



City of Rapid City
4550 Terminal Road, Suite 102
Rapid City, South Dakota 57703
(605) 394-4195

General Aviation Leasing Policy

Board Adopted June 23, 2020

Revised May 14, 2024, January 28, 2025

City of Rapid City

Rapid City Regional Airport



General Aviation Leasing Policy

LEASING POLICY

This Policy provides a framework governing leasing and rental decisions as they relate to development of general aviation and new leasing agreements.

DEFINITIONS

The words or phrases defined (and identified by use of a capital letter) in the Airport's Primary Guiding Documents (including, but not limited to, General Provisions, General Aviation Leasing/Rents and Fees Policy, General Aviation Minimum Standards, and Rules and Regulations), whenever used in this Agreement, shall be construed as defined therein unless (from the context) a different meaning is intended or unless a different meaning is specifically defined and more particularly ascribed to the use of such words or phrases.

GENERAL

Description

The Rapid City Regional Airport Board ("Board"), as Operator of Rapid City Regional Airport ("Airport") does hereby establish the following Leasing Policy for the Airport:

- The Leasing Policy is intended to provide potential and current Tenants an understanding of the policies, processes, and rates used by the Board when leasing property at the Airport.
- The Leasing Policy was developed taking into consideration: the role and continued development of the Airport; the range, level, and quality of aeronautical products, services, and facilities currently being provided at the Airport; the future prospects for, and the anticipated development of, the Airport and the community, and; the promotion of fair competition at the Airport.

The policy sets forth the parameters for leasing Airport buildings and/or land and has been established for the following purposes:

- To foster a spirit of partnership with its Tenants, while fulfilling duties as steward of vital public assets and resources;
- To make Airport property available on fair and reasonable terms without unjust discrimination;
- To retain effective management controls over the use of scarce Airport assets, ensure land is developed at its highest and best use, and seek to remove obstacles to such controls when opportunities arise;
- To maintain a rent and fee structure with the goal of financial self-sustainability per the FAA Grant Assurances and Rates and Charges Policy;
- To ensure that leased parcels are actually developed for use and not leased for anticompetitive reasons to prevent development;
- To ensure that available capacity neither materially exceeds, nor materially falls short of the reasonable needs of the community served by the Airport;



- To ensure compliance with applicable laws, regulations, policies, executives orders, guidelines, and requirements.

Administration and Policy Oversight

While the Board has the ultimate policy-making authority in this regard, the Airport's Executive Director or his/her designee shall interpret and enforce this Leasing Policy.

This Leasing Policy is not intended to, and does not, waive, modify or in any way limit or preclude the exercise of any rights the Board may have under existing law and/or Agreements, and all such rights are and shall be expressly reserved.

Variances and Deviations

The Board reserves the right to authorize variances or deviations from this Leasing Policy. Such variances or deviations may include waiving or modifying certain criteria or requiring Tenants or Operators to meet additional criteria. All requests for variances or deviations shall be made in writing in a form described by the Board.

Lease Agreement

The Board requires all Persons to obtain an Agreement, in a form approved by the Board, prior to engaging in any business, commercial and/or private development activity on the Airport. All commercial activities must be authorized by the Board pursuant to an approved Operator Permit.

Additionally, to ensure the Airport's financial sustainability, it is also the Board's policy to establish market value land and facility rental rates and make amendments to the rates at periodic intervals, in order to assure the Airport rental rates reflect inflation or other market driven changes.

All Agreements shall be prepared by the Board's staff and legal counsel and shall include customary provisions included in the Board's other similar Agreements.

Fees and Rents

The fees and rents (see Exhibit A) hereinafter set forth shall be used in developing new written Agreements (see Exhibit B) and shall also apply, to the extent possible, to all Tenants and users of Airport facilities, subject to periodic adjustment under existing leases and other Agreements.

Maintenance and Improvements

Tenants are required to maintain their lease improvements at all times over the course of the lease agreement. Major improvements may be conducted to the hangar and in an effort to assist in capitalizing on those improvements, the Tenant may negotiate a lease term extension. The Airport Board may grant the lease term extension if they deem it appropriate.



OPTIONS FOR LEASE EXTENSIONS FROM EXISTING IMPROVEMENTS

Upon the expiration of the Original Term and any granted extensions, unless sooner terminated in accordance with the Agreement, the Board and tenant have the following options, unless otherwise indicated within the existing Agreement:

1. **Tenant's Option to Allow Agreement to Expire.** Tenant has the option to allow the Agreement to expire and not seek renewal or extension.
 - 1.1 In such event, and in accordance with the terms of the Agreement, the Tenant shall remove the Improvements owned by the Tenant and return the affected portion(s) of the Leased Premises to its original condition and character, ordinary and reasonable wear and tear accepted.
 - 1.2 If agreed to by Board, in lieu of removal, Tenant may transfer the ownership (or title) of the Improvements (specifically designated by the Board) to the Board at no cost to the Board.
 - 1.3 Nothing herein shall be understood to preclude Lessee from requesting a new lease from the Board for the Premises upon the expiration of the Term, so long as Lessee is not in default or breach of the Agreement. Any future lease agreement with Lessee is at the sole discretion of the Lessor.
2. **Board's Option to Allow Agreement to Expire.** The Board may, at its discretion, decide to allow the Agreement to expire without renewal, extension or issuance of a new Agreement. The following are factors the Board will utilize to determine whether to allow the Agreement to expire:
 - a. Whether the parcel has been re-designated for a different use on the Airport Layout Plan or Airport Master Plan.
 - b. Whether the City or Board otherwise has identified a higher and better use for the parcel in an approved City or Board planning document.
 - c. The Tenant's compliance with the terms and conditions of the Agreement.
 - d. The condition of the Improvements, including whether Tenant has adequately maintained and repaired the Improvements as required by the Agreement.
 - e. If the leasehold is being used for a Commercial Activity, whether the Board plans to initiate a competitive solicitation for an Operator.
 - f. Other factors the Board may consider relevant.



3. **Board's Option to Issue New Agreement to Tenant.** Tenant may request a new Agreement for the same leasehold, which the Board may grant provided the Board has not elected to allow the Agreement to expire in accordance with the preceding subsection. The Board typically will require that, rather than extend the existing Agreement, the parties will execute a new Agreement, based on the then-current standard form. The term of the new Agreement shall be determined by the Board, considering such factors as investment by the Tenant to repair, renovate or expand the Improvements. Absent special circumstances, the term of any new Agreement with the same Tenant for the same leasehold will not exceed ten (10) years. Examples of special circumstances for which the Board may consider a longer lease include capital improvements such as new roof, siding, apron, or other improvements which will increase the longevity and value of the leased premises. The new Agreement shall be at the then-prevailing ground lease rates and other then-prevailing rates and charges prescribed by the Board.
4. **Holdover.** Board may elect to continue the lease with the Tenant on a month-to-month basis (where holdover provisions allow).

REQUIREMENTS FOR NEW DEVELOPMENT

The term (length) of a new Agreement for new development shall be established considering the amount of Tenant investment in physical/fixed improvements on the Airport. In accordance with South Dakota law and FAA policy, in no event shall an Agreement have a term, including renewals and extensions, that is longer than fifty (50) years.

Leasehold Development with Apron Access

Due to the cost and limited availability of aircraft parking aprons at RAP, the goal of the Airport is to provide access to a publicly funded apron frontage to only those businesses that require the use of an apron and that provide aeronautical services to the public.

All leaseholds located along publicly-funded aircraft parking aprons shall be subject to additional review. Any new lease with public apron access or projected to have public apron access will be required to demonstrate both the need for the publicly-available apron and the aeronautical services they will provide for the public. A determination shall be made by the Board that apron access is absolutely necessary and that no other options are available for construction. Tenants requesting additional apron space for construction will be required to prove to the Board why construction off apron is not an option.

The associated Lease shall define the use and shall include a termination clause, for cause, in the event Tenant changes the use to something that no longer requires apron access.

At no time will Tenants be allowed to reserve apron space for future development.

All buildings constructed along aprons shall be fifty (50') feet back from the publicly funded apron and that setback space shall be part of the leasehold, subject to additional restrictions, and maintained by the Tenant. New connections from the structure to the aircraft parking apron may be funded by the Airport, and the Improvements shall be special assessed back to the Tenant over a twenty (20) year period.



REQUIREMENTS FOR ALL LEASES

The following requirements are applicable to all General Aviation Lease Agreements.

Tenant Responsibilities

All new Agreements shall require the Tenant to be responsible for insurance, taxes, janitorial, landscaping, lawn maintenance, parking lot upkeep, snow removal, and all other maintenance, trash removal, and utility costs.

Rental Rates

All rental rates established in Airport Agreements shall be Market Value as determined by Airport staff or a professional appraisal. All appropriate factors, including comparable terms of other similar facilities on the Airport and/or other similar facilities at other comparable Airports in the region, shall be taken into account in establishing Market Value.

Rent Adjustments

All rents shall be adjusted to Market Value rent every five (5) years throughout the Original Term of all Agreements and any Renewal Terms. In the intervening years, rent shall be annually adjusted based on the percentage change in the Consumer Price Index (CPI) (see Exhibit C).

Sublease and Assignments

Certain approved Commercial Aeronautical Operators may sublease any portion of their leased space, but only with the prior written consent of the Board through a Board approved Operator Permit. Tenants may not assign their Agreements, whether by operation of law or otherwise, without the prior written consent of the Board. Any such sale, assignment, or transfer without Lessor's prior express written consent shall be null and void and, at Lessor's option, shall constitute a default or breach of their Agreement.

Leasehold Mortgages

Tenants may not grant leasehold mortgages without prior written approval of the Board, and approval may be granted, conditioned, delayed, or denied at the Board's discretion. If the Board consents, the leasehold mortgage may secure only the indebtedness which is invested in improvements to the leasehold and may not burden the real property.

Development, Improvements, Construction and Alterations

Tenant shall not make any Improvements (including any changes or modifications, additions, or deletions) to the Leased Premises without the prior express written consent of the Board.

Tenants will be required to comply with Development Guidelines, including guidelines regarding signage, and to obtain all required development and construction permits and approvals, including those of the Board as described in the Agreement.



All Tenant-constructed alterations, improvements and/or deletions, including but not limited to, offices, hangars, access roads, access taxiways, vehicle parking areas and Aircraft parking areas, shall be in accordance with Development Guidelines established by the Board and in accordance with applicable federal, state and local codes, ordinances, laws, rules and regulations. Tenant shall not be permitted to proceed with any construction or remodeling on the premises leased/assigned without first obtaining advance written approval of plans and specifications for such work from all applicable agencies, including the Airport's Executive Director.

1. Notice of Proposed Construction Alteration Form. Prior to making any Improvements, the Tenant shall submit to the Board for its review and approval detailed plans, designs, and specifications, including cost estimates, a project schedule, and a list of the contractors selected by Tenant to make the approved Improvements. If applicable, the Tenant shall complete and include Federal Aviation Administration 7460-1 Notice of Proposed Construction Alterations form.
2. Regulatory Compliance. The approved Improvements shall comply with applicable Regulatory Measures including, but not limited to, CFR Title 14 Part 77 Safe, Efficient Use, and Preservation of the Navigable Airspace. The Tenant shall procure all building, fire, safety, and other permits necessary in connection with the approved Improvements from federal, state, and local agencies having jurisdiction.
3. Leasehold Development Requirements. Within 30 days after notification by the Board of its approval, the Tenant shall commence work on the approved Improvements to the Leased Premises in accordance with the conditions of the Board's approval. The Tenant shall be fully liable to the Board for any damage resulting from the work on or associated with the approved Improvements. All deliveries of materials and supplies shall be made through the access points and via routes designated by the Board. In the event the Tenant does not commence work on the Improvements within the allotted time or does not complete improvements within a six (6) month period, the Board may elect to revoke approval and the Leasehold and associated improvements will revert to the Board.
4. Liens for Improvement Cost and Expenses. All work completed shall be at the Tenant's sole cost and expense, free and clear of liens for labor and material, and the Tenant shall indemnify the Board, as required by the General Aviation Minimum Standards.
5. Performance Bond. The Tenant shall furnish its Performance Bond in the form acceptable to the Board in the amount of 100% of its total construction costs to guarantee completion of the Improvements.
6. Claims. The Tenant shall pay all claims lawfully made against it by its contractors, subcontractors, material men, and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with the performance of any work on or associated with the approved Improvements, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them. The Tenant shall also pay all liens held by subcontractors and provide Airport with proof of payment of excise tax.



No Unauthorized Use

All Commercial uses and certain Non-Commercial uses of Airport properties shall be permitted only pursuant to an Agreement in accordance with this Policy, consistent with applicable rents, charges, or revenue formulas established by the Board.

Tenants may not use their facilities for Commercial Activities unless pursuant to an Operator Permit with the Board.

Prohibited Activities

Airport land or improvements shall not be occupied or used for any activity that, in the sole discretion of the Executive Director, is contrary to the safe and efficient operation of the Airport including any activity that jeopardizes the safety of the public, Aircraft, or property located at the Airport.

“Through-the-Fence” activities are prohibited.

REQUIREMENTS FOR AIRPORT OWNED STRUCTURES

The following requirements are applicable to Airport owned structures that are leased.

New Agreements

All new Agreements for hangars, buildings, or other facilities owned by the Board shall require the Board to be responsible for insurance, janitorial, landscaping, lawn maintenance, parking lot upkeep, snow removal, and all other maintenance, and utility costs.

Rental Rates

All rental rates established in Airport Agreements shall be Market Value as determined by Airport staff or a professional appraisal. All appropriate factors, including comparable terms of other similar facilities on the Airport and/or other similar facilities at other comparable Airports in the region, shall be taken into account in establishing Market Value.

Rent Adjustments

Rent may be adjusted by the Board periodically under consideration of current market rates, Consumer Price Index (CPI), and current Airport rates and charges.

Sublease and Assignments

Tenants may not sublease or assign an Agreement.

Commercial Activities

Tenants may not use their facilities for Commercial Activities unless pursuant to an Operator Permit with the Board.



EXHIBIT A – Rates and Charges Sheet

2026 AIRPORT RATES & CHARGES

Effective: January 1, 2026

TERMINAL RENTAL RATE	SIGNATORY		NONSIGNATORY	
Terminal Facilities Base Rate	\$19.95		\$24.93	
Terminal Facilities Depreciation Rate	<u>\$ 3.43</u>		<u>\$ 4.29</u>	
Total Terminal Facilities Rate	\$23.38		\$29.22	
Conditioned Ground Storage Rate	\$8.26		\$10.33	
Conditioned Ground Storage Deprec Rate	<u>\$3.43</u>		<u>\$ 4.29</u>	
Total Conditioned Ground Storage Rate	\$11.69		\$14.61	
LANDING FEE	SIGNATORY		NONSIGNATORY	
Per 1000 lbs GLW				
Applicable on aircraft 12,500 lbs and greater. Based aircraft at RAP are exempt.	\$3.96		\$4.94	
GROUND LEASE RATE	2023 to 2024 CPI Adjustment: (2025/2026)			
Consumer Price Index (CPI) is based on All Urban Consumers for the Midwest Region or the US City Average for all items, based on lease agreement.	2.90% US City Improved	2.90% US City Unimpr	2.70% Midwest Improved	2.70% Midwest Unimproved
Leases Market Rate Adjust Clauses Mid (13) Aircraft Storage (Hangar Owner) (8) SASO (Specialized Aviation Services Operator) (1) FBO (Fixed Base Operator)				
	\$.36	\$.32	\$.36	\$.32
	\$.39	\$.36	\$.39	\$.36
	NA	NA	\$.39	\$.37
Leases with No Market Rate Adjust Clause: Applicable to current leaseholds with no current or future Market Rate Adjust clause. Mixed improved/unimpr/US City/Midwest (9) Aircraft Storage/Hangar/SASO Leases	\$.33	\$.16	\$.32	\$.16
Lease Reversionary Deferral Fee: (Negotiated as needed based on fair market value (for land and improvements.)				
THANGAR LEASE RATE				
Includes SD Sales Tax 6.2%	Larger Unit/Month:		\$362.00	
Based on CPI Increase for Midwest	Smaller Unit/Month:		\$305.00	
AIRCRAFT FUEL FLOWAGE FEE				
Exceptions: Air Carriers, Cargo Operators & Slurry Bombers on Fuel Contract with FBO			\$.06 / Gallon	
UNLEADED/DIESEL FUEL SALES RATE			\$.15 / Gallon over Cost	
PUBLIC PARKING RATE				
Premium Lot (closest to terminal)	Each Hour: \$2.00		Daily Max: \$ \$18.00	
Standard Lot (farthest from terminal)	Each Hour: \$2.00		Daily Max: \$12.00	

New Parking Activation: \$10.00	Employee: \$10.00/ Month	Commuter: \$40.00/ Month	Lost Parking Card: \$10.00	Lost Hanging Tag: \$10.00	Sturgis Rally Lot: \$1,000.00 Per Space
GROUND TRANSPORTATION – Trip fees apply to both pick up and drop off.					
Annual Operator Permit: Vehicles 1-15 Seats: Vehicles 16+ Seats:		\$200.00 \$2.00/Trip \$20.00/Trip	One Time Operator Permit Transport Network Co TNC Peer to Peer Sturgis Rally Permit:		\$60.00 per Day \$ 2.00 per Trip 8% Gross Revenue \$500.00
RENTAL CAR AGENCY (Car Wash Rate Includes Sales Tax)					
Customer Facility Charge: \$5.00 for each Transaction Day for a Maximum of 14 days			QTA Detail Bay Rate: \$10.94/sq ft QTA Car Wash Rate: \$2.50/wash Replacement Fuel/Car Wash FOB: \$20.00		
AIRPORT SEWER SURCHARGE					
All users pay fixed rate of \$220 per year plus fixed rate based on meter size. Sewer usage based on actual usage.					
5/8” Meter	\$288.00	1 ½” Meter	\$ 972.00	4” Meter	\$ 4,416.00
3/4” Meter	\$372.00	2” Meter	\$1,488.00	6” Meter	\$ 8,712.00
1” Meter	\$540.00	3” Meter	\$2,688.00	8” Meter	\$13,872.00
BADGES & SECURITY					
SIDA/Sterile Area Badge: AOA/Public Area Access Badge:		New \$75.00 New \$35.00	Renewal \$35.00 Renewal \$20.00	All Badge Types: Reissue (damaged) \$ 20.00 Reissue (lost/stolen) \$100.00	
Accessory Fees (6.2% Sales Tx Included)	Door Access Card: \$10.00	Lanyard: \$10.00	Arm Band: \$5.00	Badge Reel: \$5.00	Badge Pouch: \$1.00
Badge & Security Violations, Fees, & Fines Employees will be individually fined as per the schedule below. The Airport reserves the right to also charge the employer. Fines are assessable at the discretion of the ASC & AED and may also include revocation of access media.					
First Violation:				\$50.00	
Second Violation (within one year):				\$100.00	
Third Violation (within one year):				\$200.00	
MISCELLANEOUS CHARGES (SD SALES TAX CHARGED WHEN APPLICABLE)					
Convenience Fee (Credit Cards)			3%		
Administrative Fee			15% plus cost		
Finance Charge			1.5% (18% APR)		
Operator Permit			\$200.00 per year		
Operator Permit Violation First Offense			\$25.00		
Operator Permit Violation Second Offense			\$50.00		

Special Operator Permit (one time)	\$500.00 - \$1,000.00
Operator Permit Reinstatement Fee	\$200.00
Conference Room Rental	\$25.00/hour or \$100.00/day
Telephone Equipment Charge	\$40.00/handset/month
Mobile Runway Closure X Rental	\$1,500.00/month or \$50.00/day
Aircraft Passenger Loading Ramp	\$150.00 / per turn (Signatory Carriers Exempt)
Labor Rate (min one hour)	\$85.00
Labor With Equipment (min one hour)	\$120.00/hour (plus cost of fuel)
After Hours Labor Rate Same as Above	Minimum 3 hours \$85.00 / hour
Graphic Design Fee	\$85.00 / hour
Security Video Request Fee (min one hour)	\$85.00 / hour
GSE Repair Area	\$100.00 / day
Glycol Truck Storage Area	\$100.00 / month
Glycol Chemical Tote Storage Area	\$100.00 / month
Diverted NonSignatory Carrier Terminal Usage Fee: (Applicable when the terminal is utilized & not just the Jet Bridge.)	\$850.00 per use
Diverted NonSignatory Carrier Jet Bridge Fee: (Applicable when not using the terminal, only the jet bridge.)	\$100.00 per use
Aircraft Disabled or Remote Parking Commercial/Cargo Ramp:	12,500-28,500 lbs \$75.00 per day 28,501-100,000 lbs \$100.00 per day 100,001-272,500 lbs \$125.00 per day 272,501 & above lbs \$150.00 per day
ARFF Index Increase	\$250.00 per hour (2 hour minimum per additional truck)
ARFF Standby Services	\$150.00 per hour (billable in 15 min increments) charged to fuel provider
Escort Fee	\$100.00 per hour/per person
Lease Exhibit Update	At Cost

Approved by Airport Board: October 14, 2025

Approved by City Legal Finance: November 12, 2025

Approved by City Council: November 17, 2025



EXHIBIT B – Standard NonCommercial Lease Agreement



City of Rapid City
4550 Terminal Road, Suite 102
Rapid City, South Dakota 57703
(605) 394-4195

Non-Commercial Lease and Use Agreement

City of Rapid City

Rapid City Regional Airport



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NON-COMMERCIAL LEASE AND USE AGREEMENT

Lease and Use Agreement between City of Rapid City, South Dakota and _____

This Lease and Use Agreement ("Agreement") is made and entered into this _____ day of _____, 2023, by and between the City of Rapid City, South Dakota ("City") by and through the Rapid City Regional Airport Board ("Lessor") and _____ ("Lessee"). Lessor and Lessee may hereinafter be referred to as the "Parties".

1. INTRODUCTION

1.1. *Recitals*

- 1.1.1. WHEREAS, the City is the owner and operator of the Rapid City Regional Airport ("Airport") which is governed by and through Lessor;
- 1.1.2. WHEREAS, Lessee desires to lease from Lessor and use certain Airport land and/or Improvements and engage in certain Non-Commercial Aeronautical Activities at the Airport;
- 1.1.3. WHEREAS, Lessor desires to lease certain Airport land and/or Improvements to Lessee and allow Lessee to engage in certain Non-Commercial Aeronautical Activities at the Airport; and
- 1.1.4. NOW, THEREFORE, for and in consideration of the rents, fees, other charges, covenants, conditions, obligations, and agreements contained herein, and for other good and valuable consideration, Lessor hereby leases the Leased Premises to Lessee and Lessee hereby leases the Leased Premises from Lessor and the Parties hereby agree as follows:

2. DEFINITIONS

The words or phrases defined (and identified by use of a capital letter) in the Airport's Primary Guiding Documents (including, but not limited to, General Provisions, General Aviation Leasing/Rents and Fees Policy, General Aviation Minimum Standards, and Rules and Regulations), whenever used in this Agreement, shall be construed as defined therein unless (from the context) a different meaning is intended or unless a different meaning is specifically defined and more particularly ascribed to the use of such words or phrases.

3. LEASED PREMISES

3.1. *Description*

- 3.1.1. The Leased Premises consists of approximately _____ square feet of Contiguous Land.
 - 3.1.1.1. The address of the Leased Premises is _____.
 - 3.1.1.2. A legal description of the Leased Premises is provided in Exhibit A, attached hereto, made part hereof, and incorporated by reference.
- 3.1.2. The following improvement, which are owned (and not being leased) by Lessee, were located (situated) on the Land at the time this Agreement was executed by the Parties: Private hangar and pavements within the leased boundary.



NON-COMMERCIAL LEASE AND USE AGREEMENT

- 3.1.3. Lessee warrants and represents that Lessee has carefully and completely examined and inspected the Leased Premises and that Lessee fully understands its responsibilities and obligations with respect to the Leased Premises and this Agreement.
- 3.1.4. Lessee accepts the Leased Premises in an "as is," "where is" condition without representation or warranties from Lessor as to the condition, suitability, or sufficiency of the Leased Premises for engaging in the Non-Commercial Aeronautical Activity described or contemplated by this Agreement.

3.2. Use

- 3.2.1. In addition to Lessor leasing the Leased Premises described in Exhibit A to Lessee and Lessee leasing the Leased Premises from Lessor, in accordance with the covenants, conditions, obligations, and agreements contained herein, this Agreement grants Lessee the right and privilege to use the Leased Premises to engage (on a non-exclusive basis) in certain Non-Commercial Aeronautical Activities at the Airport, which are described as follows:
 - 3.2.1.1. **[XXX]** the storage of Aircraft owned, leased, and/or operated by (under the full and exclusive control of) Lessee in a hangar facility or building located (situated) on the Leased Premises
 - 3.2.1.2. **[]** the storage of Aircraft owned by the member(s)/shareholder(s) of an Association in accordance with Section 14.3. of the General Aviation Minimum Standards.
- 3.2.2. Lessee agrees not to engage in any other Aeronautical Activities on the Leased Premises or at the Airport other than those Non-Commercial Aeronautical Activities specifically permitted under this Agreement without the prior express written consent of Lessor. Lessee shall not use and/or occupy the Leased Premises for any other purpose or in any manner contrary to the Airport Master Plan, the Airport Layout Plan (ALP), any applicable Regulatory Measure.
- 3.2.3. Lessor shall not occupy or use the Leased Premises for any activity that, in the sole discretion of the Airport Executive Director, is contrary to the safe and efficient operation of the Airport, including any activity that jeopardizes the safety of the public, Aircraft, or property located at the Airport. "Through-the-Fence" activities are prohibited.
- 3.2.4. In addition to the prohibited Aeronautical Activities outlined in the Airport's Primary Guiding Documents, the following products, services, and/or facilities (or uses, occupancy, and/or purposes) are expressly prohibited on the Leased Premises:
 - 3.2.4.1. The provision of non-aeronautical products, services, or facilities (or any non-aeronautical uses, occupancy, and/or purposes).
 - 3.2.4.2. The provision of Commercial products, services, or facilities (or any Commercial uses, occupancy, and/or purposes).
 - 3.2.4.3. The provision of any products, services, or facilities (or uses, occupancy, and/or purposes) prohibited by (or against the) law.



NON-COMMERCIAL LEASE AND USE AGREEMENT

3.3. Compliance

- 3.3.1. Lessee's use of the Leased Premises and the Airport is subject to the following requirements:
 - 3.3.1.1. As may be promulgated or amended from time to time, Lessee shall comply with all:
 - 3.3.1.1.1. Regulatory Measures,
 - 3.3.1.1.2. Airport Sponsor Assurances and all other federal (including FAA and TSA) regulations and/or directives,
 - 3.3.1.1.3. Airport Primary Guiding Documents
 - 3.3.1.1.4. Airport policies, standards, and directives, and
 - 3.3.1.1.5. zoning, building, fire, safety, and other codes, ordinances, statutes, and measures of any government agencies having jurisdiction.
 - 3.3.1.2. If any provision of this Agreement is found to be in conflict with any existing or future Regulatory Measures, the Airport Sponsor Assurances or other federal regulations and/or directives, Airport Primary Guiding Documents, Airport policies, standards, or directives, or any zoning, building, fire, safety, or other codes:
 - 3.3.1.2.1. The provision that establishes the higher or stricter standard shall prevail, or
 - 3.3.1.2.2. Lessor may modify or terminate this Agreement, in whole or part, to resolve the conflict.
 - 3.3.1.3. In the event of an alleged violation of the preceding paragraphs (or a related investigation relating to same), Lessee shall immediately notify Lessor of the alleged violation and the action(s) being taken by Lessee to resolve it.
 - 3.3.1.4. Any violation of the preceding paragraphs (or failure to comply in any way or manner) by Lessee shall be construed as a default or breach of this Agreement authorizing the termination of this Agreement in accordance with Section 12. of this Agreement.
 - 3.3.1.4.1. Lessor may also deny access to the Airport or the Leased Premises to Lessee or its representatives, officers, employees, agents, guests, suppliers, vendors, invitees, and contactors (or any other entity) for any violation of the preceding paragraphs (or failure to comply in any way or manner).
 - 3.3.1.5. Lessee shall pay any penalties, fines, costs, and expenses for any violation of the preceding paragraphs (or failure to comply in any way or manner).
 - 3.3.1.6. If penalties or fines are levied against Lessor or costs or expenses are incurred by Lessor relating to Lessee's violation of the preceding paragraphs (or Lessee's failure to comply in any way or manner), Lessee shall pay Lessor the penalty, fine, cost, or expense.



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4. TERM

The term of this Agreement shall be for a period of _____ (_____) years on the _____ day of _____, _____, and ending on the _____ day of _____, _____ ("Term"), unless sooner terminated in accordance with this Agreement.

- 4.1.1. Upon termination of this Agreement, Lessee shall remove the Improvements owned by Lessee and return the effected portion(s) of the Leased Premises to its original condition and character, ordinary and reasonable wear and tear excepted.
 - 4.1.1.1. If Lessee does not remove said Improvements within 90 days, Lessor may do so at the risk, cost, and expense of Lessee.
- 4.1.2. In lieu of removal, if agreed to by Lessor, Lessee may transfer the ownership (or title) of the Improvements (specifically designated by the Lessor) at no cost to the Board. Upon such agreement, Lessee shall perform all tasks to effectuate the transfer of ownership or title of the Improvements to Lessor at no cost to Lessor.

5. RENTS AND FEES

5.1. Rent

- 5.1.1. Land
 - 5.1.1.1. The annual rent for land for the first year of the Original Term of this Agreement is stipulated in Exhibit B. Rent.
 - 5.1.1.2. Land rent shall be adjusted based on the percentage change (each year) in the Consumer Price Index (CPI).
- 5.1.2. Rent Adjustments
 - 5.1.2.1. Market Rent
 - 5.1.2.1.1. Rent shall be adjusted to Market Value, based on the findings of a Rent Study, five years from the date of execution of the Agreement, and every five years thereafter. If the Lessor has not obtained a Rent Study before the five-year term for Market Value Adjustment has passed, then the rent shall be adjusted to Market Value in the next calendar month after a Rent Study is obtained.
 - 5.1.2.2. Consumer Price Index (CPI)
 - 5.1.2.2.1. Annual rent adjustments shall be made based on the percentage change (each year) in CPI. The term "CPI" as used herein shall mean the Consumer Price Index for All Urban Consumers (CPI-U) for the Midwest Region, published monthly by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100).
 - 5.1.2.2.2. If CPI is discontinued or modified during the duration of this Agreement, such other government index or computation with which it is replaced shall be used in



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order to obtain substantially the same result as would be obtained if CPI had not been discontinued or modified.

5.2. Fees and Other Charges

Lessee shall pay the fees and other charges identified in the Airport's Rates and Charges Schedule, which is subject to change from time to time, to Lessor when due and owing.

5.3. Payments

5.3.1. Payment of rents, fees, and other charges shall be made promptly without notice or demand, in legal tender of the United States of America. Payments shall be made by check or money order, payable to the Rapid City Regional Airport, and delivered or mailed to the Airport Administration office (attention accounts receivable) located at the Rapid City Regional Airport, 4550 Terminal Road, Suite 102, Rapid City, South Dakota, 57703 or to such other location as may be directed in writing by Lessor. Payments shall be absolutely net to Lessor and shall be made without any abatement, deductions, reductions, setoffs, or counterclaims of any kind, except where specifically allowed in Exhibit B. Rent.

5.3.1.1. Payment of rent shall be made by Lessee to Lessor annually (equal to the annual rent), quarterly (in installments equal to $\frac{1}{4}$ of the annual rent), or monthly (in installments equal to $\frac{1}{12}$ of the annual rent). Payment shall be made in advance on or before the 1st day of the year (if paid annually), the 1st day of the quarter (if paid quarterly), or the 1st day of each month (if paid monthly). The rent for any partial month shall be prorated.

5.3.1.2. Payment of fees shall be made by Lessee to Lessor monthly on or before the 10th day of each month for the previous month.

5.4. Late Charges

If rents, fees, or other charges are not received by Lessor by the close of business 30 days after due and owing, Lessor shall be entitled to collect interest on the past due amount in accordance with the Airport's Rates and Charges Schedule. Lessor shall also be entitled to recover all costs associated with collection of past due amounts, including without limitation, attorneys' fees and expenses and court cost. Interest and other fees and expenses associated with the collection of past due amounts shall become part of the rents, fees, and other charges due and owing to Lessor.

6. IMPROVEMENTS

6.1. Lessee shall not make any Improvements (including any changes or modifications, additions, or deletions) to the Leased Premises without the prior express written consent of Lessor. All such Improvements shall be made, changed, modified, added, or deleted in accordance with the applicable Leasing Policy adopted or amended by Lessor.

6.1.1. All work completed shall be at Lessee's sole cost and expense, free and clear of liens for labor and material, and Lessee shall indemnify Lessor, as required by the General Aviation Minimum Standards.



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- 6.1.2. During the term of this Agreement, Lessee, at its sole cost and expense, shall maintain, replace, and keep in good repair and operating condition all Improvements.
- 6.1.2.1. To ensure the Improvements are kept in good repair and operating condition, Lessor may inspect the Improvements on an annual basis, or as needed, to respond to obvious needs for maintenance or repair. This provision is in addition to the Maintenance provisions in Section 9.7. below.
- 6.1.2.2. Lessee shall correct any deficiencies in the maintenance and repair of the Improvements identified by the Lessor within 30 days of written notice from the Lessor. If Lessee fails to correct the identified deficiencies, the Lessor may repair at Lessee's expense or may consider such failure a breach of this Agreement.

7. LESSEE'S RIGHTS AND PRIVILEGES

7.1. *Use of the Airport*

- 7.1.1. Lessee is allowed to use the Airport and its appurtenances together with all public use areas and facilities, in common with others, on a non-exclusive basis, and subject to Section 3.3 of this Agreement, for the purposes authorized in Sections 3.2 of this Agreement.
- 7.1.2. Lessee shall be solely liable for and shall reimburse Lessor for all costs and expenses incurred by Lessor, for the repair of any damage caused by Lessee to the Airport and its appurtenances and/or public areas or facilities at the Airport, excluding ordinary and reasonable wear and tear.

7.2. *Ingress and Egress*

Lessee, its representatives, officers, employees, agents, guests, suppliers, vendors, invitees, and contactors shall have the right of ingress and egress to and from the Leased Premises. However, if the privileges granted by this provision adversely affect or conflict with others, Lessor shall have the right to restrict and/or limit the hours of and/or the manner in which such ingress and/or egress may be exercised.

7.3. *Quiet Enjoyment*

- 7.3.1. Subject to Lessee's payment of rents, fees, and other charges when due and owing and the performance of the covenants, conditions, obligations, and agreements to be observed and performed by Lessee, Lessee shall peacefully and quietly have, hold, and enjoy the Leased Premises for the term of this Agreement free from hindrance or interruption by Lessor. Lessee agrees temporary inconveniences such as noise, disturbances, traffic detours and the like, resulting from, caused by, arising out of, or connected (or associated) with the construction of Airport Improvements, or other Airport events, shall not constitute a breach of quiet enjoyment of the Leased Premises.
- 7.3.2. The parties agree that Lessor shall peacefully and quietly have, hold, and enjoy Lessor's property outside of the Leased Premises, including that property owned by Lessor but leased to third parties free from hindrance or interruption by Lessee, except as otherwise provided in this Agreement.



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7.4. Fixtures and Equipment

- 7.4.1. Lessee may use such fixtures, Equipment, tools, machinery, or other items of personal Property as it deems necessary in connection with Lessee's use of the Leased Premises, as authorized in this Agreement. Lessee shall retain title to Lessee's personal Property.
- 7.4.2. Lessor shall have no liability or responsibility for any theft, misappropriation, or damage to any personal Property belonging to Lessee or others.
- 7.4.3. Lessee shall be entitled to remove from the Leased Premises any fixtures, Equipment, tools, machinery, or other items of personal Property located thereon; provided, however, that the items removed are not required by the Airport's General Aviation Minimum Standards in order to engage in the authorized Non-Commercial Aeronautical Activities. If a facility or building is damaged from removal of personal Property, it shall be restored by Lessee to the same condition that existed before the installation or placement of the personal Property.
- 7.4.4. Lessee shall remove all fixtures, Equipment, tools, machinery, and other items of personal Property from the Leased Premises upon termination or expiration of this Agreement. If Lessee fails to remove such Property from the Leased Premises upon termination or expiration of this Agreement, then Lessor retains the right to remove or cause to be removed, at Lessee's sole risk, cost, and expense and without any liability to Lessor for resulting damage, all fixtures, Equipment, tools, machinery, and other items of personal Property and Lessee agrees to pay Lessor for such costs and expenses incurred by Lessor within 15 days after receipt of an invoice from Lessor. Lessor may dispose of any fixtures, Equipment, tools, machinery, and other items of personal Property removed from the Leased Premises in accordance with the Airport's Primary Guiding Documents and/or Regulatory Measures.

8. LESSOR'S RIGHTS AND PRIVILEGES

8.1. Performance of Acts

All acts performable under this Agreement by Lessor may, at the option of Lessor and without right of objection by Lessee, be performed by a representative of Lessor.

8.2. Access to the Leased Premises

Lessor shall have the right to enter the Leased Premises (including all buildings, structures, and Improvements located thereon) at any time and for any purpose connected with the performance of Lessee and/or Lessor's obligations under this Agreement. Lessor shall provide 48 hours advanced notice (and a reason) prior to entering the Leased Premises except when Lessor determines emergency circumstances require immediate entry without prior notice. Lessor shall provide notice to Lessee in accordance with Section 36 of this Agreement.

8.3. Exercising Rights

No exercise of any rights reserved by Lessor shall be deemed or construed as an eviction of Lessee or others nor shall such exercise be grounds for any abatement of rents, fees, or other charges nor serve as the basis for any claim or demand for damages of any nature whatsoever.



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8.4. Prohibited Activities

8.4.1. Lessee shall not occupy or use any Airport land or Improvements, including the Leased Premises, for any activity that, in the sole discretion of the Director, is contrary to the safe and efficient operation of the Airport, including any activity that jeopardizes the safety of the public, aircraft, or property located at the Airport.

8.4.2. "Through-the-Fence" activities are prohibited.

9. LESSEE'S OBLIGATIONS

9.1. On-Going Non-Commercial Aeronautical Activity

Lessee shall maintain the on-going Non-Commercial Aeronautical Activity authorized in this Agreement at the Leased Premises throughout the term of this Agreement.

9.2. Conduct

9.2.1. Lessee shall be responsible for the conduct, demeanor, and appearance of its representatives, officers, employees, agents, guests, suppliers, vendors, invitees, and contactors. Upon receipt of a complaint, Lessee shall take all reasonable steps to immediately resolve the complaint.

9.2.2. Lessee's personnel shall cooperate with Lessor or its representatives as well as representatives of government agencies or entities including police, fire, and other emergency services personnel, the military, and others (e.g., lessees, sublessees, and users of the Airport) in dealing with emergencies at the Airport and on the Leased Premises.

9.3. Disturbance

9.3.1. Lessee shall conduct its Non-Commercial Aeronautical Activities in an orderly and proper manner so as to not annoy, disturb, or interfere with (or be a nuisance or menace to) others. Lessee agrees it will not in any manner interfere with the landing and taking off of Aircraft at the Airport or otherwise constitute or allow a hazard to Aircraft or others to exist.

9.3.2. Lessee agrees that it will not disturb others by creating or permitting any disturbance or any unusual or excessive noise, vibration, electromagnetic emission, or other undesirable condition.

9.3.3. Lessee shall not cause or permit to be caused by any act or practice, by negligence, omission, or otherwise that would adversely affect the environment or do anything or permit others to do anything on the Leased Premises that would violate any Regulatory Measure. Lessee shall prevent escape of hazardous fumes, odors, smoke, gas, or other hazardous substances from the Leased Premises.

9.4. Taxes, Assessments, and Fees

Lessee shall pay and discharge all taxes, assessments, and other fees without offset or abatement, whether general or special, ordinary or extraordinary, charged by any government or quasi-governmental entity relating to the Leased Premises and/or the Improvements thereto or located (situated) thereon and/or the activities taking place on the Leased Premises including, but not limited to, leasehold or possessory interest tax, personal Property, income, excise, or any other tax, assessment, or fee that is (or may



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be) levied, exacted, or imposed (or become due and owing) during the term of this Agreement.

9.5. **Utilities**

Lessee shall pay all fees and charges due and owing for all utilities (including connections) serving the Leased Premises. Such services shall include, but not be limited to: water, gas, electricity, sanitary sewer, telephone, Internet, etc.

9.6. **Costs, Expenses, and Other Charges**

Lessee shall pay all costs, expenses, and other charges of every kind and nature whatsoever relating to the Leased Premises, the Improvements thereto or located (situated) thereon, and/or the activities taking place on the Leased Premises which may arise or become due and owing during the term of this Agreement. Lessee shall pay all costs, expenses, and other charges to ensure trash removal on the Leased Premises.

9.7. **Maintenance**

9.7.1. Lessee shall, at its sole risk, cost, and expense, diligently, properly, and promptly maintain, repair or restore (or replace), and clean (in a good and workmanlike manner) the Leased Premises, the Improvements thereto or located (or situated) thereon including pavements (including snow removal), utilities, landscaping, and lawns, and its personal Property (fixtures, Equipment, tools, and machinery) including ordinary or extraordinary, minor or major, structural or non-structural, aesthetic or non-aesthetic, etc., in good repair and serviceable condition and in a clean, neat, and orderly state.

Initial Here:

9.7.2. Improvement Condition Inspections. Commencing on the fifth anniversary of any Lease each fifth year thereafter, the Lessee shall provide the Lessor with an inspection report of the leasehold property prepared by a licensed contractor, engineer or architect, licensed to do business in the State of South Dakota, attesting to the condition of the property and addressing all repairs, replacements and renewals needed to maintain the required state of condition of the property. Said inspections shall be used by the Lessor as a basis for determining compliance with facility maintenance provisions in each Lease and to assist with the Lessor's evaluation of their options at the termination of a Lease.

9.7.2.1. In the event Lessee fails to diligently, properly, and promptly maintain, repair or restore (or replace), or clean (in a good and workmanlike manner) the Leased Premises and the Improvements thereto or located (or situated) thereon including pavements (including snow removal), utilities, landscaping, and lawns, Lessor shall notify Lessee and if Lessee fails to correct the condition within 30 days of Lessor's written notice, Lessor may enter the Leased Premises and the Improvements thereto or located (or situated) thereon and perform the necessary maintenance, repair or restoration (or replacement), or cleaning services and Lessee shall pay Lessor such costs and expenses within 15 days upon receipt of an invoice. Nothing in this Agreement shall be construed, in any way, that Lessor has an obligation or is required to perform any maintenance, make any repair or restoration (or replacement), or



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clean any portion of the Leased Premises or the Improvements thereto or located (or situated) thereon including pavements (including snow removal), utilities, landscaping, or lawns.

9.7.2.2. In an emergency, Lessor may enter the Leased Premises and the Improvements thereto or located (or situated) thereon, without notice, and perform the necessary maintenance, repair or restoration (or replacement), or cleaning services.

9.7.2.3. In the alternative to 9.7.2.1. and 9.7.2.2, if Lessee does not perform the necessary maintenance, repair or restoration (or replacement) within 30 days of notice or within a longer time as agreed by the Parties, Lessor may consider such failure a breach of this Agreement and may terminate this Agreement in accordance with Section 11.

9.8. Non-Discrimination

9.8.1. Lessee shall comply with the non-discrimination requirements as found in Exhibit C, and Lessee shall include the language in Exhibit C in all subcontracts related to the performance of this agreement.

9.8.2. Lessee agrees Lessor has the right to take such action against Lessee as the government may direct to enforce Section 9.8.1.

9.9. Based Aircraft Report/Hangar Owner Information

Lessee shall maintain and furnish on or before the 1st of April of each year (or upon request of Lessor) a current Hangar Owner Information sheet identifying all Based Aircraft on the Leased Premises. The report shall identify the Leased Premises (including billing address) and the number and type (or category) of Aircraft (single-engine piston, multi-engine piston, turboprop, jet, helicopter, gliders, military, ultra-light, etc.) stored or based with Lessee on the Leased Premises. Lessee shall provide written notice to Lessor within 30 days of any changes to the Hangar Owner Information Sheet or Based Aircraft.

9.10. Operational Status

Lessee shall notify Lessor immediately of any changes or modifications to Lessee's operational status.

9.11. Signage and Lighting

Lessee shall not erect, paint upon, attach, exhibit or display in, on, or about the Leased Premises any sign (or install or operate any exterior light or lighting on the Leased Premises) without obtaining the: (1) appropriate permits and approvals from agencies having jurisdiction and (2) the prior express written consent of the Airport Executive Director.

9.12. Special Events

Lessee shall not conduct or hold special events at the Airport without obtaining: (1) appropriate permits and approvals from agencies having jurisdiction and (2) the prior express written consent of the Airport Executive Director.

10. REQUIRED FAA CLAUSES

10.1. Non-Exclusive Use

10.1.1. Lessor hereby grants Lessee the non-exclusive use of the Airport (together with all Improvements, runways, ramps, conveniences and appurtenances



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thereunto) in common with Lessor and other present and future lessees of Lessor, except such Improvements specifically leased herein and as may be leased by Lessor to other lessees presently or in the future.

- 10.1.2. This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or non-exclusive use of the Airport by the United States Government during the time of war or national emergency.

10.1.2.1. If any such agreement is executed, the provisions of this instrument shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States Government, relative to the maintenance, operation or development of the Airport.

- 10.1.3. It is clearly understood by Lessee that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating Aircraft on the Airport from performing any services on its own Aircraft with its own regular Employees (including but not limited to, maintenance and repair) that it may choose to perform.

10.2. Non-Discrimination

- 10.2.1. Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event Improvements are constructed, maintained, or otherwise operated on the Leased Premises described in this Agreement for a purpose for which a Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar benefits, Lessee shall maintain and operate such Improvements in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the DOT, and as said Regulations may be amended.
- 10.2.2. Lessee agrees to comply with all Civil Rights Non-Discrimination provisions in Exhibit C to this Agreement, hereby incorporated into this Agreement in their entirety. Lessor may amend or revise Exhibit C in whole or part as needed throughout the term of this Agreement, and such amendments or revisions shall be incorporated into the Agreement upon Lessor's written notice to Lessee.
- 10.2.3. Lessee agrees it will practice non-discrimination in its activities and will provide Disadvantaged Business Enterprise (DBE) participation as required by the sponsor, in order to meet Lessor's goals, or required by the FAA in order to obtain an exemption from the prohibition against long-term exclusive leases.

10.3. Reservations

- 10.3.1. Lessor reserves the following rights:



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- 10.3.1.1. Nothing contained within this Agreement shall be construed to limit the use of any area of the Airport by Lessor or to prevent any FAA, Department of Homeland Security, Transportation Security Administration, Police Department, other law enforcement officers, code enforcement officers, or Airport Emergency Services personnel from acting in official capacities.
- 10.3.1.2. Lessor reserves the right for the use of the Airport by others who may desire to use the same pursuant to applicable Regulatory Measures pertaining to the Airport and such use.
- 10.3.1.3. Lessor reserves the right to designate specific Airport areas for activities in accordance with the currently adopted Airport Layout Plan (ALP). Such designation shall give consideration to the nature and extent of current and/or future activities and the land and/or Improvements that may be available and/or used for specific activities and shall be consistent with the safe, secure, orderly, and efficient use of the Airport.
- 10.3.1.4. It is the policy of Lessor that any occupancy, use, and/or development (construction or modification) of land and/or Improvements which is inconsistent with the ALP is undesirable. Any development that is substantially different than that depicted on the ALP could adversely affect the safe, secure, orderly, or efficient use of the Airport. Nothing contained in this Agreement shall require or obligate Lessor to apply to the FAA for approval of the revision of the ALP on behalf of a current or prospective Operator, Lessee, Sublessee, or user of the Airport.
- 10.3.1.5. Lessor reserves the right to develop and make any Improvements and/or repairs on, at, or to the Airport it deems necessary. Lessor will provide advance notice of the date and time to impacted parties that such development, improvements, and/or repairs will be made. Lessor shall not be obligated to reimburse or compensate any Operator, Lessee, Sublessee, or other entity for any cost and/or expense incurred, loss of revenue, or inconvenience that may result from such development, improvement, and/or repair.
- 10.3.1.6. Lessor (and its representatives, officers, officials, employees, agents, guests, suppliers, vendors, invitees, contractors, and volunteers) shall not be responsible for loss, injury, or damage to persons or Property at the Airport related in any way to any natural disaster or illegal activity.



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- 10.3.1.7. Lessor reserves the right to prohibit any entity from using the Airport or engaging in activities at the Airport (and/or Lessor may suspend and/or revoke any privileges granted to any entity) upon determination by Lessor that such entity has not complied with the Airport's Primary Guiding Documents, applicable Regulatory Measures, directives issued by Lessor, or has otherwise jeopardized the safety or security of entities utilizing the Airport or the land and/or Improvements located at the Airport.
- 10.3.1.8. During time of war or national emergency, Lessor shall have the right to enter into an agreement with the United States Government for military use of part or all of the landing area, the publicly owned air navigation facilities, and/or other areas or facilities of the Airport. If any such agreement is executed, any agreement between Lessor and an Operator or Lessee, insofar as it is inconsistent with the agreement between Lessor and the United States Government, shall be suspended, without any liability on the part of Lessor to the Operator or Lessee.
- 10.3.1.9. Lessor will not relinquish the right to take any action Lessor considers necessary to protect the aerial approaches of the Airport against obstruction or to prevent a person from erecting or permitting to be erected any facility or other structure which might limit the usefulness of the Airport or constitute a hazard to Aircraft.
- 10.3.1.10. Lessor will not waive any sovereign, governmental, or other immunity to which Lessor may be entitled nor shall any provision of any Agreement be so construed.
- 10.3.1.11. Lessor will not submit to the laws of any state other than those of the State of South Dakota.
- 10.3.1.12. Lessor is under no obligation to provide financing and/or make any improvements to Airport land and/or Improvements to facilitate any development or consummate any Agreement proposed by a current or prospective Operator, Lessee, or Sublessee.
 - 10.3.1.12.1. Lessor is under no obligation to: (a) pursue federal, state, or other available funds to contribute to such development or (b) provide matching funds to secure such funding.
- 10.3.1.13. Lessor reserves the right to take such actions as it may deem necessary, appropriate, and/or in the best interest of Lessor including preserving the assets of Lessor and the Airport, protecting the safety and security of the people who work at and/or use the Airport, and maintaining the integrity of Lessor's and/or Airport's mission, vision, and values.



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11. DEFAULTS AND REMEDIES

11.1. Default

- 11.1.1. In addition to the defaults and breaches identified in this Agreement, the occurrence of any one or more of the following events shall constitute a default and breach of this Agreement by Lessee.
 - 11.1.1.1. The filing by Lessee of a voluntary petition in bankruptcy.
 - 11.1.1.2. The assignment of substantially all of Lessee's assets for the benefit of Lessee's creditors.
 - 11.1.1.3. A court making or entering any decree or order:
 - 11.1.1.3.1. adjudging Lessee to be bankrupt or insolvent.
 - 11.1.1.3.2. approving a properly filed petition seeking reorganization of Lessee or an arrangement under the bankruptcy laws or any other applicable debtor's relief law or statute of the United States or any state thereof.
 - 11.1.1.3.3. appointing a receiver, trustee or assignee of Lessee in bankruptcy or insolvency or for its Property, or
 - 11.1.1.3.4. directing the winding up or liquidation of Lessee and such decree or order shall continue for a period of 60 days.
 - 11.1.1.4. The filing of any lien against the Leased Premises resulting from any act, error, or omission of Lessee which is not discharged or contested in good faith as determined by Lessor by proper legal proceedings within 30 days of receipt of actual notice by Lessee, unless Lessee posts a bond within this time period equal to the amount of the lien.
 - 11.1.1.5. The voluntary abandonment by Lessee of the Leased Premises or Lessee's failure to maintain the on-going Non-Commercial Aeronautical Activity authorized in this Agreement at the Leased Premises for a period of 30 days or more.
 - 11.1.1.6. The transfer of Lessee's interest herein by other operation of law.
 - 11.1.1.7. Lessee becomes in arrears in the payment of the whole or any part of the amount(s) agreed to be paid for a period of 30 days after the time such payments become due and owing.
 - 11.1.1.8. The falsification by Lessee of any of its records so as to deprive Lessor of any of its rights, privileges, rents, fees, or other charges under this Agreement or any other agreement between the Parties.
 - 11.1.1.9. The failure by Lessee to perform any of the covenants, conditions, obligations, and agreements contained herein or in any other agreement between the Parties where the failure continues for a period of 30 days after written notice from Lessor.
 - 11.1.1.10. A sale of stock in Lessee's corporation which divests the present stockholders of controlling interest.



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11.1.1.11. The sale, assignment, or transfer or the attempted sale, assignment, or transfer of this Agreement by Lessee. Negotiations by Lessee for the sale, assignment, or transfer of this Agreement shall not be construed as "attempted transfer".

11.2. Remedies

11.2.1. In the event a default or breach of this Agreement by Lessee is not cured within 30 days of receiving notice from Lessor, Lessor may, in addition to any other remedies available to Lessor, terminate this Agreement, in whole or in part.

11.2.1.1. If the default or breach concerns a failure to make payments to Lessor, however, no written or other notice of default or breach shall be required. If payments to Lessor are in arrears for a period of 60 days after the payments become due and owing, then Lessee shall be in default or breach under this Agreement.

11.2.1.2. If the default or breach concerns a failure to comply with Section 3.2. (Use) and Lessee has not cured the default or breach within 15 days of receiving notice from Lessor, Lessee shall be in default or breach under this Agreement and Lessor may obtain injunction against Lessee or may terminate this Agreement.

11.2.2. If this Agreement is terminated for any default or breach by Lessee, any payments made to Lessor shall be forfeited to Lessor and Lessee shall have no right to recover any other payments. This forfeiture shall not diminish nor limit Lessor's right to recover such damages resulting from the default or breach by Lessee.

11.2.2.1. If this Agreement is terminated for any default or breach by Lessor (in accordance with Section 12 of this Agreement), any payments made to Lessor shall be prorated.

11.2.3. Notwithstanding the foregoing, no failure to perform or delay in performance which is caused by any war, national emergency, act of nature, or natural disaster shall be deemed an event of default or breach.

11.2.4. In addition to the termination and forfeiture right described in the preceding paragraph, Lessor shall have the following rights and remedies upon default or breach by Lessee:

11.2.4.1. the recovery of any unpaid rent, fees, and other charges due and owing at the time of termination, plus any unpaid rent, fees, or other charges that would have been earned or made if Lessee had not defaulted or breached this Agreement;

11.2.4.2. the recovery of any damages, costs, fees, and expenses incurred by Lessor as a result of the default or breach of this Agreement by Lessee, including attorneys' and court fees, costs, and expenses;



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- 11.2.4.3. the removal, storage, and/or disposal of fixtures, Equipment, tools, machinery, or other items of personal Property from the Leased Premises, at Lessee's sole risk, cost, and expense and without liability to Lessor for resulting damage in which case Lessee shall pay Lessor the costs and expenses thereof within 15 days upon receipt of an invoice;
- 11.2.4.4. placing a lien on (or against) the Leased Premises; and
- 11.2.4.5. any other right or remedy, legal or equitable, that Lessor is entitled to under applicable law including, but not limited to, injunctive relief.
- 11.2.5. No termination shall relieve Lessee of the obligation to deliver and perform all outstanding obligations and requirements prior to the effective date of the termination and Lessee's liabilities under this Agreement shall continue.
- 11.2.6. In the event of any such termination as above enumerated, Lessor shall have the right, at once and without further notice to Lessee, to enter and take full possession of the Leased Premises and any and all Improvements thereto or located (or situated) thereon including pavements and utilities. Upon the termination of this Agreement for any reason, Lessee shall surrender the Leased Premises and any and all Improvements thereto or located (or situated) thereon including pavements and utilities to Lessor in the same condition as when received, with the exception of ordinary and reasonable wear and tear.
- 11.2.7. All of the rights and remedies given to Lessor in this Agreement are cumulative and no one is exclusive of any other. Lessor shall have the right to pursue any or all remedies provided by any applicable Regulatory Measures, whether legal or equitable in nature, whether stated in this Agreement or not.

12. TERMINATION BY LESSEE

- 12.1. Lessee, if current and not in default or breach of this Agreement (in good standing) and subject to providing written notice to Lessor, Lessee may terminate this Agreement after the occurrence of one or more of the following events:
 - 12.1.1. permanent abandonment or closure of the Airport.
 - 12.1.2. the lawful assumption by the United States Government, or any authorized Agency thereof of the operation, control, use, or occupancy of the Airport, or any substantial part or parts thereof, in such manner as to substantially restrict Lessee's Non-Commercial Aeronautical Activities at the Airport for a period of at least 90 days.
 - 12.1.3. the default by Lessor in the performance of any covenants, conditions, obligations, and agreements contained herein required to be performed by Lessor and the failure of Lessor to remedy such default for a period of 30 days after receipt from Lessee of written notice to remedy same.

13. CONDEMNATION OR EMINENT DOMAIN

13.1. General

- 13.1.1. In the event of the acquisition by condemnation or the exercise of the power of eminent domain (by any governmental or other permitted Agency to take property for public use) of any interest in all or a portion of the Leased Premises, Lessee shall not institute any action or proceeding or assert any claim against



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Lessor for Compensation or consideration of any nature whatsoever, and any provision herein contained contrary to the provisions of this Section shall have no force or effect.

- 13.1.2. All Compensation awarded or paid upon a total or partial acquisition of the Leased Premises (which for these purposes shall not include Compensation from Lessor) shall belong to and be the Property of Lessor without any participation by Lessee.

13.1.2.1. Nothing contained herein shall be construed or preclude Lessee from recovering directly from the condemning Agency the value of any claim, as may exist, for loss of business, or depreciation, damage, or cost of removal, or for the value of Lessee's Property; provided, however, that no such claim shall diminish or otherwise adversely affect Lessor's award.

13.2. Total

In the event of the acquisition by condemnation or eminent domain of all interest in the Leased Premises, Lessee's obligation to pay rent and the leasehold estate created shall cease and terminate as of the date title of the Leased Premises is transferred to the governmental or other permitted Agency taking the Leased Premises for public use.

13.3. Substantial and Partial

- 13.3.1. In the event of the acquisition by condemnation or eminent domain of a portion of interest in the Leased Premises, Lessee's obligation to pay rent shall cease and terminate as it pertains to the specific portion of the Leased Premises taken as of the date title of the Leased Premises is transferred to the governmental or other permitted Agency taking the Leased Premises for public use.

13.3.1.1. In the event of substantial condemnation or eminent domain which prevents or substantially impairs the conduct of Lessee's Activities and equates to 30% or more of the total Leased Premises, Lessee may, at Lessee's option, terminate this Agreement. If terminating this Agreement, Lessee shall notify Lessor of termination within 30 days of notice to acquire a portion of the Leased Premises.

13.3.1.1.1. If Lessee does not notify Lessor of termination, the condemnation or eminent domain shall be considered a partial acquisition.

13.3.1.1.2. In the event of partial condemnation or eminent domain, Exhibit B. Rent by Component Table shall be adjusted as applicable.

14. FORCE MAJEURE

- 14.1. If either party hereto shall be delayed, hindered in, or prevented from, the performance of its obligations under this Agreement by reason of war, national emergency, natural disaster or other similar reason, or not the fault of such party ("Permitted Delay"), such party shall be excused for the period of time equivalent to the delay caused by such Permitted Delay.

- 14.2. Notwithstanding the foregoing, any extension of time sought by Lessee for a Permitted Delay shall be conditioned upon it providing written notice of such



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Permitted Delay to Lessor within 10 days of the event causing the Permitted Delay.

- 14.3. In no event shall Lessee be relieved of its obligations to pay Lessor the rents, fees, or other charges due and owing, as set forth in this Agreement.

15. NO WAIVER

- 15.1. No failure on the part of Lessor to enforce any of the covenants, conditions, obligations, and agreements contained herein shall be construed as or deemed to be a waiver of the right to enforce such covenants, conditions, obligations, and agreements.
- 15.2. The acceptance by Lessor of any rent, fee, or other payment shall not be construed as or deemed to be a waiver by Lessor of any breach by Lessee of any covenant, condition, obligation, or agreements contained herein and shall not be deemed a waiver of Lessor's right to terminate this Agreement.
- 15.3. Lessee waives any claims against Lessor for loss of anticipated profit in any suit or proceeding involving this Agreement or any part thereof.

16. LICENSES, CERTIFICATES, AND PERMITS

- 16.1. At Lessee's own cost and expense, Lessee shall obtain any and all licenses, certificates, and permits from all agencies having jurisdiction that may be necessary to construct, use, and/or occupy Improvements on the Leased Premises.
- 16.2. Lessee shall not do or permit others to do anything on the Leased Premises which is in violation of, or prohibited by any, license, certificate, or permit.
- 16.3. If the attention of Lessee is called to any such violation, Lessee will immediately notify Lessor and cease and desist from and immediately cause to be corrected such violation. Lessee shall pay all penalties, fines, or costs associated with any such violation.

17. INSURANCE

- 17.1. Lessee shall, at its sole risk, cost, and expense, procure, keep, and maintain the insurance required by Regulatory Measures and the Airport's Primary Guiding Documents.
- 17.2. Such insurance shall be kept in full force and effect at all times during the term of this Agreement.
- 17.3. Such insurance shall name Lessor as additional insured.
- 17.4. Current certificates of insurance shall be provided to Lessor to this effect.
- 17.5. Liability policies shall contain, or be endorsed to contain, the following provisions.



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- 17.5.1. "City of Rapid City and the Rapid City Regional Airport Board, individually and collectively, and its representatives, officers, officials, employees, agents, guests, suppliers, vendors, invitees, contractors, and volunteers are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of entity; premises owned, leased, occupied, or used by entity; or vehicles, equipment, or aircraft owned, leased, hired, borrowed, or operated by entity. Such insurance shall provide primary coverage and shall not seek any contribution from any insurance or self-insurance carried by Agent or the City of Rapid City."
- 17.5.2. "Such insurance, as to the interest of the City only, shall not be invalidated by any act or neglect or breach of contract of entity. Any failure to comply with reporting or other provisions of the policies, including any breach of warranty, shall not affect coverage provided to City of Rapid City and the Rapid City Regional Airport Board, individually and collectively, and their representatives, officers, officials, employees, agents, guests, suppliers, vendors, invitees, contractors, and volunteers. Entity's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability."
- 17.5.3. "Coverage shall not be suspended, voided, or cancelled by either party or reduced in coverage or in limits except after 30 days prior written notice, 10 days prior written notice for cancellation for non-payment of premium, by certified mail, return receipt requested, has been given to Board."
- 17.6. Companies issuing the insurance policy or policies shall have no recourse against Lessor for payment of premiums or assessments for any deductibles that are the sole responsibility and risk of Lessee.
- 17.7. Lessee and Lessor each waives any and all rights of recovery against the other, or against the representatives, officers, officials, employees, agents, guests, suppliers, vendors, invitees, contractors, and volunteers of the other, for the loss of or damage to such waiving party or its Property of others under its control, where such loss or damage is insured against under any Property insurance policy in force at the time of such loss or damage. Lessee and Lessor shall give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in the lease.

18. DAMAGE

- 18.1. If any part of the Leased Premises, the Airport, or associated Property is damaged or destroyed by Lessee, its representatives, officers, employees, agents, guests, suppliers, vendors, invitees, and contractors, Lessee shall diligently, properly, and promptly repair or restore (or replace) to the condition and character of the Leased Premises, the Airport, or associated Property immediately prior to damage.
- 18.2. If Lessee fails to diligently, properly, and promptly repair or restore (or replace) the damaged or destroyed part of the Leased Premises, the Airport, or the



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associated property, Lessee shall pay to Lessor, upon demand, the amount that Lessor determines is necessary to properly repair or restore (or replace) the damaged or destroyed part of the Leased Premises, the Airport, or associated property and upon receipt of said payment, Lessor will repair or restore (or replace) the damaged or destroyed part of the Leased Premises, the Airport, or associated property.

- 18.3. If any part of the Leased Premises is damaged or destroyed during the term of this Agreement, Lessor shall be under no obligation to repair or restore (or replace) the damaged or destroyed portion of the Leased Premises unless Lessor is responsible for such damage or destruction.

19. INDEMNIFICATION

- 19.1. Lessee shall defend, indemnify, save, protect, and hold harmless Lessor and its representatives, officers, officials, employees, agents, guests, suppliers, vendors, invitees, contractors, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs (or expenses) at any time received, incurred, or accrued by Lessor as a result of, or arising out of Lessee's Activities, actions, or inactions. In the event a party indemnified hereunder is in part responsible for the loss, the indemnitor shall not be relieved of the obligation to indemnify; however, in such a case, liability shall be shared in accordance with South Dakota principles of comparative fault.
- 19.2. Lessee shall accept total responsibility (and shall defend, indemnify, save, protect, and hold harmless Lessor and its representatives, officers, officials, employees, agents, guests, suppliers, vendors, invitees, contractors, and volunteers) for any environmental contaminating accident or incident at the Airport resulting from, arising out of, or connected (or associated) with Lessee's activities.
- 19.3. Nothing herein shall constitute a waiver of any protection available to Lessor under South Dakota governmental immunity or similar statutory provisions.

20. SUBLEASE

Lessee shall not Sublease the Leased Premises (or any part of the Leased Premises).

21. SALE, ASSIGNMENT, OR TRANSFER

- 21.1. Lessee shall not sell, assign, or transfer its interest in the Leased Premises or this Agreement, in whole or in part, without the prior express written consent of Lessor. Any such sale, assignment, or transfer without Lessor's prior express written consent shall be null and void and, at Lessor's option, shall constitute a default or breach of this Agreement.
- 21.2. Written consent of Lessor will not be provided if Lessee is not current and not in default or breach of this Agreement (i.e., not in good standing) and the Improvements are not in good repair and serviceable condition.
- 21.3. Written consent will not be provided unless Lessee agrees to remain liable to Lessor for the remainder of the term of this Agreement including paying to



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Lessor any portion of rents, fees, and/or other charges not paid by the assignee when due and owing or if the assignee pays a security deposit to Lessor equal to the annual rent at the time the express written consent of Lessor is provided.

- 21.4. Any assignee of Lessee shall be bound by the covenants, conditions, obligations, and agreements contained herein and the assignee shall not sell, assign, or transfer its interest in the Leased Premises or this Agreement without the prior express written consent of Lessor.

21.4.1 Any sale, assignment, or transfer shall include these stipulations which shall be acknowledged by assignee.

22. ENCUMBRANCES

Lessee shall have no authority, express or implied, to create (or consent to the creation of) any lien, claim, charge or encumbrance upon the Leased Premises and Lessee shall not permit the Leased Premises or any part thereof, any Improvements thereto or located (or situated) thereon, or any other part of the Airport to be or become subject to any lien (including mechanic's liens), charge, claim, or encumbrance whatsoever without the prior express written consent of Lessor.

23. MORTGAGE

Lessee shall not mortgage, pledge, assign as collateral, voluntarily or otherwise, its interest in the Leased Premises or this Agreement without the prior express written consent of Lessor. Lessor's approval may be granted, conditioned, delayed, or denied at the Board's discretion. If the Board consents to the mortgage, the leasehold mortgage may secure only the indebtedness which is invested in the improvements to the Leased Premises and may not burden the real property.

24. RELOCATION

Lessee understands Lessor has the right to replace the Leased Premises, in whole or part, with equivalent premises similarly situated at the Airport. If the change is solely for the benefit of Lessor, Lessor agrees to pay all reasonable relocation costs and expenses associated with relocating Lessee.

25. HOLDOVER POSSESSION

In the event Lessee should hold over and remain in possession of the Leased Premises after the expiration of the term of this Agreement or termination for any other cause, such holding over shall be deemed not to operate as a renewal or extension of this Agreement, but shall, instead, create a month-to-month tenancy which may be terminated at any time by Lessor or Lessee by providing not less than 30 days written notice. The rents, fees, and other charges due from Lessee for the holding over period shall be the greater of the following: (1) Fair Market Value for the land and Improvements, or (2) the monthly rents, fees and other charges charged by Lessor at the time this Agreement expired. The holdover period shall not exceed 180 days after which time, this Agreement shall be terminated.

26. INDEPENDENT ENTITIES

Nothing in this Agreement is intended to nor shall it be construed in any way as creating or establishing the relationship of partners between the Parties or as constituting Lessee as a representative, officer, official, employee, agent, or volunteer of Lessor for any purpose or in any manner whatsoever.



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27. BINDING EFFECT

This Agreement shall be binding on and inure to the benefit of the heirs, successors, and assigns of the Parties hereto. Whenever a reference is made to either party, such reference shall be deemed to include, wherever applicable, a reference to the heirs, successors, and assigns of such party, as if in every case so expressed.

28. SUBORDINATION

This Agreement is subject and subordinate to the provisions of any existing or future agreements between the City and the United States, the State of South Dakota, or any other entity pertaining to the planning, development, operation (including maintenance and repair), and management of the Airport.

29. GOVERNING LAW

This Agreement shall be deemed to have been made in, and shall be construed in, accordance with the laws of the State of South Dakota without regard to conflicts of law principles.

30. DISPUTES

- 30.1. For any dispute that cannot be resolved in accordance with Section 1.21 Disputes in the General Provisions, the 7th Judicial Circuit Court Pennington County shall have exclusive jurisdiction and venue with respect to any disagreement, actions, and/or proceedings arising from or under the Agreement, regardless of the nature or basis of the disagreement, action, and/or proceeding.
- 30.2. Lessee consents to the jurisdiction and venue of the aforesaid Court and waives personal service of any and all process upon Lessee in all such actions or proceedings, and consents that all such service or process shall be made by certified mail, return receipt requested, directed to Lessee at the address herein stated, and service so made shall be completed two days after the same shall have been posted as aforesaid.
- 30.3. If any legal action is brought about by either party to enforce this Agreement or any part thereof, the prevailing party shall be entitled to recover attorney and court fees, costs, and expenses.

31. PARAGRAPH HEADINGS

All section, paragraph, and subparagraph headings contained in this Agreement are inserted only as a matter of convenience or reference only, and are not intended to define, limit, or describe the scope of this Agreement or any provision therein.

32. SEVERABILITY

If any provision in this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provisions in this Agreement, provided that the invalidity of any such provision does not materially prejudice either party with regard to their respective rights and obligations contained in the valid provisions of this Agreement.

33. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



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34. MODIFICATION

Any change or modification to this Agreement shall not be valid unless made in writing, agreed to, and signed by both parties.

35. ENTIRE AGREEMENT

This Agreement contains and embodies the entire understanding and agreement between the Parties and supersedes and replaces any and all prior understandings and agreements, written or oral, expressed or implied, relating to this Agreement.

36. NOTICES

- 36.1. Whenever any notice is required by this Agreement to be made, given, or transmitted to the Parties, such notice shall be emailed and/or sent by U.S. Mail service and addressed to:

Lessor
Rapid City Regional Airport
4550 Terminal Rd., #102
Rapid City, SD 57703
Email: toni.broom@rcgov.org

Lessee

With a copy to:
Rapid City Attorneys Office
300 Sixth St
Rapid City, SD 57701
Email: Carla.cushman@rcgov.org

with a copy to:

- 36.2. The date of service of notice shall be the date such notice is actually delivered to the intended recipient or the date delivery is refused by the intended recipient.
- 36.3. The Parties may, from time to time, designate to each other in writing a different address or different entity or entities to which all such notices, communications, or payments shall be given or made.

37. REPRESENTATIONS AND WARRANTIES OF LESSEE

- 37.1. Lessee represents and warrants to Lessor that:
- 37.1.1. It is duly organized and validly existing under the laws of its jurisdiction, incorporation or establishment;
 - 37.1.2. It has the power and the authority to enter into and perform its obligations under this Agreement and to pay any rents, fees, or other payments required under this Agreement;
 - 37.1.3. This Agreement has been duly authorized, executed, and delivered by it and, assuming the due authorization, execution and delivery hereof by the other parties hereto, constitutes a legal, valid, and binding obligation of it enforceable against it in accordance with the covenants, conditions, obligations, and agreements contained herein, subject to applicable bankruptcy, insolvency, and similar laws affecting creditor's rights generally, and subject, as to enforceability, to general principles of equity regardless of whether enforcement is sought in a proceeding in equity or at law;



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- 37.1.4. Its execution and delivery of this Agreement and its performance of its obligations hereunder do not and will not constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its Property under, its charter or by-laws (or equivalent organizational documents), or any other agreement, instrument, law, ordinance, regulation, judgment, injunction, or order applicable to it or any of its Property;
- 37.1.5. All consents, authorizations, and approvals requisite for its execution, delivery, and performance of this Agreement have been obtained and remain in full force and effect and all covenants, conditions, obligations, and agreements contained herein have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required for such execution, delivery or performance; and
- 37.1.6. There is no proceeding pending or threatened against it at law or in equity, or before any governmental instrumentality or in any arbitration, which would materially impair its ability to perform its obligations under this Agreement, and there is no such proceeding pending against it which purports or is likely to affect the legality, validity or enforceability of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year set forth herein. This Agreement is effective as of the last date signed by either party.

ATTEST:

RAPID CITY REGIONAL AIRPORT BOARD

_____, Secretary
Rapid City Regional Airport Board

_____, President
Rapid City Regional Airport Board

Date: _____

By signing this lease agreement, I acknowledge that I have received a copy of the Airport's Primary Guiding Documents to include Minimum Standards, Rules and Regulations, General Provisions and the Leasing Policy, all of which are also located on the Airports website.

NAME OF LESSEE

Printed Name Member

Date: _____



EXHIBITS

Exhibit A – Description of Leased Premises

Exhibit B – Rent

Exhibit C – Civil Rights Non-Discrimination



EXHIBIT A - Description of Leased Premises

***EXHIBIT B – Rent***

Annual Rent for the first year of the Original Term of this Agreement is:

Example:

Total Premises in square feet:	5,092
Less TOFA* square feet:	<u>(3,439)</u>
Total Billable square feet:	1,653

2024 Aircraft Storage Hangar Owner Rate Improved Midwest: \$.35

Total 2024 Rent: 1,653 sq feet @ \$.35 = \$1,202.88

*TOFA – Taxiway Object Free Area

**EXHIBIT C – Civil Rights Non-Discrimination**

1. In all its activities within the scope of its airport program, LESSEE agrees to comply with pertinent statutes, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If LESSEE transfers its obligation to another, the transferee is obligated in the same manner as LESSEE. This provision obligates LESSEE for the period during which the property is used or possessed by LESSEE and the Airport remains obligated to the FAA. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.
2. During the performance of this Agreement, LESSEE for itself, its assignees, and successors in interest, agrees to comply with the following non-discrimination statutes and authorities:
 - A. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
 - B. 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
 - C. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
 - D. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
 - E. The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
 - F. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
 - G. The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
 - H. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101 *et seq.*), (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;



- I. The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
 - J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
 - K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. 74087 (2005));
 - L. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681 *et seq.*).
3. LESSEE, including personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that LESSEE will use the premises in compliance with all other requirements imposed by or pursuant to the List of non-discrimination Acts and Authorities. In the event of breach of any of the above nondiscrimination covenants, AIRPORT will have the right to terminate this Agreement and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if the Agreement had never been made or issued.
 4. During the performance of this Agreement, LESSEE, for itself, its assignees, and successors in interest, agrees as follows:
 - A. Compliance with Regulations: LESSEE (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
 - B. Nondiscrimination: LESSEE, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. LESSEE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
 - C. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by LESSEE for work to be



performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by LESSEE of contractor's obligations under this Agreement and the Nondiscrimination Acts and Authorities.

- D. Information and Reports: LESSEE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by AIRPORT or the FAA to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, LESSEE will so certify to AIRPORT or the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance: In the event of LESSEE'S noncompliance with the non-discrimination provisions of this Agreement, AIRPORT will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to, cancelling, terminating, or suspending this Agreement, in whole or in part.
- F. Incorporation of Provisions: LESSEE will include the provisions of this subsection in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. LESSEE will take action with respect to any subcontract or procurement as AIRPORT or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if LESSEE becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, LESSEE may request AIRPORT to enter into any litigation to protect the interests of AIRPORT. In addition, LESSEE may request the United States to enter into the litigation to protect the interests of the United States.



EXHIBIT C – Rent Adjustment Example

Annual Rent for the first year of the Original Term of this Agreement is:

_____ sq ft @ .30 = _____

Base Rent: _____

Example of CPI Adjustment:

CPI for Current Period	136.0
Less CPI for Previous Period	129.9
Equals Index Points Change	6.1
Divided by Previous Period CPI	129.9
Equals	.047
Results Multiplied by 100	.047 x 100
Equals Percent Change	4.7%
Next Year Rent =	Base Rent (.30/sq ft) X Percent Change in CPI-U Index (4.7%)