

LEASE AGREEMENT

This Lease and Agreement made and entered into this 20th day of April, 2021 by and between **the City of Deadwood of 102 Sherman Street, Deadwood, SD**, hereinafter referred to as “Lessor”, and **DHIH, LLC of PO Box 1080, Yankton, SD, 57078**, operating the business located at 685 Main Street, Deadwood, SD, 57732, known as Hickok’s Hotel & Suites, hereinafter referred to as “Lessee”.

1. Lessor hereby leases Lessee the following described premises situated in the City of Deadwood, Lawrence County, South Dakota to-wit:

A LEASEHOLD AREA LOCATED ON DEADWOOD STREET ADJACENT TO TRACTS A & C, FORMERLY LOTS 8, 9, 10 AND A PORTION OF LOTS 6 & 7 OF BLOCK 18, O.T. DEADWOOD, LAWRENCE COUNTY, SOUTH DAKOTA

FURTHER DESCRIBED BY ATTACHED LEASE EXHIBIT

for a term of one (1) year from and after the above date, through April 19, 2022. Following the term hereof, this Agreement shall automatically continue for a like term, and from term to term thereafter until written notice of termination is received by either party no less than sixty (60) days prior to the end of any term hereof.

2. Notwithstanding the term contemplated in Section 1, either party may terminate this Agreement by giving the other party a thirty (30) day written notice of his intent to terminate.

3. Lessee shall pay Lessor, during the term of this lease for the use and occupancy of the demised premises the following amounts:

A. During the term as above set forth, the following payments will be made on or before April 20th of each year.

Year 1 (2021) = Fifteen hundred dollars (\$1500.00)

Year 2 (2022) = Seventeen hundred and fifty dollars (\$1750.00)

Year 3 (2023) = Two thousand dollars (\$2000.00)

Year 4 (2024) = Twenty-two hundred and fifty dollars (\$2250.00)

Year 5 (2025) = Twenty-five hundred dollars (\$2500.00)

B. Should the lease agreement be renewed for years 6-10, payment shall not increase past the Consumer Price Index (CPI) without written agreement by both parties.

4. This Lease Agreement is appurtenant to the operation of Hickok’s Hotel & Suites and is transferrable and assignable to any subsequent owner of Hickok’s Hotel & Suites who holds an alcohol license approved by the City of Deadwood and otherwise complies with the terms of this Lease Agreement.

5. At Lessor's option, Lessee agrees to remove all public seating from the premise during any special event recognized by the city of Deadwood that includes a Main Street closure.
6. Lessee agrees to mark the boundaries of the leased premise by providing a fence/barrier or other such marking approved by the Lessor.
7. Lessee agrees to furnish janitor or cleaning service for said leased premises at Lessee's own expense.
8. Lessee shall have the right, at its own cost and expense, to make changes or alterations to the premise, subject to the following conditions:
 - A. No change or alteration shall at any time be made which shall impair the structural soundness or diminish the value of the property on the leased premises;
 - B. Before commencing any change or alteration, the Lessee shall procure municipal approval and deliver to Lessor the plans or specifications of the proposed change or alteration to the premises.
 - C. No change or alteration shall be undertaken until Lessee shall have procured and paid for all required and applicable municipal and other governmental permits.
 - D. All alterations, additions or improvements shall become the property of the Lessor.
9. Lessee will in all respect comply with the ordinances of the City of Deadwood and the applicable requirements of any other authority.
10. Lessee further agrees that it will use all due care and diligence in guarding said property from damage.
11. Lessee agrees to purchase general liability insurance and premises liability insurance from a reputable insurance company, acceptable to the Lessor in the minimal amounts of \$2,000,000 per person in any one claim and an aggregate limit of \$2,000,000 for any number of persons or claims and for the limits of \$2,000,000 with respect to damage to property suffered or alleged to have been suffered by any person or persons resulting from the operations of the Lessee. Lessee shall provide certificates of such insurance coverage upon the signing of this Lease together with an endorsement upon said policy naming the Lessor as a named insured and further, said insurance coverage shall include a thirty (30) day notice of cancellation provision with a notification to said insurance company that the notice of cancellation shall also be provided to the Lessor as well as the Lessee.
12. Lessee shall take good care of the property and premises, keep and maintain the same at Lessee's sole expense, in good order and in a clean and sanitary condition, and shall observe and strictly conform to such regulations as to sanitation and fire hazards as may from time to time be established by the Lessor or applicable governmental agencies.

13. Lessor reserves the right from time to time in its own expense to make such improvements, alterations, renovations, changes and repairs in and about the leased premises as Lessor shall deem desirable, but not so as to interfere with Lessee's rights herein.

14. Lessee at the termination of this Lease or any renewal thereof, shall quit and surrender the possession and occupancy of said property and premises to Lessor in good condition. Damage by fire, superior force, inevitable necessity and the act of God alone excepted.

15. The failure of Lessor to insist upon strict performance of any of the covenants or conditions of this Lease in any one or more instances, shall not be construed as a waiver or relinquishment for the future of any such covenants or conditions, but the same shall be and remain in full force and effect.

16. No modifications of this Lease shall be of any force or effect whatsoever unless the same are in writing and duly executed by Lessor and Lessee.

17. Lessee may install such signs as may reasonably be necessary to Lessee's business, provided they shall comply with all local ordinances, rules and regulations and are reasonable in size and attractive in appearance.

18. Lessor shall have the right to enter the demised premises at all reasonable times during business hours for the purpose of inspecting same.

19. Should default be made by Lessee in the payment of the rental or in a breach of any of the covenants or conditions contained herein for a period of ten (10) days after the receipt of written notice from Lessor with respect thereto, or should a petition in bankruptcy be filed by Lessee or should Lessee be adjudged, bankrupt or insolvent by any court or should a trustee or receiver be appointed in any suit or proceeding by or against Lessee, then this Lease shall terminate and Lessor may re-enter said premises without any formal notice or demand and hold and enjoy the same thenceforth as if this Lease Agreement had not been made.

20. All notices required to be given or given under this Lease as to Lessee or Lessor shall be in writing and shall be delivered by certified mail addressed to the Lessee or Lessor, or to such other address as Lessee may direct, in writing.

21. All payments hereunder to be made hereafter by the Lessee to the Lessor shall be made to Lessor at its address.

22. Lessee specifically agrees that he has examined the premises, including the grounds and improvements situated thereon, and that they are at the time this Agreement is signed, in good order and repair, safe, clean, and in a tenable condition. Lessee is leasing the premises "AS IS" after making said inspection and examination.

23. Lessor agrees that Lessee, by paying the rent and performing the other terms, covenants and conditions contained herein may peacefully hold and enjoy the leased premises during the lease term.

24. Lessee shall not create or allow any nuisance or illegal act to exist on the leased premises. Lessee shall not make or permit any use of the leased premises which will invalidate any insurance which Lessor may now or hereafter have thereon. Lessee shall not conduct or permit any auction, fire, or bankruptcy sale on the leased premises, nor any special sale or sales other than such as are incident to the normal routine of Lessee's business.

25. In the event Lessee shall hold over the termination of this Lease, either by expiration of the lease term or otherwise, such holding over shall not be construed as a holding over from month to month, or year to year, or term of years or for a periodic term of years or for a periodic term of any kind, but shall be holding over from day to day, wholly at the will of Lessor and the daily rental shall be 100% of the daily rental as determined by dividing the yearly payment by 365 days.

26. This Lease shall be effective on the date as provided for herein and shall be construed in conformity with the laws of the State of South Dakota.

27. This Agreement constitutes the final meeting of the minds between the parties hereto and all prior negotiations had by the parties in reference to all matters herein and this Agreement shall be binding upon the respective parties hereto, their respective heirs, executors, administrators or assigns.

28. Each of the parties hereto by these presents admits the receipt of a full true and complete copy of this Agreement.

29. DHIH, LLC agrees to indemnify and hold harmless CITY and any of its officers, agents, and employees from any and all liabilities, actions, causes of actions, claims or executions of any character, including attorney's fees, or any sums which CITY may have to pay to any person on account of any personal or bodily injury, death or property damage, which results from any negligent act, error or omission of DHIH, LLC in connection with this agreement or services performed or materials provided pursuant to this contract;

In witness whereof, the parties have hereunto set their signatures this ____ day of _____, 2021.

LESSOR: City of Deadwood

By: _____

LESSEE: DHIH, LLC

By: _____