of a repair or the completion of a maintenance obligation, Lessee may do so itself and offset the cost of the same against future rents coming due hereunder.

C). Casualty. In the event the leased Premises, or the means of access thereto, shall be damaged by fire or any other cause, the rent payable hereunder shall not abate provided that the Leased Premises is not rendered untenable by such damage. If the Leased Premises is rendered untenable and Lessor elects to repair the Leased Premises, the rent shall abate for the period during which such repairs are being made, provided the damage was not caused by the acts or omission of Lessee, its employees, agents or invitees, in which case the rent shall not abate. If the Leased Premises are rendered untenable and Lessor elects not to repair the leased premises, this Agreement shall terminate and rent shall be abated from the time of such casualty. If Lessor does elect to repair the Lease Premises but such repairs are reasonably anticipated to take longer than sixty (60) days, Lessee may terminate this Lease and rent shall be abated from the time of such casualty.

9. Security: Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable Airport security regulations and measures as may be in effect at the start of this Agreement and as may be implemented or amended in the future.

10. Reserved,

11. Attorney's Fees The successful party shall be entitled to recover a reasonable attorney's fee and costs in connection with any action or proceeding to enforce this Agreement, or otherwise secure any rights reserved under this Agreement or as may be accorded by law.

12. Bankruptcy: Notwithstanding anything in this Agreement to the contrary, if Lessee becomes insolvent, makes an assignment to creditors, or if bankruptcy proceedings are brought upon or started by Lessee, Lessor shall be irrevocably authorized to immediately cancel/terminate this Agreement as a default of the terms of this Agreement.

13. Time of Essence: Both Lessor and Lessee agree time is of essence for this Agreement and applies to all terms and conditions of the Agreement.

14. Notices: All notices pertaining to this Agreement shall be mailed or delivered to the respective parties at the addresses indicated or amended.

15. Cumulative Rights The rights of the Lessor hereunder shall be cumulative, and failure on the part of the Lessor to exercise promptly any rights hereunder shall not operate to forfeit any of those rights.

16. Binding Effect: This Agreement shall bind the Lessor and its successors and assigns, and the Lessee and its heirs, administrator or successors, as the case may be.

17. Recording: Lessee shall not record or cause to be recorded this Agreement or any memorandum thereof.

18. Applicable Law: This Agreement has been entered into in the State of South Carolina and shall be governed by, and construed in accordance with, South Carolina law.

[Execution Page Follows]

B-HANGAR LEASE AGREEMENT

IN WITNESS THEREOF, the Lessor and Lessee have executed this Agreement on the day and year first above-written through duly authorized representatives.

FENIX AIR CHARTER, LLC

THE CITY OF SPARTANBURG

BY: _____

BY: _____

ITS: _____

ITS: _____

Printed Name and Address:

Phone: _____

Printed Name and Address:

City of Spartanburg

145 W. Broad Street

Spartanburg, SC 29306

Phone: 864-596-2000

B-HANGAR LEASE AGREEMENT

LEASE COMPLETION INSTRUCTIONS

1. Airport completes data on page one.
2. Both parties should sign two original copies of lease agreement in INK.
3. Lessee keeps one original
4. Airport keeps a photo copy on file
5. Airport keeps a photo copy of the Aircraft Annual certificate
6. Airport keeps a photo copy of the Aircraft Insurance binder, naming City of Spartanburg as additional insured.
7. Airport forwards second original to City Clerk

**CITY OF SPARTANBURG
DOWNTOWN MEMORIAL AIRPORT
HANGAR C LEASE AGREEMENT**

This Individual Lease Agreement (the “Agreement”) is made and entered into this 1st day of November 2023 by and between the City of Spartanburg (hereinafter sometimes “Lessor”) and Carolina Flight Services, LLC (hereinafter sometimes “Lessee”) for certain rights and privileges at the Airport.

The following terms and conditions shall govern the rental of Hangar C by the Lessee from the Lessor:

- 1. Term:** This Agreement shall commence on the 1ST day of November 2023 and remain in effect for Sixty (60) months.

This lease supersedes all other agreements between the parties concerning these rented premises

- 2. Rent:** Lessee shall pay Lessor as rent for the use of the described hangar unit; the initial rent would be \$0.2289/sq. on 8740 sq. ft. = \$2000.00 /month, payable in advance and **due by the last day of the preceding month.**

Over the period of the lease, the Lessor will increase the rents of all tenants, including Hangar C, but not more than 10% per year.

Rent shall be due regardless of whether the Lessee stores or has stored any aircraft in the leased premises during any rental period. Rent may be changed from time to time by the Lessor upon thirty (30) days' written notice to the Lessee. Account statements will be mailed to Lessee. Payments should be **made payable to Spartanburg Downtown Memorial Airport** and mailed or delivered to:

Spartanburg Downtown Memorial Airport
500 Ammons Road
Spartanburg, SC 29306

or to such other address as hereinafter directed by Lessor. Payments received after the balance due date on monthly statements will be considered late. **A service charge equal to two percent (2%) of the unpaid statement balance will be applied to the account if the statement balance is not paid in full by due date.**

- 3. Premises:** The premises leased shall be Hangar B located on the Lessor’s premises at the Spartanburg Downtown Memorial Airport and more fully described and shown on a diagram of leased premises maintained by the Lessor, together with reasonably necessary rights of access utilizing the Lessor’s access rights across property owned by the City of Spartanburg. The aircraft to be stored in the leased premises is described as follows: **See Attachment A.**

4. Insurance:

The Lessee shall maintain the following insurance coverages with limits meeting or exceeding those shown below from insurance carriers acceptable to the City of Spartanburg.

A). Aircraft Liability Insurance – Combined Single Limit Bodily Injury and Property Damage Including Passengers \$1,000,000 per occurrence. Liability coverage for bodily injury to passengers shall not be limited to less than \$100,000 per passenger per occurrence.

B). Airport Premises Liability - \$1,000,000 each occurrence covering the leased Space. In lieu of a separate policy providing coverage under this item, an endorsement to the policy above, evidencing coverage for liability arising out of the use of airport premises, is acceptable.

C). Each policy shall be primary, non-contributing with any insurance maintained by the City of Spartanburg, name the City of Spartanburg as additional insured, and provide at least thirty (30) days advance written notice to City of Spartanburg of any material changes, cancellation, non-renewal or change adverse to the interests of the City of Spartanburg.

D). The Lessee shall furnish the City of Spartanburg with a Certificate of Insurance evidencing all required insurance coverages, limits and requirements as of the effective date of this Agreement. The Lessee shall provide a certificate of insurance upon each renewal not less than thirty (30) days prior to coverage expiration. The City of Spartanburg's acceptance of such certificate is not to be construed as any waiver of the Lessor's rights to the insurance required under this Agreement. Further, if the City of Spartanburg fails for any reason to receive a certificate from the Lessee, such failure shall not be deemed a waiver of required coverage. City of Spartanburg retains the right to terminate this Agreement if the Lessee fails to provide adequate and proper evidence of required insurance.

4. Liabilities:

A). Lessor hereby disclaims, to which Lessee hereby consents, any and all liability for damage or loss related to Lessee's customer's aircraft, vehicle, or property while parked in the hangar or adjacent ramp, access way, or road including such damage as may be caused by Lessor's movement or handling of Lessee's customer's aircraft, vehicle or property,. All locks for the securing of Hangars will be provided by Lessor. The Lessee is not authorized to use any other locking devices.

B). Lessee shall be liable for any damage to Lessor's property, and/or the property of any other person including, but not limited to, other stored aircraft, arising from Lessee's use of the leased Premises including, but not limited to, damage arising from: (1) the movement of Lessee's aircraft, vehicle or property, (2) the carrying on of unauthorized activities upon the Premises, or (3) the storage of unauthorized items.

C). Notwithstanding anything herein to the contrary, Lessee shall indemnify, defend, and hold Lessor, its employees, officers, officials, contractors, agents, and/or representatives, free and harmless from and against any and all liabilities, losses, claims, demands, suits, judgments, causes of action and/or expenses of any kind or nature, including the payment of reasonable attorney's fees, resulting from property damage and/or personal injury, including death, to the

extent resulting from the negligence and/or willful misconduct of Lessee, its subcontractors, agents, invitees, or representatives in connection with Lessee's use or operation, or Lessee's employees', contractors' or invitees' use or operation, of the leased premises, or such parties' use of the Spartanburg Downtown Airport and its facilities under this Agreement. Such losses, liabilities, expenses, damages and/or claims shall include, but not be limited to, civil or criminal fines or penalties, loss of use and/or service, personal injury, death, libel, slander, and attorney's fees through all levels of appeals. The foregoing indemnity shall survive the expiration or termination of this Agreement.

D). LESSOR HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES LESSOR FROM, ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE) FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE AIRCRAFT OR OTHER PROPERTY OF LESSEE THAT MAY BE LOCATED OR STORED IN THE LEASED PREMISES. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LESSOR BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF THE LEASED PREMISES UNDER THIS AGREEMENT.

5. Use of Premises:

A). The Leased Premises is to be used for the commercial maintenance of aircraft.

The Lessee shall not store flammable liquids or gases, or allow their premises to become in such condition so as to violate, in any manner, the fire code in force in the area of the Airport. The storage of solvents, fuels, or other hazardous or volatile materials in aircraft storage hangars is prohibited.

B). The Lessee shall maintain, at all times in the Hanger, an approved two twenty-pound dry chemical fire extinguisher suitable for use on Type "A", "B", and "C" fires with current inspection certificate from an approved fire equipment company or by the local Fire Inspector affixed.

C). All activity in and use of the leased premises by the Lessee shall be in strict compliance with all applicable statutes, ordinances, rules, regulations, orders, and other requirements of the Federal, State, and County governments including all rules and regulations promulgated by the Lessor, the City and the Spartanburg Downtown Airport for the safe and efficient operation of the Airport. All such regulations now existing and any changes or amendments made hereinafter are hereby incorporated in the terms of this Agreement as if set out verbatim. Failure of compliance by the Lessee with such regulations shall be deemed a breach of the terms of this Agreement and may result in immediate forfeiture of all right, title, and interest in the leased premises. Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable Airport security regulations and measures.

D). Lessee shall be permitted to use the leased premises to operate its commercial maintenance of aircraft operations, subject to all conditions imposed upon said operation by federal, state, and local law. No aircraft maintenance will be conducted on an aircraft ramp, apron, or taxiway that involves draining of fluids, or that involves the services of an aircraft mechanic other than an employee of the Lessee performing in the course of duties as such an employee. **The leased space shall not be used for the purpose of any hazardous operations including fuel storage or transfer, any type of welding, torch cutting, torch soldering, doping, and spray painting other than minor touch-up as authorized by (ref FAR Part 43) and (ref NFPA 409), nor shall any hazardous materials or chemicals be stored therein contrary to Airport rules or regulations. Painting in Hangar C is strictly prohibited except for minor touch up work.**

E). Lessee specifically agrees that it will not, on the leased premises, be engaged in the operation of any private or public commercial golf course, parties & social functions, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal activity of which is the sale of alcoholic beverages for consumption off premises.

F). Security of the leased premises itself shall be the responsibility of the Lessee. Lessor shall not be liable for theft, vandalism, or pilferage to any items stored in the leased premises.

G). Lessee shall not dispose of any oils or fuels on Airport grounds, but will dispose of such oils or fuels in an area to be designated by Lessor. If Lessee is found in violation of this disposal procedure, Lessor reserves the right to charge the Lessee for all charges incurred for the cleanup of improper disposal.

H). Lessee shall keep the leased premises clean and free of all trash and debris, and shall not place any trash or debris on the Airport grounds, except in containers provided for trash by the Airport.

I). Lessee shall not park or leave aircraft on the taxiway or on the pavement adjacent to the leased premises in a manner, which unduly interferes with or obstructs access to adjacent hangar spaces.

J). Lessee shall park, secure, and lock personal vehicles in designated parking areas beside Hangar C. only No motor vehicles (cars, trucks, motorcycles, scooters, mopeds, etc.) shall be parked in Hangar C.

K). Lessee shall not use high wattage electrical equipment, heat lamps or machinery in or about the leased premises, or modify existing wiring or install additional outlets, fixtures or the like therein without the prior written authorization of Lessor.

L). Lessee shall not use any portable utility or heating devices without the prior written authorization of Lessor.

M). Lessee shall immediately report to Lessor or its representative any defects in the leased

premises which Lessee reasonably believes to require maintenance.

N). Lessee shall not attach to any part of the leased premises or pass over the struts or braces therein any hoisting or holding mechanism, including without limitation, a chain-fall, block and tackle, or winching device.

O). Lessee shall be responsible for payment of utilities as metered by Duke Energy Account Number 1175959, Charter Broadband Services Account Number 174551901 and Piedmont Gas Account Number 4000775710001.

6. Premises Maintenance:

A). Lessee shall keep the leased premises clean accepting premises “as is” at the beginning of this Agreement. Lessee shall be responsible and liable for any damage to the hangar caused by an act, omission or neglect of Lessee, his/her agents, servants, employees, or invitees including but not limited to: bent or broken interior walls, damage to unsealed floors due to fuel and or oil spillage, doors damaged due to Lessee’s improper or negligent operation.

B). Additions, alterations, modifications, or construction by Lessee of any kind relating to the leased premises must be expressly approved, in writing, by the Lessor before the start of such activity. Any approved addition, fixture, or improvements made by the Lessee shall become property of the Lessor and be surrendered with the premises at the termination of this Agreement.

C). Lessor, the City, their agents, and authorized Governmental agencies will have reasonable right of entry, **without notice**, to enter upon the premises to inspect for compliance with the terms of this lease and with applicable governmental regulations, make repairs or to exhibit the premises.

7. Sub-lease or Assignment:

Lessee shall not sublease Hangar C or any portion thereof.

The storage of any aircraft in the Hangar C not owned/managed by Lessee constitutes a sublease. Any attempted sublease or assignment of Lessee’s interest shall be null and void, constitutes an event of default on the part of Lessee and gives the Lessor the right to terminate this Agreement without notice to Lessee.

8. Termination:

A). This Agreement may be terminated by either party upon sixty (60) days written notice of non-renewal as provided for in Paragraph 1 above. In addition, the Lessor may terminate this Agreement immediately upon the occurrence of any of the following which shall constitute a breach of this Agreement by Lessee:

- Failure of Lessee to pay rent by the last day of the preceding month;
- Failure of Lessee to comply with any condition of this Agreement; or

-Failure of Lessee to reasonably correct any deficiency upon notice from the Lessor.

In the event of such breach, the Lessor shall notify the Lessee of the termination in writing. Upon receipt of such notice of termination, the Lessee shall promptly, but in no event later than thirty (30) days later, give up quiet and peaceful possession of the leased premises to the Lessor. Notice of termination shall not relieve the Lessee from the obligation to pay Lessor for the premises leased under this Agreement.

B). Termination by Default. The prompt payment of the rent for the leased premises upon the dates named on account statements, the faithful observance and compliance with all other terms contained herein and the faithful observance and compliance with all of the Lessor's rules are the conditions for which this Agreement is made and accepted. Any failure on the part of Lessee to strictly comply with the provisions of this Agreement shall, at the option of Lessor, work for forfeiture of this Agreement and Lessor shall be entitled to terminate this Agreement, and, Lessor shall have the right to enter the premises and remove all persons and property and release the leased premises.

C). Casualty. In the event the leased premises, or the means of access thereto, shall be damaged by fire or any other cause, the rent payable hereunder shall not abate provided that the leased premises is not rendered untenable by such damage. If the leased premises is rendered untenable and Lessor elects to repair the leased premises, the rent shall abate for the period during which such repairs are being made, provided the damage was not caused by the acts or omission of Lessee, its employees, agents or invitees, in which case the rent shall not abate. If the leased premises are rendered untenable and Lessor elects not to repair the leased premises, this Agreement shall terminate.

9. Security: Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable airport security regulations and measures as may be in effect at the start of this Agreement and as may be implemented or amended in the future.

10. Lessor's Lien The Lessee hereby pledges and assigns to the Lessor all of the personal property, goods and chattels which shall or may be brought or put on said premises as security for the payment of the rent due hereunder. Lessee agrees that the said lien may be enforced by distress foreclosure or otherwise as the election of Lessor and Lessee agrees to pay Lessor's reasonable attorney's fees incurred thereby.

11. Attorney's Fees Lessor shall be entitled to recover a reasonable attorney's fee and costs in connection with any action or proceeding to enforce this Agreement, or otherwise secure any rights reserved under this Agreement or as may be accorded by law.

12. Bankruptcy: Notwithstanding anything in this Agreement to the contrary, if Lessee becomes insolvent, makes an assignment to creditors, or if bankruptcy proceedings are brought upon or started by Lessee, Lessor shall be irrevocably authorized to immediately cancel/terminate this Agreement as a default of the terms of this Agreement.

13. Time of Essence: Both Lessor and Lessee agree time is of essence for this Agreement and applies to all terms and conditions of the Agreement.

14. Notices: All notices pertaining to this Agreement shall be mailed or delivered to the

respective parties at the addresses indicated or amended.

15. Cumulative Rights The rights of the Lessor hereunder shall be cumulative, and failure on the part of the Lessor to exercise promptly any rights hereunder shall not operate to forfeit any of those rights.

16. Binding Effect: This Agreement shall bind the Lessor and its successors and assigns, and the Lessee and its heirs, administrator or successors, as the case may be.

17. Recording: Lessee shall not record or cause to be recorded this Agreement or any memorandum thereof.

18. Applicable Law: This Agreement has been entered into in the State of South Carolina and shall be governed by, and construed in accordance with, South Carolina law.

[Execution Page Follows]

IN WITNESS THEREOF, the Lessor and Lessee have executed this Agreement on the day and year first above-written through duly authorized representatives.

(LESSEE)

(LESSOR)

BY: _____

BY: _____

ITS: _____

ITS: _____

Printed Name and Address:

Phone: _____

Printed Name and Address:

City of Spartanburg

145 W. Broad Street

Spartanburg, SC 29306

Phone: 864-596-2000

LEASE COMPLETION INSTRUCTIONS

1. Airport completes data on page one.
2. Both parties should sign two original copies of lease agreement in INK.
3. Lessee keeps one original
4. Airport keeps a photo copy on file
5. Airport keeps a photo copy of the Aircraft Annual certificate
6. Airport keeps a photo copy of the Aircraft Insurance binder, naming City of Spartanburg as additional insured.
7. Airport forwards second original to City Clerk

**CITY OF SPARTANBURG
DOWNTOWN MEMORIAL AIRPORT
T-HANGAR SPACE LEASE AGREEMENT**

This Individual T-Hangar Rental/Lease Agreement (the "Agreement") is made and entered into this 1st day of by and between the City of Spartanburg (hereinafter sometimes "Lessor") and (hereinafter sometimes "Lessee") for certain rights and privileges at the Airport.

The following terms and conditions shall govern the rental of T-Hangar Unit No.... by the Lessee from the Lessor:

1. Term: This Agreement shall commence on the 1st day of and remain in effect for a period of one month. Thereafter, this Agreement shall continue in effect from month to month, being automatically renewed after each month unless thirty (30) days notice is given by either party that the Agreement should not be renewed. **This lease supersedes all other agreements between the parties concerning these leased premises.**

2. Rent: Lessee shall pay Lessor, as rent for the use of the described hangar unit, the amount of \$ 300.00 dollars/month, payable in advance, and **due by the last day of preceding month.** Rent shall be due regardless of whether the Lessee stores or has stored any aircraft in the leased premises during any rental period. Rent may be changed from time to time by the Lessor upon thirty (30) days written notice to the Lessee. Account statements will be mailed to Lessee. Payments should be **made payable to Spartanburg Downtown Memorial Airport** and mailed or delivered to:

Spartanburg Downtown Memorial Airport
500 Ammons Road
Spartanburg, SC 29306

or to such other address as hereinafter directed by Lessor. Payments received after the balance due date on monthly statements will be considered late. **A service charge equal to two percent (2%) of the unpaid statement balance will be applied to the account if the statement balance is not paid in full by due date.**

3. Premises: The premises leased shall be T-Hangar Unit No.... located on the Lessor's premises at the Spartanburg Downtown Memorial Airport and more fully described and shown on a diagram of leased premises maintained by the Lessor, together with reasonably necessary rights of access utilizing the Lessor's access rights across property owned by the City of Spartanburg. The aircraft to be stored in the leased premises is described as follows:

MAKE Registration

4. Insurance:

The Lessee shall maintain the following insurance coverages with limits meeting or exceeding those shown below from insurance carriers acceptable to the City of Spartanburg.

A). Aircraft Liability Insurance – Combined Single Limit Bodily Injury and Property Damage Including Passengers \$1,000,000 per occurrence. Liability coverage for bodily injury to passengers shall not be limited to less than \$100,000 per passenger per occurrence.

B). Airport Premises Liability - \$1,000,000 each occurrence covering the leased Space. In lieu of a separate policy providing coverage under this item, an endorsement to the policy above, evidencing coverage for liability arising out of the use of airport premises, is acceptable.

C). Each policy shall be primary, non-contributing with any insurance maintained by the City of Spartanburg, name the City of Spartanburg of as additional insured, and provide at least thirty (30) days advance written notice to City of Spartanburg of any material changes, cancellation, non-renewal or change adverse to the interests of the City of Spartanburg.

D). The Lessee shall furnish the City of Spartanburg with a Certificate of Insurance evidencing all required insurance coverages, limits and requirements as of the effective date of this Agreement. The Lessee shall provide a certificate of insurance upon each renewal not less than thirty (30) days prior to coverage expiration. The City of Spartanburg's acceptance of such certificate is not to be construed as any waiver of the Lessor's rights to the insurance required under this Agreement. Further, if the City of Spartanburg fails for any reason to receive a certificate from the Lessee, such failure shall not be deemed a waiver of required coverage. City of Spartanburg retains the right to terminate this Agreement if the Lessee fails to provide adequate and proper evidence of required insurance.

4. Liabilities:

A). Lessor hereby disclaims, to which Lessee hereby consents, any and all liability for damage or loss related to Lessee's stored aircraft, vehicle, or property while parked in the hangar or adjacent ramp, access way, or road except for such damage as may be caused by Lessor's movement or handling of Lessee's aircraft, vehicle or property, provided that Lessor will not be liable for said damages if Lessee participates in any way or gives instructions to Lessor's employees regarding said movement or handling. Lessee shall be responsible for moving Lessee's aircraft into and out of the hangar and for securing that aircraft while parked upon the Airport. All locks for the securing of T-Hangars will be provided by Lessor. The Lessee is not authorized to use any other locking devices.

B). Lessee shall be liable for any damage to Lessor's property, and/or the property of any other person including, but not limited to, other stored aircraft, arising from Lessee's use of the leased Premises including, but not limited to, damage arising from: (1) the movement of Lessee's aircraft, vehicle or property, (2) the carrying on of unauthorized activities upon the Premises, or (3) the storage of unauthorized items.

C). Notwithstanding anything herein to the contrary, Lessee shall indemnify, defend, and hold Lessor, its employees, officers, officials, contractors, agents, and/or representatives, free and harmless from and against any and all liabilities, losses, claims, demands, suits, judgments, causes of action and/or expenses of any kind or nature, including the payment of reasonable attorney's fees, resulting from property damage and/or personal injury, including death, to the extent resulting from the negligence and/or willful misconduct of Lessee, its subcontractors, agents, invitees, or representatives in connection with Lessee's use or operation, or Lessee's employees', contractors' or invitees' use or operation, of the leased premises, or such parties' use of the Spartanburg Downtown Airport and its facilities under this Agreement. Such losses, liabilities, expenses, damages and/or claims shall include, but not be limited to, civil or criminal fines or penalties, loss of use and/or service, personal injury, death, libel, slander, and attorney's fees through all levels of appeals. The foregoing indemnity shall survive the expiration or termination of this Agreement.

D). LESSOR HEREBY DISCLAIMS, AND LESSEE HEREBY RELEASES LESSOR FROM, ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE) FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY LESSEE, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE AIRCRAFT OR OTHER PROPERTY OF LESSEE THAT MAY BE LOCATED OR STORED IN THE LEASED PREMISES. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LESSOR BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF THE LEASED PREMISES UNDER THIS AGREEMENT.

5. Use of Premises:

A). **The aircraft storage space herein leased is a NFPA 409 Group III metal storage building (hangar) to be used for the purpose of storing aircraft. The Lessee shall not store flammable liquids or gases, or allow their premises to become in such condition so as to violate, in any manner, the fire code in force in the area of the airport. The storage of solvents, fuels, or other hazardous or volatile materials in aircraft storage hangars is prohibited.**

B). The Lessee shall maintain, at all times in the Hanger, an approved five-pound dry chemical fire extinguisher suitable for use on Type "A", "B", and "C" fires with current inspection certificate from an approved fire equipment company or by the local Fire Inspector affixed.

C). All activity in and use of the leased premises by the Lessee shall be in strict compliance with all applicable statutes, ordinances, rules, regulations, orders, and other requirements of the Federal, State, and County governments including all rules and regulations promulgated by the Lessor, the City and the Spartanburg Downtown Airport for the safe and efficient operation of the Airport. All such regulations now existing and any changes or amendments made hereinafter are hereby incorporated in the terms of this Agreement as if set out verbatim. Failure of compliance by the Lessee with such regulations shall be deemed a breach of the terms of this Agreement and may result in immediate forfeiture of all right, title, and interest in the leased premises. Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable Airport security regulations and measures.

D.) No major maintenance of the stored aircraft shall be conducted in the hangar, except such as authorized by (ref FAR Part 43) as would normally be performed by an aircraft owner without the benefit of an FAA certified mechanic or repairman. No aircraft maintenance will be conducted on an aircraft ramp, apron, or taxiway that involves draining of fluids, or that involves the services of an aircraft mechanic other than an employee of the Lessee performing in the course of duties as such an employee. **The leased space shall not be used for the purpose of any hazardous operations including fuel storage or transfer, any type of welding, torch cutting, torch soldering, doping, and spray painting other than minor touch-up as authorized by (ref FAR Part 43) and (ref NFPA 409), nor shall any hazardous materials or chemicals be stored therein contrary to Airport rules or regulations.**

E). Aircraft may not be “out of annual” or under repair for a period of 120 consecutive days unless such condition is caused by circumstances beyond the Lessee’s control (e.g. inability to obtain parts)

F). If Lessee changes the aircraft to be stored in the hangar, Lessee shall within 10 days thereafter report the new identification and N-number of the new aircraft in writing to the Airport Director at the address shown on the lease.

G). Upon a sale or casualty to a Lessee aircraft, Lessee shall replace the aircraft within 30 days. In the event that the Lessee is unable to do so based upon extenuating circumstances beyond Lessee’s control, Lessee may request to extend this time period, which may be granted by Lessor in its sole discretion.

H). Lessee specifically agrees that it will not, on the leased premises, be engaged in the operation of any private or public commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal activity of which is the sale of alcoholic beverages for consumption off premises.

I). Security of the leased premises itself shall be the responsibility of the Lessee. Lessor shall not be liable for theft, vandalism, or pilferage to any items stored in the leased premises.

J). Lessee shall not dispose of any oils or fuels on Airport grounds, but will dispose of such

oils or fuels in an area to be designated by Lessor. If Lessee is found in violation of this disposal procedure, Lessor reserves the right to charge the Lessee for all charges incurred for the cleanup of improper disposal.

K). Lessee shall keep the leased premises clean and free of all trash and debris, and shall not place any trash or debris on the Airport grounds, except in containers provided for trash by the Airport.

L). Lessor and or the Lessee shall close the hangar doors promptly after placing aircraft in, or taking aircraft out of, the hangar and shall coordinate the operation of the doors so as not to unduly or in an untimely fashion obstruct access to adjacent hangar spaces.

M). Lessee shall not park or leave aircraft on the taxiway or on the pavement adjacent to the leased premises in a manner which unduly interferes with or obstructs access to adjacent hangar spaces.

N). Lessee shall park, secure, and lock personal vehicles in designated parking areas only.

O). Lessee shall turn off overhead lights and other approved electrical equipment when leaving the leased premises.

P). Lessee shall not use high wattage electrical equipment, heat lamps or machinery in or about the leased premises, or modify existing wiring or install additional outlets, fixtures or the like therein without the prior written authorization of Lessor.

R). Lessee shall not use any portable utility or heating devices without the prior written authorization of Lessor.

S). Lessee shall immediately report to Lessor or its representative any defects in the leased premises which Lessee reasonably believes to require maintenance.

T). Lessee shall not attach to any part of the leased premises or pass over the struts or braces therein any hoisting or holding mechanism, including without limitation, a chain-fall, block and tackle, or winching device.

6. Premises Maintenance:

A). Lessee shall keep the leased premises clean accepting premises “as is” at the beginning of this Agreement. Lessee shall be responsible and liable for any damage to the hangar caused by an act, omission or neglect of Lessee, his/her agents, servants, employees, or invitees including but not limited to: bent or broken interior walls, damage to unsealed floors due to fuel and or oil spillage, doors damaged due to Lessee’s improper or negligent operation.

B). Additions, alterations, modifications, or construction by Lessee of any kind relating to the leased premises must be expressly approved, in writing, by the Lessor before the start of such activity. Any approved addition, fixture, or improvements made by the Lessee shall become property of the Lessor and be surrendered with the premises at the termination of this Agreement.

C). Lessor, the City, their agents, and authorized Governmental agencies will have reasonable right of entry, **without notice**, to enter upon the premises to inspect for compliance with the terms of this lease and with applicable governmental regulations, make repairs or to exhibit the premises.

7. Sub-lease or Assignment:

Lessee shall not sublease the rented T-Hanger or any portion thereof under any circumstances. The parking or storage of any aircraft in the rented T-Hanger, not owned by Lessee, constitutes a sublease. Any attempted sublease or assignment of Lessee's interest shall be null and void, constitutes an event of default on the part of Lessee and gives the City of Spartanburg the right to terminate this Agreement without notice to Lessee.

8. Termination:

A). This Agreement may be terminated by either party upon thirty (30) days written notice of non-renewal as provided for in Paragraph 1 above. In addition, the Lessor may terminate this Agreement immediately upon the occurrence of any of the following which shall constitute a breach of this Agreement by Lessee:

- Failure of Lessee to pay rent by the last day of the preceding month;
- Failure of Lessee to comply with any condition of this Agreement; or
- Failure of Lessee to reasonably correct any deficiency upon notice from the Lessor.

In the event of such breach, the Lessor shall notify the Lessee of the termination in writing. Upon receipt of such notice of termination, the Lessee shall promptly, but in no event later than thirty (30) days later, give up quiet and peaceful possession of the leased premises to the Lessor. Notice of termination shall not relieve the Lessee from the obligation to pay Lessor for the premises leased under this Agreement.

B). Termination by Default. The prompt payment of the rent for the leased premises upon the dates named on account statements, the faithful observance and compliance with all other terms contained herein and the faithful observance and compliance with all of the Lessor's rules are the conditions for which this Agreement is made and accepted. Any failure on the part of Lessee to strictly comply with the provisions of this Agreement shall, at the option of Lessor, work for forfeiture of this Agreement and Lessor shall be entitled to terminate this Agreement, and, Lessor shall have the right to enter the premises and remove all persons and property and release the leased premises.

C). Casualty. In the event the leased premises, or the means of access thereto, shall be damaged by fire or any other cause, the rent payable hereunder shall not abate provided that the leased premises is not rendered untenable by such damage. If the leased premises is rendered untenable and Lessor elects to repair the leased premises, the rent shall abate for the period during which such repairs are being made, provided the damage was not caused by the acts or omission of Lessee, its employees, agents or invitees, in which case the rent shall

not abate. If the leased premises are rendered untenable and Lessor elects not to repair the leased premises, this Agreement shall terminate.

9. Security: Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable airport security regulations and measures as may be in effect at the start of this Agreement and as may be implemented or amended in the future.

10. Lessor's Lien The Lessee hereby pledges and assigns to the Lessor all of the personal property, goods and chattels which shall or may be brought or put on said premises as security for the payment of the rent due hereunder. Lessee agrees that the said lien may be enforced by distress foreclosure or otherwise as the election of Lessor and Lessee agrees to pay Lessor's reasonable attorney's fees incurred thereby.

11. Attorney's Fees Lessor shall be entitled to recover a reasonable attorney's fee and costs in connection with any action or proceeding to enforce this Agreement, or otherwise secure any rights reserved under this Agreement or as may be accorded by law.

12. Bankruptcy: Notwithstanding anything in this Agreement to the contrary, if Lessee becomes insolvent, makes an assignment to creditors, or if bankruptcy proceedings are brought upon or started by Lessee, Lessor shall be irrevocably authorized to immediately cancel/terminate this Agreement as a default of the terms of this Agreement.

13. Time of Essence: Both Lessor and Lessee agree time is of essence for this Agreement and applies to all terms and conditions of the Agreement.

14. Notices: All notices pertaining to this Agreement shall be mailed or delivered to the respective parties at the addresses indicated or amended.

15. Cumulative Rights The rights of the Lessor hereunder shall be cumulative, and failure on the part of the Lessor to exercise promptly any rights hereunder shall not operate to forfeit any of those rights.

16. Binding Effect: This Agreement shall bind the Lessor and its successors and assigns, and the Lessee and its heirs, administrator or successors, as the case may be.

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IN WITNESS THEREOF, the Lessor and Lessee have executed this Agreement on the day and year first above-written through duly authorized representatives.

(LESSEE)

(LESSOR)

BY: _____

BY: _____

ITS: _____

ITS: _____

Printed Name and Address:

Phone: _____

Printed Name and Address:

City of Spartanburg

145 W. Broad Street

Spartanburg, SC 29306

Phone: 864-596-2000

LEASE COMPLETION INSTRUCTIONS

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