

GROUND LEASE

This Ground Lease (hereinafter “Lease” or “Agreement”) is by and between Kootenai County (hereinafter “Lessor” or “County”) and Shane Rogers (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 14,840 square feet and related improvements, for the purpose of personal aircraft parts storage, owned or operated by Lessee, 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. Lease Duration Length:

This lease will start on the date of execution by the Lessor and will continue as a month-to-month tenancy. To terminate tenancy the Lessor must give the Lessee at least thirty (30) days’ written notice of Lease non-renewal. In addition, Lessee must give at least thirty (30) days’ written notice of non-renewal. Either party must receive written notification of non-renewal within the said timeframe. If Lessee does not provide Lessor with written thirty-day notice, Lessee shall be responsible to remit the full month’s rent.

3. Option Terms:

No option term shall be available.

4. Improvements:

Lessee shall not make any improvements to or on leased land.

5. Project Costs:

Lessee shall not make improvements therefore no project costs are required.

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

Lessee agrees to pay Lessor as rent for the Premises the amount of \$0.262 per square foot, totaling \$324.01 each month in advance on the 1st day of each month. If the Lease does not start on the 1st day of the month or end on the last day of the month, the first and last month's rent will be prorated accordingly.

After the initial five (5) years of this lease, the Rent rate shall be adjusted with the following method: 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.

All correspondence, including monthly rent, shall be directed to the following address, which may be changed from time to time upon ten days' written notice by the Lessor:

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

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 and Lease is subject to termination by Lessor.

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 shall use the Premises for the purposes as defined in this paragraph and for no other purpose without the express prior written consent of the Airport Director. The improvements on the Premises shall be used for private aircraft parts storage, owned or operated by Lessee. The use of the Premises 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. Aircraft maintenance, fueling, or defueling shall not be conducted on the Premises.

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 shall not install any signage on or near area defined in Exhibit "A" of this Lease.

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:

No additional construction or improvements shall be allowed on area defined by Exhibit "A" of this Lease.

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 keep the Premises in a commercially reasonable first-class condition. Lessee shall provide maintenance at its sole expense to keep 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. 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.
4. As this is a month-to-month tenancy, County may terminate this Lease

without cause by giving Lessee/Tenant notice of termination no less than thirty (30) days before the start of the next monthly period of tenancy.

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 Lessee'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 - \$1,000,000 each occurrence and \$2,000,000 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.

No sublease or assignment shall be allowed under this Lease.

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:

Shane Rogers
1964 E Wilbur
Dalton Gardens, ID 83815
Email: shane@nolimitsaviation.com

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

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. 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.

D. 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.

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

F. 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.

G. 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. Estoppel and Leasehold Mortgage. Lessee shall not obtain an estoppel or leasehold mortgage on area defined in Exhibit "A" of this Lease.

K. Radio Antenna. Lessee shall not place any radio antennas on or near area defined in Exhibit "A" of this lease.

L. 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.

M. 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.

N. 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.

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

P. 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.

Q. 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.

R. 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.

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

T. 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**

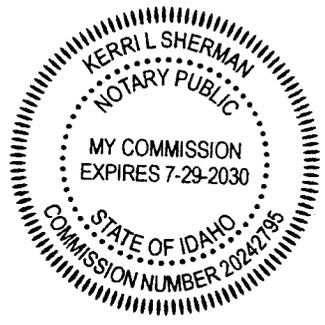
LESSEE: SHANE ROGERS

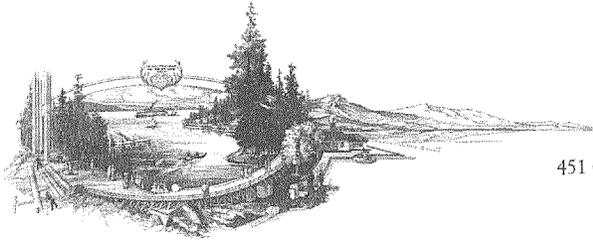
By: 
Shane Rogers

STATE OF IDAHO)
) ss.
COUNTY OF KOOTENAI)

On this 4th day of FEBRUARY, in the year 2026, before me, KERRI L SHERMAN, a Notary Public in and for the State of Idaho personally appeared SHANE ROGERS, known or identified to me to be the person whose name is subscribed within the said instrument and acknowledged to me that they executed the same.


Notary Public
Residing at 10375 N SENSOR, HAYDEN
My Commission Expires 07/29/30





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
Storage Area A
January 23, 2026

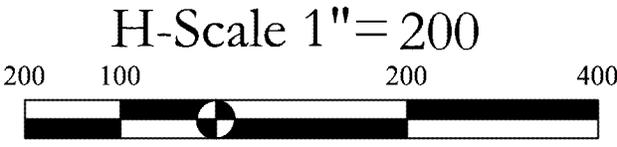
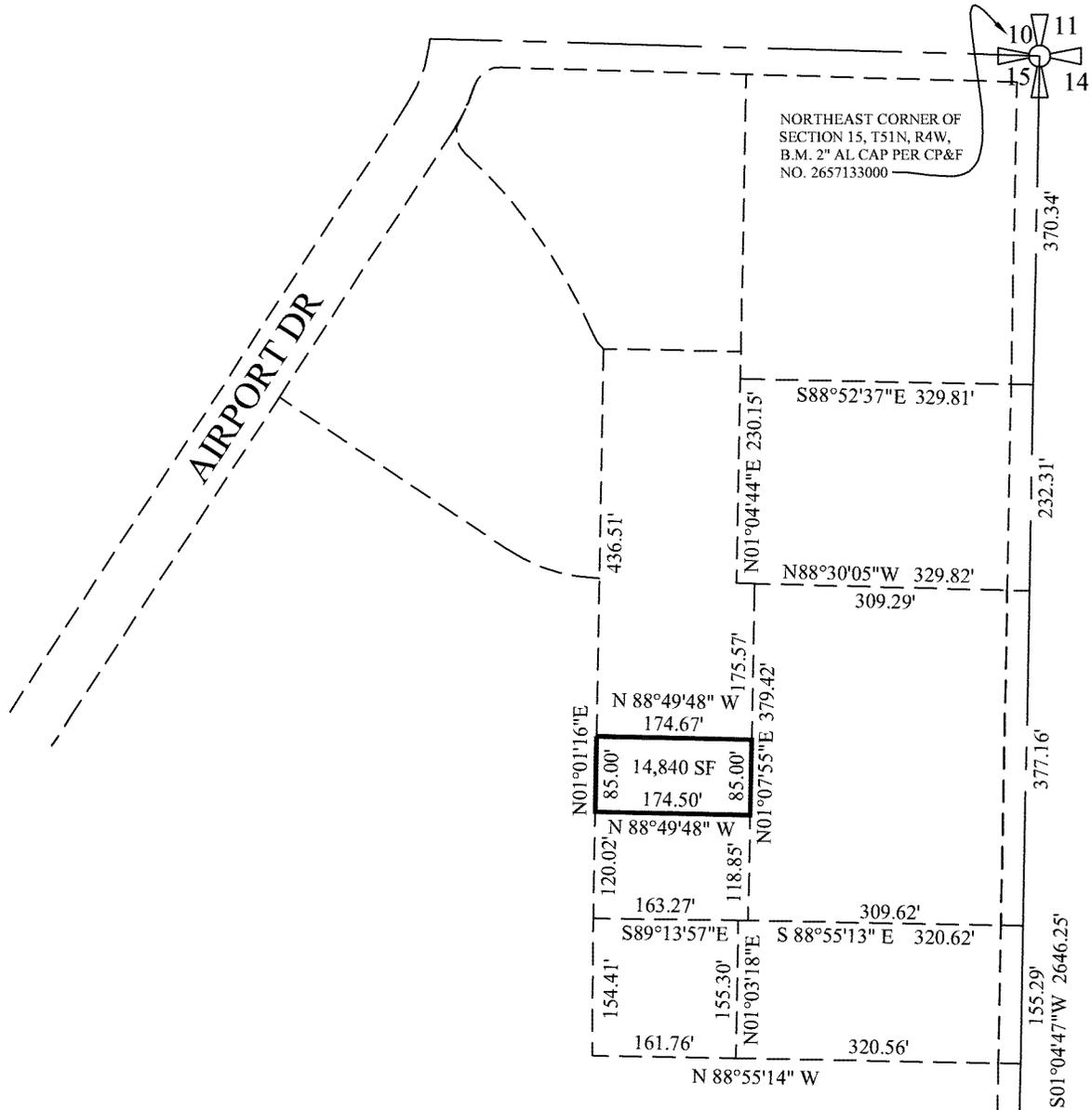
EXHIBIT "A"
LEGAL DESCRIPTION

A portion of the northeast quarter of Section 15, Township 51 North, Range 4 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

Commencing at the northeast corner of said Section 15 marked by a 5/8 inch rebar with a 2" aluminum cap PLS 12463 per CP&F Instrument No. 2657133000 from which the east quarter corner of said Section 15 marked by a 5/8 inch rebar with a 2 inch aluminum cap PLS 12463 per CP&F Instrument No. 2657135000 bears S01°04'47"W, a distance of 2646.25 feet;
Thence S01°04'47"W along the east line of said Section 15, a distance of 602.65 feet;
Thence N88°30'05"W, a distance of 309.29 feet;
Thence S01°07'50"W, a distance of 175.57 feet to the TRUE POINT OF BEGINNING of the herein described lease area;
Thence continuing S01°07'55"W, a distance of 85.00 feet;
Thence N88°49'48"W, a distance of 174.50 feet;
Thence N01°01'16"E, a distance of 85.00 feet,
Thence S88°49'48"E, a distance of 174.67 feet to the TRUE POINT OF BEGINNING of the herein described lease area.

Contains 14,840 square feet more or less.
End of description.





EAST QUARTER CORNER OF SECTION 15, T51N, R4W, B.M. 2" AL CAP PER CP&F NO. 2657135000

EXHIBIT "A" STORAGE AREA A	T51N R04W	KOOTENAI COUNTY
	15	451 GOVERNMENT WAY P.O. BOX 9000 COEUR D'ALENE ID, 83816 PAGE 2 OF 2 DATE 1/23/2025