

**Lease Agreement between
The City of Sandpoint and Lead-Lok, Inc.**

THIS LEASE, effective January 1, 2025 is by and between the City of Sandpoint, Idaho, a municipal corporation of the State of Idaho, (hereinafter, "City") and Lead-Lok, Inc., an Idaho corporation, operating as Nissha Medical Technologies (hereinafter, "Lessee").

WHEREAS City and Lessee originally entered into a lease dated August 13, 2014 for the purpose of leasing certain buildings and structures located at the Sandpoint Airport Business Park, located in Sandpoint, Idaho;

WHEREAS the original lease, including subsequent amendments, terminating December 31, 2024;

WHEREAS the building and structures subject to the lease are known commonly as 814 Airport Way, consisting of approximately 16, 178 square feet of space, 924 Airport Way, consisting of approximately 4,000 square feet of space, and 804 Airport Way, consisting of approximately 10,640 square feet of space (collectively, the "Buildings"); and

WHEREAS the parties wish to set forth their entire agreement relative to Lessee's use and occupancy of the Buildings in this lease ("Lease"), which shall replace and supersede all existing leases and other agreements with respect thereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 - PREMISES

Section 1.01 - Purpose: The parties agree that the primary purpose of this Lease is to make suitable manufacturing, office, warehouse, and other facilities available to Lessee. Each party represents and warrants to the other that the execution, delivery and performance of this Lease and the consummation of the transactions herein contemplated have been duly authorized by all requisite action on the part of such party.

Section 1.02 - Description: The City leases to Lessee, on the terms and conditions stated below, the entirety of the Buildings, together with the adjacent real property, loading bays, parking areas and other facilities, as more particularly shown on Exhibit A, Leased Area, attached hereto and incorporated by reference (hereinafter, "the Leased Premises").

Additionally, the City will have authorization to utilize the area identified on "City Use Area" map on Exhibit A, leased Area, attached hereto and incorporated by reference.

Section 1.03 - Use of Premises:

- (a) The parties agree that there shall be conducted on the Leased Premises described below a commercial operation, primarily being the manufacture of medical disposable

products and related warehousing and office functions, in addition to other lawful use pursuant to Section 4.01 (a).

- (b) City represents and warrants to Lessee that:
- (i) There are no pending or, to City's best knowledge, threatened condemnation proceedings or other governmental, municipal, administrative or judicial proceedings affecting the Leased Premises;
 - (ii) There are no pending or, to City's best knowledge, threatened actions, proceedings or litigation affecting the Leased Premises or the rights and interests of City hereunder;
 - (iii) There are no outstanding notices of, nor, to City's best knowledge, are there any violations of, any law (including environmental laws), regulation, ordinance, order or other requirements of any governmental authority having jurisdiction over or affecting any part of the Leased Premises; and
 - (iv) The roof, foundation and exterior walls of the Buildings, and the heating, ventilation, air conditioning, electrical, mechanical, drainage, plumbing, sewage and other systems serving the Buildings (collectively, the "Building Systems") are in good operating condition as of the date hereof and not in need of any immediate repair or replacement; and (v) The Leased Premises is presently zoned for Lessee's permitted use under this Lease.

Section I.04 - Condition of Leased Premises:

- (a) The parties acknowledge their respective obligations relative to certain Upgrades and potential Additional Upgrades (as such terms are hereafter defined) to be undertaken at the Leased Premises, and the City's obligation to make certain City Improvements and Sidewalk Improvements (as such terms are hereafter defined) to the Leased Premises, as more fully set forth in Sections 3.01 and 7.02 hereof, respectively. All work included in said City Improvements shall be coordinated with the Lessee and its construction management representatives.
- (b) The Lessee agrees that the Leased Premises will be used in a manner consistent with the provisions, terms, and conditions of the Lease and releases the City from any defect in the Leased Premises which results in any limitation of its use by Lessee, except as otherwise expressly provided herein. No representation, statement, or warranty, express or implied, has been made by or on behalf of the City as to such condition, or as to the use that may be made of said Leased Premises except as expressly set forth in this Lease.

ARTICLE II - TERM

Section 2.01 - Term: The term of this Lease shall be for five years, commencing on January 1, 2025 (the "Commencement Date"), and continuing through and including December 31, 2029.

ARTICLE III - RENTAL

Section 3.01 - Rental Rate:

Lessee shall pay an annual rental rate in the amount of \$253,012 to the City for the Leased Premises, equating to a monthly amount of \$21,084.33 for period January 01, 2025 through December 31, 2025. Beginning January 01, 2026 and January 01 in subsequent years, annual rental rates will be increased 1% per year.

In consideration of continued investments into the property, which may include expansion of the warehouse building, addition of fire monitoring systems to the 804 building, and upgrading secure access systems to the warehouse and 804 building, the City agrees to hold the rent increase percentage to 1% annually as outlined above.

Rent shall be payable in equal monthly installments, in advance, on the first day of each month during the term hereof in accordance with this Section 3.01 and made to benefit the City at 1123 Lake Street in Sandpoint, Idaho 83864. All amounts not paid by Lessee within ten (10) days following notice of non-payment from the City shall bear interest at the rate often percent (10%) per annum.

ARTICLE IV - RIGHTS OF LESSEE

Section 4.01 - Miscellaneous Rights of Lessee: Lessee is hereby granted the following designated rights, which rights are nonexclusive of the City, granting the same or similar rights to others at the Sandpoint Airport Business Park, and are subject to the rules and regulations of the City of Sandpoint with respect to the use of such Sandpoint Airport Business Park.

The Lessee may use and occupy the Leased Premises for any lawful purposes, except that the Lessee shall not use or occupy, nor permit the Leased Premises or any part thereof to be used or occupied, for any unlawful business, use or purpose, nor for any business, use, or purpose that would reasonably be deemed disreputable or extra hazardous, nor for any purpose or in any manner which is in violation of any present or future governmental laws or regulations. The Lessee shall indemnify the City against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims and demands, including reasonable attorney fees, arising out of any violation of, or default of this provision.

The parties acknowledge that Lessee has completed upgrades as further outlined in Agreement entered into on January 01, 2016. These upgrades included the air compression system, lighting and HVAC system at the Leased Premises to facilitate manufacturing processes at the Leased Premises ("Upgrades"). Lessee was responsible for making and performing said Upgrades.

The parties acknowledge that Lessee may wish to make certain upgrades to the systems and facilities comprising the Leased Premises, other than and in addition to previous Upgrades ("Additional Upgrades"). Lessee shall receive written authorization for any Additional Upgrades to the facility.

Additional Upgrades shall be made and performed in accordance with all applicable laws, rules and regulations, and this Lease, including any permits required from the City, if any.

The Lessee shall have the right to make all such alterations and improvements to the Leased Premises as reasonably necessary or appropriate, in the Lessee's judgment, for the Lessee's conduct thereon of its business, provided that prior to the commencement of any such alterations or improvements (other than the Upgrades and any Additional Upgrades), the City shall, in each case, have determined that the alterations do not diminish the value of the property and shall have approved in writing the plans and specifications thereto. The Lessee shall have the right to maintain on the Leased Premises appropriate facilities for the conducting of Lessee's business.

ARTICLE V - OBLIGATIONS OF LESSEE

Section 5.01 - Garbage and Waste Removal: Lessee agrees to cause to be removed promptly, at its own expense from the Leased Premises, all waste including garbage and rubbish, and agrees not to deposit the same, except temporarily in connection with collection for removal, on any part of the Leased Premises, the draining system, or other property of the City constituting the Sandpoint Airport Business Park.

5.02 Signing: Lessee shall have the right to install, or cause to be installed, appropriate signs in accordance with the City of Sandpoint sign code. The cost of such installation and operations shall be borne by the Lessee. Lessee shall not erect, install, operate, or cause, nor permit to be erected, installed, or operated upon the Leased Premises any sign or other advertising device without first having obtained any required permit from the City as to size, construction, location, and general appearance.

Section 5.03 - Utility Connections: Lessee may contract for connections to public utility services as are available and shall transfer all existing utility accounts into their name.

Section 5.04 - Fire Prevention: Lessee shall exercise due and reasonable care and caution to prevent and control fire on Leased Premises, and to that end shall install suitable fire extinguishers throughout the Leased Premises in accordance with rules and regulations of the City's Fire Chief. All paints and oils shall be stored in suitably protected outbuildings or compartments in accordance with rules and regulations as required by such Fire Chief.

Section 5.05 - Maintaining Clean Premises: Lessee shall provide proper containers for trash and garbage and shall keep the Leased Premises free and clear of rubbish, debris, and litter at all times.

Section 5.06 - Encumbrances and Liens: Lessee shall not encumber the title of the Leased Premises by a mortgage, pledge, lien or otherwise. Lessee also agrees to pay, when due, all sums of money that become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with Lessee's consent to be furnished to or for the Lessee in, upon, or about the Leased Premises, except as otherwise expressly provided herein.

Section 5.07 - City Approval of Plans and Specifications: No construction of any kind shall be carried out by Lessee except in accordance with plans and specifications which have received the prior written approval of the City. It is agreed that, for any improvements, new construction, alterations, and remodeling undertaken on the Leased Premises by Lessee (excepting the Upgrades and any

Additional Upgrades), the City shall be held harmless from any costs incurred in providing such facilities. Upon termination of this Lease by the passage of time or otherwise, title to all structures, installations, or improvements of any kind paid for and placed upon the Leased Premises by Lessee, either those in place or immovable, exclusive of all equipment, machines, appliances, furniture, trade fixtures, partitions, installations and other Lessee personal property that is capable of being removed from the Leased Premises without material damage to same (collectively, "Lessee's Personal Property"), shall vest in the City.

Section 5.08 - Taxes: Lessee agrees to pay all lawful taxes and assessments which, during the term or extension thereof, may become a lien, or which may be levied by the State, County, City or any other tax-levy body upon the following: (a) Any taxable interest by Lessee acquired in this Lease; and (b) All taxes on any taxable personal property owned by Lessee in or about the Leased Premises. Upon any termination of this Lease, all taxes when levied, or any lien on any of the above-described personal property or taxable interest therein, shall be paid in full without prorating by Lessee forthwith or as soon as a statement thereof has been issued by such tax-levying body.

Section 5.09 -Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and any other utility charge for services provided at the Leased Premises at Lessee's order or consent.

Section 5.10 - Lessee's Repairs and Maintenance: At its expense, Lessee shall be responsible for general landscaping and maintenance of the real property included in the Leased Premises, including snow removal from parking lot, sidewalks, pathways, roof, etc. City shall install snow breaks on roof. City shall not be responsible for roof snow removal and damage or repairs needed as a result of not removing snow load from roof shall be borne by Lessee. The Lessee shall also be responsible for repairs and maintenance costs pertaining to the Leased Premises, excepting maintenance, repair, replacement and other costs that are the responsibility of the City hereunder.

Section 5.11 - Surrender: Lessee shall, on the last day of the term, or upon the sooner termination of the term, peaceably and quietly surrender the Leased Premises to the City, broom clean, including all Buildings, alterations, rebuilding, replacements, changes, or additions placed by the Lessee thereon, in as good condition and repair as at the commencement of the term, and as any new buildings, structures, replacements, additions, or improvements constructed, erected, added, or placed thereon by the Lessee were when completed, all with the natural wear and tear and damage by casualty excepted. Notwithstanding the foregoing, Lessee shall at all times retain all right, title and interest in and to all Lessee's Personal Property, and Lessee may remove the same from the Leased Premises upon expiration or termination of the term.

Section 5.12 — Holding Over: Should Lessee, or any of its successors in interest, hold over the Leased Premises or any part thereof after the expiration of the Lease term, unless otherwise agreed to in writing by City, such holding over shall constitute and be construed as a month-to-month tenancy, and rental for such tenancy will be paid at a rental equal to twice the per-day rental provided herein. In the event City leases all or any part of the Leased Premises covered hereby to a third party lessee for a term commencing upon the expiration of this Lease, and City is unable to deliver possession thereof to said lessee because Lessee is holding over, Lessee shall indemnify City for actual damages incurred by it as a result of such inability to deliver possession.

ARTICLE VI - RIGHTS OF THE CITY

Section 6.01 - Payments by the City Recoverable From Lessee: Upon written notice to Lessee, the City shall have the right, during the term of the Lease, to pay any unpaid taxes, assessments, water, sewer, or other charges owed by the Lessee, pursuant to the terms of this Lease, on the Leased Premises and reversionary interest therein remaining unpaid after the same have become due and payable. The amount paid of such taxes, assessments and charges owed by Lessee shall be deemed to be additional rent due from Lessee at the next rent payment day after any such payment with interest thereon at the rate of ten percent (10%) per annum from the date of payment thereof by the City, until the repayment thereof to the City by the Lessee. The City, at its option, may advance or pay any such charge, but it shall not be obligatory on the City to inquire into the validity of any such charge, provided, however, that, if Lessee shall be actively prosecuting its administrative or legal remedies in protest of any such charge, the City shall not have the right to pay or advance sums referable thereto until such remedies shall have been exhausted.

Section 6.02 - Right of Entry and Inspection: The City reserves the right at any reasonable time mutually agreed to by the parties to enter upon the Leased Premises, either in person or through its designated agents or employees, for the purpose of inspecting the Leased Premises and ascertaining the condition of the same. In any case, City shall have the right to inspect the Leased Premises within 24 hours of the delivery of written notice. The City shall use reasonable good faith efforts not to disturb Lessee's business operations during such entry and/or inspection.

ARTICLE VII - OBLIGATIONS OF THE CITY

Section 7.01 - Quiet Enjoyment: The Lessee, upon the payment of the rent herein reserved, and upon the performance of all of its other obligations under the terms of this Lease, shall at all times during this Lease term, peaceably and quietly enjoy the Leased Premises without any disturbance from the City or from any person claiming through the City. The City reserves the right to display "For Rent" or "For Sale" signs and show the Leased Premises to prospective Lessees or Buyers during reasonable business hours, during the last ninety (90) days of the Lease term and written notification has been provided to Lessee of the non-renewal of lease.

Section 7.02 - City Repairs and Maintenance: The City shall be responsible only for undertaking and paying for (a) all maintenance, repairs and replacements of the exterior walls, exterior doors, roof (unless caused by snow load due to Lessee's lack of removal and therefore would be Lessee responsibility for roof repairs), foundations and underground utilities; (b) all replacements of the Building Systems including HVAC, electrical, and plumbing (if necessary) and for all repairs to these Building Systems costing in excess of \$5,000.00 per repair; and (c) all work and improvements to the Leased Premises required by governmental authorities and/or to comply with applicable laws, rules and regulations, including all environmental remediation and clean-up work not caused by the acts or omissions of Lessee or as required for the business activities of Lessee. The City shall be absolved of any maintenance or repairs where the need for such repairs or maintenance has been caused by the act or omission of the Lessee or that which is required for Lessee's business activities.

ARTICLE VIII - INDEMNITY AND INSURANCE

Section 8.01 - Indemnity: The Lessee shall indemnify and hold the City, its officials, officers, employees, agents and assigns, harmless from and/or against any and all claims, damages, and

liabilities (including reasonable attorney's fees) that may be suffered or incurred or that arise as a result of and which are caused by the Lessee's wrongful acts or omissions in the performance of its duties under this Agreement. This indemnification does not apply when such claims, damages, and liabilities are the result of negligent acts, errors, omissions or fault on the part of the City, its officials, officers, employees, agents or assigns. Nothing contained in this indemnification provision shall waive, in any manner, the limits of liability provided to the CITY specified in Idaho Code §6-901 through 6-929, known as the Idaho Tort Claims Act.

Section 8.02 - Insurance: Lessee, at its own expense, shall keep and maintain in full force and effect a policy of commercial general liability insurance, including a contractual liability endorsement covering Lessee's obligations under Section 8.01, insuring Lessee's activities upon, in and about the Leased Premises against claims of bodily injury or death or property damage or loss with limits of at least One Million Dollars (\$ 1 Million) per occurrence, Two Million Dollars (\$2 Million) aggregate for injuries to or death of persons, and at least Two Hundred Fifty Thousand Dollars (\$250,000) per occurrence for any damage to property. Each insurance policy shall provide that it is not subject to cancellation or material alteration except after Thirty (30) days prior written notice to the City and Lessee. Lessee shall deliver to the City immediately upon execution of this Lease and upon annual renewal thereafter, copies of policies of such insurance or certificates evidencing the existence and amounts of same. Should Lessee fail to keep in effect and pay for such insurance as required under this Lease, the City may do so, in which event the Lessee shall be required to reimburse the City for the insurance premium paid by the City. If the City receives notice of termination, cancellation or lapse of such insurance, it may elect to notify Lessee to cease operations in the Leased Premises until the City receives copies of policies evidencing that the insurance required under this Lease is in full force and effect.

This City is to be named as Additional Insured on each such policy or policies.

ARTICLE IX – DEFAULT

Section 9.01 - Events of Default:

Default in Rent: Failure of the Lessee to pay any rent or other charge within ten (10) days of notice of non-payment by City to Lessee.

Default in Other Agreements: Failure of the Lessee to comply with any term or condition of this Lease (other than the payment of rent or other charges) within thirty (30) days after written notice from the City specifying the nature of the default with reasonable particularity. In the event the failure is of such a nature that it cannot be completely corrected or remedied within such thirty (30) day period, this provision shall be deemed as having been complied with if Lessee begins correction of the default within the thirty (30) day period and thereafter proceeds, with reasonable effort and in good faith, to effect the remedy as soon as practicable.

Insolvency: Insolvency of Lessee, which may consist of (1) An assignment by Lessee for the benefit of creditors; (2) The filing by Lessee of a voluntary petition in bankruptcy; (3) An adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; (4) The filing of an involuntary petition in bankruptcy and the failure of the Lessee to secure a dismissal of the petition within Thirty (30) days after filing; and (5) Attachment or the levying of execution against the

leasehold interest of Lessee, and the failure of the Lessee discharge the attachment, or release the levy of execution within Ten (10) days after such attachment or levy.

Abandonment: The Lessee abandons the Leased Premises for Thirty (30) consecutive days or more, unless such failure is excused under other provisions of this Lease.

Section 9.02 - Remedies on Default: In the event of a default (following the expiration of any applicable notice and/or cure periods), the City, at its option, may terminate the Lease by notice in writing by certified mail to Lessee to the address provide in this Lease.

Damages: In the event of the termination on default, the City shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease term, the following amounts as damages:

Any excess of: (I) The value of all of the Lessee's obligations under this Lease, including the obligation to pay rent, from the date of default until the end of the term; and (2) The reasonable rental value of the Leased Premises for the same period figured as of the date of default.

The reasonable costs of reentry and reletting, including, without limitation, the cost of any cleanup, refurbishing, removal of Lessee's property and fixtures, or any other expense occasioned by the Lessee's failure to quit the Leased Premises upon termination and to leave them in the required condition, any remodeling costs, attorney's fees, court costs, broker commissions, and advertising costs.

The loss of reasonable rental value from the date of default until a new Lessee or Buyer has been, or with the exercise of reasonable diligence, could have been secured. (iv) The City shall use reasonable good faith efforts to mitigate its damages.

Reentry After Termination: In the event the Lease is terminated by the City upon a Lessee default, Lessee's liability to the City for damages shall survive such termination. In the event this Lease is terminated for any reason, the rights and obligations of the parties shall be as follows:

- (i) Lessee shall vacate the Leased Premises immediately upon the effective date of termination, and shall contemporaneously remove Lessee's Personal Property, perform any cleanup, alterations, or other work required to leave the Leased Premises in the condition required at the end of the term, and deliver all keys to the City.
- (ii) The City may reenter, take possession of the Leased Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

Reletting: Following reentry or abandonment, the City may relet the Leased Premises and in that connection may:

Make any suitable alterations or refurbish the Leased Premises, or both, or change the character or use of the Leased Premises, but the City shall not be required to relet for any use or purpose (other than that specified in the Lease) which the City may reasonably consider injurious to the Leased Premises, or to any which the City may reasonably consider objectionable. Relet all or part of the

Leased Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent free occupancy or other rent concession.

ARTICLE X - GENERAL PROVISIONS

Section 10.01 - Alterations and Improvements: Lessee shall make no alterations to the Leased Premises or make any other improvements thereupon without prior written consent of the City. All alterations, changes, and improvements paid for and built, constructed, or placed on the Leased Premises by Lessee, with the exception of fixtures removable without material damage to the Leased Premises and Lessee's Personal Property shall, unless otherwise provided by written agreement between the City and Lessee, be the property of the City and remain on the Leased Premises at the expiration, or sooner termination, of this Lease.

Section 10.02 - Damage or Destruction of Leased Premises: If all of the Buildings on the Leased Premises are completely or substantially destroyed by fire or other casualty not caused by Lessee, either City or Lessee may terminate this Lease by issuing a notice of termination to the other party. In the case of any other fire or other casualty damage or destruction involving said Buildings, Lessee shall elect to either (a) continue this Lease in effect, in which event City shall promptly repair the damage or destruction at its expense, and the rent payable by Lessee hereunder shall equitably abate during the repair period; or (b) terminate this Lease. Lessee shall communicate such election to City in writing within 30 days of such damage or destruction.

Section 10.03 - Materials Affecting Fire Insurance: Lessee shall not keep or have on the Leased Premises any article or thing of a dangerous, inflammable, or explosive character which might unreasonably increase the danger of fire on the Leased Premises except in accordance with applicable laws, rules and regulations.

Section 10.04 - Assignment of Interests or Rights: Except as expressly provided in this Lease, neither Lessee, nor any assignee or other successor of Lessee, shall in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer, or encumber any of Lessee's rights in and to this Lease or any interest therein, nor license or permit the use of the rights herein granted in full or in part without the prior written consent of the City.

Section 10.05 - Condemnation: If the Leased Premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this Lease shall terminate as to such portion as may be taken. If Lessee shall reasonably determine that it is no longer feasible to continue operations at the Leased Premises without the portion taken, the Lessee shall have the right to terminate this Lease. The City shall be entitled to that portion of the award as is represented by the real property involved, but Lessee may make a separate claim against the governmental entity exercising the right of eminent domain for Lessee's relocation expenses.

Section 10.06 - Nonwaiver: Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of, or prejudice to, such party's right to require strict performance of the same provision, or of any other provision, in the future. To the extent City's consent or approval is required under this Lease, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 10.07 - Attorney's Fees: Reasonable attorney fees and costs shall be awarded to the prevailing party in any action to enforce or interpret this Agreement, or to declare a termination or forfeiture thereof.

Section 10.08 - Time of the Essence: It is mutually agreed that time is of the essence to the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

Section 10.09 - Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by these parties. Until changed by the parties by notice in writing, notices shall be sent to:

CITY:

City of Sandpoint
City Clerk
1123 Lake Street
Sandpoint, Idaho 83864

LESSEE:

Lead-Lok
Sam Heleba
814 Airport Way
Sandpoint, Idaho 83864

All such notices shall be deemed served upon deposit in the United States Postal Service with postage prepaid.

Section 10.10 - Reservation of Right of Flight: The City reserves the right to itself, and for the City and the public, for the passage of aircraft in the air space above the surface of the Leased Premises, together with the right to cause in such air space such noise as may be inherent to the operation of aircraft. Lessee agrees that Lessee's right to use the Leased Premises for the purposes set forth in this Lease shall be secondary and subordinate to the operation of the Sandpoint/Bonner County Airport.

Section 10.11 - Assurance of Subordination: This Lease shall be subordinate to the provisions of any existing or future agreement between the City and the United States relative to the operation or maintenance of the Sandpoint/Bonner County Airport, the execution of which has been, or may be, required as a condition precedent to the expenditure of federal funds for the development of such airport.

Section 10.12 - Assurance of Nondiscrimination: Pursuant to Title VI of the Civil Rights Act of 1964, and by Part 15 of the Federal Aviation Regulations, Lessee agrees it will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 15 of the Federal Aviation Regulations, as such law or Regulations may be amended. Pursuant to Sandpoint City Code 5-210 Lessee agrees it will not discriminate against a person based on sexual orientation or gender identity/expression.

Section 10.13 - Consent of the City: Whenever consent or approval of direction by the City is required under the terms of this Lease, the same may be received in writing from the Mayor or authorized representative/designee or the City Council, respectively.

Section 10.14 - Index and Headings: The index, and article and section headings, are for convenience for reference, and are not intended to define or limit the scope of any provisions of this Lease.

1. Section 10.15 - Governing Law: This Lease shall be governed under the laws of the State of Idaho, and the jurisdiction for any action arising out of performance of this Agreement, or interpretation of its terms and conditions, shall be in the District Court in the First Judicial District of the State of Idaho, Bonner County.

Section 10.16 - Entire Agreement: This Lease contains the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this Lease. All prior understandings, terms, or conditions are deemed merged in this Lease, and all existing leases and other arrangements between the parties relative to the Leased Premises are replaced and superseded by this Lease, effective as of the Commencement Date.

Section 10.17 - Modification by Writing: This Lease may not be modified orally, but only by agreement in writing and signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought.

Section 10.18 - Severability: If any provision of this Lease shall be declared invalid or unenforceable, the remainder of this Lease shall continue in full force and effect.

IN WITNESS WHEREOF, the City has caused these presents to be signed, and the Lessee has signed effective the day and year first above written.

CITY OF SANDPOINT:

LEAD-LOK:

Jeremy Grimm, Mayor


11/11/2024

ATTEST:

Melissa Ward, City Clerk

**EXHIBIT A
LEASED AREA**

LEGAL DESCRIPTION

That portion of the North 1/2 of the Northeast 1/4 of the Northwest 1/4, Section 15,
Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho, described as
follows:



