



Board of Adjustment Agenda Item

Subject: Board Consideration of a Conditional Use Request for a Bar or Tavern expansion in the C-3 Highway Commercial District for the property located at 7 8th Street SW

Meeting: Board of Adjustment - Apr 10 2025

From: Kristen Bobzien, Interim City Manager/Chief Financial Officer

BACKGROUND INFORMATION:

Owner/Applicant: Rodney and Sherley Parent

Property Address: 7 8th Street SW, Watertown, SD 57201

Legal Description: S94.67' Lots 1-2 & S94.67' E1/2 Lot 3 Block 49 West Watertown Addition to the Municipality of Watertown, Codington County, South Dakota

Conditional Use Request:

The applicants are seeking Conditional Use approval pursuant to §21.2803 for 3. Bar or Tavern use to be located in the C-3 Highway Commercial District; contingent upon compliance with Specific Rules Governing Individual Conditional Uses §21.0202 under 2.b.7(a-h).

The property was approved for a conditional use for a Bar or Tavern at the June 22, 2017, Board of Adjustment meeting. The bar/tavern use was granted as an accessory to the existing laundromat and was limited to a 400 SF area. In 2019, the previous owners were denied a conditional use request to expand the Bar or Tavern to a larger footprint within the building with limited parking being a major point of discussion.

The applicants, Rodney & Sherley Parent, plan to remove the laundromat and utilize the space entirely as a lounge and casino. The expanded bar/tavern use will encompass the entire area owned by the Parents which is ~4,200 SF. A bar/tavern requires 1 parking space per 150 SF of gross floor area which would require 28 parking spaces. Currently, there are currently has 14 legal non-conforming parking spaces on site. The applicants will enter into a shared parking agreement with the owners, ADWA Properties LLC, of the property located at 722 W Kemp located directly to the east across 8th Street SW to utilize a portion of their lot as off-street parking allowed per ordinance §21.6301.4 that states "Within a Commercial or Industrial District, off-street parking facilities may be located within 300 feet provided there is a direct pedestrian route to the subject property. A shared parking agreement shall be required when parking is located off-site."

Adjacent Property Zoning Designation:

- North → C-3 Highway Commercial District
- East → C-3 Highway Commercial District
- South → R-2A Single Family Attached Residential District
- West → C-3 Highway Commercial District

Before any conditional use shall be issued, the Board shall make written findings certifying compliance with the specific rules governing individual conditional uses and the satisfactory provision and arrangement has been made concerning the following, where applicable:

- (a) Ingress and egress to property and proposed structures thereon with particular reference to automotive and pedestrian safety and convenience, traffic flow and control, and access in case of fire or catastrophe.
- (b) Off-street parking and loading areas where required, with particular attention to the items in (1) above and the economic, noise, glare or odor effects of the conditional use on adjoining properties and properties generally in the district.
- (c) Refuse and service areas, with particular reference to the items in (a) and (b) above,
- (d) Utilities, with reference to locations, availability and compatibility.
- (e) Screening and buffering with reference to type, dimensions and character.
- (f) Signs, if any, and proposed exterior lighting with reference to glare, traffic safety, economic affect, and compatibility and harmony with properties in the district.
- (g) Required yards and other open space.
- (h) General compatibility with adjacent properties and other property in the district.

FINANCIAL CONSIDERATIONS:

N/A

OVERSIGHT / PROJECT RESPONSIBILITY:

Brandi Hanten, Community Development Manager
Carla Heuer, Planner

STAFF RECOMMENDATION / SUGGESTED MOTION:

Staff does not recommend approval of the Conditional Use Request without a shared parking agreement being in place:

I move to approve the Conditional Use Request for a Bar or Tavern expansion in the C-3 Highway Commercial District for the property located at 7 8th Street SW *with the condition that a shared parking agreement for 14 spaces off site per §21.6301.4 is effective*

ATTACHMENT(S):

[Application](#)

[Vicinity Map](#)

[Proposed Floor Plan](#)

[6/22/2017 Minutes](#)

[3/19/2020 Minutes](#)

[Shared Parking Agreement](#)



CU-25-6

Conditional Use

Application

Status: Active

Submitted On: 3/25/2025

Primary Location

Owner

No owner information

Applicant

Sherley Parent

605-941-6054

sherleyparent2016@yahoo.com

1105 E 4th Ave
Milbank, SD 57252

Applicant Information

Applicant is...

Owner

Main Contact Information

Responsible party for all correspondence throughout the project.

Main Contact Name

Sherley Parent

Main Contact Phone Number

605-941-6054

Main Contact Email

Sherleyparent2016@yahoo.com

Main Contact Address

1105 E 4th Avenue, Milbank, SD

Property Information

Address of Conditional Use Request*

7 8th Street SW

Owner Name*

Sherley Parent

Legal Description *

S94.67' LOTS 1-2 & S94.67' E1/2 LOT 3 BLK 49 WEST WATERTOWN

Property Zoning District

C-3 Highway Commercial District

Requested Conditional Use ?

Bar and tavern

Please reference Title 21 for applicable conditional uses in specific districts.

Describe how the use will be established on the property* ?

Remove laundry and expand casino

How many parking spaces are provided on site for the proposed use?*

14 with overflow across the street

What is the square footage of the structure the use will encompass?

4200 sq ft

Justification for Request

Before any conditional use shall be issued, the Board shall make written findings certifying compliance with the specific rules governing individual conditional uses and the satisfactory provision and arrangement has been made concerning the following, where applicable:

Please answer the below items (a-h) on how they are addressed on the property or how the requested conditional use will be accommodated for if approved. If an item(s) will not be affected, insert "NA" in that field(s).

A. Ingress and egress to property and proposed structures thereon with particular reference to automotive and pedestrian safety and convenience, traffic flow and control, and access in case of fire or catastrophe.* ?

Already established

B. Off-street parking and loading areas where required, with particular attention to the items in (1) above and the economic, noise, glare or odor effects of the conditional use on adjoining properties and properties generally in the district.* ?

Overflow agreement with business across street

C. Refuse and service areas, with particular reference to the items in (a) and (b) above* ?

Already established

D. Utilities, with reference to locations, availability and compatibility* ?

Already established

E. Screening and buffering with reference to type, dimensions and character* ?

Na

F. Signs, if any, and proposed exterior lighting with reference to glare, traffic safety, economic affect, and compatibility and harmony with properties in the district.* ?

Already established

G. Required yards and other open space.* 

Na

H. General compatibility with adjacent properties and other property in the district* 

Also commercial property wishing to expand existing business

You can also upload any site plans, images, sketches, etc. in the attachment section later in the application if that helps to better explain your request.

Sign Posting

Provided by the City, a sign must be posted by the applicant on the property requesting a conditional use at least five (5) days before the time of hearing, per City Ordinance Ch. 21.0202 2.B.3.

City staff will send notification when the sign is ready to be picked up via OpenGov. Please check the application or the email address provided for notification.

I acknowledge that I will be required to post the sign stating the requested conditional use for the above referenced property.

 Sherley parent
Mar 25, 2025

Acknowledgement

I, the undersigned, do hereby affirm the above statements are true and correct and agree to comply with the provisions of the ordinances of the City of Watertown and the approved plans and specifications accompanying this application.

I am the...*

Owner

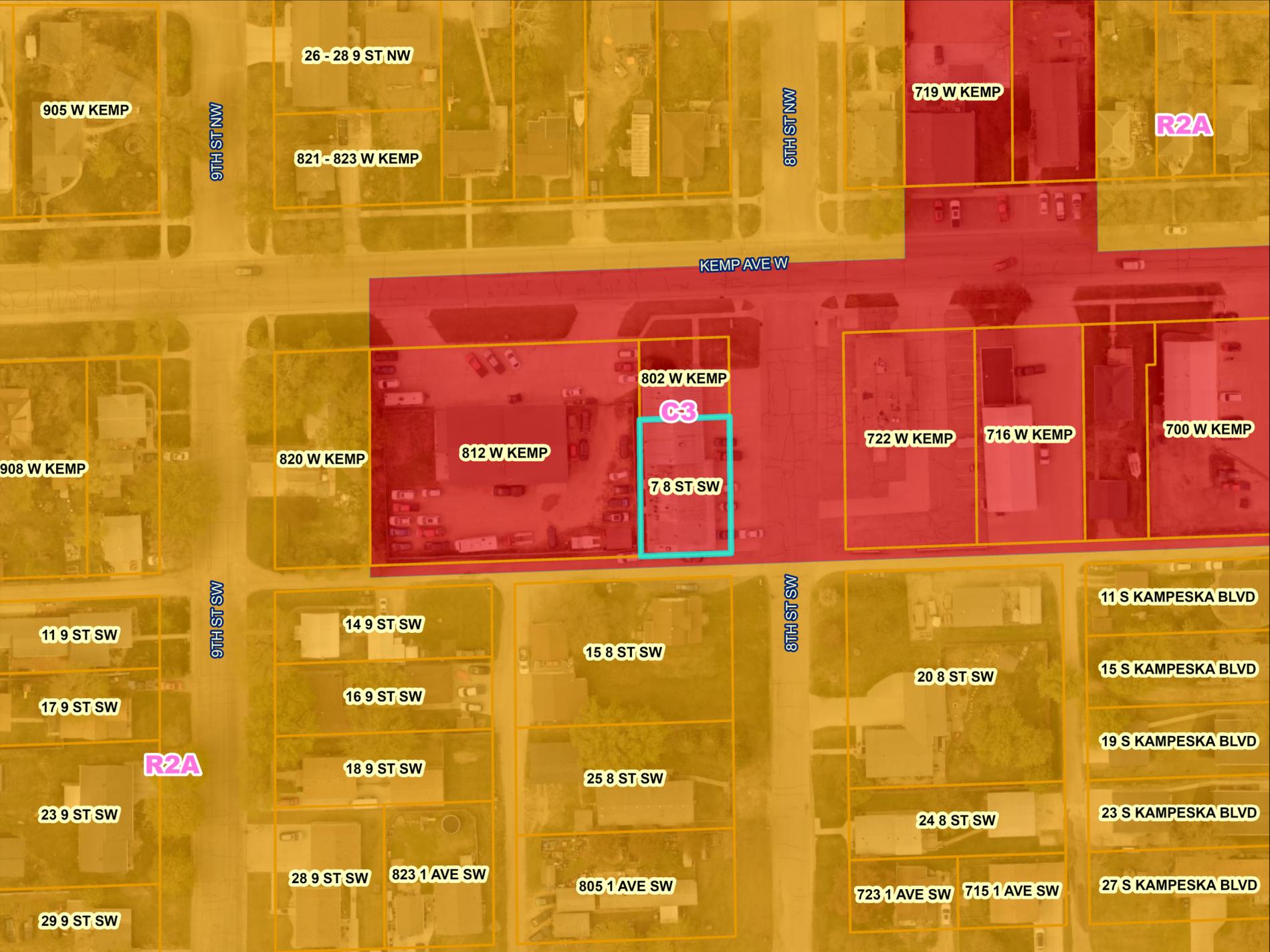
No signature

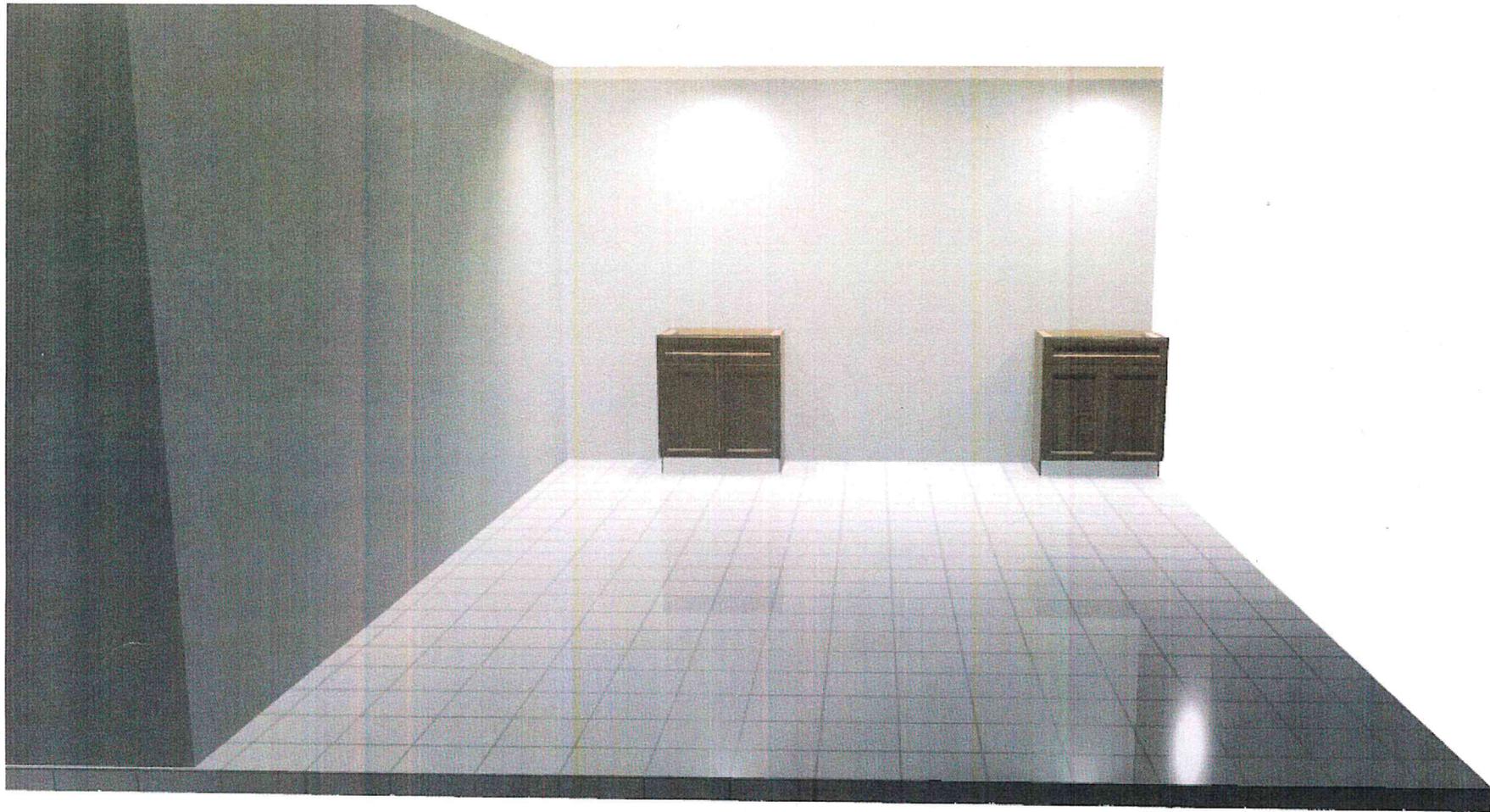
Date*

03/26/2025

Vicinity Map

0 25 50 100 Feet

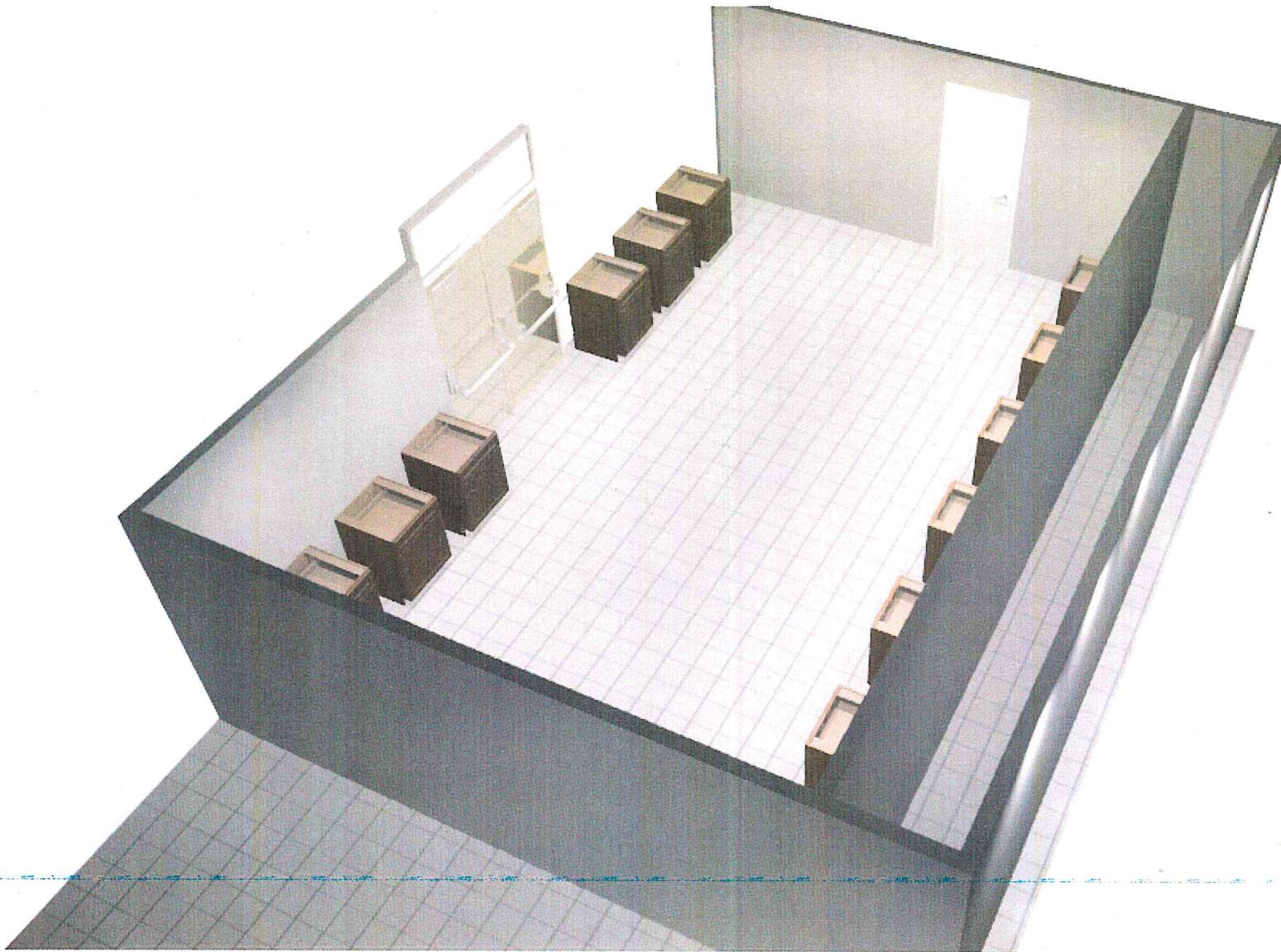




Note: This drawing is an artistic interpretation of the general appearance of the design. It is not meant to be an exact rendition.

2020

Designed: 3/31/2025
Printed: 4/1/2025



Note: This drawing is an artistic interpretation of the general appearance of the design. It is not meant to be an exact rendition.

2020

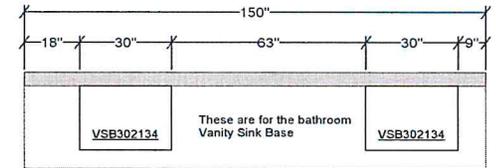
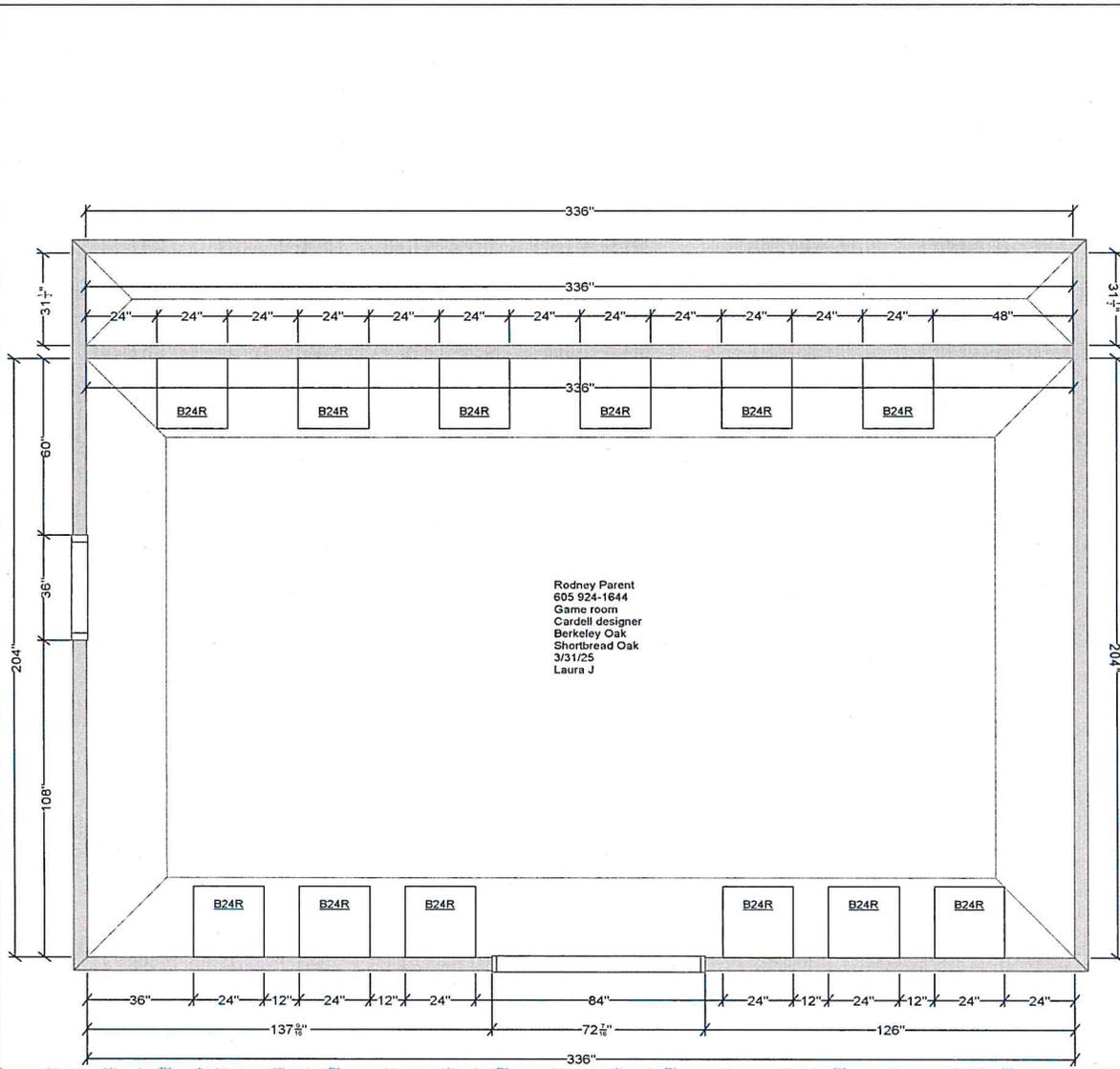
Designed: 3/31/2025
Printed: 4/1/2025



Note: This drawing is an artistic interpretation of the general appearance of the design. It is not meant to be an exact rendition.

2020

Designed: 3/31/2025
Printed: 3/31/2025



<p>All dimensions _size designations given are subject to verification on job site and adjustment to fit job conditions.</p>		<p>This is an original design and must not be released or copied unless applicable fee has been paid or job order placed.</p>	<p>Designed: 3/31/2025 Printed: 4/1/2025</p>
<p>Parent,Rodney.CardellConcept.gameroom.LJ.kit</p>		<p>All</p>	<p>Drawing #: 1 No Scale.</p>

OFFICIAL PROCEEDINGS
BOARD OF ADJUSTMENT
CITY OF WATERTOWN, SD

June 22, 2017

Present: Shriver, MaGuire, Stein, Stonebarger, Albertsen, Dahle, Hanson, & Arnold

Also Present: Jill Steiner, Shane Waterman, Brandi Hanten, Justin Goetz, Mark Meier, Ray Tesch, & others

The Board of Adjustment convened at approximately 4:15 PM, in the Council Chambers, City Hall, 23 2nd Street NE; Pat Shriver, Chairman, presiding.

Stonebarger motioned to approve the June 8, 2017 minutes, Dahle seconded, motion carried unanimously.

Public Hearing: Conditional Use Application No. 17463

Applicants seeks approval to construct multi-family housing in the R2a Single Family Attached Residential District pursuant to §21.1804 & §21.1603(2), and contingent upon compliance with SRGIGCUs including but not limited to §21.0202(2)b(6a-h):

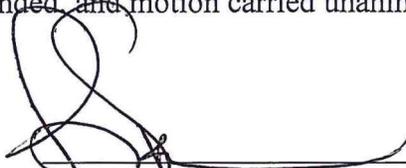
Larry Haight & Marlin West dba Midland Builders seek approval for the construction of a multi-family structure with four (4) attached dwelling units @ 514, 516, 518 & 520 5th Ave SE. The Staff Report was orated. The application as proposed complies completely with Ordinance regulations. Mr. & Mrs. Shane Brockhoft, adjacent landowners to the south, voiced concerns regarding the proposed alley-side parking spaces, speculating that the tenants will park on the street instead of this designated area. MaGuire motioned to approve conditional to creating two (2) additional parking spaces on the north side, and adding a screen fence on the south side; Dahle seconded, and motion carried unanimously.

Public Hearing: Appeal & Conditional Use Request No. 17464

Applicant appeals the requirements of Chapter 21.63 & §21.0302(5) regarding Off-street Parking, to allow for the increased use of a commercial building located in the C-3 Highway Commercial District; concurrently seeking approval to add Bar or Tavern use to the property pursuant to §21.2803(3), and contingent upon compliance with §2.0102 Location and SRGIGCUs including but not limited to §21.0202(2)b(6a-h):

Fore Holdings, LLC dba Westside Laundry seeks approval for the sale, serving, & consumption of alcoholic beverages, and the operation of video lottery machines @ 7 8th St SW. The Staff Report was orated. This substandard C-3 zoned property is lacking in required Blvd and infrastructure improvements, due to utilizing Public Right of Way (boulevard) as an overwidth driveway to help satisfy insufficient Off-street Parking needs. The commercial building currently consists of offices in the north end (~1/4) of the building (802 W Kemp), and laundromat which occupies the rest (~3/4) of the structure. Jason Goette explained that they propose to create a 400 sq ft (20'x20') Patron Lounge within the laundromat area, offering video lottery and malt beverages to their customers during their wait. The site plan shows that fourteen (14) insufficient parking spaces exist where a minimum twenty (20) legal and compliant Off-street Parking Spaces are required for the existing uses plus the new proposed Bar/Tavern Lounge use. Adjacent landowner Leo Jungen spoke against this proposal. Finding that the application shows satisfactory provision and arrangement for such Conditional Use, Stonebarger motioned to approve limited to the 20'x20' Lounge area and other specifics stated in the application. MaGuire seconded, 6 in favor, Arnold opposed, motion carried.

Stein motioned to adjourn, MaGuire seconded, and motion carried unanimously.



Pat Shriver, Chairman

**OFFICIAL PROCEEDINGS
BOARD OF ADJUSTMENT
CITY OF WATERTOWN, SD**

March 19, 2020

Present: Dahle, Hanson, Kays, Stein, Dargatz-Johnson, Culhane & Oletzke
Absent: Ford, Brink
Also Present: Jill Steiner, Matt Roby, Brandi Hanten, Pete Boyle, & others

The Board of Adjustment convened at approximately 4:15 PM, in the Council Chambers, City Hall, 23 2nd Street NE; Blake Dahle, Chairman, presiding.

Approval of minutes was deferred.

Conditional Use Request No. 20056

Applicant seeks approval to develop a four story building in the C-1 Community Commercial & DT Downtown Overlay Districts, pursuant to §21.2402 & §21.2403(4&24); contingent upon compliance with §21.2401 & Chapter 21.56, §2.0102 Location, and §21.0202(2b7a-h) SRGICUs:

Jesse Craig (present) for Parkside Place, LLC seeks approval to develop a four story building to be utilized as apartments (36 units) over main floor parking and commercial uses (including alcoholic beverage sales) @ 14 2nd St NE. The Staff Report was orated. Craig & Jeff Gamber explained that the west commercial area will be off sale alcoholic beverage sales, and the east will be smoked meats/deli/concessions. Craig will be able to comply with all Ordinance requirements. Finding that the application shows satisfactory provision and arrangement, Culhane motioned to approve, Oletzke seconded, motion carried unanimously.

Conditional Use Request No. 20057

Applicant seeks approval to develop a five story building in the C-1 Community Commercial & DT Downtown Overlay Districts, pursuant to §21.2402 & §21.2403(14 & 24); contingent upon compliance with §21.2401 & Chapter 21.56 Purpose and Intent and §21.0202(2b7a-h) SRGICUs:

Jesse Craig (present) for Generations On 1st, LLC seeks approval to develop a five story building to be utilized as apartments (72 units leased to seniors) over main floor parking and commercial uses (including Senior Center / Meals on Wheels) @ 26 1st Ave SW. The Staff Report was orated. BOA member and adjacent landowner, Dargatz-Johnson, recused herself. Adjacent land owner Adam Konrady voiced concerns over parking and utilities. Craig will be able to comply with all Ordinance requirements. Finding that the application shows satisfactory provision and arrangement, Culhane motioned to approve, Oletzke seconded, motion carried unanimously.

Appeal No. 20058

Applicant appeals the terms of the Zoning Ordinance, seeking variance relief from sections 21.0302 & 21.1003, and chapter 21.60, to allow for the construction of a nonconforming commercial building in the C-3 Highway Commercial District:

Michael Lantsberger (present) for Eight Ten Properties, LLC submitted application to construct a nonconforming 1,800 sq ft (50'x36') commercial building on a substandard parcel @ 208 8th Ave SE. Said structure is proposed to be constructed: 14' from the front (north) property line, where a minimum 40' is required; on a 13,000 sq ft parcel, where a minimum 20,000 sq ft is required; and deficient in minimum off-street parking standards/requirements. The Staff Report was orated. Removal of the existing NE corner structure, green blvd, and sufficient off-street parking area, were discussed. Kays motioned to grant variances as requested from area & front setback requirements, compliance with sidewalk within greenspace along 8th Ave S (no new parking on blvd), and parking worked out to compliance w/staff; Culhane seconded, motion carried unanimously.

Conditional Use Request No. 20059

Applicant seeks approval to relocate & expand the area used for Bar/Tavern, and the operation of video lottery machines, in the C-3 Highway Commercial District, per §21.2803(3); contingent upon compliance with §21.2801 Purpose of the District, §2.0102 Location, and §21.0202(2)b(7a-h) SRGICUs:

and

Appeal No. 20060

Applicant appeals the terms of the Zoning Ordinance, seeking variance relief from section 21.0302(5), and chapters 21.03, 21.63 & 21.73 to allow for the relocation and expansion of Conditional Uses on a substandard & noncompliant parcel located in the C-3 Highway Commercial District:

Dan Jenson & Dale Even and Jason Goette (present) dba Fore Holdings, LLC for River Card Casino & Westside Laundry, seek to relocate and expand the 400 sq ft area used for the sale, serving, & consumption of alcoholic beverages and the operation of video lottery machines known as River Card Casino lounge (7 8th St SW), which is currently located in the SW corner of Westside Laundry laundromat (800-802 W Kemp), to a 1,056 sq ft area in the NE corner of the same building. The Staff Report was orated. In 2017, this site was approved for a small patron lounge (pitched as an accessory use to the primary use (laundromat)), with approval “limited to the 20’x20’ Lounge area”. Although expansion of the building is not requested, only interior renovations, the proposed expanded use would impact the substandard 9,375 sq ft C-3 zoned parcel’s already insufficient parking situation. Mr. Goette spoke in support of his application. Ruth Swenson, representing the adjacent residential land owners, spoke in opposition to the request. There was discussion regarding further negative impact on what is already nonconforming (§21.0302(1,2,3&5)). Kays proposed to consider the appeal first, making the motion to grant variances from: area, width, off-street parking, Blvd/landscape & Infrastructure requirements; Culhane seconded. After further discussion Kays amended his motion to include the requirement to install 1 tree on the north blvd or lawn; Hanson seconded, Stein & Dargotz Johnson opposed, and motion carried. Kays motioned to approve the expansion of the Conditional Use: bar/tavern w/video lottery machines; Culhane seconded, all opposed, motion failed.

Appeal No. 20061

Applicant appeals the terms of the Zoning Ordinance, seeking variance relief from sections 21.0302, §21.1001 &/or §21.1002, and chapter 21.60, to allow for the construction of a nonconforming garage in the R-1 Single Family Dwelling District:

Casey (present) & Becky Schultz submitted application to construct a nonconforming 672 sq ft (24’x28’) garage where a smaller nonconforming 384 sq ft accessory structure currently exists, on a 15,523 sq ft parcel located @ 388 N Lake Dr. Said garage is proposed to be constructed 4’ from the primary structure (SFD), where a minimum 10’ is required, resulting in the creation of 2 attached garages where only 1 attached garage is allowed, and 14’ from the rear (north) property line, where a minimum 25’ is required for attached garages. The Staff Report was orated. The 384 sq ft building is to be torn down. Bill Rieffenberger of Hometown Bldg Center spoke in support of the application. Casey wants a second driveway/access to the new building. There was discussion on driveways, green blvd, location of utilities, and neighbors view. Oletzke motioned to grant variances as requested with WRTP future curb/gutter; Culhane seconded, Hanson opposed, motion carried.

Conditional Use Request No. 20062

Applicants seek approval to develop Apartments over Office (Building) in the C-3 Highway Commercial District, pursuant to §21.2803(9) & §21.2802(6), and contingent upon compliance with Chapter 21.2801 Purpose and §21.0202(2b7a-h) SRGICUs:

and

Appeal No. 20063

Applicant appeals the terms of the Zoning Ordinance, seeking variance relief from sections 21.0302 & 21.1003, and chapters 21.60, 21.63 & 21.73 to allow for the construction of a nonconforming mixed use building in the C-3 Highway Commercial District:

Jim & Shelly Pieper (present) seek approval to combine and redevelop two (2) existing parcels (currently commercially zoned with residential (SFD) uses), to construct a building to be utilized as three (3) one-bedroom apartments over main floor commercial (office) uses, @ 600 5th St SE. They submitted application showing development of a substandard parcel:

- 11,250 sq ft in area and 75' in width, where a minimum 20,000 sq ft of area and 100' of width is the C-3 district minimum for development,
 - deficient in minimum off-street parking standards/requirements; and
 - deficient in Public ROW Boulevard/Infrastructure & Landscaping Requirements;
- with the construction of a nonconforming 5,440 sq ft (68'x40') two-story building proposed to be constructed:

- 10' from the front (north) property line, where a minimum 40' is required;
- 25' from the front (west) property line, where a minimum 40' is required; and
- 10' from the side (east) property line, where a minimum 20' is required.

The Staff Report was orated. Kays divulged prior conversations with this owner/applicant. Thirteen (13) off-street parking spaces are required for the uses; insufficient off-street parking (only seven (7) spaces) is available for such layout, so they propose to continue to utilize the 75' of adjacent public ROW (boulevard) for their parking to compensate; as a consequence the City would continue to forfeit the required public sidewalk within grassed blvd adjacent to 6th Ave S. Adjacent land owners Silliman and Raasch had alley, traffic, and water concerns about this request; Eric Scott spoke in support of it. Finding that the application shows satisfactory provision and arrangement, Oletzke motioned to approve the uses conditional to parking lot screening as required by ordinance, and WRTP their share of future alley improvements; Culhane seconded, and motion carried unanimously. Kays motioned to grant variances from area, width, setbacks, blvd/landscape, & parking requirements as requested, with WRTP future curb/gutter on 6th Ave S; Culhane seconded, and motion carried unanimously.

Having no public comment nor old business, Culhan motioned to adjourn, Hanson seconded, and motion passed unanimously.

**ADWA PROPERTIES LLC
PARKING LOT LEASE AGREEMENT**

THIS PARKING LOT LEASE AGREEMENT ("Lease") is entered into as of the last date of signature below, by and between ADWA PROPERTIES LLC; a South Dakota limited liability company ("Lessor") and RODNEY PARENT and SHERLEY PARENT and dba RIVER CARD CASINO, ("Lessee").

1. **Premises.** Lessor does hereby rent and lease to Lessee and for parking purposes of patrons of River Card Casino the following described parking lot space at the west side of the structure located at 722 West Kemp Avenue that is not currently striped for parking and adjacent to 8th Street SW and the parking lot space on the south side of the structure adjacent to the alley, in the City of Watertown, Codington County, South Dakota that allows for approximately 14 parking spaces. LESSEE only has use of the premises from 5:00 p.m. to 8:00 a.m., Monday through Friday and on the weekends from 5:00 p.m. Friday through 8:00 a.m. Monday.

2. **Lease Term.** Lessee shall have access of the west side parking lot for a term commencing May 1, 2025 (the Commencement Date) and shall terminate at midnight on the last day April 30, 2026. (the Expiration Date).

3. **Renewal.** This Lease shall automatically renew for additional one-year term(s) at the end of every Lease Term unless Lessee gives Lessor sixty (60) days' notice prior to the end of each term; i.e. by March 1 of each year. During the Renewal Terms, this Lease shall continue upon the same terms, covenants and conditions as in the Initial Lease Term except that the rent due Lessor during the Renewal Term(s) will be increased by 10%. The rent will be increased at a rate of 10% of the previous year's monthly rent; e.g. the term beginning May 1, 2026 will be increased to \$110 per month.

4. **Rent.** The Rent for Premises for the one-year term shall be according to the following schedule. Beginning May 1, 2025, Lessee shall pay to Lessor on the 1st day of each calendar month the sum of One Hundred Dollars (\$100) as monthly rent for the Premises and on the 1st day of each month thereafter during the lease term.

5. **Use of Premises.** Lessee shall have the right to use the parking lot for overflow parking for its business, River Card Casino, situated across 8th Street SW. The Premises shall not be used for any illegal purpose, nor in violation of any valid regulation of any governmental body, nor in any manner to create any nuisance or trespass.

6. **Damage.** Lessee is responsible for any damage to the parking lot caused by its use and use by its patrons. Such damage may be to the building structure that is located at 722 West Kemp Avenue, adjacent to the parking lot being leased.

7. **Waiver of Subrogation.** Lessee agrees to waive all rights of subrogation against Lessor and its insurers for damages to the premises to the extent that such damages are covered by the Lessor's and Lessee's insurance or would have been covered but for the application of a deductible. No merger clause of any other agreement shall serve to extinguish this clause. Any policies of insurance procured by Lessee, covering direct or indirect property loss, shall include a waiver of subrogation clause from its respective insurers which establishes a waiver of the insurer's subrogation against Lessor, for any property loss (real/personal property or improvements/betterments).

8. Snow Removal and Garbage/Maintenance. Lessor will provide snow removal and Lessee is responsible for part of the cost of snow removal which shall be billed by Lessor to Lessee on a monthly basis. Lessee is responsible for cleaning up any garbage or debris left by persons parking on the premises during the time frames provided in this lease. If Lessee does not clean up the garbage and debris, Lessor may clean up the area and charge a reasonable fee to Lessee for clean up.

9. Lessee's Default. Each of the following events shall be deemed to be an event of default of Lessee hereunder (each of which is sometimes referred to herein as an "Event of Default"):

(a) Failure of Lessee to pay any installment of rent hereunder when due when such failure shall continue for ten (10) days after written notice to Lessee;

(b) Failure of Lessee to observe or perform any other covenant, term or condition set forth in this Lease when such failure continues for a period of thirty (30) days from the date of written notice thereof from Lessor to Lessee.

(c) Lessee shall commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as debtor or to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or Lessee shall take any corporate action to authorize, or in contemplation of, any of the actions set forth above;

(d) Any other failure or default of Lessee which pursuant to any other provision of this Lease is an Event of Default. In no event shall Lessor be entitled to accelerate rent due from Lessee or to take possession of the Premises or personal property owned by Lessee on the Premises. It shall be the duty of the Lessor in any event of default to use its best efforts to mitigate Lessee's damages.

10. Assignment and Sub-letting. Lessee shall not sublease the Premises or any portion thereof or assign the Lease without Lessor's written consent. In any event, Lessee shall not be relieved of any of the terms of this lease.

15. Holding Over. If Lessee remains in possession of the Premises after the expiration of the Initial Term (or any Renewal Term hereof) without the execution of a new lease and in the absence of good faith negotiations for a renewal of the Lease, such holding over will be deemed to have created and be construed as a tenancy from month-to-month terminable on thirty (30) days written notice by either party to the other, subject to all the other conditions, provisions, and obligations of the Lease insofar as the same are applicable to a month-to-month tenancy.

17. Attorney's Fees. In connection with any litigation arising out of this Lease, the prevailing party, Lessee or Lessor, shall be entitled to recover all costs incurred, including reasonable attorney's fees.

18. Waiver of Trial by Jury. BOTH LESSOR AND LESSEE WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTERS WHATSOEVER CONCERNING THIS LEASE.

- (c) **Merger Clause.** This Lease contains the entire agreement between Lessor and Lessee regarding the Premises which are the subject of this Lease and may only be altered by a written agreement executed by both Lessor and Lessee.
- (d) **Severability.** If any term or provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby.
- (e) **Counterparts.** This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterpart together shall constitute but one and the same instrument.
- (f) **No Partnership Created.** Lessor and Lessee are not and shall not be considered a joint venture, not partners, and neither shall have power to bind or obligate the other except as set forth herein.
- (g) **Headings.** The titles to the sections of this Lease are inserted only as a matter of convenience and for reference and in no way confine, limit or describe the scope or intent of any section of this Lease, nor in any way affect this Lease.
- (h) **Modification.** No modifications, alterations, or amendments of this Lease or any agreements in connection therewith shall be binding or valid unless in writing and duly executed by both Lessor and Lessee.
- (i) **Authority.** Each party hereby represents to the other that the person(s) who have executed this Lease are duly authorized to do so.
- (j) **Signage.** Lessee is responsible for cost of signage at the Premises and is subject to approval by Lessor and in accordance with all applicable city ordinances related to signage. Lessor is not required to allow signage.

LESSEE UNDERSTANDS AND ACKNOWLEDGES THAT THIS IS A LEGAL DOCUMENT AND BINDING CONTRACT UPON EXECUTION AND MAY WANT THE TERMS REVIEWED BY AN ATTORNEY AT HIS/HER OWN COST.

THE PARTIES AGREE TO THE TERMS OF THIS PARKING LOT LEASE AGREEMENT AS EVIDENCED BY THEIR RESPECTIVE SIGNATURES BELOW.

LESSOR/ADWA PROPERTIES LLC

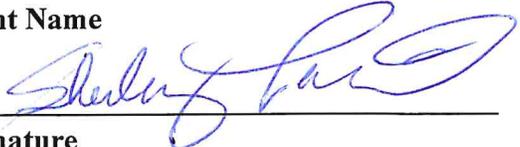
**LESSEE RODNEY PARENT AND
SHERLEY PARENT, ALSO
DBA RIVER CARD CASINO**


Signature

Signature

JENNIFER HARMS
Print Name

RODNEY PARENT
Print Name


Signature
SHERLEY PARENT

19. Indemnification. LESSEE SHALL INDEMNIFY, PROTECT, HOLD HARMLESS AND DEFEND LESSOR, ITS AGENTS, EMPLOYEES, CONTRACTORS, PARTNERS, DIRECTORS, OFFICERS AND ANY AFFILIATES OF THE ABOVE-MENTIONED PARTIES (COLLECTIVELY THE "LESSOR AFFILIATES") FROM AND AGAINST ANY AND ALL OBLIGATIONS, SUITS, LOSSES, JUDGMENTS, ACTIONS, DAMAGES, CLAIMS OR LIABILITY (INCLUDING, WITHOUT LIMITATION, ALL COSTS, ATTORNEYS' FEES, AND EXPENSES INCURRED IN CONNECTION THEREWITH) IN CONNECTION WITH ANY LOSS, INJURY OR DAMAGE (I) TO ANY PERSON OR PROPERTY WHATSOEVER OCCURRING IN, ON OR ABOUT THE PREMISES OR ANY PART THEREOF AND/OR OF THE BUILDING AND COMMON AREAS OF WHICH THE PREMISES ARE A PART, WHEN SUCH INJURY OR DAMAGE SHALL BE CAUSED BY THE ACT, NEGLIGENCE, FAULT OF, OR OMISSION OF ANY DUTY WITH RESPECT TO THE SAME BY LESSEE, OR ANY LESSEE AFFILIATES, OR INVITEES, OR (II) ARISING FROM A BREACH, VIOLATION OR NONPERFORMANCE OF ANY TERM, PROVISION, COVENANT OR AGREEMENT OF LESSEE HEREUNDER, OR A BREACH OR VIOLATION BY LESSEE OF ANY COURT ORDER OR ANY LAW, REGULATION, OR ORDINANCE OF ANY FEDERAL, STATE OR LOCAL AUTHORITY (COLLECTIVELY, THE "LOSSES"), EXCEPT TO THE EXTENT THE LOSSES ARE CAUSED WHOLLY OR IN PART BY THE NEGLIGENCE OR INTENTIONAL MISCONDUCT OF LESSOR AND/OR LESSOR AFFILIATES IN WHICH EVENT THIS INDEMNITY SHALL NOT APPLY TO THE ALLOCABLE SHARE OF SUCH LOSSES RESULTING FROM THE NEGLIGENCE OR INTENTIONAL MISCONDUCT OF LESSOR AND/OR LESSOR AFFILIATES. IF ANY CLAIM IS MADE AGAINST LESSOR OR LESSOR AFFILIATES, OR AGAINST LESSEE OR LESSEE AFFILIATES (AS APPLICABLE), THE INDEMNIFYING PARTY, AT ITS SOLE COST AND EXPENSE, SHALL DEFEND ANY SUCH CLAIM, SUIT OR PROCEEDING BY OR THROUGH ATTORNEYS SATISFACTORY TO THE INDEMNIFYING PARTY. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE WITH RESPECT TO ANY CLAIMS OR LIABILITY OCCURRING PRIOR TO SUCH EXPIRATION OR TERMINATION.

20. Notices. Any notice, report, statement, approval, consent, designation, demand or request to be given under this Lease shall be effective when made in writing, deposited for mailing with the United States Postal Service or with a recognized overnight delivery service and addressed to Lessor or Lessee at the following addresses:

LESSOR:

Jennifer Harms
ADWA LLC
716 West Kemp Avenue
Watertown, SD 57201
605-878-2200

LESSEE:

Rodney Parent or Sherley Parent
dba River Card Casino
802 West Kemp Avenue
Watertown, SD 57201
605-924-1644

22. Miscellaneous.

- (a) **Successors and Assigns.** This Lease shall be binding upon and shall inure to the benefit of Lessor, Lessee and their respective successors and assigns.
- (b) **Governing Law.** This Lease shall be construed under the laws of the State of South Dakota.