

SAN JUAN COUNTY LEASE AGREEMENT

This LEASE AGREEMENT (this “Lease” or “Lease Agreement”) is made and entered into as of February 7, 2023 (the “Effective Date”), by and between San Juan County (“County”) and Paul Hansen (“Landowner”). Together, Landowner and County may be referred to hereafter individually as “Party” and collectively as “Parties” herein.

WITNESSETH:

WHEREAS, Paul Hansen, is the owner of real property (“the Billboard Property”) at the intersection of North Hwy 24, Mile Point 116.58, Hanksville, UT.

WHEREAS, the Billboard Property was previously leased to Black Oil Company of Monticello, Utah for the purpose of maintaining a billboard (“the Billboard”).

WHEREAS, said lease to Black Oil Company has been assigned to San Juan County.

WHEREAS, County and Landowner now desire to enter into a new lease of the Billboard Property with Landowner as Lessor and County as Lessee.

WHEREAS, the Parties desire that the effective date of this Lease be February 7th, 2023 and the ending date to be 99 years from the effective date (“Lease Term”).

WHEREAS, County and Landowner desire to enter into the new lease upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of \$10 and the mutual covenants and promises contained hereafter, the Parties hereto agree as follows:

Section 1. Lease

- 1.1 Lease of Billboard. County hereby leases from Landowner and Landowner hereby leases to County, the Billboard Property for a period of 99 years beginning February 7, 2023. Landowner also grants unto County an access easement across Landowner’s property to the Billboard for the purpose of maintaining the same as needed, which access is already known to County and visible upon inspection of the Billboard Property.
- 1.2 Billboard. The Billboard is more specifically located on North Hwy 24, Mile Post 116,58, Hanksville, UT GPS: Longitude -110.704468 and Latitude 38.374488
- 1.3 Ownership Responsibility. County will be responsible for the Billboard improvements, fixtures, maintenance, connections to the property, and billboard

structure including those anchor points to and below the surface at its current location.

- 1.4 Permitted Marketing Use. Throughout the Lease Term, County shall use the Billboard for the purposes of featuring strategic marketing and public content highlighting and marketing San Juan County to encourage travel on HWY 95 directly towards San Juan County with the intentions of increasing the number of visitors. All signage shall be at the sole discretion of County.
- 1.5 Third Party Use and Subletting. County may sublease the sign upon written notice to Lessor and approval by Lessor, which will not be unreasonably withheld.
- 1.6 Personal Property. Except as otherwise set forth herein or in writing, County owns the signage and structure, and anchors below and above the surface areas. County has no other rights to the Billboard Property other than the current signage and signage locations and anchor points.
- 1.7 Access to the Billboard. County shall have access to the billboard twenty-four (24) hours a day, seven (7) days a week, at all reasonable times, to perform repairs, installation of new signage, maintenance, and upgrades to the sign systems. County will have perpetual access under this easement, which includes parking adjacent to the Billboard and ingress and egress over Landowner's property.

Section 2. Signage.

- 2.1. Beginning on the commencement date of the Lease Term, County may place temporary or permanent signage upon the Billboard. All signage will reflect San Juan County marketing intended to attract visitors to visit San Juan County as they access Highway 95.
- 2.2. Lease Term. The "Lease Term" shall commence on February 7, 2023 and expire 99 years from the effective date. County may renew the Lease for other terms by giving notice to Lessor at least 30 days prior to the termination date.
- 2.3.

Section 3. Rent

- 3.1. Rent. The annual rental will be \$1,000 (One Thousand Dollars and No/100), due on or before January 2nd each year.

Section 4. Maintenance and Landscaping.

- 4.1. Utilities. Throughout the Lease Term, all utility services associated with the Billboard shall be managed and paid for by County. As needed and requested by County, Landowner agrees to provide any easements to utility services and vinyl installers to facilitate access to the Billboard
- 4.2. Maintenance. During the Lease Term, County agrees to keep and maintain the Billboard in a clean and orderly condition and repair. County represents Billboard will commence in good working order and shall continue to be maintained in working order, in accordance with all laws and State standards at San Juan County's sole expense.

Section 5 Right of Entry through Access Easement

- 5.1 Right of Entry and Access. The Parties acknowledge, understand, and agree that County and any of its authorized agents may enter into and upon the Billboard Property with prior notice and approval of Landowner for the purpose of inspecting the Billboard, posting notices of non-responsibility for alterations, making additions to or repairs of signage, or for any other reasonable purpose, which approval shall not be unreasonably withheld.
- 5.2 Access Easement. The access easement is defined and attached hereto as Exhibit "A".

Section 6. Assignment

- 6.1 Assignment. Notwithstanding anything herein to the contrary, San Juan County may sublease the billboard from time to time, or reassign the lease if changing ownership. Notification of assignment will be provided to all parties.

Section 7. Notices

- 7.1 Notices. All notices, demands, or other writings under this Lease shall be in writing and shall be deemed delivered on the date of personal delivery or three days after it is deposited in the United States mail with postage prepaid and addressed as follows:

<p>To Lessee: San Juan County Attn: County Chief Administrative Officer 117 South Main Street, PO Box 9 Monticello, Utah 84535</p>	<p>To Lessor: Paul Hanse P.O. Box 208 Elsinore, UT 84724</p>
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Section 8. Force Majeure

8.1 Force Majeure. In the event that either Party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, pandemic or epidemic, war or other reason of like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Neither San Juan County nor the Land Owner shall be liable for failure to perform any obligation under this Agreement in the event it is prevented from so performing by pandemic or epidemic, strike, lockout, breakdown, accident, act of terrorism, order or regulation of or by any governmental authority or failure to supply, or inability by the exercise of reasonable diligence to obtain supplies, parts or employees necessary to furnish such services or because of war, pandemic, epidemic, or other emergency or for any other cause beyond its reasonable control.

Section 9. Property and Liability Coverage

9.1 Fire and Extended Coverage. Throughout the Lease Term, County shall carry fire, earthquake, and extended coverage for the Billboard. The amount of such coverage shall not be less than 100 percent of the replacement value of the Billboard. The term "Replacement Value" shall be determined and agreed upon by the Parties at the time the fire and extended coverage is initially secured. County may at any time, but not more than once every five (5) years, by written notice to the Landowner, require the full insurable value of the Billboard to be redetermined by a certified appraiser at the cost of County whereupon the results of such redetermination shall be communicated in writing to Landowner. Landowner may also cause the insurable value to be redetermined once every five (5) years by following the same process.

9.2 County's Liability Coverage. County secures liability coverage as a member of the Utah Counties Indemnity Pool with limits adequate to cover its maximum liability under the Utah Governmental Immunity Act. Nothing in the Agreement shall require County to carry different or additional insurance, and any obligations of County contained in the Agreement to name a party as additional insured shall be limited to naming such party as additional insured with respect to County's negligent acts or omissions.

Section 10. Liability

10.1 Liability. Each Party shall be responsible for its own acts and omissions and shall be liable for payment of that portion of any and all claims, liabilities, injuries, suits, and demands and expenses of all kinds that may result or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by such party or its employees, agents, or subcontractors, in the performance or omission of any act or responsibility of said party under this Agreement. Neither Party shall be liable for any special, consequential, lost profit, expectation, punitive, or other indirect damages in connection with any claim arising out of or relating to this Agreement, whether grounded in tort (including negligence), strict liability, contract, or otherwise. Nothing in this Agreement shall waive or limit each party's protections under the Utah Governmental Immunity Act.

Section 11. Default

11.1 Default. In the event that either Party shall be default in the performance of any other of the terms, covenants, conditions, or provisions herein contained binding after the other Party has provided sixty (60) days prior written notice of such non-performance, the notifying Party shall have the right (in addition to all other rights and remedies provided by law) to terminate this Agreement.

Section 12. Miscellaneous

12.1 Choice of Law and Venue. The Agreement will be governed by the laws of the State of Utah, without regard to conflicts of laws principles. Venue for any lawsuits, claims, or other proceedings between the Parties relating to or arising under the Agreement shall be exclusively in the State of Utah.

12.2 Government Records and Management Act. County acknowledges that the Landowner is not a governmental entity subject to the Utah Government Records Access and Management Act, Utah Code Ann., Section 630-2-101 et seq., as amended ("GRAMA"); that certain records within County's possession or control, including without limitation, this Lease Agreement, may be subject to public disclosure; and that County's confidentiality obligations shall be subject in all respects to compliance with GRAMA. Pursuant to Section 630-2-309 of GRAMA, any confidential information provided to Landowner or its designated representative that County believes should be protected from disclosure must be accompanied by a written claim of confidentiality with a concise statement of reasons supporting such claim. Notwithstanding any provision to the contrary in this Lease Agreement, Landowner or its designated representative may disclose

any information or record to the extent required by GRAMA or otherwise required by law, and to County's employees, attorneys, accountants, consultants and other representatives on a need-to-know basis; provided, that such representatives shall be subject to confidentiality obligations no less restrictive than those set forth in the Agreement.

- 12.3 Governmental Immunity. County further acknowledges that Landowner is not a governmental entity under the Governmental Immunity Act of Utah, Utah Code Ann., Section 63G-7-101 et seq., as amended the "Act". Nothing in this Lease Agreement shall be construed as a waiver by Landowner of any protections, rights, or defenses applicable to Landowner under the Act, including without limitation, the provisions of Section 630-7- 604 regarding limitation of judgments. It is not the intent of County to incur by contract any liability for the operations, acts, or omissions of County or any third party, and nothing in the this Lease Agreement shall be so interpreted or construed. Without limiting the generality of the foregoing, and notwithstanding any provisions to the contrary in this Lease Agreement, any indemnity obligations of Landowner contained herein are subject to the Act and are further limited only to claims that arise directly and solely from the negligent acts or omissions of Landowner. Any limitation or exclusion of liability or remedies in this Lease Agreement for any damages other than special, indirect or consequential damages, shall be void and unenforceable.
- 12.4 Attorneys' Fees. If either County or Landowner institutes any action or proceeding against the other to enforce any provision of this Lease Agreement, the non-prevailing party shall reimburse the prevailing party for all reasonable costs and expenses incurred by the prevailing party in the performance of this Lease Agreement, including court costs, expenses and reasonable attorneys' fees.
- 12.5 Notice. Any payment, notice, or other communication required or permitted to be given to either party hereto shall be in writing and shall be deemed to have been properly given and effective: (a) on the date of delivery if delivered in person during recipient's normal business hours; or (b) on the date of attempted delivery if delivered by courier, express mail service or first-class mail, registered or certified. Such notice shall be sent or delivered to the respective addresses listed in the opening clause of this Lease Agreement.
- 12.6 Time of the Essence. Time is of the essence with respect to the performance of each, every, and all of the terms, conditions, promises and provisions of this Lease Agreement.

- 12.7 Relationship of Parties. In assuming and performing the obligations of this Lease Agreement, the Parties are each acting as independent parties and neither shall be considered or represent itself as a joint venture, partner, agent or employee of the other.
- 12.8 Headings. No headings in this Lease Agreement affect its interpretation.\
- 12.9 Amendment and Supplement. Any amendment and/or supplement of this Lease Agreement shall come into force only after a written agreement is signed by both Parties. The amendment and supplement duly executed by both Parties shall be part of this Lease Agreement and shall have the same legal effect as this Agreement.
- 12.10 Merger. This Lease Agreement embodies the entire understanding of the Parties and supersedes all previous communications, representations, or understandings, either oral or written, between the Parties relating to the subject matter thereof.
- 12.11 Severability. The provisions of this Lease Agreement are severable, and in the event that any provision herein shall be determined to be invalid or unenforceable under any controlling body of the law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions.

Section 13. Authority; Counterparts; Electronic Signatures

The Parties signing this Lease Agreement represent that they have been duly authorized by their respective principals and by all necessary corporate and public action to enter into and execute this Lease the same. This Lease Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. For purposes hereof, facsimile and/or e-mail signatures hereon shall be treated the same as, and accorded the same legal significance as original signatures hereon.

In Witness Whereof, the Parties have executed this Lease Agreement to be effective on the day and year first above written.

Each party is signing this contract on the date below the party's signature.

<p>COUNTY</p> <p>By: _____ Bruce Adams, Chair San Juan County Board of County Commissioners</p> <p>Date: _____</p> <p>ATTEST:</p> <p>_____</p> <p>Lyman Duncan San Juan County Clerk/Auditor</p> <p>Date: _____</p>	<p>PAUL HANSEN</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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Exhibit A
Access Easement