

LESSOR ESTOPPEL CERTIFICATE

The undersigned, KOOTENAI COUNTY, IDAHO, by and through its Board of Commissioners ("**Lessor**"), and PANHANDLE AREA COUNCIL, INC., an Idaho corporation, ("**Lessee**"), are parties to that certain Ground Lease dated August 12, 2025, (the "**Lease**") with respect to Lessee's occupancy of approximately 191,482 square feet (the "**Leased Premises**", together with the Improvements, the "**Property**") located in Kootenai County, Idaho, as further described and depicted in the Lease. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.

Panhandle Area Council, Inc., an Idaho corporation and a company affiliate of Lessee ("**Borrower**"), is in the process of obtaining financing (the "**Loan**") from WASHINGTON TRUST BANK (including its assigns, "**Lender**") to refinance existing indebtedness, develop and construct further Improvements on the Leased Premises. It is a condition to Borrower obtaining the Loan that Lessor execute and deliver this Lessor Estoppel Certificate (the "**Estoppel**").

Lessor hereby certifies, represents, warrants, and covenants to Lender that:

1. Lease. A true and correct copy of the Lease, and all modifications, amendments, renewals and extensions thereto, is attached hereto as Exhibit A.
2. Entire Agreement. The Lease is in full force and effect, constitutes the entire agreement between Lessor and Lessee with respect to the Property, and there are no other agreements between Lessor and Lessee, either oral or written, with respect to the Property.
3. Term. The current term of the Lease began on August 12, 2025, and expires on August 11, 2050.
4. No Default. As of the date hereof, neither Lessee nor Lessor is in default under the Lease, nor, to the best knowledge of Lessor, has any event occurred or does any condition exist which could give Lessor the right to claim default under the Lease after the passage of time, the giving of notice or otherwise.
5. Termination. Other than due to a default under the Lease by Lessee, to which Lender is given notice and an opportunity to cure pursuant to Section 26.L.7 of the Lease, Lessor affirms that any termination, surrender, or cancellation of the Lease, including termination pursuant to Sections 3, 18.E and 18.F of the Lease, is not effective without the prior written consent of Lender.
6. Amendments. Lessor affirms that, so long as there is an outstanding balance under the Loan, no amendment, modification, or restatement of the Lease shall be effective without the written consent of Lender.
7. Loan Amount. The limitations to the amount for which a Leasehold Mortgage may be security for loan set forth in Section 26.L of the Lease is hereby deleted from the Lease. The Lease is amended and modified accordingly.

8. Registration; Notices. This Estoppel serves as Lender's registration and notice requirements under Sections 26.L.5 and 26.L.6 of the Lease. Lender shall be entitled to receive a copy of any notice from Lessor sent to Lessee affecting or regarding the Lease or the Leased Premises. Said notices shall be mailed to Lender at the following address:

Washington Trust Bank
Attn: Commercial Relationship Manager
218 Lakeside Avenue
Coeur d'Alene, ID 83814

[SIGNATURE PAGES FOLLOW]

This document shall be effective based on the signature dates below. All parties agree to electronic signatures.

**KOOTENAI COUNTY
BOARD OF COMMISSIONERS
SIGNATURES**

**ATTEST:
JENNIFER LOCKE, CLERK**

LESSEE: PANHANDLE AREA COUNCIL,
INC.

By: [Signature]
Lloyd W. Jacobson, Executive Director
Panhandle Area Council, Inc.

STATE OF IDAHO)
) ss.
COUNTY OF KOOTENAI) id

On this day of August 27, in the year 2025 before me, Michelle R Neeley,
a Notary Public in and for the State of Idaho, personally appeared LLOYD W.
JACOBSON, known or identified to me to be the Executive Director of the corporation who
executed the instrument on behalf of said corporation, and acknowledged to me that such
corporation executed the same.

Michelle R Neeley
Notary Public
Residing at 6914 N Downnngln, CDA, Kootenai County
My Commission Expires 1/23/29

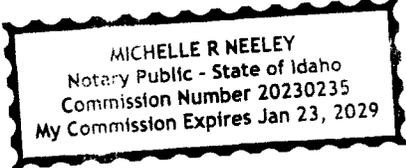


EXHIBIT A

The Lease

Please see attached.

RECORDING FEE: \$0.00
Electronically Recorded

XL

GROUND LEASE

This Ground Lease (hereinafter "Lease" or "Agreement") is by and between Kootenai County (hereinafter "Lessor" or "County") and Panhandle Area Council, Inc. (hereinafter "Lessee"). This Agreement is made and entered into effective as of the date of the Board of Commissioners signatures.

WITNESSETH:

WHEREAS, the County owns the Coeur d'Alene Airport (hereinafter "Airport"), located in Kootenai County, Idaho;

WHEREAS, the Airport is governed by Kootenai County;

WHEREAS, Lessee is organized and existing under the laws of the State of Idaho and is authorized to conduct business in the State of Idaho;

WHEREAS, the parties hereto wish to enter into this **Ground Lease** for land of approximately 191,482 square feet and related improvements, including vehicle parking areas, for the purpose of corporate office and maintenance facilities to be located thereon, together with its appurtenant facilities, all of which are intended to be subleased by separate agreement, owned or operated by Sub-lessee or its affiliates, as legally described and depicted generally on Exhibit "A" attached (Legal Description);

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. Premises:

County hereby leases to the Lessee the land located and more particularly described in the attached and incorporated Exhibit "A" (hereinafter the "Premises"). The Premises includes the site identified as Exhibit "A" together with easements and access for ingress and egress. Lessee, in addition to the Premises, shall be entitled to the general use, in common with others, of all airport facilities made available for use to the general public. For purposes of this Lease, "Airport Facilities" shall include runways, taxiways, public ramps, roadways, sidewalks, navigation and terminal aids, lighting facilities, terminal facilities, or other public use facilities that have been constructed by the County and are the direct control of the County.

2. Base Term:

In recognition of the investment being made by the Lessee, this Lease shall be for a Base Term of twenty-five (25) years commencing upon execution by the Kootenai County Board of County Commissioners, expiring twenty-five (25) years from that date. Once established, the commencement date will be established by an amendment to this Agreement. Occupancy and use of the improvement shall be conditioned upon receipt of a certificate of occupancy from the County.

3. Option Terms:

Lessee shall have the option to renew if mutually agreed upon by both parties. If either party wishes to change any terms of this Agreement after the Base Term or any successive period, such party shall notify the other party thereof with a minimum of one hundred eighty (180) days written notice prior to the expiration date. If either party intends not to renew the lease, Lessee shall give a

minimum of one hundred eighty (180) days written notice thereof before the end of the lease period. Upon expiration or termination as called for herein, Lessee will vacate the Premises as called for in this Agreement.

4. Improvements:

Lessee shall provide the County with “as built” drawings of all new construction within thirty (30) days following the issuance of a Certificate of Occupancy. County’s representative will verify improved area and unimproved area dimensions of the Premises within thirty (30) days following notice from the Lessee of completion. All improvements constructed or installed by Lessee within the Premises, except utilities and infrastructure improvements required by County and located outside any buildings within the Premises, shall be owned by Lessee.

5. Project Costs:

Lessee shall be solely responsible for all costs associated with any development completed on the Premises. Lessee’s share of the County’s expenses to construct and install utilities and infrastructure to the edge of the lot line of the Premises shall be the total amount of \$0, which Lessee shall reimburse the County as follows: N/A

6. Base Rent, Rental Adjustments, Payment of Rent and Late Fees:

Base Rent for the initial four (4) years of the Agreement will be \$0.1837 per square foot per year for an annual total of \$35,175.24 to be paid monthly in the amount of \$2,931.55.

Following the initial four (4) year term, the Base Rent shall be adjusted to the then current market rate for a commercial aeronautical lessee. Following the initial market rate adjustment, the Base Rent rate will be reviewed and established every 5 years based on a combination of any of the following criteria: (1) A survey of similarly situated airports in the Northwest region that offer similar services with the fair market rate being an average of the subject properties and land factoring in age, access to utilities, infrastructure condition, dimensions, capacity, and other conditions that impact the value of the property; (2) An airport based appraisal based on a portfolio of airport properties and improvements comparable to what is in place at COE; (3) The required revenue from the land and improvements required in order to meet the financial self-sufficiency Grant Assurance for the Airport; (4) Whether the land or improvement is being used for an Aeronautical Activity or Non-Aeronautical Activity; and (5) the Consumer Price Index (“CPI”) five (5) year rolling average for the West B/C region. Under no circumstance shall the five-year adjustment be set at a rate that is less than the previous adopted rate and/or less than the compounded CPI for the previous five year period; (6) or another acceptable aviation rent determinable methodology for Airport land and improvements. Under no circumstances shall the five (5) year adjustment be set at a rate that is less than the previous adopted rate and/or less than the compounded CPI for the previous five (5) year period.

One twelfth of the annual Base Rent requirement shall be paid in advance on a monthly basis to the County to the following address, which address may be changed from time to time upon ten days written notice by the County:

Kootenai County
Coeur d’Alene Airport
Attn: Accounts Receivable
10375 Sensor Avenue

Hayden, ID 83835

Without waiving any other right of action available to the County in the event of default in payment of rental hereunder, in the even the Lessee is delinquent for a period of thirty (30) days or more in paying to the County any rental payable to the County pursuant to this Agreement, Lessee agrees to pay the County a late charge for each such delinquent payment equal to five percent (5%) of the total twelve months annual rental. Any payments past due more than thirty (30) days shall also have interest added thereon at the rate of ten percent (10%) per annum.

7. Agent:

The County appoints the Airport Director, or designee, as agent to receive all Rent, notices and reports under this Lease.

8. Use of Premises:

Lessee covenants and agrees that Lessee's activity conducted on the Lease Premises shall be in accordance with the terms of this Agreement and any subsequent agreements and amendments. The Leased Premises are to be used only for the purposes mentioned in this Agreement and must, at all times, be in compliance with the County's Rules and Standards of the Coeur d'Alene Airport as adopted by the County and as may be amended from time to time. The County and Lessee will cooperate in developing appropriate plans in the event a change in the Minimum Standards requires a change to the Premises.

Lessee agrees the use of the Leased Premises is limited to the maintenance and operation of a commercial and/or non-commercial hangar facility; aircraft manufacturing and assembly; aviation support services, including but not limited to aircraft sales, aircraft defueling and refueling, maintenance and storage of aircraft; operations of a US air carrier and commercial charter; FBO, corporate office space and reception areas; manufacturing, research and development of aircraft parts; and other activities reasonable incident to Lessee's or Sub-lessee's ownership of such a hangar; aircraft maintenance; storage of aircraft and other incidental property such as parts, equipment supplies, and property carried on such aircraft; parking of Lessee or Sublessee ground vehicles; for office space; and for no other purpose. Aircraft maintenance conducted on the Premises shall be accomplished in accordance with the Minimum Standards, County Building and Fire Codes, and adopted rules and regulations. Aircraft must be removed from any structure during fueling operations.

9. Parking:

The Premises may be used for vehicle parking of business-related automobiles, trucks, vans, trailers and similar vehicles without the payment of any additional fees to County.

10. Signs:

Lessee may install County ordinance compliant signs and in compliance with the adopted Rules and Standards or other corporate identification of the business on the Premises at its sole cost, provided, however, that the Lessee or its designee has obtained the Airport Director's prior written approval as to the size, type, design and location of these signs or other corporate identification prior to installation.

11. Right to Amend:

If the Federal Aviation Administration ("F.A.A.") or its successor, requires modifications or changes in this Lease as a condition precedent to granting funds for improvements, Lessee agrees to consent to the amendments, modifications, or changes of this Lease as may be reasonably required and to incorporate such required changes into an amendment to this Agreement; however, Lessee will not be required to pay increased rent or change the use of the Premises or accept a relocation or reduction in size of the Premises until Lessee and the County have fully executed an amendment to this Lease that is mutually satisfactory to all parties.

12. Subordination to U.S.A./F.A.A. Requirements:

This Lease is subordinate to the provisions of any existing or future agreement between County and the United States of America relating to the operation or maintenance of the Airport.

13. Development of Improvements:

All plans and specifications for Lessee's improvements and all renovations, remodeling, refurbishing and construction upon the Premises must meet all fire, building, and other applicable County, state and federal regulations and code requirements. Lessee shall be responsible for obtaining required building permits and for paying all permit fees associated with the development. Upon final completion and acceptance of the improvements by the County, Lessee must provide one set of Mylar as built plans and one electronic copy of the record documents to the County, who will keep one set of plans on file at the Airport Director's office.

Lessee must include in all construction contracts entered into, a provision requiring the contractor, or in the alternative, Lessee, to indemnify, hold harmless, defend and insure County, including its officers, agents, elected officials, and employees, against the risk of legal liability for death, injury or damage to persons or property, direct or consequential, arising or alleged to arise out of, or in connection with, the contractor's or its agents' presence on the Premises or the Airport and performance of any or all of the construction work thereon, whether the claims and demands made are just or unjust, unless same are caused by the negligence or willful act of County, its officers, agents, or employees. Lessee must furnish or require the contractor to furnish insurance as required in paragraph 24 herein.

Lessee will be responsible for arranging and paying for, at its sole cost, all utility connections to the site. Utility usage will be billed directly to the Lessee and payment will be the sole responsibility of the Lessee.

The Lessee and contractor will coordinate placement of the facility, design, and construction with the County.

Lessee shall be responsible for causing the Premises and adjacent properties to be maintained in good order and condition during construction and upon completion of the improvements in accordance with commercially reasonable standards at no cost to the County, provided, however, that Lessee shall not be responsible for the acts of third parties except Lessee's agents, contractors, and employees.

Lessee, at its sole expense, shall obtain all licenses and permits required prior to performing any maintenance, repairs, construction on, or use of the Premises. The costs of developing all plans and specifications as provided herein and the construction of improvements and facilities upon the Premises shall be paid solely by the Lessee, without any cost or expense to County whatsoever.

During the construction of the improvements, the Airport Director or designee may enter upon the Premises during normal business hours and make inspections as may be necessary to ensure that the construction of the improvements is performed in accordance with the requirements of this Lease and in accordance with the submitted plans and specifications.

After completing construction of improvements on the Premises, Lessee must certify to the Airport Director that the improvements were completed according to the approved plans and specifications, and that Lessee has complied with all applicable federal, state, and local laws and regulations.

Lessee shall be solely responsible for the payment of all utility charges and assessments related to the Premises and the performance and funding of maintenance required to maintain the Premises in a first-class condition, normal wear and tear excepted, through the Base Term and any executed Option Term(s). Lessee shall also be responsible for arranging for and funding all the required insurance coverages as identified in this Lease and must include the County as an additional insured under the policies.

During this Lease, Lessee shall, subject to the terms and conditions of this Lease, have the continuing right to remodel, renovate and refurbish the Premises subject to the submission of a written request and a complete set of plans to the County, and after obtaining the prior written consent of the County and the appropriate permits. Lessee must provide one set of Mylar as built plans and one electronic copy of all record documents showing any alteration in excess of Twenty-five Thousand Dollars (\$25,000) to the Premises during the term of this Lease to the Airport Director, which plans are to become an Exhibit to this Lease. No substantial changes or alterations shall be made to said plans or specifications after initial approval by the County without further written approval by the Airport Director.

In the event a lien is attached to the Premises or Lessee's leasehold interest, Lessee shall satisfy and remove any such lien within fourteen (14) calendar days of notice of such lien. Lessee shall notify the County in writing immediately upon the receipt of such notice of a lien being filed and within twenty-four (24) hours of the removal of such lien.

In the event of any foreclosure by any lender, financing agency, or guarantor of its lien or liens on the improvements constructed by Lessee, fixtures, or trade fixtures located on the Premises, said lender, financing agency, or guarantor succeeds hereunder to all rights, privileges, and duties of Lessee, including without limitation paying Rent, as if said lender was originally named Lessee herein, and said lender, financing agency, or guarantor will have a reasonable time after the date of foreclosure (not less than three hundred sixty five (365) days to sublease any available improvements. Lessee covenants that all construction, including all workmanship and materials, will be of first-class quality. As used herein, the term "first class quality" means of the same quality as materials used to construct other buildings used for the same or similar purposes already constructed on the Airport property.

14. Repair and Maintenance:

Lessee, at its sole expense, shall make or cause to be made any and all structural repairs, general repairs, and replacements necessary to keep the Premises in a commercially reasonable first-class condition. Lessee shall provide maintenance at its sole expense to keep the interior and exterior of the Premises in a clean, attractive and sanitary condition at all times.

15. Hazardous Substances:

Lessee shall comply, and shall require any sublessee to comply, with all environmental laws, rules, regulations, orders and permits applicable to the use of the Premises, including but not limited to, required National Pollutant Discharge Elimination System Permits and all applicable laws relating to the use, storage, generation, treatment, transportation, or disposal of hazardous or regulated substances. Except for the Hazardous Substances governed by and transported in full compliance with the transportation laws of the state or federal government, Lessee must not knowingly use, store, generate, treat, transport, or dispose of any hazardous or regulated substances or waste on or near the Premises without first obtaining all required permits and approvals from all authorities having jurisdiction over the operations conducted on the Premises.

If Lessee determines that a threat to the environment, including but not limited to a release, discharge, spill or deposit of a hazardous or regulated substance has occurred or is occurring which affects or threatens to affect the Premises, or the persons, structures, equipment, or other property thereon, Lessee must notify immediately by oral report, in person, or by telephone, to be promptly confirmed in writing within 24 hours to the Airport Director as required by law or regulation.

Lessee or its designee shall keep a readily accessible file of Materials Safety Data Sheets ("MSDS") for each Hazardous Substance on site or transported in accordance with federal and state transportation laws, which file must be posted and immediately available to any County employee or Airport tenant who responds to report of a discharge of a Hazardous Substance on the Premises.

Lessee will cause prompt remediation, and the payment of all costs associated with any action or inaction of Lessee that directly or indirectly prevents the Airport from materially conforming to all then applicable environmental laws, rules, regulations, orders, or permits. In the event Lessee fails to fulfill this obligation following written notice and a reasonable cure period, County may perform any such remediation, and the direct and indirect cost of such action shall be invoiced to the Lessee plus a fifteen percent (15%) administrative fee. Payment of such charges are due and payable upon demand and may not be contested. The rights and obligations set forth in this paragraph shall survive the earlier expiration or termination of this Lease.

16. Nondiscrimination/Affirmative Action:

A. Nondiscrimination – General. Lessee for itself, and as a requirement for any sublessee, their personal representatives, successors in interest, and assigns, as a part of the consideration hereof covenants that: (1) no person on the grounds of race, creed, color, religion, sex, age, national origin, sexual orientation, marital status, disability, or political belief or affiliation will be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination in the use of the

Premises; (2) in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, age, national origin, sexual orientation, marital status, disability, or political belief or affiliation will be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

B. Nondiscrimination - Business Owner. This Lease is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. Lessee for itself, and as a requirement for any sublessee, agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award of performance or any concession agreement, management contract or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

C. Remedy for Breach. If Lessee is found by a final verdict of a court of competent jurisdiction to have deliberately breached a non-discrimination covenant, or to have permitted any sublessee to deliberately breach a non-discrimination covenant, the County may immediately enforce the remedies directed by the Court's decision, which may include the County's right to reenter the Premises, retake possession thereof and terminate the Lease. This provision is not effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are completed, including exercise of any rights to appeal.

D. Affirmative Action. Lessee shall cause to be implemented an affirmative action program as required by 14 CFR Part 152, Subpart E, to provide: (a) that no person on the grounds of race, creed, color, religion, sex, age, national origin, disability, or political belief or affiliation is excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E; (b) that no person will be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by that Subpart; (c) that third parties otherwise retained by Lessee or its designee shall provide similar assurances to Lessee or its designee to undertake affirmative action programs and to require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E. Lessee or its designee at no expense to the County shall comply with any applicable requirements of the Americans with Disabilities (ADA) as it may be amended, with respect to the Premises.

17. Compliance with Laws:

A. General. Lessee covenants to promptly observe, comply with, and execute, and shall cause any sublessee to promptly observe, comply with, and execute, the provisions of any and all present and future governmental laws, ordinances, rules, regulations, requirements, orders and directions applicable to the use and occupancy of the Premises. A material breach of this covenant, which is not remedied following written notice and a reasonable cure period, may be cause for County's exercising its rights under paragraph 19 of the Lease. During any period of Lessee's or any sublessee's good faith challenge to any such laws, ordinances, rules, regulations, requirements, orders and directions in a court of competent jurisdiction shall not be deemed a breach of this Lease.

B. Federal. Lessee shall comply and shall require any sublessee to comply with all applicable Federal laws, FAA permit requirements, rules, and regulations, including without limitation the Drug Free Workplace Act, the Violence in the Workplace Act, the Americans with Disabilities Act,

and any other acts that the U.S. Congress passes that apply to the uses and operations at the Premises.

C. State: Lessee shall comply with all applicable state laws, rules, and regulations of the State of Idaho.

D. Local: Lessee shall comply with all applicable County ordinances and rules and regulations promulgated by the County.

18. Termination:

A. Termination by Lessee. Without limiting any other rights and remedies to which Lessee may be entitled by common law, statutory law, or as elsewhere provided in this Lease, this Lease may be terminated by Lessee at any time after the happening, and during the existence, of one of more of the following events:

1. The County's permanent abandonment of the Airport;
2. The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control, or use of the Airport, or any substantial part or parts thereof, that substantially restricts any sublessee from operating for at least one hundred fifty (150) calendar days;
3. The issuance by any court of competent jurisdiction of an injunction that prevents or restrains the use of the Airport or the Premises, that continues for at least one hundred fifty (150) calendar days; or
4. The default by the County in the performance of any covenant or obligation on the part of the County to be performed, and the failure of the County to remedy or contract for a remedy, in a commercially reasonable time frame, the default for sixty (60) calendar days after receipt from Lessee of written notice to remedy the same.

B. Termination by County. Without limiting any other rights and remedies to which County may be entitled at common law, statutory law, or as elsewhere provided in this Lease, this Lease may be terminated by County if Lessee:

1. Is in arrears in paying the Rent, fees, or other charges due under this Lease for thirty (30) calendar days after written notice, or such other time as may be provided herein;
2. Makes a general assignment for the benefit of creditors;
3. Abandons the Premises ("abandon" shall mean failing to occupy the Premises for a period in excess of one (1) year);

4. Otherwise defaults in the performance of any of other material covenants of this Lease, and continues the default for thirty (30) calendar days, or such other time as may be provided herein, after receipt of written notice from the County of the default. If the default cannot reasonably be cured within said thirty (30) calendar days or within any other time as set out in the notice of default, Lessee shall be deemed to have cured the default if it commences the remedy process within the applicable period and thereafter diligently prosecutes the same to completion.

C. County's Right to Entry Upon Termination. If County terminates this Lease or if Lessee abandons the Premises, the County may enter upon the Premises.

In the event of termination by the County, the Airport Director or its designee may enter onto the Premises to remove any and all persons or property from the Premises and place any property in storage for the account of and at the expense of Lessee. **All property on the Premises is hereby subjected to a contractual landlord's lien to secure payment of delinquent Rent and other sums due and unpaid under this Lease, any and all exemption laws are hereby expressly waived in favor of said landlord's lien; and it is agreed that said landlord's lien is not a waiver of any statutory or other lien given or which may be given to County but is in addition thereto.**

In the case of default, if Lessee fails to remove any of its property on the Premises within thirty (30) calendar days following the written notice of default, County may sell the property found on the Premises at a public or private sale with proceeds of the sale applied first to the cost of the sale, then to the cost of storage of the property, if any, and then to the indebtedness of Lessee, with the surplus, if any, to be mailed to Lessee at the address herein designated. If County terminates the Lease and re-enters the Premises, the County may re-lease the Premises, and if a sufficient sum is not realized after paying expenses of the reletting, to pay the Rent and other sums agreed to be paid by Lessee, Lessee agrees to pay any deficiency within thirty (30) calendar days after County's written demand therefore. Lessee further agrees to hold harmless and indemnify County including its officers, agents, elected officials, and employees against, from any loss or damage or claim arising out of County's action in collecting monies owed to it under this paragraph, except for any loss, damage, or claim caused by the negligence or willful misconduct of County or its employees.

D. Notice of Termination. If an event of material default occurs, and after due written notice identifying the default, the defaulting party has failed to cure or failed to commence to cure as called for in the notice of default, the complaining party may at any time after the expiration of any such cure period terminate this Lease by providing written notice of termination to the defaulting party. The Lease will be terminated on the date specified in the notice but not sooner than thirty (30) calendar days after the postmarked date of the notice.

E. Partial Destruction. If the Premises or the facilities reasonably necessary to operate Sublessee's business are partially damaged, due to acts of God or other acts outside the control of the Lessee or County, to the extent that Lessee cannot use the Premises for its intended use, then, at Lessee's option, this Lease may be terminated or instead may be suspended until the damage is repaired. If the Lease is suspended, Lessee and County will mutually agree on a time period for Lessee

to repair the damages to the Premises or Improvements. If the Lease is terminated, as provided for herein, the Rent will be abated from the date of the casualty; provided however, Lessee as the case may be, must use its insurance proceeds to either replace the improvements or remove all traces of the improvements and return the Premises to a state of raw land. All remaining insurance proceeds will be paid to Lessee, as the case may be. The Airport Director is the sole judge of the extent of damage to the Airport.

19. Property Rights upon Expiration or Termination:

A. **Removal of Equipment.** Upon the expiration or earlier termination or expiration of this Lease as called for herein, County shall, by written notice to the Lessee, permit any Lessee to remove all removable furniture, fixtures and equipment and other personal property installed or furnished by the Lessee, so long as it removes same within the time period set forth in the notice, but in no event less than seven (7) calendar days after termination or expiration of the Lease. The County may require any damage to the Premises caused by any Lessee's removal of its property to be repaired at the Lessee's expense within fifteen (15) calendar days after termination or expiration of the Lease. Such repairs must be made to the reasonable satisfaction of the Airport Director or designee. Any fuel storage facilities installed by Lessee **must** be removed and any required remediation completed prior to vacating the Premises, regardless of circumstances. In the event Lessee does not perform such removal and remediation in compliance with this Agreement, County may contract for such removal and remediation and the direct and indirect cost of such, plus a fifteen percent (15%) administrative fee, will be the sole responsibility of the Lessee and shall be due and payable upon demand.

Notwithstanding the foregoing, if any Lessee fails to remove its removable furniture, fixtures and equipment within thirty (30) calendar days after the date determined in the notice, then the County, may at its option, take title to the said property and sell, lease or salvage the same, as permitted by law. Any net expense County incurs in disposing of the Lessee's personal property shall be billed to the Lessee. The County will provide a written itemized breakdown of the costs recaptured, if any, by the sale, lease or salvage of the property, and the balance due, which is expected to be paid by the Lessee upon receipt of said itemized breakdown.

B. **New Lease - Do Not Remove Equipment.** If County and Lessee negotiate a new Lease after the expiration or earlier termination of this Lease, there shall be no requirement to remove its furniture, fixtures and equipment from the Premises.

C. **Holdover.** Any holding over by Lessee of the Premises after the expiration or other earlier termination of this Lease shall be on a month-to-month tenancy in accordance with terms and conditions contained herein, at a monthly Rent determined at the sole discretion of the County, and subject to surrender upon thirty (30) calendar days' prior written notice.

20. Re-delivery of Premises:

Upon the expiration or earlier termination of this Lease as called for herein, Lessee shall deliver the Premises to County peaceably, quietly and in as good condition as the same now are or may be hereafter improved by the Lessee, normal use and wear excepted, or Lessee shall have the right to remove the improvement and restore the site to its original condition at its sole expense within

ninety (90) days after the expiration or termination date. In addition to a landlord's lien provided by the law of the State of Idaho, the County has a contractual lien on all property of the Lessee on the Premises as security for nonpayment of Rent. If Lessee is unable to remove the improvements within ninety (90) days after the expiration or termination date, then the County and Lessee shall exercise commercially reasonable efforts to discuss and negotiate additional time for the removal of improvements, which in no event shall exceed one (1) year after the expiration or termination date. Lessee shall continue to pay Base Rent until Lessee either has removed its improvements or delivered written notice to the County that Lessee does not intend to remove the improvements remaining within the Premises.

All new lease agreements that are entered into by the County following the adoption of the Rules and Standards by the Board of County Commissioners shall contain a provision in the Lease indicating, and this Lease does hereby provide, that upon termination of the Lease, Lessee has the right of first refusal to enter into a new lease agreement with the County for the Premises under terms and conditions as determined by the County at that time, such that no other party or person may lease the Premises on terms that are not first offered to Lessee for a period of thirty (30) days to accept or reject; and, if Lessee does not elect to accept the terms offered to Lessee, then Lessee shall have the right to remove the improvements within the Premises, at its sole expense, and the ground returned to its original condition within ninety (90) days after the expiration or termination date of this Lease. If the Lessee does not enter into a new lease agreement or remove the improvements, ownership of the improvements in existence or constructed by the Lessee on the Premises during the Term of the Agreement shall revert to the County, free and clear of all liens, claims and other encumbrances or adverse interest in the Premises, ninety (90) days after the expiration or termination date. Other processes relating to the right of first refusal to lease the Premises granted to Lessee under this Section 21 shall be as described in the County's Rules and Standards of the Coeur d'Alene Airport as adopted by the County and as may be amended from time to time.

21. County Obligations:

A. To operate the Coeur d'Alene Airport as a public airport during the Lease Term, subject to the assurances given by County to the United States Government.

B. For sites where utilities are currently available or may be available in the future, at the discretion of the County, to make water, electricity, natural gas, and wastewater service available to a point near the Premises property line on the same basis as it is made available to all business operating at the Airport. Lessee must promptly pay in full all utility assessments as well as usage charges for water, gas, wastewater, electricity and other utilities supplied to the Premises during the Lease Term as the charges become due and payable.

22. Indemnification:

A. General. Lessee must indemnify, hold harmless, defend and insure the County, its officers, agents, elected officials, and employees from and against any and all claims and causes of action, administrative proceedings, judgments, penalties, fines, damages, losses, demands, liabilities, or expenses whatsoever (including reasonable attorney's fees and costs of litigation, mediation and/or administrative proceedings) which may be brought, alleged, or imposed against the County, its

officers, agents, or employees arising directly or indirectly from or in any way connected with: (a) Lessee's or Lessee's agents' or employees' presence on the Premises or the Airport; (b) Lessee's or Lessee's agents or employees' performance of services authorized under any agreement with County, excepting only that liability as may result from the negligence or the willful misconduct of the County, including its officers, agents, and employees. The rights and obligations set forth in this paragraph shall survive the termination of this Lease.

B. **Special Claims.** Lessee agrees to defend, at its own cost, and to protect, indemnify, and otherwise hold harmless, the County, including its officers, agents, elected officials, and employees (including but not restricted to the posting of bond and release of attachment) from and against any and all claims in any way arising out of or in connection with the construction, repair, or maintenance work undertaken hereunder by, through or on behalf of Lessee, including but not restricted to attachments, liens or levies, and whether or not the claim is meritorious, made, failed or asserted by any party other than Lessee against the County, including its officers, agents, and employees or the Premises or improvements thereon or part thereof, or monies owing to the County.

C. **Notice.** Notwithstanding the above identifications, Lessee must give the Airport Director notice of any matter covered hereby and forward to the Airport Director copies of every demand, notice, summons, or other process received in any claim or legal proceeding covered hereby within ten (10) calendar days of Lessee's receipt of said notice, demand, summons, or other process.

23. Insurance:

A. At all times throughout the term of this Lease or any renewal thereof, Lessee shall maintain at its own expense, at a minimum, the following insurance coverage, as required by their use:

1. Commercial General Liability Insurance - \$2,000,000 each occurrence and \$4,000,000 annual aggregate, with contractual liability for insured contracts;
2. Aviation Liability, including Aircraft and Premises Liability Insurance - \$1,000,000 per occurrence;
3. Property Insurance as provided in Paragraph B below; and
4. Any other insurance coverages required by state or federal laws or regulations applicable to Lessee.

B. **Property Insurance** - Lessee shall, at its sole cost and expense, obtain an insurance policy insuring any of the buildings located on the Premises, with coverage for all-risk or special form property perils. The coverage under this policy shall be on a replacement cost basis for the full value of the buildings and not subject to a coinsurance penalty.

C. The policies listed above in A.1. and A.2. shall name County as an additional insured. All insurance required by this Lease must be primary insurance and not in excess of or contributing

with other insurance which Lessee or its designee may carry. Certificates of insurance, showing evidence of the required insurance coverage, shall be provided to County. The insurance policy (ies) shall not be cancelled or the conditions materially altered without ten (10) calendar days prior written notice to County.

Lessee is responsible for payment of deductibles with respects to the insurance required above. Lessee's policies shall include legal defense fees outside of the above required liability policy limits. All liability policies shall be written on an "occurrence" form ("claims made" and "modified occurrence" forms are not acceptable) and shall apply on a "per occurrence" basis. Lessee shall obtain the insurance policy (ies) from insurance companies having an "A.M. BEST" rating of A-; and Financial Size Category (FSC) of VII or better, and authorized to do business in the State of Idaho.

If Lessee fails to maintain the required insurance, then Lessee will defend, indemnify and hold harmless County and its officials, contractors, agents and employees from any loss, claim, liability and expense (including reasonable attorney's fees and expenses of litigation) to the extent necessary to afford the same protection to County as would have been provided if Lessee had maintained the required insurance. Except to the extent prohibited by law, this indemnity applies regardless of any strict liability or negligence attributable to County (including sole negligence) and regardless of the extent to which the underlying occurrence (i.e., the event giving rise to a claim which would have been covered by the required insurance) is attributable to the negligent or otherwise wrongful act or omission (including breach of contract) of Lessee, its subcontractors, agents, employees or delegates. Lessee agrees that this indemnity shall be construed and applied in favor of indemnification. Lessee also agrees that if applicable law limits or precludes any aspect of this indemnity, then the indemnity will be considered limited only to the extent necessary to comply with that applicable law. The stated indemnity continues until all applicable statutes of limitation have run.

The County may annually assess the level and types of insurance required by this Lease. The County may reasonably increase or decrease the level or types of insurance by giving Lessee notice not less than sixty (60) calendar days prior to the annual anniversary date of the Effective Date of this Lease. Lessee shall retain the newly required coverage prior to the annual anniversary and provide the required insurance certificate(s) evidencing the change to the Airport Director.

The amounts of all required insurance policies must not be deemed a limitation of Lessee's covenant to indemnify County, and if Lessee or County becomes liable in an amount in excess of the amount(s) of said policies, then Lessee must indemnify County from the whole thereof, except in the event of negligent or willful misconduct on the part of County, its officers, or employees.

Notwithstanding the foregoing, County reserves the right to immediately terminate this Lease if Lessee is not in compliance with the insurance requirements contained herein, and County retains all rights to pursue any legal remedies against Lessee.

24. Rights to Sublease and Assignment.

Lessee has the right to sublease any or all of the Premises subject to the approval of the

Kootenai County Board of County Commissioners, at its sole discretion. For any approved sublease, Lessee must ensure that any sublessee abides by the terms and conditions of this Agreement, and that this Agreement shall be included as an exhibit to any sublease Agreement between Lessee and sublessee. Sublessee shall not be permitted to further sublease the premises.

The Lessee shall not assign or transfer this Agreement or any right of leasehold interests granted to it by this Agreement, or sublet or otherwise transfer any interest in or to the Leased Premises without the prior written consent of the Kootenai County Board of County Commissioners, which consent shall be granted at its sole discretion.

25. Notice:

Notices are sufficient if in writing and sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service with proof of delivery, or by facsimile (followed by written notice confirmed by mail or other delivery service, as addressed below:

If to County:

Kootenai County
Coeur d' Alene Airport
Airport Director
10375 Sensor Avenue
Hayden, ID 83835
Email: kcair@kcgov.us

If to Lessee:

Panhandle Area Council, Inc.
11100 N Airport Drive
Hayden, ID 83835
Email: wjacobson@pacni.org

Or to any other address that may be designated in writing from time to time.

Hanger Address: 11559 N Atlas Road, Hayden, ID 83835

26. General Provisions:

A. Mineral Rights. County expressly reserves all water, gas, oil and mineral rights in and under the soil beneath the Premises, but testing for and/or removal of any such gas, oil, or minerals shall be done in a manner so as not to disturb the Premises or disrupt the operation of the business being conducted thereon.

B. No Waiver of Forfeiture. Any failure or neglect of County or Lessee at any time to declare a forfeiture of this Lease for any breach or default whatsoever hereunder does not waive County's or Lessee's right thereafter to declare a forfeiture for like or other or succeeding breach or

default.

C. **Force Majeure.** Neither County nor Lessee will be deemed to be in breach of this Lease if either is prevented from performing any of its obligations hereunder by reason of Force Majeure. Force Majeure means any prevention, delay, or stoppage due to strikes, lockouts, labor disputes, acts of God, including inclement weather and/or periods of rain or snow, inability to obtain labor or materials, or reasonable substitutes therefore, governmental restrictions or requirements, governmental regulations, governmental controls, inability to timely obtain governmental approvals, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform. All of the foregoing events excuse the performance by either party for a period equal to any prevention, delay, or stoppage, including the obligations imposed with regard to commencement or payment of rental and other charges to be paid by Lessee pursuant to this Lease and the obligation of County to deliver the Premises.

D. **Quiet Enjoyment.** County covenants that it has the authority to execute this Lease, that at commencement of the Lease, County has good title to the Premises and that throughout the term hereof, Lessee will have peaceful and uninterrupted possession of the Premises subject to Lessee's payment of Rent and other charges and to its performance of the covenants of this Lease. County agrees to remedy any violation of quiet enjoyment caused by County or one of the other tenants and to honor Lessee's tenancy for the term of the Lease.

E. **Rules and Regulations of the Coeur d'Alene Airport and Minimum Standards for Commercial Aeronautical Activities.** The County has adopted and will enforce Minimum Standards and reasonable rules and regulations to be uniformly applied to similar uses and users of similar space, which Lessee agrees to observe and obey with respect to the use of the Premises, and the health, safety and welfare of those using the Premises. The Minimum Standards and rules and regulations may be amended from time to time following notice to Lessee.

F. **Venue.** Venue of any action brought under this Lease lies in Kootenai County, Idaho, exclusively, where the Lease was executed and will be performed.

G. **No Third Party Benefit.** No provision of this Lease creates a third party claim against the County, the Airport, or the Lessee beyond that which may legally exist in the absence of any such provision.

H. **Taxes and Licenses.** Lessee must cause to be paid any and all taxes of whatever character, including ad valorem and intangible taxes, that may be levied or charged upon the Premises, leasehold improvements, or operations hereunder and upon Lessee's rights to use the Premises, whether the taxes are assessed against Lessee or County, prior to the past due date. Lessee shall cause to be paid any and all sales taxes arising in connection with the occupancy or use of the Premises whether the taxes are assessed against the Lessee, any sublessee or County. Lessee must obtain and pay for all licenses or permits necessary or required by law for the construction of improvements and must require any sublessee to obtain and pay for all licenses and permits necessary or required by law for the installation of equipment and furnishings, and any other licenses necessary for the conduct of its operations hereunder. If Lessee or any sublessee wishes to contest any tax or charge, that contest will not be a default under the Lease so long as Lessee or sublessee diligently prosecutes the contest

to conclusion and promptly pays whatever tax is ultimately owed. Further, Lessee shall cause any taxes not being contested to be paid prior to the past due date.

I. **Trash and Refuse.** Lessee must arrange for the collection and lawful disposal of all trash and other refuse resulting from operations on the Premises; must provide and use suitable sealed fireproof receptacles approved by Airport Director for all trash and other refuse generated by the use of the Premises; must prohibit piling of boxes, barrels or other similar items in or within view from a public area; must comply with all applicable laws and regulations relative to trash disposal; and must pay or cause to be paid the costs associated with trash removal and disposal.

J. **Terms Binding on Successors and Assigns.** All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the heirs, successors and assigns of Lessee and County.

K. **Estoppel.** Both parties agree that at any time, and from time to time at reasonable intervals, within fifteen (15) business days after written request by the other party, said party will execute, acknowledge and deliver to the party designated by the other party, a certificate in a form as may from time to time be provided, certifying to the extent true and correct the following, as well as any other provision reasonably requested by the other party: (a) that Lessee has entered into occupancy of the Premises and the date of said entry if requested; (b) that this Lease is in full force and effect, and has not been assigned, transferred, modified, supplemented, or amended in any way (or if there has been any assignment, modification, supplement or amendment, identifying the same); (c) that this Lease represents the entire agreement between County and Lessee as to the subject matter hereof (or if there has been any assignment, modification, supplement or amendment, identifying the same); (d) the date of commencement and expiration of the term; (e) that all conditions under this Lease to be performed by County, if any, have been satisfied (and if not, what conditions remain unperformed); (f) that to the knowledge of the signor of said writing, no default exists in the performance or observance of any covenant or condition in this Lease and there are no then existing defense or offsets against the enforcement of this Lease by County, or instead specifying each default, defense or offset of which the signor may have knowledge; and (g) the amount of Rent or other charges, if any, that has been paid in advance and the amount of security, if any, that has been deposited with County.

L. **Leasehold Mortgage.** As used herein, "**Leasehold Mortgage**" means the mortgage or deed of trust covering Lessee's leasehold interest in this Lease given by Lessee to Leasehold Mortgagee to secure repayment of funds advanced or to be advanced by a Leasehold Mortgagee to Lessee to construct the Development. **The County shall authorize Lessee to utilize the Leasehold Mortgage as a means of collateral to any lending institution for purposes associated with the business operations of Lessee at the Airport.** As used herein, "**Leasehold Mortgagee**" means the mortgagee or beneficiary under the Leasehold Mortgage. As used herein, "**mortgage**" means any mortgage, deed of trust or other indenture consisting of a lien on Lessee's leasehold interest created hereunder, together with a promissory note or obligation or bond which it secures. Subject to the conditions set forth herein, Lessee may mortgage its leasehold interest created hereunder, solely for the purpose of: (1) obtaining financing to construct the Development, including any additional construction or alteration thereof, made subsequent to the initial construction; (2) refinancing said construction mortgage; and (3) providing financing in connection with the assignment or transfer by Lessee of its interest in this Lease and its leasehold interest created hereunder; provided however, that

with respect to the financing described in clauses (2) and (3) above, the principal amount of any mortgage must not be greater than the original principal amount of the mortgage obtained to construct the Development, including any additional construction or alteration thereof, made subsequent to the initial construction as provided:

1. Said mortgage in no way affects or diminishes County's interest in the Premises, or its rights under this Lease, nor relieves Lessee of any of its obligations hereunder;
2. Under no circumstances is County's fee interest in the Premises or rights under this Lease subordinate to said mortgage;
3. Said mortgage conveys no interests in any real property other than Lessee's leasehold interest in the Premises hereunder;
4. The making of said mortgage by Lessee will not be deemed to constitute an assignment or transfer of this Lease, nor will any mortgagee be deemed an assignee or transferee of this Lease;
5. Rights of Leasehold Mortgagees:
 - a. No Leasehold Mortgage is binding upon County in the enforcement of its rights and remedies under this Lease unless and until a copy thereof has been delivered to the County Treasurer;
 - b. The County agrees to execute an estoppel certificate and any other similar documentation as may reasonably be required by Leasehold Mortgagee so as to certify to the status of this Lease and to the performance of Lessee hereunder as of the date of said certification;
 - c. Lessee shall furnish the Airport Director a written notice setting forth the name and address of any Leasehold Mortgagee; and
 - d. If a Leasehold Mortgagee or purchaser at foreclosure of the mortgage acquires Lessee's leasehold interest in the Premises by virtue of the default of Lessee under the mortgage or otherwise, this Lease will continue in full force and effect so long as Leasehold Mortgagee or purchaser at foreclosure is not in default hereunder, including the obligation to timely pay Rent. For the period of time during which Leasehold Mortgagee or any purchaser at foreclosure of a mortgage holds Lessee's leasehold interest in the Premises, Leasehold Mortgagee or said purchaser becomes liable and fully bound by the provisions of this Lease.
6. With respect to any Leasehold Mortgagee of the Premises, County agrees that the following apply:

- a. If requested by a Leasehold Mortgagee, who is duly registered in writing with the County, any notice from County affecting the Premises must be simultaneously delivered to Lessee and said Leasehold Mortgagee at its registered address, and if so registered, no notice of default or termination of this Lease affecting the Premises given by County shall be deemed legally effective until and unless like notice has been given by County to said Leasehold Mortgagee;
 - b. Any Leasehold Mortgagee entitled to said notice shall have any and all rights of Lessee with respect to the curing of any default hereunder by Lessee; and
 - c. County will not enter into any material modification of this Lease affecting the Premises without the prior written consent thereto of each Leasehold Mortgagee entitled to notice as provided in this paragraph. The foregoing does not apply nor may it be construed to apply to any right the County may have to terminate this Lease pursuant to its terms. Lessee must provide any Leasehold Mortgagee with notice of any proposed modification.
7. If County elects to terminate this Lease for any material default by Lessee with respect to the Premises, the Leasehold Mortgagee that has become entitled to notice as provided in this paragraph has not only any and all rights of Lessee with respect to the curing of any default, but also the right to postpone and extend the specified termination date of the Lease (**“Leasehold Mortgagee's Right to Postpone”**), contained in any notice of termination by County to Lessee (**“Termination Notice”**), for a maximum of ninety (90) days, subject to the following conditions:
- a. Leasehold Mortgagee must give Airport Director written notice of the exercise of Leasehold Mortgagee's Right to Postpone at least ten (10) days prior to the date of termination specified by Airport Director in the Termination Notice and simultaneously pay to County all amounts required to cure all defaults then existing (as of the date of the exercise of Leasehold Mortgagee's Right to Postpone) which may be cured by the payment of a sum of money.
 - b. If Leasehold Mortgagee's Right to Postpone is exercised, Leasehold Mortgagee must pay any sums and charges which may be due and owing by Lessee and promptly undertake to cure, diligently prosecute, and as soon as reasonably possible, complete the cure of all defaults of Lessee with respect to the Premises which are susceptible to being cured by Leasehold Mortgagee. Leasehold Mortgagee's exercise of its Right to Postpone may extend the date for the termination of this Lease specified in the Termination Notice for a maximum of six (6) months.

c. If, before the date specified for the termination of this Lease as extended by a Leasehold Mortgagee's exercise of its Right to Postpone, Leasehold Mortgagee has performed and observed all of Lessee's covenants and conditions under the Lease with respect to the Premises and no further defaults with respect to the Premises have occurred which have not been timely cured, then all defaults under this Lease, with respect to the Premises, will be deemed to have been cured and County's Termination Notice will be deemed to have been withdrawn.

d. Nothing herein may be deemed to impose any obligation on County's part to deliver physical possession of the Premises to a Leasehold Mortgagee.

e. If more than one Leasehold Mortgagee seeks to exercise any of the rights provided for in this paragraph, the most senior lien holder is entitled, as against the others to exercise said rights. Should a dispute arise among Leasehold Mortgagees regarding the priority of lien, Leasehold Mortgagees must provide evidence substantiating the correct priority of the competing liens to the satisfaction of the County Attorney prior to taking any action with respect to exercising said lienholder rights.

M. **Radio Antenna.** Subject to the County's prior written approval as to height and location, which will not be unreasonably withheld, conditioned or delayed, Lessee or any sublessee, as the case may be, may furnish and install at its own expense, a radio antenna either adjacent to the improvements or on the roof of the improvements on the Premises subject to: (a) any and all federal, state and local laws, ordinances, statutes, rules, regulations and orders applicable thereto; (b) Lessee, as the case may be, obtaining any and all building and other permits, licenses and other approvals with respect thereto; (c) the antenna and building both must be structurally sound and not adversely affect the soundness of, or the condition of, the roof and/or other parts of the building; and (d) any and all costs of maintaining and operating the same must be paid entirely by the Lessee. Upon the expiration or earlier termination of this Lease as identified herein, Lessee shall cause the removal of the antenna(s) and the restoration of any damage to the improvements and Premises caused by the installation and/or removal thereof. Lessee shall be responsible for all costs for the repair and maintenance of said installation of the antenna.

N. **Severability.** Each provision, paragraph, section, sentence, clause, phrase, and word of this lease is intended to be severable. If any provision, paragraph, section, sentence, clause, phrase, and/or word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this lease.

O. **Voluntary and Knowing Action.** The parties, by executing this lease, state that they have carefully reviewed this lease and understand fully the contents hereof; that in executing this lease they voluntarily accept all terms described in this lease without duress coercion, undue influence, or otherwise; and that they intend to be legally bound thereby.

P. Authorized Signatories. The parties each represent and warrant to the other that: (1) the persons signing this lease are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this lease against it. Each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

Q. Idaho Law. This lease shall be construed and enforced in accordance with the laws of the State of Idaho.

R. No Partnership, Joint Venture, or Fiduciary Relationship. Nothing contained in this Lease shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between the Lessor and Lessee, it being understood that the sole relationship created hereby is one of landlord and tenant.

S. Records Availability and Retention. Lessee agrees that the County or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Lessee and involve transactions relating to this Lease. The Lessee agrees to maintain these records for a period of six (6) years from the date of termination of this Lease.

T. Waiver and Assumption of the Risk: Lessee knows, understands and acknowledges the risks and hazards associated with using the Facilities, Building, and Premises and hereby assumes any and all risks and hazards associated therewith. Lessee hereby irrevocably waives any and all claims against Lessor or any of its officials, employees or agents for any bodily injury (including death), loss or property damage incurred by the Lessee as a result of using the Facilities, Building or Premises and hereby irrevocably releases and discharges Lessor and any of its officials, employees or agents from any and all claims of liability, except to the extent that the County is liable for such claims under the laws of the State of Idaho.

U. Attorney Fees: Lessee shall pay all costs, attorney fees, and expenses incurred by Lessor to enforce this agreement.

V. Incorporation: This Agreement represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations or agreements, either written or oral.

(Remainder of page intentionally left blank.)

This document shall be effective based on the signature dates below. All parties agree to electronic signatures.

**KOOTENAI COUNTY
BOARD OF COMMISSIONERS
SIGNATURES**

**ATTEST:
JENNIFER LOCKE, CLERK**



Bruce E. Mattare, Commissioner - Signed 8/12/2025



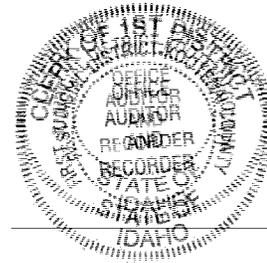
Teri Johnston, Deputy Clerk - Signed 8/12/2025



Leslie Duncan, Commissioner - Signed 8/12/2025



Marc Eberlein, Commissioner - Signed 8/12/2025



LESSEE: PANHANDLE AREA COUNCIL, INC.

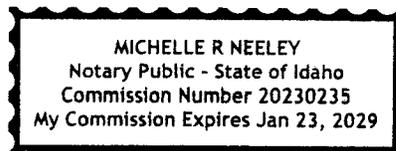


By: Lloyd W. Jacobson, Executive Director
Panhandle Area Council, Inc.

STATE OF IDAHO)
) ss.
COUNTY OF KOOTENAI)

On this 30th day of July, in the year 2025, before me, Michelle R. Neeley a Notary Public in and for the State of Idaho, personally appeared LLOYD W. JACOBSON, known or identified to me to be the Executive Director of the corporation who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

Michelle R. Neeley
Notary Public
Residing at Coeur D'Alene, ID
My Commission Expires Jan 23, 2029



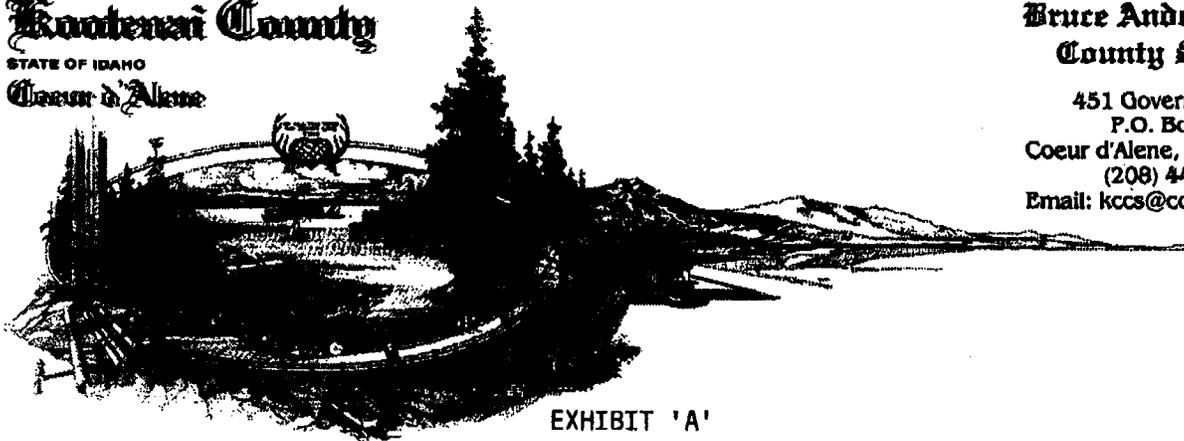


EXHIBIT 'A'

September 14, 2004

LEGAL DESCRIPTION
for Panhandle Area Council
Empire Airlines
Hangar & Office Site

A tract of land located in the Southeast Quarter of Section 9 and the Southwest Quarter of Section 10, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, State of Idaho, particularly described as follows:

BEGINNING at the northeast corner of said Southeast Quarter of Section 9, said point being a found 5/8" Iron Pin;

Thence South 1° 44' 40" West a distance of 1245.3 feet to the True Point of Beginning;

Thence South 18° 09' 40" East a distance of 130.1 feet;

Thence South 6° 57' 20" West a distance of 102.6 feet;

Thence South 11° 08' 40" East a distance of 198.6 feet;

Thence South 78° 51' 00" West a distance of 305.0 feet;

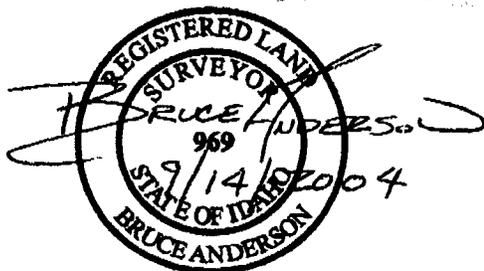
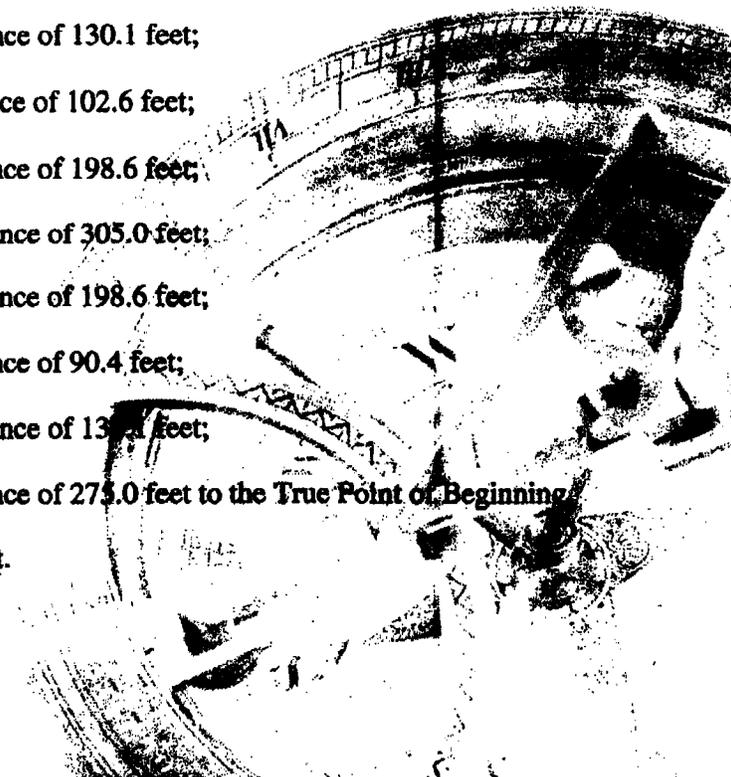
Thence North 11° 08' 40" West a distance of 198.6 feet;

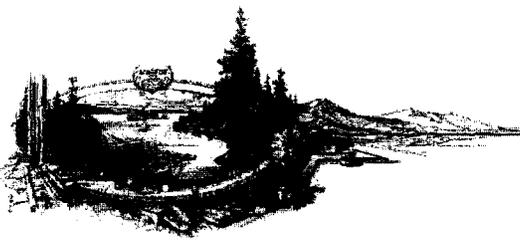
Thence North 33° 51' 20" East a distance of 90.4 feet;

Thence North 18° 09' 40" West a distance of 130.1 feet;

Thence North 71° 50' 20" East a distance of 275.0 feet to the True Point of Beginning;

Said tract contains 118,855 square feet.





Rodney E. Jones
Kootenai County Surveyor

451 Government Way • P.O. Box 9000 • Coeur d'Alene, Idaho 83816-9000
(208) 446-1570 • Fax (208) 446-1501 • E-Mail: rjones@kcgov.us

Coeur d'Alene Airport
Empire Airlines East Lease Area
October 21, 2022

EXHIBIT "B"
LEGAL DESCRIPTION

A portion of the southwest quarter of Section 10, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

COMMENCING at the west quarter corner of said Section 10 marked by a 3 inch aluminum cap per CP&F Instrument No. 2657128000 from which the center quarter corner of said Section 10 marked by a 2 inch aluminum cap per CP&F Instrument No. 2657129000 bears S88°11'41"E, a distance of 2649.99 feet;
Thence S01°44'40"W, a distance of 1245.30 feet;
Thence S18°09'36"E, a distance of 130.10 feet;
Thence S06°57'19"W, a distance of 71.88 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463 and the **TRUE POINT OF BEGINNING** of the herein described lease area;
Thence N71°44'37"E, a distance of 223.91 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;
Thence S10°58'45"E, a distance of 240.89 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;
Thence S78°51'00"W, a distance of 231.00 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;
Thence N11°08'41"W, a distance of 183.99 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;
Thence N06°57'19"E, a distance of 30.62 feet to the **TRUE POINT OF BEGINNING** of the herein described lease area;

Contains 52,252 SF, 1.200 Acres more or less.





Rodney E. Jones
Kootenai County Surveyor

451 Government Way • P.O. Box 9000 • Coeur d'Alene, Idaho 83816-9000
(208) 446-1570 • Fax (208) 446-1501 • E-Mail: rjones@kcgov.us

Coeur d'Alene Airport
Empire Airlines Southwest Lease Area
June 5, 2024

EXHIBIT "C"
LEGAL DESCRIPTION

A portion of the southeast quarter of Section 9, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

COMMENCING at the west quarter corner of said Section 10 marked by a 3 inch aluminum cap per CP&F Instrument No. 2657128000 from which the center quarter corner of said Section 10 marked by a 2 inch aluminum cap per CP&F Instrument No. 2657129000 bears S88°11'41"E, a distance of 2649.99 feet;

Thence S01°44'40"W, a distance of 1245.30 feet;

Thence S18°09'36"E, a distance of 130.10 feet;

Thence S06°57'19"W, a distance of 102.50 feet;

Thence S11°08'41"E, a distance of 198.60 feet;

Thence S78°51'19"W, a distance of 257.00 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463 and the **TRUE POINT OF BEGINNING** of the herein described lease area;

Thence S11°08'41"E, a distance of 153.13 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;

Thence S78°51'19"W, a distance of 110.00 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;

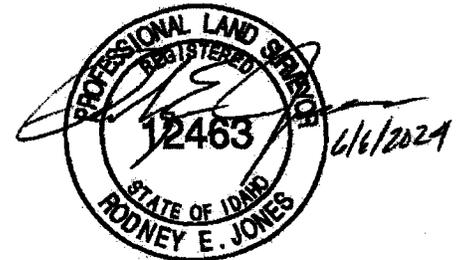
Thence N11°08'41"W, a distance of 210.00 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;

Thence N78°51'19"E, a distance of 62.00 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;

Thence S11°08'41"E, a distance of 56.87 feet to a set 5/8 inch iron rod with plastic cap marked PLS 12463;

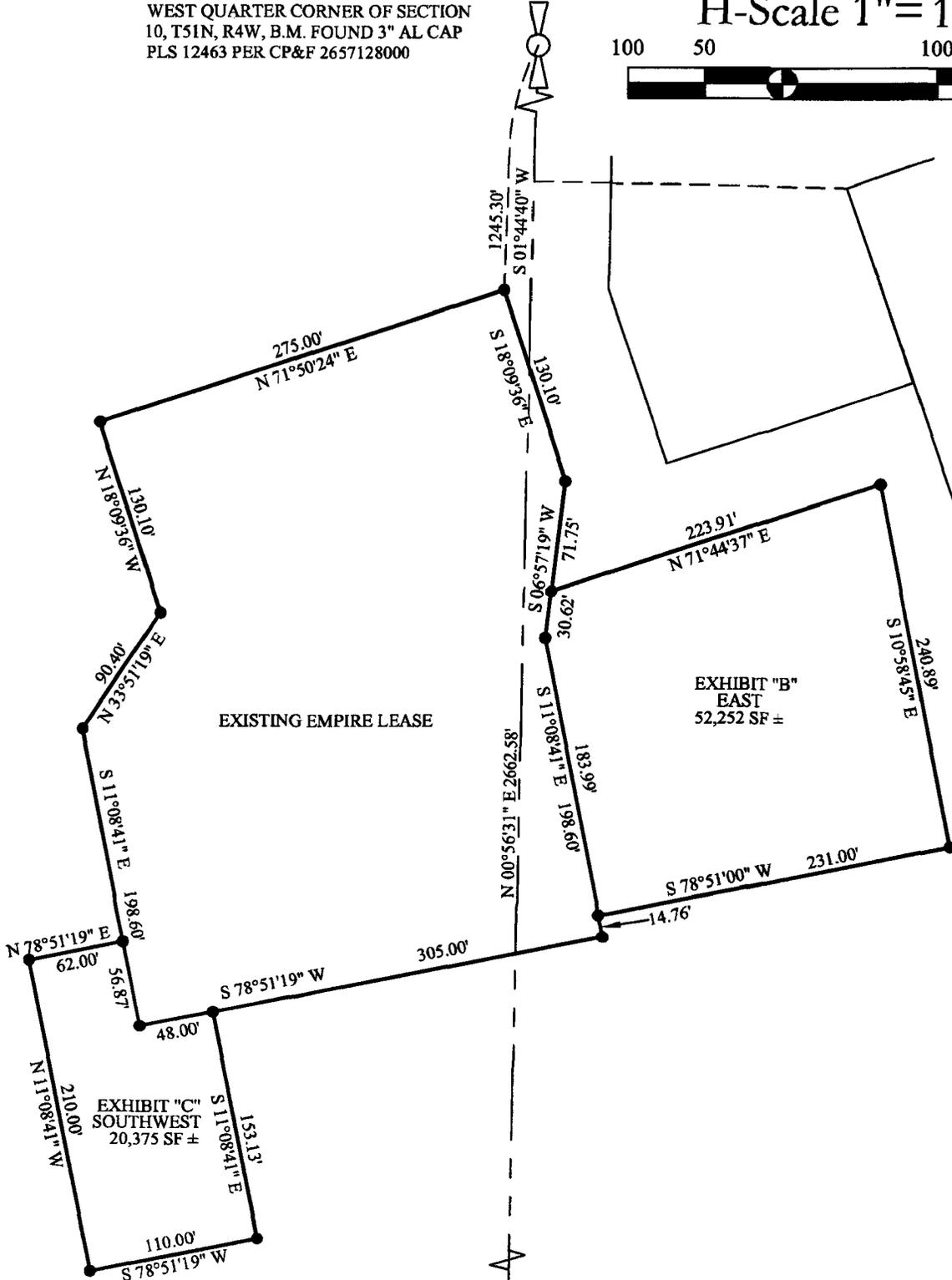
Thence N78°51'19"E, a distance of 48.00 feet to the **TRUE POINT OF BEGINNING** of the herein described lease area;

Contains 20,375 SF, 0.468 Acres more or less.

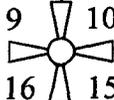


WEST QUARTER CORNER OF SECTION
10, T51N, R4W, B.M. FOUND 3" AL CAP
PLS 12463 PER CP&F 2657128000

H-Scale 1" = 100



SOUTHWEST CORNER OF
SECTION 10, T51N, R4W,
B.M. CALCULATED PER
ROS BK 30, PG 298



● SET 5/8" X 24" REBAR WITH PLASTIC CAP PLS 12463
BASIS OF BEARINGS PER ROS BK 30, PG 298

EXHIBIT

EXISTING EMPIRE AIRLINES
LEASE AREA DESCRIPTIONS

T51N R04W



KOOTENAI COUNTY

451 GOVERNMENT WAY
P.O. BOX 9000
COEUR D'ALENE ID, 83816
PAGE 2 OF 2 DATE 06/05/2024

STARR

INSURANCE COMPANIES

3353 Peachtree Road NE, Suite 1000
Atlanta, GA 30326

Certificate Holder: COEUR D ALENE AIRPORT
10375 N SENSOR AVE
HAYDEN, ID 83835

Named Insured: EMPIRE AIRLINES, INC.
11559 NORTH ATLAS ROAD
HAYDEN, ID 83835

Policy Period: From: OCTOBER 01, 2024 To: OCTOBER 01, 2025

Policy Number: 1000240948-03

Issuing Company: STARR INDEMNITY & LIABILITY COMPANY

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

Aviation Commercial General Liability	Limits of Insurance
Each Occurrence Limit	\$ <u>50,000,000</u>
Damage to Premises Rented to You Limit	\$ <u>500,000</u> Any one premises
Medical Expense Limit	\$ <u>25,000</u> Any one person
Personal & Advertising Injury Aggregate Limit	\$ <u>25,000,000</u>
General Aggregate Limit	\$ <u>NOT APPLICABLE</u>
Products/Completed Operations Aggregate Limit	\$ <u>50,000,000</u>
Hangarkeepers Limit	
Each Aircraft Limit	\$ <u>50,000,000</u>
Each Loss Limit	\$ <u>50,000,000</u>
Hangarkeeper's Deductible	\$ <u>20,000</u> Each Aircraft

Certificate Number: 88.1
Issued By and Date: JANUARY 10, 2025 (VD)

Starr 10058 (6/06)

By



(Authorized Representative)