



## **SAN JUAN COUNTY COMMISSION**

Silvia Stubbs	Chair
Lori Maughan	Vice-Chair
Jamie Harvey	Commissioner
Mack McDonald	Administrator

### **Memorandum of Understanding (MOU) San Juan County Rural County Grant Program**

This MOU outlines the shared understanding between San Juan County, through its Community Economic Development (CED) Board, and Desert Rose Inn, LLC regarding the implementation of a Tier 1 grant award through the Rural County Grant Program.

This MOU is intended to confirm funding, timelines, and expectations for collaboration in support of a successful project that aligns with the goals of economic development and community benefit in San Juan County.

The project must be completed no later than April 28, 2026, which is one year from the date of award.

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#### **Project Scope of Work**

Desert Rose Inn, LLC agrees to complete the following project:

The scope of work includes completing Phase 1 of an upscale cabin addition at the Desert Rose Resort and Cabins. The new cabin addition has a total of 14 cabins. Phase 1 includes 6 cabins, whereas phase 2 includes 8 cabins. We started the work on phase 1 by completing the excavation work as well as completing underground water, sewer and electrical infrastructure. We also completed the concrete slabs for all 6 cabins. To date all that work has been at a cost of \$200,000 which has been fully paid by Desert Rose Resort. An aerial image will be included in the grant packet showing the existing slabs of the new cabins.

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#### **Project Timeline**

Desert Rose Inn, LLC agrees to complete the following project:

Once the grant funds are disbursed, we will immediately start framing the 6 cabins.

- Month #1-2: Framing
- Month #3: Rough Electrical and Plumbing
- Month #4: Insulation and Drywall
- Month #5: Painting and Exterior Oil Application
- Month #6: Flooring and Finish Carpentry
- Month #7: Sidewalks and Landscaping
- Month #8: Furniture, Fixture, and Equipment (FF&E) Installation
- Month #9: Delays, including weather, supply chain issues, etc.

The total project timeline is roughly 9 MONTHS.

The project must be completed no later than April 28, 2026, which is one year from the date of award.

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#### **Funding Structure**

The total award is \$60,000. Disbursement will occur in two phases:

- **Initial Disbursement (60%)**  
\$36,000 will be provided upon execution of this MOU to assist in project startup.

- **Reimbursement (40%)**

\$24,000 will be reimbursed after the following conditions are met:

- The project is completed, with all work aligning to the approved budget and scope.
- The business submits itemized receipts and documentation for eligible expenses totaling at least the amount requested.
- A Final Project Summary Report is submitted to the County, including photos, narrative overview, and verification of project completion.
- The business presents their project to the CED Board, either in person or virtually, as part of the final grant closeout process.

Desert Rose Inn, LLC has met the required 20% cash match for the grant by contributing \$12,000 in qualifying project expenses. However, the full project scope reflects a total investment of approximately \$918,000. This means the business is contributing significantly beyond the required match, demonstrating a strong commitment to the project and the broader economic development of Bluff and San Juan County. The grant supports a small portion of a much larger initiative, helping accelerate progress and expand community impact.

Desert Rose Inn, LLC will be responsible for any costs exceeding the award amount. All funds must be used for eligible activities as outlined in the approved application.

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### **Use of Funds and Retention Requirements**

To ensure that the impact of grant funding remains within San Juan County, the following conditions apply:

#### **Equipment Retention:**

Any equipment purchased with grant funds must be retained and used for its intended business purpose for a minimum of three (3) years from the date of purchase. Equipment may not be sold, transferred, or repurposed during this period without written approval from San Juan County.

#### **Business Ownership:**

The recipient agrees not to sell, transfer, or dissolve the business receiving grant funds for at least three (3) years following receipt of the award, unless authorized in writing by San Juan County.

In the event of unforeseen circumstances — such as involuntary business closure, sale due to health reasons or death, or other events outside the business owner's control — the County may, at its sole discretion, waive or modify the retention requirements.

The recipient or their representative must notify San Juan County in writing as soon as reasonably possible, including any documentation that supports the request for exception. Each case will be reviewed individually.

These requirements are in place to protect the integrity of the grant program and ensure long-term benefit to the community.

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### **Reporting Requirements**

Ongoing reporting will be required throughout the project period to ensure transparency and alignment with program goals. All reports will be submitted to:

#### **Talia Hansen**

Economic Development Manager

Email: [thansen@sanjuancountyut.gov](mailto:thansen@sanjuancountyut.gov)

#### **Key Reporting Expectations:**

- **Quarterly Reports:**

Submitted using a provided template and include:

- Updates on project development
- Business status and challenges
- Grant-related expenses aligned with the application
- **Project Documentation:**  
Businesses must maintain:
  - Photos documenting key phases of the project
  - Organized receipts and invoices for all eligible purchases
- **Final Report & CED Board Presentation:**  
Due upon completion or by April 28, 2026, whichever comes first. The final report must include:
  - Full project summary
  - Number of jobs created
  - Financial reconciliation and documentation
  - Impact statement

Awardees will be scheduled to present their final project to the CED Board. A board meeting schedule will be provided.

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### Reporting Timeline

Quarterly		
Report Type	Reporting Period	Due Date
Q3 2025 Report	April 28 – July 31, 2025	August 5, 2025
Q4 2025 Report	August 1 – October 31, 2025	November 5, 2025
Q1 2026 Report	November 1, 2025 – January 31, 2026	February 5, 2026
Q2 2026 Report	February 1 – April 27, 2026	May 5, 2026
Final Report		
<b>Final Report</b>	Full project summary and presentation	<b>Due by April 28, 2026</b> or earlier if completed before that date

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### Verification & Compliance

By signing this MOU, the grant recipient agrees to the following:

I authorize the San Juan County CED Board to verify the information provided in this application and accompanying documentation. I agree to provide any necessary information or records upon request to confirm compliance with the grant requirements. If awarded, I understand I will receive a 1099 from San Juan County for funding received and agree to retain documentation related to this application and any use of grant funds for at least five (5) years.

By signing below, both parties acknowledge and agree to the shared understanding outlined in this MOU regarding project scope, funding structure, and reporting responsibilities.

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Silvia Stubbs  
Commission Chair

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Amer Tumeh  
President, Desert Rose Inn, LLC

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Date

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Date

## **Attachment A - Budget**

## Desert Rose Resort and Cabins

701 West Main Street

P.O. Box 148

Bluff, Utah 84512

Description		Cost	
Underground Utilities & Slabs	\$	200,000.00	Already spent
Framing	\$	90,000.00	
Roofing	\$	40,000.00	
Cedar Siding	\$	50,000.00	
Rough-Cut Timbers	\$	20,000.00	
Metal Brackets	\$	3,000.00	
Total Framing	\$	203,000.00	
Windows	\$	10,000.00	
Doors and Hardware	\$	10,000.00	
Plumbing	\$	90,000.00	
Insulation	\$	20,000.00	
Drywall	\$	90,000.00	
Painting	\$	30,000.00	
Exterior Oil	\$	10,000.00	
Sidewalks	\$	50,000.00	
Parking Area	\$	44,000.00	
Flooring	\$	25,000.00	
Finish Carpentry	\$	20,000.00	
Sub Total		\$	760,000.00
Contengency 5%		\$	38,000.00
FF&E	\$	120,000.00	
TOTAL PROJECT COST		\$	918,000.00