

SUBMERGED LANDS LEASE
Lease No. B220168
NORTH IDAHO MARITIME LLC,
an Idaho limited liability company

SUMMARY OF LEASE PROVISIONS:

Lessor: STATE OF IDAHO
By and through the State Board of Land Commissioners, whose administrative agency is the Idaho Department of Lands
300 North 6th Street, Suite 103
PO Box 83720
Boise ID 83720-0050

Lessee: North Idaho Maritime LLC, an Idaho limited liability company
4020 N. Huetter Road
Coeur d'Alene, ID 83814

Lease Term: Commencement Date: January 1, 2021
Expiration Date: December 31, December 31, 2030

Use of Leased Premises The Leased Premises are used for seasonal encroachment storage. Use terms are more particularly described in *Section 3, Use of Premises* and *Attachment C, Approved Application Plan*.

Rent: The annual base rent payment is due on January 1 of each year.

Use	Annual Base Rent
Seasonal encroachment storage	\$5,000
Total Annual Base Rent	\$5,000

Legal Description of Leased Premises: See Attached Exhibit A, incorporated herein by reference.

Liability Insurance: \$1,000,000 Commercial General Liability and Umbrella Liability Insurance
Property insurance
Workers compensation and employer's liability insurance

Insurance terms are more particularly described in *Section 4, Insurance*.

Special Terms and Conditions None.

Lease Index: SUMMARY OF LEASE PROVISIONS
LEASE PROVISIONS
SIGNATURE PAGE
ATTACHMENT A – LEGAL DESCRIPTION OF LEASED PREMISES
ATTACHMENT B – SITE MAP(S)
ATTACHMENT C – APPROVED APPLICATION PLAN
ATTACHMENT D – YEARLY INSPECTION AND CLEAN UP REPORT

***This Summary of Lease Provisions ("Summary") is for convenience and ease of review only. The information stated in the Summary is intended to be accurate and consistent with the contract terms set forth in the following Lease. In the event any information stated in the Summary is inconsistent with the Lease Provisions or Attachments, the Lease Provisions and Attachments will control.**

LEASE PROVISIONS

1. Lessor does hereby lease and demise unto Lessee, at the rate and for the use specified in Sections 2 and 3 below, the lands described in Attachments A and B, located on Coeur d'Alene Lake in Kootenai County, State of Idaho.

2. Rent.

Lessee shall pay to Lessor, as rent for the Leased Premises, the following amounts, determined and payable in the manner and at the time set forth herein, without abatement, offset or deduction of any kind, unless allowed by this Lease. All rent shall be paid in lawful money of the United States of America forwarded to Lessor or as otherwise directed by Lessor in writing.

A. **Base Rent for Seasonal Encroachment Storage.** Annual base rent for seasonal encroachment storage shall be five thousand dollars (\$5,000.00), due on or before January 1 of each successive year.

B. **Annual Base Rent Subject to Modification.** Lessor reserves the right to increase or decrease the annual base rent to be paid by Lessee. The increase or decrease for each year shall be effective as of January 1 and payable by January 1. Lessor shall provide Lessee written notification of any changes in the rent amount one hundred and eighty (180) calendar days prior to the effective date of the change.

C. **Accrual of Interest and Late Payment Charges.** In the event any rent or other financial obligation due by Lessee to Lessor under the terms of this Lease is not paid in full when due, Lessee shall also pay: 1) interest accruing thereon at the statutory rate of interest as provided by law until payment is made in full; and, 2) a late charge which shall accrue in full as of the first day of each and every calendar month of any such delinquency, until payment is made in full, in the amount of twenty-five dollars (\$25.00) or an amount equal to one percent (1%) of the unpaid principal obligation(s), whichever is greater. All payments shall be applied first to the payment of accrued interest and to accrued late charges, and then to the reduction of unpaid principal. There shall be no compounding of accrued interest or late charges. The parties acknowledge and agree that the late charge described herein is a reasonable attempt to estimate and to compensate Lessor for higher administration costs associated with administering late payments, and is not intended as a penalty. By assessing interest and late charges, Lessor does not waive any right to declare a breach, or to pursue any right or remedy available to Lessor by reason of such breach available at law or in equity, after the expiration of any applicable notice or cure period.

D. **Lien.** The amount of any unpaid rent and accruing late charges and interest shall be a lien in favor of Lessor against all of Lessee's improvements and other property on the Leased Premises.

3. Use of Premises.

A. The period of use for this Lease is from October 1 of each year to May 31 of the succeeding year. Lessee may not store floating encroachments prior to October 1 nor after May 31 of any year. If weather conditions or other circumstances beyond Lessee's control require deviations to this schedule, Lessee must notify Lessor in writing at least one week prior to the necessary deviation and must obtain advance approval from Lessor.

B. This Lease is contingent upon Lessee continually maintaining and complying with the provisions contained in all applicable laws and rules, including, but not limited to the Rules Governing Leases on State-Owned Submerged Lands and Formerly Submerged Lands, IDAPA 20.03.07.000 *et seq.*; the Stream Channel Protection Act, Title 42, Chapter 38, Idaho Code; and the Stream Channel Alteration Rules, IDAPA 37.03.07.000 *et seq.*

C. The storage of previously-permitted encroachments and maintenance of those stored, previously-permitted encroachments is authorized during the period of use described above. Maintenance does not include new construction or complete reconstruction of encroachments. Any change of or new use of the Leased Premises by Lessee requires Lessee's prior written request and Lessor's prior written amendment of this Lease.

D. When requested by Lessor, Lessee will furnish technical information concerning the equipment located on the Leased Premises.

E. This Lease does not convey the State's title to nor jurisdiction or management of lands lying below the natural or ordinary high water mark.

- F. Lessee's construction and operation of the Leased Premises and any encroachments authorized under this Lease must follow details and specifications shown on the application, plans, and drawings provided by Lessee, attached hereto as Attachment C and incorporated herein by reference. Should such information prove to be materially false, incomplete and/or inaccurate, or if Lessee's construction and operation on the Leased Premises and encroachments are not in compliance with the application, plans and drawings or with any term of this Lease, Lessor may issue a notice of violation, or amend or cancel the Lease in accordance with IDAPA 20.03.17.060. At any time, and prior to any modification to the application, plans, drawings or use, Lessee must consult with the Lessor to determine appropriate authorization.
- G. Lessee shall maintain the structure or work authorized herein in a good and safe condition and in accordance with the approved application, plans and drawings. Lessee must contact Lessor at least ten (10) days prior to the planned start date of any maintenance or replacement activities.
- H. Lessee is responsible for all work done by any contractor, subcontractor, employee or agent. Lessee shall provide any contractor or subcontractor with a copy of this Lease. Lessee shall ensure any contractor who performs the work is informed of and follows all the terms and conditions of this Lease.
- I. Construction barges or other watercraft shall not be grounded on the lakebed for any reason and may not be parked in the Leased Premises for more than fourteen (14) consecutive days.
- J. No equipment, boats, barges or associated machinery may be allowed to create petroleum product sheen on the water or otherwise create a release of petroleum or petroleum products due to petroleum products handling, use or storage. Lessee shall maintain an adequate supply of petroleum absorbent pads. Lessee must ensure that the Emergency Response Team phone number, 1-800-632-8000, is readily available at all times.
- K. Lessee may not operate or allow operation of excavation equipment below the ordinary high water mark without prior written authorization from Lessor.
- L. Lessee must remove demolition debris and construction waste from the Leased Premises and from Coeur d'Alene Lake and dispose of such debris and waste at an upland location approved in advance by Lessor and any other government entity with jurisdiction. No demolition debris shall be allowed to fall to the lakebed or be dragged to shore. In the event inert demolition debris falls into the lake, a diver shall be deployed to retrieve the material within five (5) calendar days. If the material is toxic or hazardous it must be immediately removed from the water.
- M. Lessee must ensure that foam flotation is completely encased in a manner that will maintain the structural integrity of the foam. The encasement must be resistant to the entry of rodents and must be replaced if cracked, damaged, or similarly compromised.
- N. It is illegal to possess or transport Quagga or Zebra mussels into or through Idaho, and to launch infested watercraft. Lessee must inspect used boat lifts, docks and other materials from waterbodies other than Coeur d'Alene Lake for invasive species and ensure that they are free from such species prior to storage or installation. Lessee must provide Lessor with proof of inspection by an authorized inspector prior to installing the used boat lifts, docks and other materials and/or placing them in the water. Prior to installation call 877-336-8676 for decontamination.
- O. Piles and pylons must be driven with noise reduction devices.
- P. Construction materials must be natural or pressure treated utilizing only those preservative chemicals registered for the specific uses by the U.S. Environmental Protection Agency (EPA). All treated wood materials must be produced in compliance with "Best Management Practices (BMPs) For the Use of Treated Wood in Aquatic and other Sensitive Environments" issued by the Western Wood Preservers Institute (WWPI) 2012. Treated materials not in contact with the water must be completely dry before use near navigable waters. Use of Chromated Copper Arsenate (CCA) treated wood must adhere to the EPA recommendations regarding use of arsenate treated wood. Contact Idaho Department of Environmental Quality for information on acceptable treatment methods and materials.

- Q. Lessee must stockpile any and all construction material including maintenance material landward of the ordinary high water mark.
- R. All construction shall meet the standards of the Uniform Building and International Fire Codes. Lessee shall contact the appropriate body of jurisdiction concerning these codes prior to installation.
- S. If any excavation or pile driving occurs Lessor and anyone acting on Lessor's behalf must comply with the provisions of the Underground Facilities Damage Prevention Law (Idaho Code Title 55, Chapter 22). The one-call locator service number is 811.
- T. Lessee must submit a lighting plan to Lessor prior to any encroachment storage or other activities pursuant to this Lease. The lighting plan must meet applicable United States Coast Guard and/or Kootenai County regulations and requirements.
- U. Lessee must submit a maintenance plan to Lessor prior to any encroachment storage and/or other activities undertaken pursuant to this Lease. The maintenance plan must address the means by which Lessee will secure encroachments to piling. The plan must include at least two inspections by the Lessee per winter season to ensure that all of the floating encroachments are secured. Inspections will be documented in writing with a copy to Lessor by January 1 and April 1 of each year.
- V. Lessee must consult with the Idaho Department of Fish and Game to ensure that the storage location on the Leased Premises is not adjacent to or infringes upon the Cougar Creek Channel and marshy areas for waterfowl hunters.
- W. Lessee must inspect the lakebed under the storage area annually for sunken debris associated with the Leased Premises, and remove the sunken debris from the lake and dispose of it at an upland location in compliance with local, state, and federal regulations. A yearly report on when this inspection and removal occurs, and what is removed from the lakebed, must be submitted with the yearly rental payment. See Attachment D.

4. **Insurance.**

Lessee shall purchase and keep in force all insurance required by this Lease. Any failure to comply with any of the terms of this Section shall be grounds for immediate cancellation of this Lease.

- A. **Commercial General Liability and Umbrella Liability Insurance.** Lessee shall obtain, at Lessee's expense, and keep in effect during the term of this Lease, Commercial General Liability Insurance and, if necessary, Commercial Umbrella Insurance with a combined limit of not less than One Million Dollars (\$1,000,000). Each annual aggregate limit shall not be less than Two Million Dollars (\$2,000,000), when applicable. The policy(ies) shall include personal injury and property damage resulting from the occupancy, use, and operations of any other activity on the Leased Premises carried on by Lessee, its assigns, agents, operators or contractors. This insurance shall also include contractual liability coverage for the indemnity provided under this Lease.
- B. **Property Insurance.** Lessee shall, throughout the term of this Lease and at its own expense, keep and maintain in full force and effect, property insurance for what is commonly referred to as "All Risk" coverage, excluding earthquake and flood, on Lessee's improvements and personal property.
- C. **Workers' Compensation.** Lessee shall maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with Idaho law, together with all other coverages required therefor. If Lessee is exempt from the obligation to carry worker's compensation in accordance with Idaho law, Lessee can provide proof of such exemption to Lessor.
- D. **Additional Insured.** The liability insurance coverage required for performance of the Lease shall include the State of Idaho, the Board of Land Commissioners, and the Department of Lands, its officers, agents, and employees as additional insureds, but only with respect to Lessee's activities (including the activities of Lessee's agents, operators, employees or contractors) relating to this Lease and/or any such activities upon, or related to, the Leased Premises. If the land surface and/or the improvements thereon covered by the Lease have been sold or leased by Lessor, then any such new owner or leaseholder of the surface rights and/or improvements shall also be an additional insured.

- E. **Insurance Policy Requirements.** All policies required under this Section shall be written as primary policies and not contributing to or in excess of any coverage Lessor may choose to maintain. All insurance shall be with insurers rated A-, VII, or better in the latest Bests Rating Guide, and be in good standing and authorized to do business in the State of Idaho. There shall be no cancellation, material change, potential exhaustion of aggregate limits or intent not to renew insurance coverage without thirty (30) days written notice from Lessee and its insurer to Lessor; provided however, that if such prior advanced written notice cannot reasonably be provided, then Lessee shall immediately notify Lessor as soon as either becomes aware of any such cancellation, termination, material change, or intent not to renew. In any event, Lessee shall immediately notify Lessor of any such notice of cancellation, termination, material change, or intent not to renew any policy required by this Lease and shall deliver to Lessor a copy of any such notice upon receipt thereof from any insurer.
- F. **Proof of Insurance.** Prior to taking occupancy or commencing operations or construction, and at least annually thereafter, Lessee shall furnish Lessor with a certificate of insurance executed by a representative of each insurer duly authorized to bind coverage, together with a copy of any applicable policy and policy endorsement showing compliance with all insurance requirements set forth herein including evidencing Lessor as additional insured. Lessee shall provide certified copies of all insurance policies required above within fifteen (15) days of Lessor's written request for certified copies. Failure of Lessor to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Lessor to identify a deficiency from evidence that is provided shall not be construed as a waiver of Lessee's obligation to maintain such insurance.
- G. **No Limitation of Liability.** By requiring insurance herein, Lessor does not represent that coverage and limits will necessarily be adequate to protect Lessee, and such coverage and limits shall not be deemed as a limitation on Lessee's liability pursuant to this Lease.

5. Lease Term and Renewal Conditions.

- A. Lessor grants to Lessee the option to renew this Lease for a term of ten (10) years or as determined by Lessor commencing upon the expiration of the original Lease or subsequent Leases, provided that Lessee shall submit an application for renewal by April 30 of the year of expiration of the Lease. Lessee understands and agrees that Lessor has the sole discretion relating to the terms and conditions offered in any renewed lease and understands and agrees that the terms and conditions in a renewed lease may be materially different than this Lease.
- B. Lessee will not be eligible for a lease renewal unless the following conditions have been met:
 - i. All rent due has been paid in full;
 - ii. Lessee has complied with all provisions of this Lease and fully and faithfully performed all obligations herein.

6. Sublease, Assignment, Mortgage, Lien and Encumbrance.

- A. **No Sublease or Assignment Without Consent.** Lessee shall not sublease all or any part of the Leased Premises, or sublease all or any part of Lessee's improvements, or assign this Lease, or subject Lessee's improvements or Lessee's leasehold interest in this Lease to a mortgage or deed of trust or otherwise encumber without first obtaining the written consent of Lessor, which consent may be withheld in Lessor's sole discretion. All non-state-owned improvements are currently and shall remain in the name of the Lessee throughout the term of this Lease, unless otherwise provided herein.
- B. **No Liens or Encumbrances.** Lessee has no authority to and shall not place or allow a lien upon or otherwise encumber state land or state-owned improvements. Lessee shall not place or allow a lien or otherwise encumber Lessee's leasehold interest or Lessee-owned improvements without the prior written consent by Lessor.
- C. **Necessary Forms.** Any request for approval of a sublease, assignment, mortgage, or deed of trust must be in writing, on forms provided by Lessor and accompanied by the processing fee established by Lessor. Any attempt by Lessee to sublease Lessee's interest in all or any part of the land, Lessee's leasehold interest, or all or any part of Lessee's improvements, or to assign this Lease, or to subject Lessee's improvements or

Lessee's leasehold interest in this Lease to a mortgage or deed of trust without the prior written consent of Lessor shall be void and shall constitute a default of this Lease.

- D. **Good Standing Required.** No request for Lessor's approval of any assignment, sublease or mortgage will be considered unless all rent due, late payment fees, and interest have been paid in full, and Lessee is in good standing under the terms of the Lease.
- E. **Sublease, Assignment, Mortgage and Encumbrance Subject to Terms.** Any sublease, assignment, mortgage, or encumbrance shall be subject to all of the terms and provisions of this Lease and shall be terminated and of no further force or effect if this Lease is cancelled for any reason.
- F. **Specific Transaction Only.** Any consent by Lessor herein contained or hereafter given to any act, sublease, assignment, mortgage, pledge, or encumbrance shall be held to apply only to the specific transaction hereby or thereby approved.
- G. **Proof of Assignment.** In cases of assignment due to the sale of Lessee's interest, Lessee must provide to Lessor one copy of the purchase agreement or contract of sale signed and acknowledged by the buyer (Assignee) and seller (Assignor), together with true and correct copies of all assignment documents. In the case of assignment without a sale, appropriate transfer documentation must be provided to Lessor establishing that the Lease should be assigned. This may include, but not be limited to, a deed and bill of sale from Lessee indicating the transfer of the Lease and Lessee-owned improvements as a gift; a divorce decree; or a copy of a probate order. Lessor may require additional proof as necessary. Title to Lessee's improvements (all non-state-owned improvements) must be in the same name as Lessee.
- H. Upon Lessor's prior written approval, Lessee may sublease all or part of the Leased Premises; provided that each such sublease shall be subject to all terms of this Lease, including termination of Lessee's interest under this Lease. Any such sublease shall be subject to and subordinate to the rights of Lessor under this Lease, and any such sublease shall include, but not be limited to, the following:
 - i. No sublease shall relieve Lessee of its responsibility to pay rents, fees, interest and any charges due, and perform all of its obligations under this Lease.
 - ii. The term of the sublease may not exceed the term of this Lease.
 - iii. Lessor is not liable for acts or omissions of Lessee.
 - iv. Sublessee will abide by all terms of this Lease.
 - v. Lessor is not liable for pre-payment, security deposits or other pre-paid charges made to Lessee by sublessees should this Lease be cancelled.

Lessor may, in its sole discretion, impose additional requirements as a condition of approving the sublease request.

7. Lessee's Compliance with Applicable Laws and Rules.

- A. **Full Compliance.** Lessee's use of the Leased Premises and all improvements constructed thereon, shall fully comply with all statutes, ordinances, rules, regulations, and laws of applicable federal, state, and local governmental authorities. Lessee shall comply with all applicable rules and regulations and standards currently in effect or hereafter adopted by Lessor.
- B. **No Waste or Nuisance.** Lessee shall not use the Leased Premises in any manner that would constitute waste, nor shall Lessee allow the same to be committed thereon. Lessee shall not do anything or allow any action which will create a nuisance or a danger to persons or property.
- C. **Noxious Weeds and Invasive Species.** It is understood and agreed that Lessee shall take measures to control noxious weeds within the Leased Premises in accordance with Title 22, Chapter 24, Idaho Code and rules promulgated thereunder. Lessee shall also comply with the requirements of the Idaho Invasive Species Act of 2008, Title 22, Chapter 19, Idaho Code and rules promulgated thereunder. Lessee shall cooperate with applicable federal, state and local agencies or entities authorized to undertake programs for control and/or

eradication of noxious weeds and invasive species. Failure to comply with those laws and rules will be considered a breach of this Lease and shall be considered a default pursuant to Section 16 herein.

8. Environmental, Safety, and Sanitary Requirements.

- A. **Sanitary Requirements.** Lessee shall at all times keep the Leased Premises in a clean and sanitary condition, free of trash, noxious weeds, garbage and litter, so that the Leased Premises is maintained in as nearly natural state as possible. Lessee shall not dispose of sewage except in conformity with applicable federal, state, and local laws, rules and regulations pertinent to Lessee's use. Lessee shall store and dispose of all trash and garbage in conformity with all applicable federal, state, and local laws, rules and regulations. Lessee is responsible for all costs associated with sewage, garbage, and litter disposal.
- B. **Fire and Safety Regulations.** Lessee shall comply with all applicable state laws and the rules of the Department of Lands for fire protection and prevention of fire. Lessee agrees to keep the Leased Premises free from fire hazards. Lessee is prohibited from burning garbage or household trash. The burning of wood or other debris requires the prior written permission of Lessor and any burning must comply with applicable federal, state, or local law, regulation, rule, or ordinance.
- C. **No Hazardous Materials.** Lessee shall neither use nor permit upon the Leased Premises the use, placement, transport or disposal of any hazardous waste or any other substance that is or is suspected to be a hazardous substance or material except in compliance with all applicable federal, state and local laws, rules, regulations and ordinances. Lessee shall be responsible, at its own expense, for removing or taking other appropriate remedial action regarding such wastes, substances, or materials which Lessee may cause to be introduced, in accordance with applicable federal, state, and local laws, rules, regulations, and ordinances.

9. No Warranty of Suitability.

- A. **No Warranty.** Lessee acknowledges that neither Lessor, nor any agent or designee of Lessor, has made any representation or warranty with respect to the Leased Premises or concerning the suitability of the Leased Premises for the uses intended by Lessee. Lessee acknowledges that it has accepted the Leased Premises in "AS IS CONDITION," and accepts liability for its condition.
- B. **Quiet Enjoyment.** Lessor agrees that Lessee, upon payment of the rent and full performance of the terms and conditions of this Lease, may quietly have, hold, and enjoy the Leased Premises during the term hereof.

10. Payment of Taxes and Assessments.

On or before any due dates, Lessee agrees to pay any and all real or personal property taxes, assessment or fees that may be assessed or levied by a governmental authority asserting such authority over the Leased Premises or its improvements. Lessee shall make such payment directly to the taxing authority and hold Lessor harmless from any claim or assessment.

11. Construction and Improvements.

- A. **Construction of Improvements.** Lessee may construct improvements upon the Leased Premises under limited circumstances in accordance with the following:
 - i. Lessee must first obtain the prior written consent of Lessor.
 - ii. Lessee must furnish a complete set of construction plans and an accurate plot plan of all proposed improvements contemplated by Lessee and submit those plans and drawings to Lessor.
 - iii. After the construction plans and plot plan have been approved in writing by Lessor, construction of the improvements must be in full compliance with all conditions under this Lease and any plans submitted to Lessor, and shall be in compliance with all applicable federal, state and local laws, rules and regulations.
- B. **Treatment of Facilities and Improvements.** Upon Lease Expiration without renewal, or upon cancellation of the Lease for any reason:

- i. Lessor may, in its sole discretion, require Lessee to remove all non-state-owned facilities improvements placed upon the Leased Premises, and to require Lessee to restore the Leased Premises to its natural or previous condition, all at Lessee's sole cost and expense.
- ii. Lessor may, in its sole discretion, enter the Leased Premises and remove any of the non-state-owned improvements, or otherwise dispose of such improvements, and to restore the Leased Premises to its natural or previous condition, and charge the cost of removal and/or disposal and restoration to Lessee.
- iii. Lessee shall also be responsible for all collection costs, including legal fees and interest.
- iv. Lessor reserves the right, in its sole discretion, to purchase any of the approved improvements from Lessee at appraised value.
- v. Upon expiration, cancellation, or default of the Lease, Lessor will provide Lessee with a specific, date, not to exceed six months from the date of expiration, cancellation, or default, by which Lessee must remove any and all non-Lessor owned facilities and improvements. Failure to remove any and all non-Lessor-owned facilities and improvements by the set date shall be deemed a trespass. If removal of Lessee's improvements has not occurred by the set date, then all rights, title and interest of Lessee to any of the improvements shall, upon thirty (30) days written notice to Lessee or at a date determined at the sole discretion of Lessor, but not less than thirty (30) days, be deemed to transfer or revert to the State of Idaho, and shall be considered abandoned in place by Lessee.

12. Relations of the Parties.

Lessee is not an officer, employee, or agent of Lessor. Lessee covenants that it will satisfy and hold Lessor harmless against any claim, lien, judgment, or encumbrance filed or made against the Leased Premises, Lessee's leasehold interest in the Lease, Lessor-owned improvements, or Lessee's improvements, at Lessee's sole and separate cost or expense.

13. Indemnification.

- A. Lessee will indemnify, defend, and save harmless Lessor, the State of Idaho, and their officers, agents and employees from and against any liability, claims, damages, debts, demands, losses, costs, expenses, actions, obligations, settlements, judgments for damages, or injury to persons or property including, but not limited to, reasonable attorneys' fees and costs caused by or arising out of the use or occupation of the Leased Premises by Lessee, or Lessee's agents, officers or employees, or any person's failure to comply with any applicable state, federal, or local laws, statutes, rules, or regulations.
- B. Upon receipt of Lessor's tender of indemnity and defense, Lessee shall immediately take all reasonable actions necessary, including, but not limited to, providing a legal defense for Lessor, to begin fulfilling its obligation to indemnify, defend, and save harmless Lessor. Lessee's indemnification and defense liabilities described herein shall apply regardless of any allegations that a claim or suit is attributable in whole or in part to any act or omission of Lessor under this Agreement. However, if it is determined by a final judgment that Lessor's negligent act or omission is the sole proximate cause of a suit or claim, Lessor shall not be entitled to indemnification from Lessee with respect to such suit or claim, and Lessor, in its discretion, may reimburse Lessee for reasonable defense costs attributable to the defense provided by any Special Deputy Attorney General appointed pursuant to Section 13.C.
- C. Any legal defense provided by Lessee to Lessor under this Section must be free of any conflicts of interest, even if retention of separate legal counsel for Lessor is necessary. Any attorney appointed to represent Lessor must first qualify as and be appointed by the Attorney General of the State of Idaho as a Special Deputy Attorney General pursuant to Idaho Code §§ 67-1401(13) and 67-1409(1).

14. Inspection and Audit Rights.

- A. **Inspection by Lessor.** Lessee shall permit Lessor or Lessor's authorized agent or designee to enter and inspect the Leased Premises and any improvements therein or thereupon at any reasonable time.
- B. **Audit Rights.** Lessor shall have the right to audit, in such a manner, and at all reasonable times as it deems appropriate, all activities of Lessee arising in the course of its operation under this Lease. Lessee must

maintain its books, records, documents, and other evidence of accounting in accordance with generally accepted accounting principles so as to properly and accurately reflect its business. At Lessor's sole discretion, an audit of Lessee's books or the supporting tax documents that have been filed with the Internal Revenue Service or the State Sales Tax Report may be performed by a Certified Public Accountant or an agent of Lessor. If an audit of gross receipts shows a discrepancy of ten percent (10%) or more, then Lessee shall pay to Lessor any additional rental owed, and the entire cost of the audit, within thirty (30) days of notice to Lessee.

15. Reservations by Lessor.

Lessor expressly reserves and excepts the following rights from the Lease:

- A. To enter upon the Leased Premises, or any portion thereof, during the term of the Lease for any purpose, including inspecting the Leased Premises or any improvements.
- B. All timber rights, rights for oil and gas, geothermal rights, mineral rights, easements and rights-of-way, fee title to the Leased Premises, and title to all appurtenances and improvements placed thereon by Lessor.
- C. The right to grant easements over the Leased Premises, providing said easements do not conflict in a material way with the approved improvements installed, maintained or operated by Lessee upon the Leased Premises.
- D. The right to require that changes be made to the sanitation or other facilities for the protection of public health, safety or preservation of the Leased Premises.
- E. The right to issue leases for exploration and development of oil, gas, geothermal and mineral resources or any other lease, so long as such other use does not materially interfere with the authorized use under this Lease.
- F. To reserve, as its sole property, any and all water from any source arising on state land and to hold the water rights for any beneficial use that may develop as a result of this Lease.
- G. Right of ingress and egress over, under, through and across the Leased Premises for itself and its assigns.

16. Lessee's Default.

- A. Lessee's breach of any of the terms of this Lease is a default and is a basis for cancellation of the Lease. Lessor shall provide Lessee written notice of the breach or violation and, if applicable, the corrective action required of Lessee. The notice shall specify the reasonable time to make a correction or cure the violation or breach. If the corrective action or cure is not taken within the specified time or does not occur, then Lessor may cancel the Lease effective on the date specified in the written cancellation notice; provided however, that the notice shall be provided to Lessee no later than thirty (30) calendar days prior to the effective date of such cancellation.
- B. Lessee agrees to relinquish possession of the Leased Premises upon any cancellation of the Lease for any reason.
- C. In addition to the rights and remedies specifically granted to Lessor under this Lease, Lessor shall have such other rights and remedies as against Lessee as may be available at law or in equity, and Lessor's pursuit of any particular remedy for breach or default shall not, in and of itself, constitute a waiver or relinquishment of any other available claim of Lessor against Lessee.

17. Notices.

- A. All notice(s), including, but not limited to, a change in address, given in connection with the Lease shall reference the Lease number, shall be in writing and shall be delivered either by hand or by regular United States Mail to Lessor at the address listed in the Summary of Lease Provisions, and to Lessee at the address listed in Summary of Lease Provisions.
- B. Any notice or correspondence mailed to Lessee at the last identified address shall be deemed effective delivery. It is Lessee's duty to notify Lessor, in writing, of any change in Lessee's mailing address.

18. Waiver.

The waiver by Lessor of any breach of any term, covenant, or condition of this Lease shall not be deemed to be a waiver of any past, present, or future breach of the same or any other term, covenant, or condition of this Lease. The acceptance of rent by Lessor hereunder shall not be construed to be a waiver of any term of this Lease or breach thereof. No payment by Lessee of a lesser amount than shall be due according to the terms of this Lease shall be deemed or construed to be other than a partial payment on account of the most recent rent due, nor shall any endorsement or statement of any check or letter accompanying any payment be deemed to create an accord and satisfaction.

19. Attorneys' Fees and Costs.

In the event either party initiates a legal proceeding of any kind instituted under this Lease or to obtain performance of any kind under this Lease, the prevailing party shall be awarded such additional sums as the court may adjudge for reasonable attorney's fees (including fees from the Office of the Attorney General of the State of Idaho) and to pay all costs and disbursements incurred in such proceeding, including, but not limited to, accountants' fees and fees of appraisers or other experts.

20. Officials, Agents and Employees Not Personally Liable.

In no event shall any official, officer, employee or agent of the State be in any way personally liable or responsible for any covenant or obligation contained in this Lease, express or implied, nor for any statement, representation or warranty made in connection herewith.

21. Miscellaneous.

- A. **Modification.** This Lease, excluding the rent adjustments, may be modified only by the prior written consent of the authorized representatives of Lessor and Lessee.
- B. **Complete Statement of Terms.** No other understanding, whether oral or written, whether made prior to or contemporaneously with this Lease, shall be deemed to enlarge, limit, or otherwise effect the operation of this Lease.
- C. **Lessee's Non-Discrimination.** Lessee shall not discriminate against any person because of race, creed, religion, color, sex, national origin or disability.
- D. **Paragraph Headings.** The paragraph headings, titles, and captions used in this Lease are not to be construed as interpretations of the text but are inserted for convenience and reference only.
- E. **Entire Agreement.** This Lease contains the entire agreement between the parties as of the date concerning the subject matter hereof and supersedes all prior agreements. The execution of this Lease has not been induced by either party, or any agent of either party, by representations, promises, or undertakings whatsoever between the respective parties concerning this Lease except those which are expressly contained herein.
- F. **Governing Law and Forum.** This Lease shall be construed in accordance with and governed by the laws of the State of Idaho, and the parties consent to the jurisdiction of Idaho State Courts located in Ada County in the event of any dispute with respect to this Lease.
- G. **Binding on Heirs and Successors.** It is understood and agreed that all terms, covenants, and conditions hereof shall be binding upon the approved subleases, approved assignees and Lessee's heirs or successors-in-interest.
- H. **Severability.** In the event any provision of this Lease shall be held invalid or unenforceable according to law, for any reason whatsoever, then the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.
- I. **License/Authorizations.** Lessee shall be responsible for paying any fees for any license or authorizations that may be required from other entities as required in the course of doing business as it relates to this Lease.

[Remainder of page intentionally left blank]

LESSOR SIGNATURES

IN WITNESS WHEREOF, the Lessor has executed this instrument as set forth below.

STATE BOARD OF LAND COMMISSIONERS

[Handwritten Signature]

President of the State Board of Land Commissioners and Governor of the State of Idaho

Countersigned:

[Handwritten Signature]

Secretary of the State of Idaho

[Handwritten Signature]

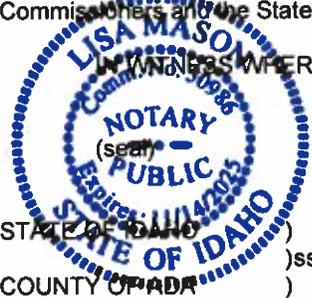
Director of the Idaho Department of Lands



STATE OF IDAHO)
)ss.
COUNTY OF ADA)

On this 14th day of Jan., 2022, before me, a Notary Public in and for said State, personally appeared BRAD LITTLE, as the President of the State Board of Land Commissioners and Governor of the State of Idaho, that executed the within instrument, and acknowledged to me that he executed the same as said President and Governor, and that the State Board of Land Commissioners and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

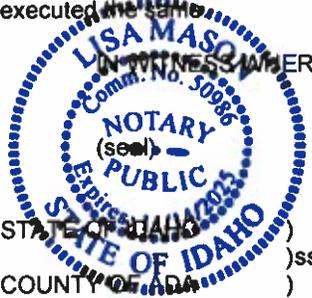


[Handwritten Signature]
Notary Public for State of Idaho
My Commission Expires: 11-14-2025

STATE OF IDAHO)
)ss.
COUNTY OF ADA)

On this 14th day of Jan., 2022, before me, a Notary Public in and for said State, personally appeared LAWRENCE E. DENNEY, as Secretary of the State of Idaho, that executed the within instrument, and acknowledged to me that he executed the within instrument as said Secretary of State and that the State Board of Land Commissioners and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

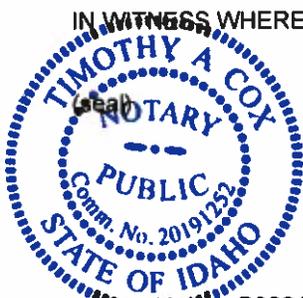


[Handwritten Signature]
Notary Public for State of Idaho
My Commission Expires: 11-14-2025

STATE OF IDAHO)
)ss.
COUNTY OF ADA)

On this 10th day of January, 2022, before me, a Notary Public in and for said State, personally appeared DUSTIN T. MILLER, the Director of the Idaho Department of Lands and Secretary of the State Board of Land Commissioners, and acknowledged to me that he executed the within instrument as said Director and Secretary, and that the State Board of Land Commissioners and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.



[Handwritten Signature]
Notary Public for State of Idaho
My Commission Expires: 6/25/25

LESSEE SIGNATURE(S)

North Idaho Maritime LLC,
an Idaho limited liability company

Dated: 12/21/21

[Signature]
John Condon, Manager

STATE OF IDAHO)
COUNTY OF KOOTENAI)

)ss.

On this 21st day of DECEMBER, in the year 2021, before me a notary public, in and for said state, personally appeared **John Condon**, known or identified to me to be the manager of North Idaho Maritime LLC, an Idaho limited liability company that executed the instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal on the day and year first above written.

[Signature]

Notary Public
Residing at: Kootenai County
My Commission Expires: 8/20/24

(seal)



ATTACHMENT A

LEGAL DESCRIPTION OF LEASED PREMISES

Instrument Number	Township	Range	Section	Legal Description	County	Endowment	Acres	Navigable Water Name
B220168	50N	04W	22	Bed of Coeur d'Alene Lake, Cougar Bay, adj to Gov Lot 1	Kootenai	ND	5	Coeur d'Alene Lake

ATTACHMENT B

MAP(S)



B220168 – North Idaho Maritime

ATTACHMENT C

Approved Application Plan

North Idaho Maritime

- Plan to improve existing infrastructure:
 - Replace rotten or broken existing piling as needed
 - Replace inadequate existing boom sticks as needed
 - Replace inadequate existing boom stick chains as needed
 - Install flashing solar lights at each end and around perimeter of storage area.
 - Lights will be up to US Coast Guard an Kootenai Sherriff code
 - Install cameras to help regulate storage area

