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THIRD AMENDMENT TO GROUND LEASE AGREEMENT

This Third Amendment to Ground Lease Agreement is made as of the ____ day of _____, 2017, between the CITY OF RAPID CITY, a municipal corporation of the State of South Dakota, hereinafter called “Lessor,” and LESTER HOSPITALITY – RAPID CITY, LLC, f/k/a Steven C. Lester, LLC, a South Dakota limited liability company, hereinafter called “Lessee.”

WITNESSETH:

WHEREAS, Lessor and Civic Center Associates, a South Dakota limited partnership, entered into a Ground Lease Agreement dated as of January 23, 1987, as amended January 1, 1988, and as further amended as of November 8, 2007, hereinafter called “Ground Lease,” with respect to the property described in Exhibit A attached hereto; and

WHEREAS, Civic Center Associates assigned its interest to Steven C. Lester on or about August 16, 2004; and

WHEREAS, the City of Rapid City and the Civic Center Board having approved the Assignment; and

WHEREAS, Steven C. Lester as Lessee, having assigned his interest to Steven C. Lester, LLC, a South Dakota limited liability company, and the Civic Center Board and the City of Rapid City having approved this Assignment on September 21, 2007; and

WHEREAS, Steven C. Lester, LLC, changed its named to Lester Hospitality – Rapid City, LLC, and a certificate of amendment to reflect such name change having been issued by the South Dakota Secretary of State on September 23, 2011; and

WHEREAS, Lessor and Lessee desire to amend certain provisions of the Ground Lease;
and

WHEREAS, the Civic Center Board has approved the amendments;

NOW, THEREFORE, in consideration of the premises, the parties agree to the following amendments:

1. Section 4.1 shall be deleted in its entirety and the following shall be added in lieu thereof to read as follows:

Section 4.1 Initial Ground Term Lease; Exercise of Ten (10) Year Extension.

This Ground Lease shall be in effect for an initial term commencing on the Effective Date and ending on December 31, 2019. Lessee has exercised its option to extend the Ground Lease for an additional ten (10) year period to December 31, 2029.

2. Section 4.2 shall be deleted in its entirety and the following shall be added in lieu thereof to read as follows:

Section 4.2 Option to Extend Term. After the expiration of the current extended term of the Ground Lease which is set to expire on December 31, 2029, Lessee shall have the right and option to extend the Ground Lease for eight (8) renewal terms of ten (10) years each, plus a final five (5) year term. Each such option shall be exercised by Lessee giving written notice thereof to Lessor not less than one (1) year prior to expiration of the then current extended term, time being of the essence thereof.

3. A new Section 5.4 shall be added to read as follows:

Section 5.4 Financial Information. For purposes of calculating adjusted gross room revenues in Exhibit B, Lessee agrees that, on or before April 30th of each calendar year, Lessee's certified public accountant will provide to Lessor a written statement setting forth the amount of adjusted gross room revenue received by Lessee during the prior calendar year. Upon reasonable request by the Lessor, all financial information relating to adjusted gross room revenue of Lessee shall be open for inspection by designee(s) of Lessor to determine accuracy and compliance with this Agreement. Any financial information provided to Lessor will be proprietary to Lessee. Payment by Lessee of the rent based on adjusted gross room revenues shall be made on the date the written statement is provided to Lessor by Lessee's certified public accountant.

Except as otherwise revised herein or previously amended, all other terms of the Ground Lease shall remain in full force and effect.

[Separate signature pages follow.]

EXHIBIT A

HOTEL LOT OF ER, FORMERLY LOT E OF PORTIONS OF BLOCKS 3,4,5,6,13,24,25,26 AND ADJACENT VACATED ALLEYS AND STREETS, ALL IN THE ORIGINAL TOWNSITE OF RAPID CITY, PENNINGTON COUNTY, SOUTH DAKOTA.