

SAN JUAN COUNTY LEASE AGREEMENT

This LEASE AGREEMENT (this “Lease” or “Lease Agreement”) is made and entered into as of June 20, 2023 (the “Effective Date”), by and between San Juan County (“County”) and Blue Mountain Community Market (Lessee). Lessee and County may be referred to hereafter individually as “Party” and Collectively as “Parties” herein.

WITNESSETH:

WHEREAS, County owns specific property located at 52 East 100 South in Monticello, Utah (“Property”); and

WHEREAS, Lessee is willing to comply with conditions and is willing to lease the County’s property to host a Community Market on Sundays throughout the spring, summer and fall season.

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

Section 1. Lease

- 1.1 Lease of Property. Subject to the terms of this Agreement, the County agrees to lease and does hereby lease the property to Blue Mountain Community Market for the Lease Term, as defined herein.
- 1.2 Property. Property means all surfaces, fixtures, utilities, infrastructure, and land located at 52 East 100 South in Monticello, Utah, as from time to time altered, expanded, or reduced upon approval from the County. Property includes ingress and egress entrances, and exits, parking areas, driveways, and area utilities above and below leasable premises and not included within leasable premises but adjacent to, those lands, areas, improvements, equipment that serve or are for the useful benefit of the Property.
- 1.3 Permitted Use. Throughout the Lease Term, Lessee shall use the property only for purposes consistent with a community market operating in a temporary and day activity with no hard-fast permanent features added for the operation of the community market. All uses besides this permitted use shall not be allowed without the prior written consent of the County.
- 1.4 Third Party Use and Subletting. The County shall not authorize nor allow the Lessee to sublet the property for a Third Party or Sublet arrangement.
- 1.5 Personal Property. Except as otherwise set forth herein or in writing, Lessee shall be responsible for furnishing all personal property to be used by Lessee on the Property including electricity, power, and water supplies to the Property.

- 1.6 Access to the Property. Lessee shall have access to the Property on weekends twenty-four (24) hours a day. County shall have access to the Property at all reasonable times to enable County (i) to examine the same and to make such repairs, additions, and alterations as County may be permitted to make hereunder; and (ii) to show the Property to appraisers, prospective lessees, mortgagees, and purchasers.
- 1.7 Parking. Lessee shall have the ability to park on the Property associated with and serving the Property to the extent such parking areas are not designated as reserved or ADA parking.
- 1.8 Liens. Lessee shall not permit any liens to be filed against the Property on account of the furnishing of any labor, material or supplies, or for any other cause or reason. In the event liens are filed, then Lessee shall promptly cause the same to be released, bonded, or satisfied in full within ten (10) days of the date of such filing.
- 1.9 Quiet Enjoyment. Lessee shall peaceably and quietly hold and enjoy the Property during the full Lease Term hereof.
- 1.10 Signage. Beginning on the commencement date of the Lease Term, Lessee and the County may place temporary or permanent signage upon and within the Property in keeping with Monticello City's Land-Use Ordinances or policies and procedures. The Parties agree to coordinate regarding the design and presentation of any such signage.

Section 2. Term

- 2.1 Term. This Agreement commences on the Effective Date and concludes at the conclusion of the Lease Term.
- 2.2. Lease Term. The "Lease Term" shall commence upon execution of this lease by all parties on or around June 20, 2023, and concludes one (1) year from the date of execution. The lease may be amended for an additional one (1) year if desired by an official amendment approved by both Parties.
- 2.3. Expiration of Lease Term. Upon the expiration of the Lease Term, if for any reason, this Agreement is terminated for cause by either party prior to the expiration of the Lease Term, then Lessee shall quit and surrender to County the Property in the same condition as delivered to Lessee on the commencement of the Lease Term, ordinary wear and tear excepted.

Section 3. Rent

- 3.1. Rent. Rent on the Property is based on a square footage rate for use for one day a week at a rate of \$100 (One hundred dollars)
- 3.2. Security Deposit. A Security Deposit is required in connection with this Lease of \$500.

Section 4. Taxes

4.1 Taxes. Lessee will pay for any fees or taxes arising from any activity or business transaction taking place on the Property.

Section 5. Utilities, Maintenance and Landscaping.

5.1. Utilities. Throughout the Lease Term, all utility services associated with the Property shall be managed and paid for by Lessee. Any need for utilities, Lessee will provide and at Lessee's expense.

5.2. Maintenance. During the Lease Term, Lessee agrees to keep and maintain the Property in a clean and orderly condition and repair. County represents that infrastructure above, below and adjacent to the Property may not be in good working order and shall not be maintained in working order fashion by the County. All improvements to the utilities shall be at Lessee's sole expense.

Section 6 Right of Entry

6.1 Right of Entry. The Parties acknowledge, understand, and agree that County and any of its authorized agents may enter into and upon the Leased Property with prior notice to Lessee, for the purpose of inspecting the same, of posting notices of non-responsibility for alterations, additions or repairs, or for any other reasonable purpose, which approval shall not be unreasonably withheld.

Section 7. Assignment

7.1 Assignment. Notwithstanding anything herein to the contrary, Lessee may not assign this Lease.

Section 8. Notices

8.1 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:

To County: San Juan County Attn: County Chief Administrative Officer 117 South Main Street, PO Box 9 Monticello, Utah 84535	To Lessee: Blue Mountain Community Market Attn: Alex Gomez-Murguia 400 No. 500 W Moab, Utah 84535 Utah License #1450738-0160 EIN: 931821361
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Section 9. Hazardous Materials

- 9.1 Hazardous Materials. "Hazardous Substance" shall mean all substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under any Environmental Law. Lessee agrees not to maintain, keep, store, or permit the maintenance or storage of any dangerous, flammable, or hazardous material on the property (other than reasonable and customary amounts as permitted under existing fire and safety rules and regulations) and further agrees to comply with all fire and safety rules and regulations. County is not aware of any existing Hazardous Substances within the Property.

Section 10. Causality

- 10.1 Casualty. If all or any part of the Property shall be damaged or destroyed by fire, earthquake or other casualty so as to render the Property unusable in Lessee's reasonable opinion, then this Agreement shall terminate, at the written option of County or Lessee, from the date of such casualty, and upon such notice Lessee shall at once surrender the Property and all interest therein to County.

Section 11. Force Majeure

- 11.1 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 a 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 County nor Lessee 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 12. Governmental Approvals

- 12.1 Governmental Approvals. In the event any governmental authorities require Lessee or the County to (i) make modifications to the Property or (ii) obtain licenses or permits, then the Parties agree to coordinate in good faith to allocate any costs or expenses associated therewith.

Section 13. Property and Liability Coverage

- 13.1 Fire and Extended Coverage. Throughout the Lease Term, Lessee shall carry fire, earthquake, and extended coverage for the Property.
- 13.2 Lessee's Liability Coverage. Lessee's Liability Coverage. Lessee agrees to keep the Property fully insured and to protect the same from damages or loss by all ordinarily insurable perils under an "all risk" property insurance policy during the term of this Lease Agreement. Lessee agrees to provide Insurance that includes premises liability, and, if applicable, mobile equipment coverage with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000) per occurrence. Lessee shall obtain comprehensive automobile liability coverage for claims and damage due to bodily injury or death of any person or property damage arising out of Lessee's ownership, maintenance, or use of any motor vehicles, whether owned, hired, or non-owned, of not less than five hundred thousand dollars (\$500,000) single combined limit "per accident" for bodily injury and property damage.
- 13.3 County's Liability Coverage. The 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.

Section 14. Liability

- 14.1 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 15. Default

- 15.1 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 16. Miscellaneous.

- 16.1. 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.
- 16.2. Government Records and Management Act. Lessee acknowledges that County is 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 Lessee's possession or control, including without limitation, the Agreement, may be subject to public disclosure; and that Lessee'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 Lessee 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 the Agreement, Lessee may disclose any information or record to the extent required by GRAMA or otherwise required by law, and to Lessee'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.
- 16.3. Governmental Immunity. If either County or Lessee institutes any action or proceeding against the other to enforce any provision of this 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 Agreement, including court costs, expenses and reasonable attorneys' fees.
- 16.4. Attorneys' Fees. If either County or Lessee institutes any action or proceeding against the other to enforce any provision of this 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 Agreement, including court costs, expenses and reasonable attorneys' fees.
- 16.5. 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 Agreement.
- 16.6. Assignment. Neither party may assign, transfer, or otherwise dispose of its rights, interests, or duties hereunder, in whole or in part, to any third party without prior written approval from the other Party.

- 16.7. 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 Agreement.
- 16.8. Relationship of Parties. In assuming and performing the obligations of this 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.
- 16.9. Headings. No headings in this Agreement affect its interpretation.
- 16.10. Amendment and Supplement. Any amendment and/or supplement of this 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 Agreement and shall have the same legal effect as this Agreement.
- 16.11. Merger. This 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.
- 16.12. Severability. The provisions of this Agreement are severable, and in the event that any provision of this Agreement 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 herein.

Section 17. Authority; Counterparts; Electronic Signatures

The Parties signing this Lease 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. This Lease 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 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.

COUNTY

By: _____

Bruce Adams, Chair

San Juan County Board of County Commissioners

Date: _____

ATTEST:

Lyman Duncan

San Juan County Clerk/Auditor

Date: _____

BLUE MOUNTAIN COMMERCIAL MARKET

By: _____

Print Name: _____

Title: _____

Date: _____

Exhibit A
Property

