

**THIRD AMENDMENT TO LEASE BETWEEN THE CITY OF SANDPOINT AND
BONNER COUNTY HISTORICAL SOCIETY**

This Third Amendment to Lease Agreement (this "Third Amendment") is made and entered into this 02nd day of September, 2026, by and between the **CITY OF SANDPOINT**, a municipal corporation of the State of Idaho ("City"), and **BONNER COUNTY HISTORICAL SOCIETY, INC.**, a non-profit corporation of the State of Idaho ("BCHS"), regarding the leased premises described below.

WHEREAS the City and BCHS entered into that certain Lease Agreement dated June 18, 1979, authorized by Resolution No. 32-79 (the "1979 Lease"), covering certain real property situated at 611 S. Ella Ave, Sandpoint, Bonner County, Idaho, more particularly described in the 1979 Lease and in the legal description recorded as Instrument No. 522945 with Bonner County on April 28, 1998; and

WHEREAS Article I of the 1979 Lease established a lease term of forty (40) years and granted BCHS the "option to renew this Lease for a like period on each successive termination"; and

WHEREAS the City and BCHS amended the 1979 Lease by that certain Amendment to Lease Agreement dated November 21, 2009, authorized by Resolution No. 09-70 (the "First Amendment"), which corrected the legal descriptions of the leased premises to conform to the recorded survey and addressed certain shared-use terms with the Sandpoint Lion's Club, and did not otherwise modify the term or renewal provisions of the 1979 Lease; and

WHEREAS the City and BCHS further amended the lease by that certain Second Amendment to Lease dated September 27, 2023 (the "Second Amendment"), which extended the term of the lease through September 30, 2025, and provided that all other terms and conditions of the 1979 Lease and subsequent amendments would remain in full force and effect; and

WHEREAS the 1979 Lease, the First Amendment, and the Second Amendment (collectively, the "Lease") expired according to their terms on September 30, 2025; and

WHEREAS the City and BCHS wish to resolve any dispute regarding the status of the Lease following its expiration and to continue their longstanding partnership by renewing the Lease on the same terms and conditions set forth in the Lease, subject to the modifications set forth below;

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

1. Incorporation of Prior Agreements. The 1979 Lease, dated June 18, 1979 (recorded as Instrument No. 32-79), the First Amendment, dated November 18, 2009 (recorded as Instrument No. 09-70), and the Second Amendment, dated September 27, 2023 (recorded as Instrument No. 23-080), are each incorporated herein by this reference as though set forth in full and, except as expressly modified below, remain in full force and effect.

2. Term. The Lease is hereby renewed for a term of forty (40) years (the "Renewal Term"), commencing October 1, 2025, and expiring September 30, 2065.

3. Renewal Option. Consistent with Article I of the 1979 Lease, BCHS shall retain the option to renew the Lease for successive terms of a like period (forty (40) years) on each successive termination, upon the same terms and conditions as set forth in the Lease.

4. Rent. Rent for the Renewal Term shall continue at the rate set forth in the 1979 Lease, being One Dollar (\$1.00) per year, payable in advance of the beginning of each year.

5. Ratification of Remaining Terms. Except as specifically modified by this Third Amendment, all other terms, conditions, covenants, and provisions of the 1979 Lease, the First Amendment, and the Second Amendment remain in full force and effect and are hereby ratified and confirmed, including without limitation BCHS's obligations to maintain and insure the premises and improvements, and BCHS's reversionary obligations upon eventual termination of the Lease.

6. Related Settlement Agreement. In connection with this Third Amendment, the City and BCHS are entering into a separate Settlement and Mutual Release Agreement resolving the Notice of Tort Claim dated March 5, 2026. This Third Amendment and the Settlement and Mutual Release Agreement are related documents, and the effectiveness of each is conditioned upon execution of the other.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the date indicated below.

CITY OF SANDPOINT

By: _____ Date: _____
Jeremy Grimm, Mayor

Attest:

Meri Jane Bohn, City Clerk

STATE OF IDAHO)
) ss.
COUNTY OF BONNER)

On this _____ day of _____, 20____, before me, the undersigned Notary Public, personally appeared Jeremy Grimm, known or identified to me to be the Mayor of the City of Sandpoint, the municipal corporation that executed the within instrument, and acknowledged to me that the City of Sandpoint executed the same.

Notary Public for Idaho
Residing at: _____
My Commission Expires: _____

BONNER COUNTY HISTORICAL SOCIETY, INC.

By: Tonya M. Sherman Date: 8/26/2026
Name: Tonya M. Sherman
Title: President of the Board, BCHS

STATE OF IDAHO)
) ss.
COUNTY OF BONNER)

On this 26th day of August, 2026, before me, the undersigned Notary Public, personally appeared Tonya Sherman, known or identified to me to be the President of Bonner County Historical Society, Inc., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

Lain Broome
Notary Public for Idaho

Residing at: 1832 Hwy 7, Sandpoint, ID 83864
My Commission Expires: 4/4/31

