MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: June 14, 2022
RE: Addendum #1 – Commercial Lease and Use Agreement With RAP 3960, LLC

The ground lease with RAP 3960, LLC was entered March 1, 2022, for the hangar located at 3960 Cook Hangar Lane. The original lease reflected incorrect square footage for the premises as well as an incorrect rate. It was calculated at the noncommercial rate, rather than the commercial rate. The purpose of this addendum is to correct those errors.

The total square feet is 6,925 at a rate of $.34 per square foot for calendar year 2022.

Staff Recommendation: Staff recommends approval of Addendum #1 to the Commercial Lease and Use Agreement with RAP 3960, LLC.
ADDENDUM #1
COMMERCIAL LEASE AND USE AGREEMENT
RAP 3960 LLC

The Rapid City Regional Airport Board City of Rapid City (Board) and RAP 3960, LLC, (Lessee) entered into a Commercial Lease and Use Agreement (Agreement) commencing on March 1, 2022, and ending on January 30, 2043, for the leased premises located at 3960 Cook Hangar Lane, Rapid City, SD 57703.

WHEREAS, the Agreement reflects incorrect square footage of the Leased Premises and needs to be corrected; and

WHEREAS, the Agreement reflects an incorrect rental rate for a Commercial property and needs to be corrected.

NOW THEREFORE, be it agreed by the Parties as follows:

The Parties agree that the Agreement commencing March 1, 2022, remains in full force and effect, except as specifically modified by this Addendum. The Agreement is amended to reflect that the total square footage of the Leased Premises is approximately 6,925 square feet or 0.159 acres more or less. The Agreement is also amended to reflect a rate of $.34 per square foot for the calendar year 2022. Furthermore, the Agreement is amended to reflect Annual Rent for the first year of the Term of the Agreement as “Base Rent: 6,925 sq ft @ $.34 = $2,354.50.”

The Parties further agree that all rents have been paid through June, 2022 (according to the unamended figures), such that these amendments will result in a credit being due to the Lessee in the amount of $114.69. The credit will be applied to the July 2022 rent, so that the remaining amount due from Lessee for the month of July 2022 is $81.52. The new monthly rent for the months of August, September, October, November, and December 2022 is $196.21.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the day and year set forth herein. This Addendum is effective once signed by both of the parties.

RAPID CITY REGIONAL AIRPORT BOARD

Rod Pettigrew, Board President
Rapid City Regional Airport
Date: _____________________

ATTEST: ____________________________________________
Robert Hall, Secretary

RAP 3960 LLC

Jon Wenrich, Managing Member
Date: June 7, 2022