**LEASE**

**MILLSITE GOLF COURSE**

**Ferron City, Utah (Landlord)**

# GreatLIFE Utah, LLC (Tenant)

**LEASE**

**THIS INDENTURE OF LEASE,** made on this \_\_\_ day of \_\_\_\_\_\_, by Ferron City hereinafter called “Owner” and GreatLIFE Utah, LLC, hereinafter called “Tenant.”

**WITNESSETH:**

**ARTICLE I**

**BASIC TERMS**

Section 1.01. Basic Terms.

A. Landlord: Ferron City, Utah

B. Tenant: GreatLIFE Utah, LLC

## C. Address of Tenant: 212 S 3475 W, Layton Utah 84041

D. Leased Premise: Land, Building, & Improvements located as shown on Exhibit “A” attached hereto.

E. Property: The Property, being commonly known as Millsite Golf Course, 3000 Canyon Road, Ferron, UT 84523

F. Commencement Date: TBD

G. Lease Term: The term of this Lease shall run from the Commencement Date for a period of five (5) years from the first day of the month following the Commencement Date. Tenant shall have five (5) options to extend the Lease Term for additional Five (5) year periods, by providing written notice to Owner of its intent to extend the term, no later than three (3) months prior to the end of each term.

Section 1.02. Effect of Reference to Basic Terms.

Each reference in this Lease to any of the “Basic Terms” contained in Section 1.01 shall be construed to incorporate into such reference all of the definitions set forth in Section 1.01.

**ARTICLE II**

**GRANT AND TERM**

Section 2.01. Leased Premise.

In consideration of the lease, covenants, agreements and conditions hereinafter provided to be paid, kept, performed and observed, the Owner leases to the Tenant and Tenant hereby leases from the Owner the Leased Premise and Property described in Section 1.01 (D) and (E).

THE TENANT AGREES THAT TENANT IS LEASING THE PREMISE. “AS IS.” “WHERE IS” and “WITH ALL FAULTS” AND THE LANDLORD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO FITNESS, MERCHANTABILITY, USE OR CONDITION OF EITHER THE PREMISE OR ITS SUITABILITY FOR TENANTSINTENDED PURPOSES. Tenant leases the Leased Premise and accepts the Leased Premise without representation or warranty by Landlord, express or implied, in fact or by law, and without recourse, with respect to the condition of the Premise, including, but not limited to the soil and subsurface conditions thereof.

Any work performed by Tenant or on behalf of Tenant shall be completely paid for and Tenant shall not permit nor suffer any mechanic's lien or materialmen's lien to attach to the Leased Premise or the Property. Tenant acknowledges that Owner has made no representations or agreements to perform any work at its expense, other than set forth in this Agreement.

Section 2.02. Commencement of Term.

Tenant shall have full access to the premise for landscaping. repairs and installation of its exercise equipment on the Commencement Date, but Rent shall not commence until the month following the Commencement Date.

Section 2.03. Lease Year Defined.

The first full Lease Year of the term of this Lease shall be that period commencing the first of the month following Commencement Date. Each subsequent full Lease Year shall commence on the anniversary of the same.

**ARTICLE III**

**RENT AND BUSINESS OPERATIONS**

Section 3.01. Base Rent.

Tenant shall pay annual Base Rent for the property in the total amount of $1 per year.

Section 3.02. Business Operations.

Owners operates the golf course from which it derives income from the sale of memberships, sometimes in advance. In addition, it leases space for weddings and events for which it collects deposits. It also sells gift cards and has other prepaid obligations. It also maintains certain inventory of merchandise. Tenant agrees to honor these obligations on behalf of Owner and Owner agrees to provide Tenant all unearned income it has received in advance.

The Owner shall credit Tenant an amount equal to all prepaid memberships and deposits for all events. This credit shall be applied to monthly rent as the same shall become due. To the extent that Tenant receives prepaid gift cards in payment for goods and services, Owner shall reimburse Tenant for the same in the month following receipt of proof of the same.

Tenant shall assume all inventory at a price equal to 75% of actual cost of that inventory that is no older than 24 months. The parties shall meet to take inventory during the morning of \_\_\_\_. The parties shall then work diligently to establish a cost basis for the same and Owner shall receive a credit for the same in accordance herewith against the debit for prepaid memberships and deposits. All liquor will be transferred in accordance with state law and local regulations.

**ARTICLE IV**

**CONDUCT OF BUSINESS BY TENANT, OPERATING RESPONSIBILITIES**

Section 4.01. Use.

Tenant shall at all times use and occupy the Premise for the operation and management of a membership based public or semi-private golf course and banquet facility, including the operation and management of a golf shop, and as set forth below.

All materials, goods and equipment stored, delivered to, or offered for sale on the Premise shall be the property of the Tenant except those owned by Landlord. Furthermore, these materials shall not be hazardous, explosive, or of a nature that would attract wildlife.

Tenant shall comply with all federal, state, and local laws, rules and regulations including, but not limited to, those relating to tax, environmental, Americans with Disabilities, immigration, fire, building, and safety which may apply to the operation and management of the Leased Premise and the Improvements constructed at the Premise and other activities at the Leased Premise, including regulations promulgated by Landlord, and Tenant shall maintain in effect and post in a prominent place all necessary and/or required licenses or permits. If there is any discrepancy amongst the laws, rules, and/or regulations, the most restrictive provisions shall apply.

Tenant may also utilize portions of the clubhouse for its use or to sublease for professional offices, physical and medical therapy, salon or other reasonable uses. Tenant shall give Landlord notice of its intent to so use the clubhouse on the Leased Premise, which shall be subject to Landlord’s written approval within seven business days, but said approval shall be presumed if not timely disapproved in writing and said approval shall not be unreasonably withheld.

Section 4.02. Access.

During the term hereof, and until such time as this Lease expires or its earlier terminated, Tenant shall have access to the Leased Premise 24 hours a day, seven days a week, 365 days per year.

Section 4.03. Signs and Re-Branding.

During the term of this Agreement, Tenant shall have the right, at its expense and subject to the terms hereof, to place in or on the Leased Premise a sign or signs identifying the Leased Premise and such signage as its customary in the operation of a golf course, including, without limitation, directional signage, tee placement advisories and cart path restrictions. Tenant shall be responsible for obtaining from the appropriate governing body all necessary permits for such signage. Tenant shall also have the right to rebrand the Leased Premise in order to increase and maintain the interest of patrons who use the Leased Premise and the amenities of the Leased Premise. Landlord shall have the right to approve, at its reasonable discretion, any re-branded concept proposed by the Tenant. Such Landlord approval shall not be unreasonably withheld. Such approval must be in writing. Landlord hereby approves the use by Tenant of “Great Life, GreatLIFE, Great Life Golf, GreatLIFE Golf , Great Life Golf and Fitness, GreatLIFE Golf and Fitness or any similar derivative of these terms.

Section 4.04. Trade Fixtures.

During the term of this Agreement, Tenant shall have the right, at its expense, to place in or on the Leased Premise trade fixtures, furnishing, personal property, equipment and materials necessary to perform its services or any other services required or authorized hereunder. Said trade fixtures, furnishings, personal property, equipment and materials shall remain the property of Tenant, and except as may otherwise be directed by Landlord, Tenant shall remove immediately such fixtures and personal property at the expiration or termination of this Lease and repair any damage to the Leased Premise resulting from its initial placement, use and such removal.

Section 4.05. Standard of Operation.

Landlord acknowledges that the sport of golf is a seasonal game ad that closing of a course may be appropriate when play is out of season, such as in the winter months, or when weather is inclement. Subject to closing for inclement weather and customary seasonal closings. Lessee agrees it will manage and operate the Leased Premise on a continual basis throughout the term of this Lease and in a professional and competent manner and in a manner consistent with the management and operational practices at other public and semi-public membership based golf courses located in the Salt Lake City metropolitan area. Tenant shall have the responsibility to: (a) at all times maintain the Leased Premise as a public and semi-private course with privileges based on the purchase of a seasonal membership: (b) determine, establish, and implement the policies, standards, and schedules for the operation and maintenance of the Leased Premise and all matters affecting customer relations: (c) hire, train, and supervise the golf professional/manager, course superintendent, and all Leased Premise employees: (d) supervise and direct all phases of advertising, sales, and business promotion for the Leased Premise; and (e) establish accounting and payroll procedures and functions for the Leased Premise. Lessee agrees, for itself, its successors and assigns that all policies and practices related to the functions and responsibilities described herein shall comply with all Federal requirements including, but not limited to, the provisions of Title VI of the Civil Rights Act of 1964.

Section 4.06. Responsibilities of Tenant.

Tenant shall, in accordance with the terms of this Lease, perform or have performed the following services:

1. Enter into such contracts for the furnishing of utilities, maintenance, equipment and other services to the Leased Premise, all in its own name and for its own account;
2. Make all repairs, decorations, revisions, alterations and improvements to the Leased Premise as shall be reasonably necessary for maintaining the Leased Premise in good order, condition, and repair;
3. Incur such expenses as shall be necessary for the proper operation and maintenance of the Leased Premise, including, but not limited to, lease or purchase expenses for equipment and furnishings and costs for operating inventory;
4. Maintain Levels of operating inventory deemed appropriate by Tenant for supplying the needs of the Leased Premise and its customers;
5. Apply for, and obtain and maintain, all licenses and permits required for Tenant in connection with the operation and management of the Leased Premise, including liquor licenses. Landlord agrees to execute any and all applications and such other documents as shall be reasonably required and to otherwise cooperate, in all reasonable respects with Tenant in the application for, and obtaining and maintenance of, such licenses and permits; but Landlord shall bear no responsibility with respect to such licenses and permits;
6. Perform or have performed, all such acts and things in and about the Leased Premise as shall be reasonably necessary to comply with all insurance requirements and legal requirements herein set forth and to timely discharge any lien, encumbrance or other charge on the Leased Premise or this Lease, other than those which the Lessor granted;
7. Pay all Taxes and insurance premiums when due on policies obtained and maintained by Landlord under this Lease. The insured shall be Landlord on insurance policies covering property it owns and landlord shall be an additional insured on the General Liability policy and all other policies;
8. Have on Property a reasonable number of golf carts for lease to patrons on the Leased Premise;
9. Provide golf pro shop sales and services;
10. Provide food and beverage sales and services, including liquor;
11. Maintain all pre-scheduled tournaments/events, subject to inclement weather;

Tenant agrees during the term hereof to operate its business in the Leased Premise during the entire term hereof, and to conduct its business at all times in a reputable manner so as to help establish and maintain a good reputation for the Property.

**ARTICLE V**

**Water Rights**

Tenant desires to explore all alternatives for sources of water for irrigation, including old wells, new wells, creating or increasing the capacity of irrigation ponds, streams, watersheds, and easements. No construction shall take place without necessary permits and the written approval of Landlord, which can be withheld in Landlord’s reasonable discretion. All irrigations shall be conducted in accordance with all federal, state and local laws and regulations. Wherever possible, but in Landlord’s discretion, water rights, permits and the like shall remain with Landlord or otherwise reflect landlord as the permitting party.

With respect to the federal and Utah Rights to Appropriate Water, Landlord shall during the term of the Lease provide to Tenant if it can reasonably do so, the ability to appropriate water, but all ownership of any right shall remain with Landlord. Because Landlord is required to provide annual reporting to the appropriate authorities, the Tenant must provide to Landlord information necessary to prepare the annual reports, and the filing fees for the report due.

**ARTICLE VI**

**PERSONAL PROPERTY AND CONTRACTS**

Section 6.01.

Tenant shall have the use of the personal property and equipment set forth on Exhibit “C” (“Equipment”) as part of the consideration provided in this Lease. Tenant shall maintain said personal property and equipment and return it or the replacements therefore to Landlord at the end of the Lease Term in similar condition as it was at the time of commencement of this Lease, less reasonable wear and tear. Tenant shall have the use of Landlord’s telephone numbers during its tenancy. Tenant is not being provided any titled vehicles that Landlord has previously operated.

Section 6.02. Assumed Contracts.

Tenant shall assume those contracts set forth and described on Exhibit “D” until the end of the term of each contract, but shall not be obligated to renew or extend said agreements. Tenant shall not have any obligations for Landlord’s contracts that are not listed on Exhibit “D.”

Section 6.03. Exhibits.

The parties shall use their reasonable best efforts to complete and agree on the Exhibits hereto within ten business days following execution of this Lease. If the parties fail to reach such agreement, then this Lease shall not be binding

**ARTICLE VII**

**RENT ADJUSTMENTS**

Section 7.01. Real Estate Taxes and Personal Property Taxes.

1. Upon receipt of the tax bills for any given year, the Landlord shall furnish the Tenant, upon receipt, copies of any and all such tax bills. In the event Landlord or Tenant shall elect to contest the taxes, any expense incurred in such contest shall be borne by the party making such protest. In the event the method of taxation applicable to Leased Premise shall be adjusted or modified, a modification agreement with respect to this paragraph shall be entered into which will equitably apply the principle to said revised tax system;
2. Tenant shall pay all taxes and impositions when due as follows: users fees, taxes, assessments, special assessments, substitution taxes, gross receipts taxes, taxes on rents and other governmental charges, whether levied by federal, state, county, municipal or any other taxing author, which are charged against the Leased Premise, real property, street lights, fixtures, Equipment, personal property, rents on the right or privilege of owning or leasing real estate or collecting rents thereon; and any other taxes assessments and fees attributable to the Leased Premise or its operation, whether now or hereafter assessed (collectively “Taxes”), including, without limitation;
   1. Special assessments imposed upon the Leased Premise by a governmental authority for improvements directly or indirectly benefiting the Leased Premise, including, without Limitation, assessments for utility improvements serving the Lease Premise, transportation assessments, impact fees for public improvements, and benefit assessments for such things as flood control, street and sidewalk improvements, and refuse and sewer treatment;
   2. Taxes which may, or are required to be paid in installments over a period longer than one (1) year and shall be deemed paid in installments over the maximum period permitted by the taxing authority, with Tenant’s obligation to pay any increase in such taxes for any one (1) tax fiscal year applying only to those installments which actually become due and payable (i.e., failing which, payment of the same would become delinquent), together with the interest charged thereon by the taxing authority, during the same fiscal year, excluding, however, any portion of taxes or installments thereof which actually become due and payable during any period prior or subsequent to the Term;
   3. Substitution taxes, including, without limitation, any fee, chare or levy which is enacted on a Substitution Basis (as defined below), following a change in a method of taxation or assessment related to real property, or the granting of tax benefits or reductions for the property, including, without limitation, payments in lieu of taxes following approval of plans for tax increment financing, urban redevelopment or other tax benefits (a change in such methods may refer to an event or combination of events by which real estate taxes, assessments or valuations are “frozen” [i.e… no longer increased], and /or reduced or “rolled back.” And/or future increases are limited in amount, by statute). If, following such change and as a result thereof, there shall be levied, assessed or imposed: (a) a tax on the rents received from Leased Premise: (b) a license fee or other tax measured by or based wholly or partially upon the Leased Premise or any portion thereof, and which taxes are expressly declared by the taxing legislation, legislative history or taxing authority to be imposed as a result of the foregoing limitations on real estate taxes, or in substitution therefore, then such resultant enactment shall be on a “Substitution Basis”. Any partial years shall be pro-rated between the Landlord and the Tenant. Tenant shall establish an Escrow account and make monthly payment in the amount of 1/12th of the taxes paid for the prior year from which such ta payments shall be made.

**ARTICLE VIII**

**LEASEHOLD IMPROVEMENTS**

Section 8.01. Improvements Approval.

1. Tenant shall NOT be required to make specific improvement(s) to the Leased Premise during the term of this Lease. However, any improvements other than the normal and necessary day-to-day maintenance required to maintain the Leased Premise shall be done by Tenant and in all cases in conformity with plans and specifications prepared by or for the Tenant and Tenant shall not commence any such work until Landlord shall have approved in writing said plans and specifications, and such approval may be given or withheld in Landlord’s sole and absolute discretion. Landlord shall review the plans and respond to Tenant within thirty (30) days with regard to Tenant’s proposed plans and specifications. All of Tenant’s work shall be done in accordance with the plans and specifications approved by the Landlord; provided, however, that no approval by the Landlord shall be deemed an affirmation that such drawings or improvements constructed in accordance therewith are in compliance with applicable building codes or other applicable ordinances and regulations, nor shall any such approval by Landlord relieve Tenant from its obligations, at Tenant’s sole cost and expense, to make any architectural and/or construction changes to such drawings or improvements necessary to comply with all applicable ordinances and regulations, and the approved plans and specifications.
2. Any improvements that impact any lake, river, stream, creek, drainage ditch or other body of water constituting a “water of the United States” or jurisdictional wetland shall be reviewed and approved by Landlord and any other appropriate or required local, State and/or Federal regulatory offices and agencies, including the U.S. Army Corps of Engineers, prior to construction of these Required Improvements.

Section 8.02. Improvements upon Lease Termination.

Upon the expiration or earlier termination of this Lease, improvements benefitting the Leased Premise shall remain the property of the Landlord.

Section 8.03. Capital Improvements.

Separate and apart from the Improvements that are approved by the Landlord in Section 8.01. it is anticipated over the life of the Lease that additional capital improvements (“Capital Improvements”) may be needed. If such Capital Improvements are deemed necessary, the cost thereof shall be borne as provided in Sections 9.03. herein.

Section 8.04. Construction; Indemnity.

Except to the extent of the Landlord’s negligent or intentionally tortious acts or omissions, Tenant agrees to indemnify and hold harmless Landlord, Members, its managers, agents, employees, and assigns against any mechanics’ or materialmen’s liens against the Premise and against any claims, losses, damages or liability whatsoever to person or property arising out of the construction or maintenance of the Leased Premise by or on behalf of Tenant to the extent caused by the intentionally tortious or negligent acts or omissions of Tenant, its agents, contractors, servants or employees, or by reason of any unsafe condition of the Leased Premise caused thereby; and Tenant agrees to carry and cause its contractors and subcontractors to carry worker’s compensation insurance as required by State statute and to protect Landlord against claims of employees of Tenant. The construction, erection, and placement of all Capital Improvement and Improvements shall be subject to Landlord’s review and approval, and shall be in accordance with all applicable federal, state, and local laws and regulations, the most restrictive of which shall apply. In no event shall Tenant be permitted to remove or demolish any improvement(s) or fixtures constructed or installed at the Leased Premise without Landlord’s prior written consent. In the event of an anticipatory breach of this Lease by reason of the filing of any voluntary or involuntary petition for receivership or bankruptcy, or the appointment of any trustee for Tenant, the buildings and improvements so erected by Tenant shall, to the extent permitted by law, be retained by Landlord.

**ARTICLE IX**

**ACCEPTANCE, MAINTENANCE AND REPAIR**

Section 9.01. “AS IS” Condition.

Tenant warrants that it has inspected the Leased Premise, including improvements and Equipment and accepts possession of the Leased Premise and the improvements and Equipment thereon “as is” in their present condition, and agrees that the Leased Premise are suitable and sufficient for the uses required and/or permitted hereunder.

Section 9.02. No Obligation.

Landlord shall not be required to remove nor to maintain nor to make any improvements, repairs or restorations upon or to the Leased Premise or Equipment, subject only to the Capital Repair provisions of Section 9.03.

Section 9.03. Tenant Obligations for Maintenance and Repair.

1. Tenant shall throughout the Term of this Lease assume the entire responsibility, cost, and expense for all repair, maintenance and replacement whatsoever to the Leased Premise or Equipment and, shall keep the Leased Premise equipment in a good condition and repair as reasonably determined by the Landlord. Any replacements Tenant makes under this Lease shall be of equal or better quality as the item being replaced and shall be approved in writing by the Landlord. Without limiting the generality of the foregoing, Tenant shall: keep at all times, in a clean, professional, and orderly condition and appearance, including repainting the same color the Leased Premise, all Improvements thereon and Equipment and all of Tenant’s fixtures, equipment and personal property which are located on any part of the Leased Premise; maintain, repair, when necessary the greens, bunkers, irrigation systems, drainage systems, buildings, and other property associated with the Leased Premise; repair any damage caused by Tenant or its invitees, tenants, or contractors to paving, grasses, turf, soils, water or other parts of the Leased Premise caused by any oil, gasoline, grease, lubricants, solvents, flammable liquids, or substances having a corrosive or detrimental effect thereon, and remediate any release caused by Tenant or any of its invitees, tenants or contractors of any substance that has or potentially has a harmful effect on human health or to the environment as determined by any regulatory agency; take whatever measures are necessary to adequately control sedimentation and erosion, and to address all sanitary and storm water issues related to the Leased Premise and surrounding property affected by the Leased Premise and its use; maintain and repair all utility service lines placed on the Leased Premise, including but not limited to, water lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.
2. Capital Improvements that have a IRS depreciation life of over five years and an estimated cost in excess of $10,000 shall only be undertaken and completed upon a joint written agreement of the parties as to the necessity of the improvements and how much each will pay for the same (“Capital Improvements”). Each other capital improvement equal to or less than $10,000 is the responsibility of Tenant.

Section 9.04. Failure to Maintain.

In the event Tenant fails to maintain, clean, repair, rebuild, replace, repaint or perform in accordance with this Article or any other Article of this Lease within a period of thirty (30) days after written notice from Landlord to perform any obligations required to be done under the provisions of this Lease, then Landlord may, at its option but without any obligation to do so, and in addition to any other remedies which may be available to it under the Lease or otherwise at law or in equity, enter the Leased Premise, without such entering causing or constituting a trespass, a cancellation of this Lease, or an interference with the possession of the Leased Premise, and perform any obligation of Tenant under the Lease with respect to such maintenance, replacement or repair, including, repair, replace, rebuild, repaint all or any part of the Leased Premise or the Improvements thereon, and do all things reasonably necessary or desirable to accomplish the work required, and the cost and expense thereof shall be paid to Landlord by Tenant on demand. If, however, in the reasonable opinion of Landlord, Tenant’s failure to perform any such obligations endangers the safety of the public, the property of Landlord or other users, or occupants at the Leased Premise, and Landlord so states same in its notice to Tenant along with the actions Landlord believes must be taken to remedy such failure and time frame for taking such actions. Landlord may, at its sole option but without any obligation to do so, in addition to all other remedies which may be available to it, elect to perform such obligations at any time after the giving of such notice and reasonable opportunity under the circumstances to cure the default, and provided Tenant has been given such notice and failed to cure the default, the Tenant agrees to pay Landlord the reasonable cost and expense of such performance on demand. The rights of Landlord under this Article shall be in addition to, and not in lieu of, the rights and remedies set forth elsewhere in the Lease. Furthermore, should Landlord, its members, managers, officers, employees or agents undertake any work hereunder, Tenant hereby waives any claim for damages arising from Landlord’s members, managers, its officers’, employees’, or agents’ conduct. The foregoing shall in no way affect or alter the primary obligations of Tenant as set forth in this Agreement, and shall not impose or be construed to impose upon Landlord any obligations to maintain the Leased Premise.

Section 9.05. Utility Charges.

Tenant shall be solely responsible for and promptly pay directly all charges for heat, gas, electricity, water, wastewater, cable and any utility used or consumed in the Leased Premise. In no event shall Landlord be liable for an interruption or failure in the supply of any such utilities to the Leased Premise. All utility and other like accounts shall be held in Tenant’s name and any deposits will be refunded to Landlord or if used by Tenant. Tenant shall pay like amounts to Landlord.

Section 9.02. Surrender of Premise.

At the expiration of the tenancy hereby created. Tenant shall surrender the Leased Premise in the same condition as the Leased Premise were in upon delivery of possession thereto under this Lease, reasonable wear and tear on the buildings excepted, but no exception from wear and tear on the golf course facilities. Tenant shall also deliver to Landlord all keys, access cards, fobs or similar device accessing all entrances to the Leased Premise, improvements and structures thereon, and any locked or secured areas within the Leased Premise.

**ARTICLE X**

**INSURANCE AND INDEMNITY**

Section 10.01. Tenant’s Insurance Requirements.

The parties are seeking an insurance policy that would provide one and one half million dollars ($1,500,000) comprehensive coverage for the structure commonly known as the Clubhouse on the Leased Premise, provided that such policy will pay up to the full amount to repair and/or reconstruct the facility in the event of partial loss. If such a policy is available in this form, the parties agree to the provisions of subsection (a). If after a good faith attempt to secure the same, they are unsuccessful, the parties agree to be bound by the provisions of subsection (b) unless and until such coverage is available and in force after which the provisions of subsection (a) shall control.

1. Tenant shall maintain during the Term and: (i) commercial general liability insurance, with a contractual liability endorsement covering Tenant’s indemnity obligations under the lease, and with limits of not less than $2,000,000.00 combined single limit per occurrence; (ii) workers’ compensation insurance as required by statue; and (iii) property damage covering Tenant’s inventory, personal property, business records, furniture, floor coverings, fixtures and equipment, and all improvements installed by Tenant for damage or other loss caused by fire or other casualty or cause, including, but not limited to, vandalism and malicious mischief, theft, explosion, business interruption, and water damage of any type, including sprinkler leakage, bursting and stoppage of pipes; and (iv) property damage and casualty insurance covering buildings, improvements and contents on the Leased Premise and the Equipment. With respect to the structure commonly known as the Clubhouse, comprehensive insurance coverage shall be limited to One Million Five Hundred Thousand Dollars ($1,500,000.00), including overage for a partial loss up to that amount, as described in the paragraph above. All other buildings and improvements shall be covered at full replacement value. Coverage for the Leased Premise shall include Landlord’s inventory, personal property, business records, furniture, floor coverings, fixtures and the Equipment, for damage or other loss caused by fire or casualty or other cause, including but not limited to, vandalism and malicious mischief, theft, explosion, business interruption and water damage of any type, including sprinkler leakage, bursting and stoppage of pipes. All insurance required hereunder shall be provided by responsible insurers and have a policyholder rating of at least “A” and be assigned a financial category of at least “Class X” in the then current edition of “Best’s Key Rating Guide” for insurance companies and shall be licensed in the state in which the Leased Premise are located. Property damage insurance required herein shall include full replacement cost coverage to the extent of the coverage, and the amount shall satisfy any coinsurance requirements under the applicable policy, that that a partial loss up to $1,500,000 (with respect to Clubhouse only) is covered in full, less any applicable deductible. Such insurance shall be primary, and any insurance maintained by Landlord or any other additional insureds hereunder shall be excess and noncontributory. Landlord shall have the right to reasonably increase the amount or expand the level of insurance to be maintained by Tenant under sub-section (i), (ii) and (iii) from time to time. The one million five hundred thousand dollar coverage shall increase annually based upon the U.S. Producer Price Index and if determined by region, the region including Salt Lake City, Utah. This provision shall constitute Tenant’s consent for any insurance provider or its agent to provide Landlord information concerning these policies.
2. Tenant shall maintain during the Term naming Landlord and its mortgagee as additional insureds (or where provided named insured and sole loss payee); (i) commercial general liability insurance, with a contractual liability endorsement covering Tenant’s indemnity obligations under this Lease, and with limits of not less than $2,000,000.00 combined single limit per occurrence; (ii) workers’ compensation insurance as required by statute; and (iii) property damage insurance covering Tenant’s inventory, personal property, business records, furniture, floor coverings, fixtures and equipment, and all improvements installed by Tenant for damage or other loss caused by fire or other casualty or cause, including, but not limited to, vandalism and malicious mischief, theft, explosion, business interruption, and water damage of any type, including sprinkler leakage, bursting and stoppage of pipes. All insurance required hereunder shall be provided by responsible insurers and have a policyholder rating of at least “A” and be assigned a financial category of at least “Class X” in the then current edition of “Best’s Key Rating Guide” for insurance companies and shall be licensed in the state in which the Leased Premise are located. Property damage insurance required herein shall include full replacement cost coverage to the extent of the coverage, and the amount shall satisfy any coinsurance requirements under the applicable policy, so that a partial loss is covered in full, less any applicable deductible. Such insurance shall be primary, and any insurance maintained by Landlord or any other additional insureds hereunder shall be excess and noncontributory. The coverage shall increase annually as required by the carriers to maintain full coverage for partial loss. This provision shall constitute Tenant’s consent for any insurance provider or its agent to provide Landlord information concerning these policies.

Unless and until the provisions of Section 10.01(a) become applicable or Tenant procures acceptable coverages in conformity with this section. Tenant shall also be responsible for the payment when due of all insurance premiums on policies covering the Leased Premise and Equipment for property and casualty insurance maintained by Landlord, although the “insured” party will remain or be in the Landlord and the policy shall be owned and selected by the Landlord. Landlord shall deliver the premium notices, or direct that its insurance carriers deliver such premium notices, to Tenant at the address set forth herein for providing written notice.

1. Tenant will be responsible for any and all deductibles for any and all insurance on the Leased Premise, including the Equipment.
2. Notwithstanding anything in the Lease to the contrary, at all times the Leased Premise and Equipment shall be covered by property and casualty insurance at full replacement value, except for the limitations on the amount of coverage on the Clubhouse set forth herein under circumstances provided within Section 10.01, and such insurance shall be either provided, or Landlord’s premiums paid for when due by Tenant. Whether coverage is provided under subsection 10.01 (a) or (b). Tenant shall have the right to shop for and purchase the necessary coverages. With respect to property and casualty insurance on the Leased Premise and Equipment, Landlord shall be the sole owner, names insured, and loss payee under all such policies. Should the Tenant desire to change carriers or coverage for the property and casualty insurance on the leased Premise and Equipment, any such new policy shall not only meet the requirements of sub-section 10.01(a) herein, but also provide comparable benefits to Landlord’s property and casualty insurance policy currently in force. Landlord shall be entitled to approve in writing any such replacement policy, and such approval shall not be unreasonably withheld.

Section 10.02. Certificates and Other Matters.

Tenant shall provide Landlord prior to the Commencement Date with certificates evidencing the insurance coverage required hereunder by Tenant (and, with respect to liability coverage a copy of the endorsement designating Landlord as named insured and certificates reflecting others designated, if any, by Landlord as additional insureds, and with respect to leasehold improvements showing Landlord as a named insured). Tenant shall provide renewal certificates to Landlord at least twenty (20) days prior to expiration of such policies and otherwise upon request of Landlord. Such certificates shall state that the coverage may not be changed or cancelled without at least thirty (30) days prior written notice to Landlord. Other than the notice of change or cancellation. Landlord’s obligation to provide documentation may be discharged by authorizing Tenant’s insurance agents to provide such information to Landlord.

Section 10.03. Tenant’s Additional Insurance Obligations.

1. Tenant agrees to pay as additional Rent any increase in premiums for insurance against loss by fire or other casualty that may be charged during the Term of this Lease on the amount of insurance to be carried by Landlord on the Leased Premise resulting from the failure of Tenant to conform to the reasonable recommendations of Landlord’s fire/casualty insurance carrier. If Tenant installs any electrical equipment that overloads the electrical lines in the Leased Premise, then Tenant shall, at its own expense, make whatever changes are necessary to comply with the requirements of Landlord, the insurance underwriters and the city Electrical Inspector’s Department.
2. Tenant shall comply with all insurance regulations so that the lowest fire and extended coverage, liability and other insurance rate may be obtained. Nothing shall be done or kept in or on the Leased Premise by Tenant which will cause cancellation, invalidation or an unreasonable increase in the premiums of Landlord’s insurance.
3. If any of Landlord’s insurance policies shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced in any way because of the use of the Leased Premise or any part thereof by Tenant or any assignee or subtenant of Tenant or by anyone Tenant permits on the Leased Premise, and if Tenant fails to remedy the condition within twenty-four (24) hours after notice thereof, Landlord may, at its option, either terminate this Lease or enter upon the Leased Premise and attempt to remedy such condition. If Landlord attempts to remedy the condition, Tenant promptly shall pay to Landlord all costs incurred by Landlord including, without limitation, reasonable attorneys’ fees. Landlord shall not be liable for any damage or injury caused to the property of Tenant or others located on the Premise from such entry.

Section 10.04. Indemnity.

Tenant will protect, indemnify and save harmless Landlord from and against all liabilities, obligations, claims, damages, penalties, causes of action, reasonable costs and expenses (including, without limitation attorneys’ fees) arising or occurring during the Term of this Lease or any period during which Tenant is occupying the Leased Premise by reason of

1. Any accident, injury to or death of persons or loss of or damage to property occurring on or about the Leased Premise or any part thereof;
2. Any use, non-use or condition of the Leased Premise Equipment or any part thereof;
3. Any failure on the part of Tenant to perform or comply with any of the terms of this Lease; or
4. The performance of any labor or services or the furnishing of any materials or other property in respect of the Leased Premise or any part thereof.

Unless due to Landlord’s willful act or gross negligence.

**ARTICLE XI**

**SALE**

Section 11.01. Marketing Property For Sale

To the extent that Landlord determines that it desires to sell the Property, it shall engage a broker who agrees to market the property in a confidential manner and shall not identify the Property in any listings and shall only identify the Property to prospective purchasers who have executed a confidentiality agreement in which the prospective purchaser agrees not to identify the fact that the Property is listed for sale. This limitation shall apply in all circumstances while Tenant occupies the Property.

**ARTICLE XII**

**ASSIGNMENT AND SUBLETTING**

Section 12.01. Assignment or Sublease Void.

Any assignment or Sublease occurring without the prior written consent of Landlord shall be void and of no effect.

Section 12.02. Assignment to an Affiliate.

Notwithstanding anything to the contrary contained in Section 12.01. Tenant, at any time or times may without the prior consent of Landlord assign this Lease or sublet the Leased Premise, or any part thereof, for a term not extending beyond the expiration or earlier termination of the Term of this Lease, so long as Tenant continues to be fully liable hereunder, and Tenant is not in default under this Lease after the expiration of any applicable notice and cure periods at the time of giving notice thereof or at the effective date of such assignment or sublet (provided Tenant notifies Landlord in writing thereof), to any of the following (each of which is called an “Affiliate”): (A) any entity that prior to and following the effective date of the proposed transfer, directly or indirectly, controls, is controlled by or is under common control with Tenant; (B) any entity into which or with which Tenant is merged or consolidated or which is merged or consolidated into or with Tenant; (C) any entity which acquires all or substantially all of the stock or assets of Tenant; and (D) any entity which acquires a controlling interest in the stock or partnership interests of Tenant the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) shall mean the possession , direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. Tenant shall provide Landlord written notice of any such sublease or assignment.

Section 12.03. Landlord’s Right to Assign.

Landlord shall have the right to sell, convey or transfer all or any part of its interest in the Leased Premise Equipment and to assign its interest in this Lease, and all covenants and obligations of Landlord under this Lease accruing thereafter shall cease, but such covenants and obligations shall be binding upon the subsequent Landlords or assignees thereof. Tenant shall not be bound to such new landlord unless and until Tenant is provided with a written assignment and assumptions of Landlord’s obligations under the Lease, the new landlord’s address for notice and payment of rent, and the new Landlord’s FEIN. The provisions of this section 12.03. shall not limit or otherwise effect Landlord’s rights under Article XI.

**ARTICLE XIII**

**WASTE, GOVERNMENTAL REGULATION**

Section 13.01. Waste or Nuisance.

Tenant shall not commit or suffer to be committed any waste upon the Leased Premise or any nuisance or other act or thing, or on the Property, or which may disturb the peace and quiet of any person within five hundred feet of the boundaries of the Property.

Section 13.02. Compliance with Laws.

Tenant, at its own expense, shall promptly comply with all present and future laws, ordinances, codes, regulations and orders affecting the Leased Premise, and the use of the Leased Premise or the conduct of Tenant’s business within the Leased Premise, including, without limitation, those relating to environmental matters and the Americans with Disabilities.

**ARTICLE XIV**

**CHANGE OF NAME**

Section 14.01. Change of Name.

Tenant shall have the right, but not the obligation to change the advertised name of the business operated in the Leased Premise, but shall have the right to use the name Millsite Golf Course with respect to the Property currently bearing those names without any additional charge during the term of this lease.

**ARTICLE XV**

**DESTRUCTION OF LEASED PREMISE**

Section 15.01. Damage or Destruction.

1. In the event the leased Premise are destroyed or damaged by fire, cyclone, flood or other storm, explosion, earthquake or other casualty from any cause (“Casualty Event”) so as to render the Leased Premise unfit for use and occupancy in Landlord’s reasonable judgement, then Landlord may elect either to (i) repair or rebuild and put the Leased Premise in good condition and fit for occupancy within one hundred eighty (180) days after the Casualty Event, or (ii) terminate this Lease, Landlord shall notify Tenant within thirty (30) days of the Casualty Event of Landlord’s intention to repair or rebuild or to terminate this Lease. If Landlord elects to repair or rebuild, it shall proceed with reasonable diligence to restore the Leased Premise to substantially the same condition in which they were immediately prior to the Casualty Event. Tenant shall be responsible for the installation of Tenant’s furniture, equipment and other personal property. If Landlord elects to terminate this Lease, then this Lease shall terminate effective as the of the date of the Casualty Event, and Rent and other charges payable by Tenant shall be adjusted as such date.

1. If Landlord fails to repair or rebuild and put the Leased Premise in good condition and fit for occupancy within one hundred eighty (180) days after the Casualty Event (the “Reconstruction Period”). Tenant may terminate this Lease by giving written notice of such termination within thirty (30) days after the expiration of the Reconstruction Period. If Tenant fails to give notice of termination within said thirty (30) day period, this Lease shall continue. Provided, however, if Landlord is delayed in the commencement or progress of the work of repair and rebuilding by the act or omission of Tenant or Tenant’s employees or contractors, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties and other causes beyond Landlord’s control, the Reconstruction Period shall be extended by the number of days Landlord is delayed.
2. Tenant shall have the right to terminate this Lease in the event (i) Landlord notifies Tenant that it cannot restore or repair the Leased Premise after a Casualty Event within one hundred eighty (180) days following the date of the Casualty, or (ii) Landlord fails to restore or repair the leased Premise after a Casualty Event within one hundred eighty (180) days following the date of the Casualty, or (iii) such Casualty occurs during the last year of the original Lease term or during any renewal Term.

Section 15.02. Tenant’s Duty to Notify Landlord of a Casualty Event.

Tenant shall notify Landlord immediately of any damage to the Premise caused by a Casualty Event

Section 15.03. No Liability to Tenant.

Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to Tenant’s business resulting in any way from the casualty Event or the restoration of the Leased Premise.

Section 15.04. Removal by Tenant.

In the event of any Casualty Event, Tenant shall be responsible for removal of all of Tenant’s furniture, fixtures and other personal property from the Leased Premise as soon as they may be safely removed.

Section 15.05. Termination.

Any termination shall be effective March 31st next following the termination.

**ARTICLE XVI**

**EMINENT DOMAIN**

Section 16.01. Condemnation.

If all or any part of the Leased Premise shall be taken by any public or quasi-public authority under the power of eminent domain, or conveyed to any such public or quasi-public authority under threat of exercise of the power of eminent domain, then the terms of this Lease shall cease on the part of the Leased Premise so taken or conveyed (hereafter referred to as the “Condemned Portion”) from the day that possession of the Condemned Portion shall be taken by the condemning authority. If the loss of the condemned portion will, based upon generally accepted standards applicable to Tenant’s business in the Leased Premise, have a significantly impairing effect on such business as to render the Leased Premise unfit for its intended use, or if more than ten percent (10%) of the Building area is taken or if sufficient portions of the grounds are taken leaving the course not reasonably playable then Tenant may cancel this Lease. Such right to cancel may be exercised by Tenant only if:

1. Tenant gives Landlord at least ten (10) days prior written notice of such cancellation:
2. The effective date of such cancellation of the entire Lease is the same as the date possession was obtained by the condemning author (which date may pre-date Tenant’s notice).

All damages awarded for any taking shall belong to and be the property of Landlord, whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee interest in the Leased Premise; provided, however, the Landlord shall not be entitled to any portion of the award made to Tenant for loss of business, depreciation to and cost or removal of stock and trade fixtures.

**ARTICLE XVII**

**DEFAULT OF THE TENANT**

Section 17.01. Right to Re-Enter.

In the event of any failure of Tenant to pay any rental due hereunder for more than ten (10) days after written notice of such default shall have been given to Tenant, or any failure to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by Tenant for more than thirty (30) days after written notice of such default shall have been given to Tenant, or if Tenant shall become bankrupt or insolvent, or file any debtor proceedings or take or have taken against Tenant in any court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant’s property, or if Tenant makes an assignment for the benefit of creditors, or petitions for or enters into such arrangement, or if Tenant shall abandon said Leased Premise, or the insolvency of Tenant or the admission of Tenant of its inability to pay its debt as they mature or Tenant is dispossessed from the Leased Premise due to attachment, levy, imposition of a federal or state tax lien or other legal proceedings which cause Tenant to remain out of possession for five (5) or more consecutive days; or suffer this Lease to be taken under any writ of execution, then Landlord besides other rights or remedies it may have under this Lease, applicable law, or otherwise shall have immediate right of re-entry and may remove all persons and property from the Leased Premise and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, all with service of notice. Each of the foregoing occurrences shall be considered a default under the Lease (sometimes “Default”).

Section 17.02. Right to Relet.

Should Landlord elect to re-enter as hereinabove in this Article provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Leased Premise, and relet said Leased Premise or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord may reasonably deem advisable for its own account; upon each such reletting all rentals received by the Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord, second, to the payment of any costs of such alterations and repairs and any other amounts due from Tenant to Landlord under the Lease; third, to the payment of Rent due and unpaid hereunder, and the residue, if any shall be held by Owner and applied in payment of future rent and other obligations of Tenant as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said Leased Premise by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for a breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased Premise and including the worth at the time of such termination of the excess, if any, of the amount of Rent and charges equivalent to rent reserved in this lease for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to Landlord.

Section 17.03. No Reimbursement.

Should the Landlord elect or enforce any remedy provided in this Article XVII, then Tenant shall not be entitled to any reimbursement hereunder including but not limited to any promotional payment or reimbursement capital improvements.

**ARTICLE XVIII**

**ACCESS BY OWNER**

Section 18.01. Right to Entry.

Landlord or Landlord’s agents in an emergency with no notice, shall have the right to enter the Leased Premise at all reasonable times with reasonable notice to Tenant, to examine the same, and to make such repairs, alterations, improvements or additions as Landlord may reasonably deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said Leased Premise that may be required therefore without the same constituting an eviction of Tenant in whole or in part and the rent reserved shall in no wise abate while said repairs, alterations, improvements, or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the building or any part thereof, except as otherwise herein specifically provided. Landlord at all times shall have working keys, key fobs or other electronic devices Tenant uses to access and secure the Leased Premise and all improvements and structures thereon. Landlord shall have access to all areas of Leased Premise which public or Tenant’s members are allowed.

**ARTICLE XIX**

**TAXES ON TENANT’S PROPERTY, LEASEHOLDS**

Section 19.01. Taxes on Leasehold.

Tenant shall be responsible for and shall pay before delinquency all national, municipal, county, or state taxes assessed during the term of this Lease by virtue of the Lease, whether assessed against Landlord or Tenant, or against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the Leased Premise by the Tenant.

**ARTICLE XX**

**HOLDING OVER, SUCCESSOR**

Section 20.01. Holding Over.

In the event Tenant remains in possession of the Leased Premise after the expiration or termination of this Lease and without the execution of a new lease or Landlord’s prior written consent, Tenant shall be deemed to be occupying the Leased Premise as a tenant from month-to-month, subject to all of the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

Section 20.02. Successors.

All rights and liabilities herein given to, or imposed upon the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties. No rights, however, shall inure to the benefit of any assignee of Tenant except as provided in Section Article XII hereof.

**ARTICLE XXI**

**QUIET ENJOYMENT**

Section 21.01. Owner’s Covenant.

Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant’s part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Leased Premise for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject, nevertheless, to all the terms and conditions of this Lease.

**ARTICLE XXII**

**MISCELLANEOUS**

Section 22.01. Waiver.

The waiver by Landlord or Tenant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

Section 22.02. Entire Agreement: Amendments in Writing.

This Lease and the Exhibits, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premise and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Any modifications, addenda, releases or waivers must be in writing and executed by both parties in order to be binding upon any party.

Section 22.03. No Partnership.

Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Tenant.

Section 22.04. Notices.

Any notices either required to be given under the terms of the Lease or that either party may desire to give to the other shall be given by serving same by certified or registered mail, addressed to the other party at the address herein under immediately specified:

Landlord’s Address:

Tenant’s Address:

The time of rendition or giving of such notice shall be deemed to be the third day after the same is deposited with the United States Postal Service.

Section 22.05. Captions and Section Numbers.

The captions, section numbers, and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

Section 22.06. Grammatical Changes.

The word “Tenant” shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, be the same one or more; and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. The use of the neuter, singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more that one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

Section 22.07. Partial Invalidity.

If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the term, covenant or condition declared unenforceable shall be deemed to be deleted from this Lease and Landlord will make no attempt to enforce such unenforceable provision and the remained of this Lease, or the application of the unenforceable term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby. Each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law but shall not be enforced if determined to be unenforceable. Nothing contained herein shall comply Landlord to violate any federal, state, county, township or any other governmental rules or regulations.

Section 22.08. Applicable Law.

The laws of the State of Utah shall govern the validity, performance and enforcement of this Lease. Should either party institute legal suit or action for enforcement of any obligation contained herein, it is agreed that the jurisdiction and venue of such suit or action shall be in Salt Lake City, Utah.

Section 22.09. Club Membership.

Mr. Francis and Mrs. Francis shall be provided free memberships at the Properties and those properties to which Tenant provides reciprocity privileges, and are entitled to bring a guest without payment of green fees or cart fees.

Section 22.10. Miscellaneous personal property.

Landlord agrees to sell or remove items of personal property that Tenant states are not essential to its operation of the Property. To the extent that Tenant assists in the sale or liquidation of the same, it shall be provided a commission of 20% of the sale proceeds.

Section 22.11. Intellectual Property.

Landlord’s cell phone numbers, websites, domains, email addresses, Facebook, and other similar property shall remain the sole property of Landlord. The website, Facebook and other social media sites for Prairie Highlands may be utilized by Tenant so long as Tenant currently registers, updates and otherwise properly maintains for the life of the Lease these assets. Upon the termination of the Lease, or such earlier period that chooses to return them to Landlord, these assets shall be returned in active condition to the Landlord.

**ARTICLE XXIII**

**SURVIVAL OF TENANT’S OBLIGATIONS**

All obligations of Tenant which by their nature involve performance, in any particular, after the end of the Lease Term, or any extension thereof, or which cannot be ascertained to have been fully performed until after the end of the Lease Term, or any extension thereof, shall survive the expiration or sooner termination of this Lease.

**ARTICLE XXIV**

**ATTORNEYS FEES/COSTS**

If suits shall be brought because of breach of any covenant herein contained on the part of Tenant or Landlord to be kept or performed, each party shall bear its own costs and expenses incurred in connection therewith, including, without limitation, applicable court costs, investigation and discovery costs, costs of appeal and reasonable attorneys’ fees.

**ARTICLE XXV**

**RESERVATION**

Landlord shall reserve and retain the second floor of the clubhouse at the Leased Premise for its full and exclusive use (“Retained Space”), except for the conference room of which both parties shall have mutual use, for a period of six months from the Commencement Date. Tenant shall permit Landlord’s sole and unfettered access to the Retained Space and conference room at all times including use of the common area parking facilities. Landlord shall be provided wireless internet access on the Leased Premise without charge.

**ARTICLE XXVI**

**MORTGAGE OR SALE OF THE PREMISE**

Section 26.01. Mortgage of Premise.

The parties acknowledge the Leased Premise are subject to a deed of trust/mortgage in favor of a third party lender and such deed of trust/mortgage is prior to and superior to this Lease. Landlord reserves the right to further subject and subordinate this Lease at all times to the Lien of any deed of trust or mortgage now or hereafter placed upon any interest of Landlord in the Leased Premise. Upon the written request of Landlord or the holder of any deed of trust or mortgage (the “Mortgagee”) now or hereafter encumbering the Leased Premise, Tenant shall subordinate its rights under this Lease to the lien of such deed of trust or mortgage. Notwithstanding the foregoing, if the Mortgagee elects to have this Lease subordinate to its deed of trust or mortgage, then upon Landlord’s or Mortgagee’s request. Tenant shall execute, acknowledge and deliver an instrument, in the form used by said Mortgagee, effecting such priority, or such other instruments as Mortgagee shall reasonably request. PROVIDED, HOWEVER, as a condition of any such subordination after the date of this Lease, and except with respect to any modification of the borrowing secured by the deed of trust/mortgage currently encumbering the Leased Premise, Landlord hereby represents and warrants that it shall obtain and deliver to Tenant with such subordination, an agreement, in recordable form, from the holder of any mortgageor deed to secure debt, lien or encumbrance to which this Lease is subordinate containing a covenant binding upon the holder thereof to the effect that as long as Tenant shall not be in default under this Lease, this Lease shall not be terminated or modified in any respect whatsoever other than by its terms, nor shall the possession rights of Tenant be disturbed in any way, nor shall any other rights of Tenant hereunder otherwise affected in any way be reason of such mortgage, deed to secure debt or other interest in the Leased Premise or any foreclosure action or other proceeding that may be instituted in connection therewith whether relating to occupancy of the Leased Premise or otherwise, and that, except to the extent that the holder of such mortgage is required to do so to effectively foreclose such mortgage. Tenant shall not be named as a defendant in any such foreclosure action or other proceeding and such foreclosure shall in any event be made subject to the provisions of this Lease.

Section 26.02. Sale of Premise by Landlord.

Landlord shall have the right to sell, convey, transfer or assign all or any part of its interest in the Leased Premise or its interest in this Lease. In the event of any sale of the Premise by Landlord, Landlord shall be entirely relieved of all liability under any and all covenants and unaccrued obligations under this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; provided that the purchaser at such sale covenants in writing to and with Tenant to carry out any and all covenants and obligations of Landlord under this Lease.

Section 26.01. Estoppel Certificate.

Tenant agrees to execute, acknowledge and deliver to and in favor of any Mortgagee, purchaser of the Leased Premise, or Landlord within fifteen (15) business days after written request by Landlord, an estoppel certificate. The estoppel certificate shall state, among other things; (a) whether this Lease is in full force and effect; (b) whether this Lease has been modified or amended and, if so, identifying and describing any such modification or amendment; (c) the date to which charges have been paid; and (d) whether Tenant knows of any default on the part of Landlord or has any claim against Landlord and, if so, specifying the nature of such default or claim. If such estoppel certificate is not returned within said fifteen (15) day period, Tenant shall be in default of this Lease

Section 26.01. Approval of the Mortgagee.

The Landlord shall not be deemed to have agreed to the terms hereof unless and until any necessary or required approval of the Mortgagee has been obtained.

**ARTICLE XXVI**

**ENVIRONMENTAL LIABILITY**

Tenant covenants not to introduce any hazardous or toxic materials or hazardous substances into any portion of the Leased Premise without complying with all applicable federal, state and local laws, ordinances, regulations or orders (whether now existing or hereafter enacted) pertaining to the transportation, storage, use or disposal of such materials (collectively, “Environmental Laws”), including, but not limited to, obtaining proper permits. If Tenant’s transportation, storage, use or disposal of hazardous or toxic materials or hazardous substances into the Leased Premise results in the contamination of the soil or surface or ground water the violation of any Environmental laws or loss or damage to any person or property, then Tenant shall (i) immediately notify Landlord and all appropriate regulatory authorities of any contamination, claim of contamination, violation of Environmental Laws, loss or damage; and (ii) after consultation with Landlord, clean up the contamination in full compliance with Environmental Laws. In addition, Tenant shall arrange, at Tenant’s sole cost and expense, for disposal of all biohazardous waste from the Leased Premise generated by or resulting from Tenant’s use of or conduct of business in the Leased Premise. At Landlord’s request from time to time, Tenant shall execute affidavits, representations and the like concerning Tenant’s best knowledge and belief regarding the presence of hazardous materials or substances in the Leased Premise. Tenant agrees to surrender the Leased Premise to Landlord upon expiration or termination of this Lease free from the presence or contamination of any hazardous materials or substances caused by Tenant, its contractors, agents, officers, directors, members, employees, invitees or guests. Tenant further agrees to and shall indemnify, defend and hold harmless Landlord, its successors and assigns, against any and all liability, loss or expense, including but not limited to, reasonable attorneys’ fees, arising from or connected with any such contamination, claim of contamination, violation of Environmental Laws, judgment, loss or damage related to the existence, disposal or release of contaminants or pollutants introduced onto the Leased Premise by Tenant or its agents, employees, contractors or invitees. This provision shall survive the termination of this Lease.

**IN WITNESS WHEREOF,** Owner and Tenant signed and sealed this Lease as of the day first above written.

**“Exhibit A”**

**Map of the Property**

**Exhibit “B”**

**(Intentionally Omitted)**

**Exhibit “C”**

**Personal Property and Equipment Tenant Leases as Part of this Lease Agreement**

**Quantity Description of the Property Condition\_\_\_\_\_\_\_\_\_\_\_\_**



2.

3.

**Exhibit “D”**

**Contracts of Owner to be Assumed by Tenant**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Description of Contract** | **Other Party to Contract** | **Monthly Payment** | **Termination Date** |
| 1. |  |  |  |  |
| 2. |  |  |  |  |
| 3. |  |  |  |  |