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Rapid City Growth
Management Department

LEASE AGREEMENT

The parties to this Agreement are as follows:

A. Alan A. Neiger, d/b/a Best Western-Town & Country Inn, Rapid City, South Dakota, whose address is 2505 Mt. Rushmore Rd., Rapid City, SD 57709- hereinafter referred to as Landlord, and

B. Colonial House Restaurant, by Bob and Kevin Beshara, whose address is 2501 Mt. Rushmore Road, Rapid City, SD 57701, hereinafter referred to as Tenant.

WHEREAS, the Landlord owns and operates the Best Western-Town & Country Inn in Rapid City, South Dakota, and

WHEREAS, the Tenant owns and operates the Colonial House Restaurant in Rapid City, South Dakota, and

WHEREAS, these two businesses are adjacent to each other on Mt. Rushmore Road in Rapid City, South Dakota, and

WHEREAS, the parties have reached an agreement whereby the Landlord will lease certain parking spaces for use by the Tenant, from time to time, now therefore,

THE PARTIES AGREE AS FOLLOWS:

1. **Term:** The term of this Lease shall be 10 years effective the 1st of July, 2006, even though it is being signed by the parties subsequent to that date. The Landlord reserves the right to terminate the lease upon ninety days' notice upon the happening of the following two occurrences:

- a. The death of Alan Neiger. In that case, his heirs and personal representatives would have the right to terminate the lease ninety days after his death if they felt it necessary.
- b. The sale by Alan Neiger to a bona fide third party. This would not include a transfer of ownership of the motel to a business entity that Mr. Neiger had a 51% or more controlling interest in.

2. **Employee Parking:** The Tenant shall have the right to park up to a maximum of ten (10) employee owned vehicles on Landlord's property each day for each month of the year, however excluding the time period commencing four (4) days from the official start of the annual Sturgis Rally event until one (1) day after the official end of the Sturgis Rally event.

The employees shall park in the area available adjacent to "B" building on the Landlord's property. During the time when the employees are not allowed to park adjacent to the B building during the Sturgis Rally event, the employees shall be allowed to park in an area to be designated by the Landlord lying west of the B building off Highland Park Road.

11PD028

3. **Customer Parking:** The Landlord agrees to allow a maximum of thirteen (13) of the Tenant's customers to park on the Landlord's property under the following terms and conditions:

- a. These customer owned vehicles may be parked by building "A" and both at the top and the bottom areas adjoining building "C" on the Landlord's property.
- b. These customer owned vehicles may be parked on the Landlord's property at any time between 9:00 o'clock a.m. and 2:00 o'clock p.m. of each day.
- c. No customer vehicle shall be allowed to park on the Landlord's property for four (4) days prior to the official start of the Sturgis Rally event, through one (1) day after the official end of the Sturgis Rally event, or during the actual days of the Black Hills Stock Show event.
- d. In the event that any customer owned vehicle is parked in front of the motel room which is rented, and if the Landlord receives a complaint from the motel tenant, the Landlord shall notify the Tenant of this complaint. The Tenant agrees to have the customer move the customer owned vehicle to another location in order to allow the motel tenant to utilize the parking space in front of his or her room.
- e. The Landlord shall place signs in front of the motel rooms affected by this Agreement which state "Motel Parking Only After 2:00 p.m."

4. **Consideration:** The consideration to be paid by the Tenant to the Landlord shall be the sum of \$400.00 per month commencing effective as of July 1, 2006, payable on the first day of each month.

This lease amount shall increase by an amount equal to twelve percent (12%) effective as of the first day of June, 2009.

The rent shall increase by an amount equal to twelve percent (12%) of the then lease payment amount at the end of each thirty-six (36) month time period thereafter.

5. **Indemnification:** The Tenant does hereby agree to indemnify and hold the Landlord, his agents and employees, harmless from any and all claims, demands and liabilities for property damage, personal injury and death arising out of the Tenant's use of the Landlord's property for parking under the terms of this Agreement.

At all times while this Lease is in effect, the Tenant shall maintain a policy of liability insurance in force insuring Tenant's activities on Landlord's property with the Landlord as an additional insured under the terms of the policy. On the date this Agreement is signed, the Tenant shall provide to the Landlord a copy of an insurance binder showing that his insurance is in force.

11PD028

6. **Binding Effect:** This Agreement shall be binding upon the parties hereto, their heirs, successors and assigns, and subsequent owners of the respective properties.

Dated this 21 day of July, 2006.

LANDLORD:

BEST WESTERN-TOWN & COUNTRY INN

By: 

Alan A. Neiger

TENANT:

COLONIAL HOUSE RESTAURANT

By: 

Bob Beshara

By: 

Kevin Beshara