

LEASE AGREEMENT

Oxbow CC—existing clubhouse property

THIS LEASE, made and entered into this 21st day of January, 2015, by and between the CASS COUNTY JOINT WATER RESOURCE DISTRICT, a North Dakota political subdivision, hereinafter referred to as "Owner", and OXBOW GOLF AND COUNTRY CLUB, a North Dakota non-profit corporation, whose address is 130 Oxbow Drive, Oxbow, ND 58047, hereinafter referred to as "Lessee";

RECITATIONS:

A. Owner is the owner of certain real property situate in the County of Cass and state of North Dakota, more fully described as:

See Legal Description attached hereto
[hereinafter the "Premises"]

the street address for which is 130 Oxbow Drive, Oxbow, ND 58047.

B. Owner recently purchased, or will soon purchase, the Premises from Lessee under a separate agreement(s).

C. Owner and Lessee have agreed to lease of the Premises to Lessee to allow Lessee to continue its use of the Premises for the same purposes or for such other purpose as Lessee deems appropriate, under terms and conditions hereinafter set forth in this lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

1. Leased Premises. The property which is the subject of this lease is the Premises, as defined above.

2. Use of Premises. Lessee shall possess and manage the Premises as a private golf course and country club in the same manner as it has been using the Premises since the origin of Lessee's existence or for such other purpose as Lessee deems acceptable.

3. Term of Lease. This lease shall be for an initial period **commencing upon the date when Owner becomes the owner of the Premises and continuing until September 6, 2016.** Notwithstanding the foregoing, during the term hereof Lessee may terminate this lease upon thirty (30) days' written notice.

4. Lease payment. Lessee agrees to pay the sum of one dollar (\$1.00) per year as rent for the Premises, recognized as good and valuable consideration. Lessee shall assume all ownership responsibility with respect to the Premises, and enjoy all benefits therefrom, including collection of rents secured and approved by Lessee at its sole discretion.

5. Maintenance of the Premises. Lessee shall, at its sole expense, keep and maintain the Premises in a clean, safe, and sanitary condition, and in compliance with all applicable laws and regulations. Lessee's obligations hereunder shall include, but not be limited to,

the maintenance and repair of all electrical and plumbing fixtures and equipment, furnishings, heating, air conditioning and ventilation equipment, all interior walls, partitions, floors, carpeting, doors, including exterior storm doors, windows and any and all other aspects of the interior of the building.

Lessee shall also keep and maintain all portions of the Premises, including access areas, sidewalks, walkways, and lawn areas adjoining the building in a clean and orderly condition, free of accumulation of dirt, rubbish, snow and ice.

6. Care and Maintenance by Lessee. Lessee shall be responsible for all maintenance and repairs which may be required.

7. Alterations and Additions. Lessee shall not make any alterations and additions to the Premises without the prior written consent of Owner.

8. Taxes and Insurance. Lessee shall pay all real estate taxes and installments of assessments that have been certified for collection, general and special, on the Premises.

Lessee shall be responsible to procure and pay for insurance on the Premises. Such insurance policy shall name Owner and Lessee as insureds and shall provide for the payment of losses thereunder to Owner.

8.A. Property and Casualty Insurance.

8.A.(1). Owner shall at all times during the term of this Lease, at its expense, maintain a policy or policies of insurance with premiums paid in advance issued by an insurance company licensed to do business in the State of North Dakota insuring the building against loss or damage by fire, explosion or other insurable hazards and contingencies for the full replacement value, provided that Owner shall not be obligated to insure any furniture, equipment, machinery, goods or supplies not covered by this Lease which Lessee may bring upon the Premises or any additional improvements which Lessee may construct or install on the Premises without Owner's written consent.

8.A.(2). Lessee shall not carry any stock of goods or do anything in or about the Premises which will in any way impair or invalidate the obligation of the insurer under any policy of insurance required by this Lease.

8.A.(3). Lessor hereby waives and releases all claims, liabilities and causes of action against Lessee and its agents, servants and employees for loss or damage to, or destruction of, the Premises or any portion thereof, including the buildings and other improvements situated thereon, resulting from fire, explosion or other perils included in standard extended overage insurance, whether caused by the negligence of

any of said persons or otherwise. Likewise, Lessee hereby waives and releases all claims, liabilities and causes of action against Lessor and its agents, servants and employees for loss or damage to, or destruction of, any of the improvements, fixtures, equipment, supplies, merchandise and other property, whether that of Lessee or of others in, upon or about the Premises resulting from fire, explosion or other perils included in standard extended coverage insurance, whether caused by the negligence of any of said persons or otherwise. The waiver shall remain in force whether or not the Lessor's and Lessee's insurers shall consent thereto.

8.A.(4). In the event that the particular use(s) of the demised Premises by Lessee causes an increase or additional charge in the premium rate for insurance carried by Lessor on the improvements of which the Premises are a part, which increase or additional charge is specifically related to the particular use(s) by Lessee, Lessee shall be responsible for reimbursement to Owner for the amount of such premium increase or additional charge. If Lessee installs any electrical equipment that overloads the power lines to the building or its wiring, Lessee shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriter, insurance rating bureau and government authorities having jurisdiction.

8.B. General Liability Insurance.

Lessee agrees and covenants that Lessee will at all times during the term of this Lease carry and maintain for the mutual benefit of Owner and of Lessee, general public liability insurance insuring Owner and Lessee against claims, demands, actions and liability for injury, death or damage to person or property occurring on or about the Premises or the use of the Premises. Such insurance shall be in such amounts as Lessor may from time to time reasonably require but not less than \$500,000.00 with respect to injury or to death arising out of one accident, and \$250,000.00 with respect to property damage arising out of one accident.

8.C. Renewal and Cancellation.

The policies or certificates evidencing such insurance, together with evidence of the payment of the premiums thereon, shall be delivered to the Owner upon the execution of this Lease, and renewals thereof shall be delivered to the Owner at least thirty (30) days prior to the expiration dates of the respective policies.

All insurance policies procured by Lessee shall contain provisions providing for thirty (30) days' written notification to Owner prior to the effective date of any cancellation.

In case Lessee shall at any time fail, neglect or refuse to procure and maintain any of the insurance as hereinabove provided, then Owner may at Owner's election procure or renew any

such insurance, and any amounts paid therefor by the Owner shall be due and owing from Lessee.

9. Utilities. Lessee shall pay for all utilities including, but not limited to, water, sewer, natural gas, electricity and any other utility which may be necessary in connection with the use of the Premises by Lessee.

10. Surrender of Premises. At the end of the term of this lease or otherwise upon termination hereof, Lessee shall surrender the Premises to Owner in as good a condition as at the commencement of this lease, reasonable wear and tear excepted.

11. Total or Partial Destruction. In the event of any damage or destruction to the Premises by fire or other cause during the term hereof, this lease shall terminate effective immediately.

12. Covenant to Hold Harmless. Lessee hereby agrees to indemnify and hold Owner harmless from any and all liability for damages, claims, liabilities, demands, actions, losses, costs and expenses, including reasonable attorney's fees, for the defense thereof, to any person or property in and about the Premises. In case of any action or proceeding brought against Owner by reason of any such claim, upon notice from Owner, Lessee covenants to defend such action or proceeding by counsel reasonably satisfactory to Owner. Owner shall not be liable and Lessee holds Owner harmless and waives all claims for damage to persons or property sustained by Lessee or Lessee's employees, agents, contractors, customers, servants, sublessee's, invitees or licensees, on or about the Premises or resulting from the disrepair of the Premises or any building or equipment located thereon or resulting from any accident on or about the Premises. Lessee further agrees to discharge any and all mechanic's liens which may be filed against the building and agrees to hold Owner harmless from any and all such liens.

13. Assignment and Subletting. Lessee shall NOT be permitted to assign or sublet any portion of the Premises without the permission of Owner.

14. Intent of Parties. It is the intent of the parties hereto that this lease be considered a net-net-net lease and that Lessee shall be responsible for any and all costs associated with the occupancy and the utilization of this property.

15. Construction. This lease shall be governed and construed under the laws of the state of North Dakota.


16. Recording of Lease. This Lease may be recorded in the office of the Register of Deeds in and for Cass County, North Dakota.

17. Notice. Any notices, demands, or other communications required or desired to be given under this Lease Agreement shall be given in writing, delivered personally or sent by certified or registered mail, return receipt requested, first-class postage prepaid, to the following:

To the Owner: Cass County Joint Water Resource District
 1201 Main Ave W
 West Fargo, ND 58078

LESSEE

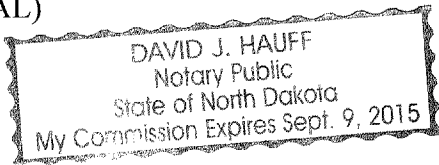
OXBOW GOLF & COUNTRY CLUB
a North Dakota non-profit corporation

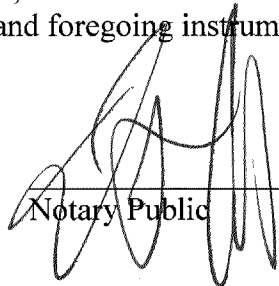
By 
Chris Holland, its President

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF CASS)

On this 19th day of January, 2015, before me, a notary public in and for said county and state, personally appeared CHRIS HOLLAND, known to me to be the president of OXBOW GOLF & COUNTRY CLUB, a North Dakota non-profit corporation, the person described in and who executed the within and foregoing instrument and acknowledged to me that he executed the same.

(SEAL)




Notary Public

Legal Description
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Auditor's Lot No. 1, a part of Lot 162 in OXBOW COUNTRY CLUB AND ESTATES, City of Oxbow, Cass County, North Dakota, with said property also legally described as:

That part of Lot 162 of OXBOW COUNTRY CLUB AND ESTATES, according to the recorded plat thereof on file and of Record in the office of the Recorder, Cass County, North Dakota described as follows:

Commencing at a found iron monument which designates the southwest corner of Lot 109 of said OXBOW COUNTRY CLUB AND ESTATES; thence South 86 degrees 44 minutes 26 seconds West along the north line of Lot 108 of said OXBOW COUNTRY CLUB AND ESTATES for a distance of 22.27 feet to an iron monument; thence North 05 degrees 04 minutes 04 seconds West for a distance of 158.36 feet to an iron monument; thence North 21 degrees 44 minutes 56 seconds East for a distance of 152.01 feet to an iron monument; thence North 35 degrees 27 minutes 33 seconds East for a distance of 573.86 feet to an iron monument; thence North 17 degrees 26 minutes 23 seconds East for a distance of 164.44 feet to an iron monument; thence North 01 degree 53 minutes 15 seconds West for a distance of 89.90 feet to an iron monument; thence North 19 degrees 05 minutes 39 seconds West for a distance of 316.26 feet to an iron monument; thence North 00 degrees 33 minutes 03 seconds East for a distance of 146.36 feet to an iron monument; thence North 29 degrees 08 minutes 34 seconds East for a distance of 767.57 feet to an iron monument; thence North 08 degrees 17 minutes 58 seconds East for a distance of 63.76 feet to an iron monument; thence North 10 degrees 13 minutes 18 seconds West for a distance of 114.12 feet to an iron monument on the southerly right of way line of a dedicated road (Oxbow Drive) according to said OXBOW COUNTRY CLUB AND ESTATES; thence North 73 degrees 26 minutes 26 seconds East along said southerly right of way line for a distance of 40.83 feet to a found iron monument; thence North 73 degrees 25 minutes 32 seconds East continuing along said southerly right of way line for a distance of 147.11 feet to an iron monument, the point of beginning of the land to be described; thence South 07 degrees 40 minutes 36 seconds East for a distance of 127.18 feet to an iron monument; thence South 04 degrees 30 minutes 51 seconds West for a distance of 113.34 feet to an iron monument; thence South 19 degrees 30 minutes 27 seconds West for a distance of 145.80 feet to an iron monument; thence South 34 degrees 39 minutes 52 seconds West for a distance of 55.95 feet to an iron monument; thence South 74 degrees 06 minutes 28 seconds East for a distance of 106.59 feet to an iron monument; thence North 51 degrees 23 minutes 40 seconds East for a distance of 36.01 feet to an iron monument; thence North 89 degrees 01 minute 14 seconds East for a distance of 62.50 feet to an iron monument; thence North 75 degrees 47 minutes 07 seconds East for a distance of 182.81 feet to an iron monument on the westerly right of way line of a dedicated road (Oxbow Drive) according to said OXBOW COUNTRY CLUB AND ESTATES; thence 84.38 feet northerly along said westerly right of way on a non-tangential curve concave to the east, having a central angle of 75 degrees 13 minutes 13 seconds, a radius of 64.27 feet, a chord bearing North 13 degrees 37 minutes 57 seconds West and a chord length of 78.45 feet to a found iron monument; thence 103.94 feet northerly continuing along said westerly right of way line on a non-tangential curve concave to the west, having a central angle of 63 degrees 42 minutes 16 seconds, a radius of 93.48 feet, a chord bearing North 07 degrees 37 minutes 15 seconds West and a chord length of 98.67 feet to an iron monument; thence North 39 degrees 28 minutes 23 seconds West continuing along said westerly right of way line for a distance of 196.47 feet to a found iron monument; thence 96.63 feet continuing northwesterly along said westerly right of way line on a tangential curve concave to the southwest, having a central angle of 37 degrees 06 minutes 05 seconds, a radius of 149.23 feet, a chord bearing North 58 degrees 01 minute 26 seconds West and a chord length of 94.95 feet to a found iron monument; thence North 76 degrees 34 minutes 28 seconds West continuing along said westerly right of way for a distance of 48.64 feet to a found iron monument on said southerly right of way line; thence South 73 degrees 25 minutes 32 seconds West along said southerly right of way line for a distance of 14.17 feet to the point of beginning.

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Said tract contains 2.28 acres, more or less, and is subject to all easements, restrictions and reservations of record, if any.