LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this 28th day of April, 2020, by and between CITY OF MOAB, Utah, a principal Corporation, herein referred to as LESSOR, and MOAB COUNTRY CLUB, a non-profit Utah Corporation, herein referred to as LESSEE.

WITNESSETH:

1. That Lessor, for and in consideration of the covenants and agreements hereinafter contained, leases and lets unto Lessee premises situated in Grand County, State of Utah, to-wit:
   a. Parcel No. 1: The Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4), Section 15, Township 26 South, Range 22 East, SLB&M.
   b. Parcel No. 2: The Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4), Section 22, Township 26 South, Range 22 East, SLB&M.
   c. Parcel No. 3: The West One-half of the Northeast Quarter of the Northeast Quarter (W1/2 NE1/4 NE1/4), Section 22, Township 26 South, Range 22 East, SLB&M.
   d. SE 1/4, Section 15, T26S, R22E, SLB & M.,
      SW 1/4 SW 1/4 Section 14, T26S, R22E, SLB & M.,
      NW 1/4 NW 1/4 Section 23, T26S, R22E, SLB & M.,
      The North 500 feet of the E 1/2 NE 1/2 NE 1/4 Section 22, T26S, R22E, SLB & M., and the N 1/2 N1/2 SW 1/4 NW1/4 Section 23, T26S, R22E, SLB & M. Containing 137.6 acres, more or less.

LESS: The following described real property, to-wit: S1/2 of N1/2 of SW1/4 of NW1/4 of NE1/4, and the S1/2 of SW1/4 of NW1/4 of NE1/4, Section 22, T26S, R22E, SLB&M.

2. This lease shall be for a term of ten (10) years from the date of this Agreement.

3. It is understood and agreed that this Lease is granted for the express purpose of operating and maintaining a golf course; however, it is understood and agreed that Lessee shall have the right, in connection with the operation of a golf course, to maintain club house facilities, swimming pools, tennis courts and related activities customarily enjoyed by a non-profit corporation for the entertainment and general welfare of its members and guests, including the sale of alcoholic beverages as provided by the laws of the State of Utah.

4. It is expressly understood and agreed that members of the general public, whether members of the non-profit corporation or not, shall be permitted to play on said golf course under the same conditions and restrictions as if they are dues paying members; however, Lessee shall have the right to regulate play on said golf course for the purpose of preserving the greens and grounds and for maintaining orderly and proper use thereof.
5. Lessee shall have the right to assess its users whatever green fees it shall deem appropriate; however, Lessor shall have the right of review of the fees charged and Lessor may reduce or increase the said fees in accordance with good public policy.

6. It is understood and agreed that Lessee is a non-profit corporation and Lessor shall not, at any time, have the right or option to interfere with the internal affairs of the said corporation.

7. Lessee agrees to maintain the property in good and attractive condition.

8. Lessee may, at Lessee’s sole cost and expense, make such changes, alterations or improvements as may be necessary to fit said premises and all buildings, fixtures and improvements of every kind and nature, whenever installed by Lessee, shall, upon termination, remain the property of Lessor. Lessee may purchase such personal property as it shall see fit, and upon termination of this Lease, may remove the same.

9. It is understood and agreed that the above-described premises are situated within the area of the Moab City watershed and that it may become necessary in the future for the City to make use of said area for the purpose of developing water or for protecting the area from contamination. In such event and upon notice from Lessor to Lessee that such use is necessary, the Lessor shall have the right and option to terminate the Lease or any part that may be affected thereby, without compensation to Lessee.

10. The Lessee shall make available to the Lessor copies of the Lessee's regular financial statements.

11. An independent financial review of the Golf Club, performed by a certified public accountant, shall be submitted annually by the Lessee to the Lessor, on or before June 1.

12. Lessee shall present an Annual Operations Report to the Lessor on or before January 30 of each year. Said report shall detail all operations activity of Lessee for the previous calendar year.

13. It is understood and agreed that the Lessor may, at its expense, make such improvements as it shall deem necessary to repair, preserve, or enlarge said property leased herein, or to make any other improvements deemed necessary by Lessor. Such repair or improvements so made shall be at such time and in such manner so as to cause the Lessee the least amount of disruption to its operation of said golf course.

14. It is understood and agreed that Lessor owns and has responsibility for the maintenance of all water pumps and meters installed and used on the premises as outlined in Paragraph 1.

15. The Lessee shall pay to Lessor for water usage at a rate mutually agreed upon by the two parties.

16. Lessee hereby agrees to provide a summer youth golf program at its sole expense.

17. The Lessee shall assume all risks incidental to or in connection with the business to be conducted hereunder and shall be solely responsible for all accidents or injuries of any nature to persons or property caused by its operation at these premises. Lessee agrees to indemnify, defend
and hold harmless the Lessor, its authorized agents and representatives, from any and all claims or liability for damage resulting in the death of any person, or loss or damaged property occasioned by or in connection with the use of the premises hereby leased. The Lessee hereby assumes full responsibility for the character, acts and conduct of all persons admitted to said premises, or to any portion of the premises. Lessor assumes no liability or responsibility whatsoever for any property placed in said premises and Lessor is hereby expressly released and discharged from any and all liability for any loss, injury or damage to persons or property that may be sustained by reason of Lessee’s occupancy under this Lease.

18. Lessee shall carry, at its own expense, property damage insurance in the amount of $1,000,000 and public liability insurance in an amount of $1,000,000 for any one person and $1,000,000 for any one accident.

The Lessor is to be made a co-insured with the Lessee on this insurance and said insurance policy is to contain a rider requiring that the Lessor be notified thirty (30) days in advance of any change or termination of said insurance policies.

19. The parties hereto shall have the option to extend this lease for one additional ten (10) year period under the same terms and conditions. This option may be exercised by written consent of both parties hereto, prior to April 28, 2030.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals on this 28th day of April, 2020.

LESSOR: MOAB COUNTRY CLUB
By: _________________________
    Club President

LESSOR: CITY OF MOAB, UTAH
ATTEST:

____________________________
Sommar Johnson, City Recorder

By: _________________________
    Emily Niehaus, Mayor

CITY OF MOAB, UTAH

MOAB COUNTRY CLUB

By: _________________________
    Club President
State of Utah

County of Grand

On the ____ day of ____________, _______, personally appeared before me _____________________, who duly acknowledged to me that they executed the same.

__________________________
Notary Public

My Commission Expires: Residing in Grand County, Utah