

Request for Proposal

Sandpoint Airport Hangar Lease Lot 33

I. Introduction Bonner County invites qualified and experienced parties to submit proposals for the lease of land for Hangar Development at Sandpoint Airport. This RFP outlines the criteria, process, and requirements for interested parties to present their proposals. All future development must comply with current zoning requirements, FAA regulations, and the Airport Master Plan. Proposers must be able to obtain sufficient financial resources in a timely manner to complete the capital infrastructure.

The Airport

The Airport is a public use, federally obligated, general aviation (“GA”) airport that is listed in the FAA’s National Plan for Integrated Airport Systems (“NPIAS”). The Airport is owned and managed by the Bonner County Board of County Commissioners. It serves North Idaho, western Washington, and eastern Montana. General information about the Airport, along with the latest Airport master plan, is available on the County website at: www.bonnercountyid.gov

Airport Minimum Standards

The County has adopted “Bonner County Airports Minimum Standards for Aeronautical Activities” (the “Minimum Standards”) which govern commercial and noncommercial aeronautical activities at the Airport. The Development must comply with the Minimum Standards. Any commercial aeronautical services at the Airport must satisfy the Minimum Standards applicable to the service(s) it seeks to provide. All Proposals must identify all commercial aeronautical activities proposed to be provided, if any, and must include information demonstrating that the Proposer will satisfy each of the Minimum Standards applicable to such activities.

The County will require as a condition of the Lease Agreement with any successful Proposer that the Proposer agrees to comply with the Minimum Standards as they exist at the time of execution of the Lease Agreement and as they may be amended from time to time.

Form Of Lease

The County has developed a draft form of Lease Agreement (attached as Exhibit C). If the Proposer objects to any of the terms of the draft form of Lease Agreement, the Proposer must identify each objection and the basis of such objection in the Proposal. Objections may affect the evaluation of the Proposal. The failure to object to a term of the draft form of the Lease Agreement shall constitute waiver of the Proposer’s right to negotiate such term.

Definitions And Interpretation

Interpretation

a. In this RFP, words in the singular include the plural and vice versa, and words in one gender include all genders.

b. The words “include”, “includes” or “including” means “include without limitation”, “includes without limitation” or “including without limitation”, respectively and shall not be deemed to be an exhaustive list.

- c. Unless otherwise stated, all references to dollar amounts in this RFP are to the lawful currency of the United States of America.
- d. Unless the RFP states otherwise, cross-references to “Section(s)” refer to the numbered sections of the body of this RFP and cross references to “Exhibit(s)” and “Form(s)” refer to the Exhibits and Forms attached hereto.
- e. In this RFP, the word “discretion” with respect to any Person means the sole and absolute discretion.
- f. All times in this RFP are for local Pacific Time in Bonner County, ID.

DEFINITIONS

Capitalized terms used but not otherwise defined in this RFP have the meaning given to them below:

Affiliate – with respect to any Person, an entity that directly or indirectly controls, or is under common control with, or is controlled by such Person, including a parent, affiliate, or subsidiary, at any tier. As used in this definition, “control” (including, with its correlative meanings “under common control with” and “controlled by”) means possession, directly or indirectly, of power to direct or cause direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). If a Person is an individual, an “Affiliate” includes any member of the immediate family of such individual (including parents, spouse, children, and siblings) and any trust whose principal beneficiary is such individual or one of more members of such immediate family.

Airport – Sandpoint Airport.

Airport Manager – The Manager of the Airport.

County – Bonner County, Idaho.

Development – The development and operation of aeronautical facilities on the Parcel at the Airport that is the subject of this RFP.

Key Personnel – The positions and corresponding individuals that are essential to the Development, as identified by Proposer in the Proposal.

Lease Agreement – The lease agreement, if any, between the selected Proposer and the County resulting from this procurement, including all exhibits, attachments, and addenda thereto. A copy of the Lease Agreement in substantially the form that will be entered into by the County and the selected Proposer is attached to this RFP as Exhibit C.

Minimum Standards – The Bonner County Airport Minimum Standards for Aeronautical Activities, as amended from time to time.

Parcel – The undeveloped parcel of land of approximately .15 ± acres as further described and depicted in Exhibits A and B, to be leased and developed pursuant to this RFP.

Person – A firm, association, partnership, limited liability company, trust, corporation, and other legal entities, as well as a natural person.

Proposals – The proposals submitted by Proposers to the County in response to this RFP.

Proposers – The Persons submitting Proposals in response to this RFP.

RFP – This Request for Proposals issued by the County for the Development.

II. Objectives

The primary objectives of this land lease are:

- A. Enhance the overall functionality and services of Sandpoint Airport.
- B. Foster economic growth and responsible development within the unique context of Sandpoint Airport.
- C. Generate economic value for Sandpoint Airport and the surrounding community.
- D. Ensure compatibility with aviation operations and safety standards.

III. Eligibility Criteria

To be eligible for consideration, the proposing entity must:

- A. Demonstrate financial stability and capability to undertake the proposed project with respect to the local economic landscape.
- B. Have relevant experience in aviation.
- C. Comply with all applicable local, state, and federal regulations in the context of Sandpoint, Idaho.

IV. Proposal Submission Guidelines

Letter of Intent: Submit a letter expressing the intent to participate in the RFP process specific to the Airport. This letter should cover all aspects of Section V. Evaluation Criteria.

Qualifications and Experience: Provide a detailed overview of the proposing entity's qualifications and relevant experience.

Project Proposal: Outline the proposed project, including building design, site plans, estimated costs, building elevations, expected uses, timeline, and anticipated benefits for the local aviation community.

Financial Proposal: Include a comprehensive financial plan including how the development will be financed.

V. Evaluation Criteria

Proposals will be evaluated based on a point-based system with a total of 100 points possible, distributed as follows:

- A. **End User: Up to 20 points.** If the developer intends to be the end user of the facility, then they will be awarded up to 20 points.
- B. **Total Financial Value of the Project: Up to 10 points**
 - a. The higher the quality of construction, landscaping, parking, and building materials, the more points will be awarded.
- C. **Prioritization of Airport User Needs: Up to 30 points.**
 - a. The Airport has a demand for hangars and commercial aviation space. If the building is designed to prioritize these needs, then more points will be awarded.
 - i. Most effective and efficient use of the given lot given specific airport needs identified at the time of the RFP.
 - ii. Timeline of construction.
 - iii. Ease of county pavement maintenance.
- D. **Additional Investment in Airport Infrastructure: Up to 10 points.**
 - a. If the development includes additional airport infrastructure such as new or improved taxiways, water and sewer main extensions, parking, landscaping, etc., then the development will be rewarded up to 10 points.
- E. **Bonner County Resident: Up to 10 points.** If the developer is a local Bonner County resident, then the developer will be rewarded up to 10 points based on the number of years they have been paying taxes in Bonner County.
- F. **Development Experience: Up to 10 points.**
 - a. If the developer or chosen contractor has previous successful building experience, then they will be awarded up to 10 points.
- G. **Bonner County Aviation Experience: Up to 10 points.**

VI. Timeline

The following timeline for construction on lease lots is required for all developers:

- A. Within Six Months – Apply for Site Plan Approval from the City of Sandpoint and Submit a 7460 form to the FAA.
- B. Within 12 Months – Receive a Building Permit from the City of Sandpoint.
- C. Within 30 Months – Receive a Certificate of Occupancy from the City of Sandpoint.

VII. Proposal Submission Deadline

All proposals must be submitted by 4pm LOCAL, April 9, 2025:

Hand delivery or mail: Bonner County Airports, 1101 Airport Way, Sandpoint ID 83864

Email: dave.schuck@bonnercountyid.gov.

VIII. Selection Process

Submission Criteria Review: The Bonner County Airports Manager will review all submitted proposals for submission criteria compliance. Compliant submissions will be selected to the short list. Non-compliant submissions will be notified of rejection.

Shortlisting: Shortlisted entities will be invited for a presentation and Q&A session.

Final Selection: Bonner County Airport Advisory Board will consider all compliant proposals and recommend the preferred proposal to the Board of County Commissioners based on the evaluation criteria, presentation and interview.

IX. Contact Information

For inquiries and submission of proposals specific to Sandpoint Airport, please contact:

Dave.Schuck@bonnercountyid.gov

X. Important Dates

Release of RFP: February 10, 2025

Proposal Submission Deadline: 4pm LOCAL, April 9, 2025

Shortlisting Notification: April 16, 2025

Final Selection Announcement: April 28, 2025

Submittal Instructions

Delivery of Proposals:

Proposals may be submitted via hand delivery, mail, or email.

Hand Delivery or Mail:

One (1) **electronic copy** (single file in PDF format) of the Proposal must be submitted in a sealed envelope, plainly marked on the outside with the Proposer's name, RFP number and proposal due date and time. Proposals shall be delivered to the address below. If forwarded by regular mail or express mail, the sealed envelope containing the proposal and marked as directed above, shall be enclosed in another envelope addressed to the U.S. Mail address indicated on the below. If forwarded by overnight courier services (other than United States Postal Service Express Mail), the sealed envelope containing the proposal and marked as directed above, shall be enclosed in another envelope addressed to the street address indicated below. Proposals may be hand-delivered. Proposals by fax will **NOT** be accepted. The County cautions proposers to assure actual delivery of mailed or hand-delivered proposals directly to the Bonner County Airports, 1101 Airport Way, Sandpoint ID 83864. Proposals received after the established deadline shall **not** be considered.

Additional Information

1. Prohibited Communications. The cone of silence prohibits any communication regarding this RFP, RFQ or other competitive solicitation between any bidder (or its agents or representatives) or other entity with the potential for a financial interest in the award (or their respective agents or representatives) regarding such competitive solicitation, AND any County Commissioner or County employee, selection committee member or other persons authorized to act on behalf of the Board including the County's Architect, Engineer or their subconsultants, or to provide a recommendation to award a particular contract, **other than the airport manager**. The cone of silence shall be in effect from the time of advertisement until contract award. **Such communication shall result in disqualification.**

2. All questions concerning this selection process, the RFP document and all attachments, and/ or the sample Contract Terms and Conditions must be addressed in writing to the airport manager and e-mailed to Dave.Schuck@bonnercountyd.gov **Questions shall be received no later than 4:00 PM on Monday the week prior to the proposal due date.**

3. No oral interpretation of this RFP shall be considered binding. The County shall be bound only when such statements are written and executed under the authority of the Board of County Commissioners. Any and all interpretations and any supplemental instructions will be in the form of a written addendum posted on the airport website at bonnercountyd.gov. Failure of any Proposer to receive such addendum shall not relieve said Proposer from any obligation under the RFP submitted. All addenda issued shall become part of the Contract Documents.

4. The County reserves the right to reject any and all submittals with or without cause, to waive technicalities, or to accept those submittals which best serve the interests of the County.

6. Each Respondent, by submitting a Proposal in response to this RFP, hereby agrees to comply with any and all other local, state, and federal rules, regulations, laws, codes and ordinances throughout the solicitation and contract term.

7. Proposals become a "public record" and shall be subject to disclosure consistent with Idaho Code, after the bid opening or upon bid award. Marking a proposal "confidential" or "proprietary" does not exclude all or any part of the proposal from disclosure under public records requirements. To claim the proposal or a portion thereof as exempt or confidential and exempt from disclosure, you must state the basis of the exemption, including the statutory citation to an exemption created or afforded by Idaho Statutes; state in writing and with particularity the reasons for the conclusion that the proposal is exempt or confidential and exempt; and if only a portion of the proposal is claimed to be exempt or confidential and exempt, provide a redacted version of the proposal showing those portions claimed to be exempt or confidential and exempt. Proposals submitted with claimed exemptions shall be reviewed and release of these records shall be at the County's discretion. Failure to notify the County of claimed exemptions constitutes a waiver and the submittal will be released as requested.

8. Submittals may be withdrawn prior to the due date by written request dispatched by the Proposer and received by the Board of County Commissioners before the time for receiving Submittals has expired.

9. The County reserves the right to request clarification of information submitted and to request additional information of one or more Proposers after the deadline for receipt of Submittals.

10. Costs for preparation of a response to this request are solely those of the Proposer and the County assumes no responsibility for any such costs incurred by the Proposer. The County will not be liable for any costs incurred by the Proposer prior to execution of the contract by the parties.

11. Submittals shall be formatted to letter sized paper and with a minimum 12-point font.

12. Proposers are instructed NOT to fax their submittal as they shall be rejected as non-responsive.

13. Proposers must indicate on the outside of their envelope the following:

- RFP Number and Name
- Due Date and Time
- Name of Proposer

14. All Submittals must be manually and duly signed by an authorized corporate officer, principal, or partner (as applicable) with a signature in full on the Cover Letter/Statement of Interest. **Proposers who are nonresident corporations shall furnish to the County evidence of their ability to transact business in the State of Idaho along with their proposal.**

15. Submittals that contain any limiting terms and conditions that do not explicitly agree to provide the scope in the contract documents may be disqualified.

16. Any Proposer who presents in its RFP to the County, any information which is determined by the County, in its sole opinion, to be substantially inaccurate, misleading, exaggerated, or incorrect, may be disqualified from consideration.

17. The Proposer shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The Proposer shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of U.S. Department of Transportation assisted contracts. Failure by the Proposer to carry out these requirements is a material breach of the contract which may result in the termination of the contract or such other remedy as the recipient deems appropriate.

18. It is the policy of the United States, the State of Idaho, or the County that small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, HUBZone small business concerns, small disadvantaged business concerns, and women-owned small business concerns (hereinafter "small business concerns") shall have the maximum practicable opportunity to participate in performing contracts, including contracts and subcontracts. It is further the policy that its prime contractors establish procedures to ensure the timely payment of amounts due pursuant to the terms of their subcontracts with small business concerns. The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with efficient contract performance. The Contractor further agrees to cooperate in any studies or surveys as may be conducted by the appropriate government agency as may be necessary to determine the extent of the Contractor's compliance with this clause.

19. Notification of shortlist shall be within five (5) business days of the submission deadline via e-mail to all proposers. Proposers that do not provide an e-mail address as requested above shall not be notified.

XI. Conclusion

Sandpoint Airport looks forward to receiving innovative and competitive proposals that celebrate the aviation community and spirit of Sandpoint, Idaho.

Bonner County Airports Lease Lot

RFP CHECKLIST

1. ASK QUESTIONS!

- All questions concerning this selection process, the RFP document and all attachments, and/ or the sample Lease Terms and Conditions must be addressed in writing to the airport manager and e-mailed to Dave.Schuck@bonnercountyid.gov **Questions shall be received no later than 4:00 PM on Monday the week prior to the proposal due date.**
- ☐

- PROHIBITED COMMUNICATIONS:** This RFP process prohibits any communication regarding this RFP or other competitive solicitation between any bidder (or its agents or representatives) or other entity with the potential for a financial interest in the award (or their respective agents or representatives) regarding such competitive solicitation, AND any County Commissioner or County employee, selection committee member or other persons authorized to act on behalf of the Board including the County's Architect, Engineer or their subconsultants, or to provide a recommendation to award a particular contract, **other than the airport manager**. This prohibition shall be in effect from the time of advertisement until contract award. **Such communication shall result in disqualification.**
- ☐

2. SUBMISSION

- ☐ Letter of Intent.
- ☐ Qualifications and Experience.
- ☐ Project Proposal.
- ☐ Financial Proposal.

3. SUBMITTAL INSTRUCTIONS

- ☐ One (1) electronic copy (a single file in PDF format) in a sealed envelope.
- ☐ Envelope marked on the outside with proposer's name, RFP name and number, proposal due date and time.
- ☐ Submittals must be manually and duly signed by an authorized corporate officer, principal, or partner (as applicable) with a signature in full on the Cover Letter/Statement of Interest.

EXHIBIT A



LOT 33 is approximately 80' x 80' facing Taxilane Charlie. This lot will support a 60' wide by 50' deep hangar in line with and similar to the existing hangars on Taxilane Charlie. Structural components of the hangar may be of steel or engineered wood with exterior finish in keeping with the other hangars at Sandpoint Airport. There is approximately 30' x 80' of paving required to the east of the hangar in front of the hangar door that will be incorporated into the Charlie Taxilane Object Free Area (TOFA). Please see other site requirements in the lease in Exhibit C.

EXHIBIT B

**LEGAL DESCRIPTION OF
AIRPORT LEASE NO. 33**

August 19, 2016

Being a parcel of land located in the Northwest Quarter of Section 15, Township 57 North,
Range 2 West, B.M., Bonner County, Idaho more particularly described as follows:

COMMENCING at the northwest corner of said Section 15;

Thence S89°55'29"E along the north line of said section a distance of 779.58 feet;

Thence S0°04'31"W, 794.57 feet;

Thence S32°42'43"W, 100.17 feet;

Thence S33°00'41"W, 419.00 feet to the **POINT OF BEGINNING**;

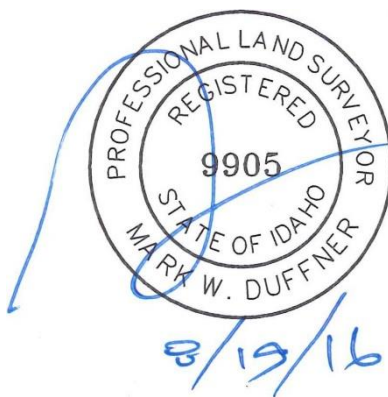
Thence S56°59'19"E, 83.37 feet;

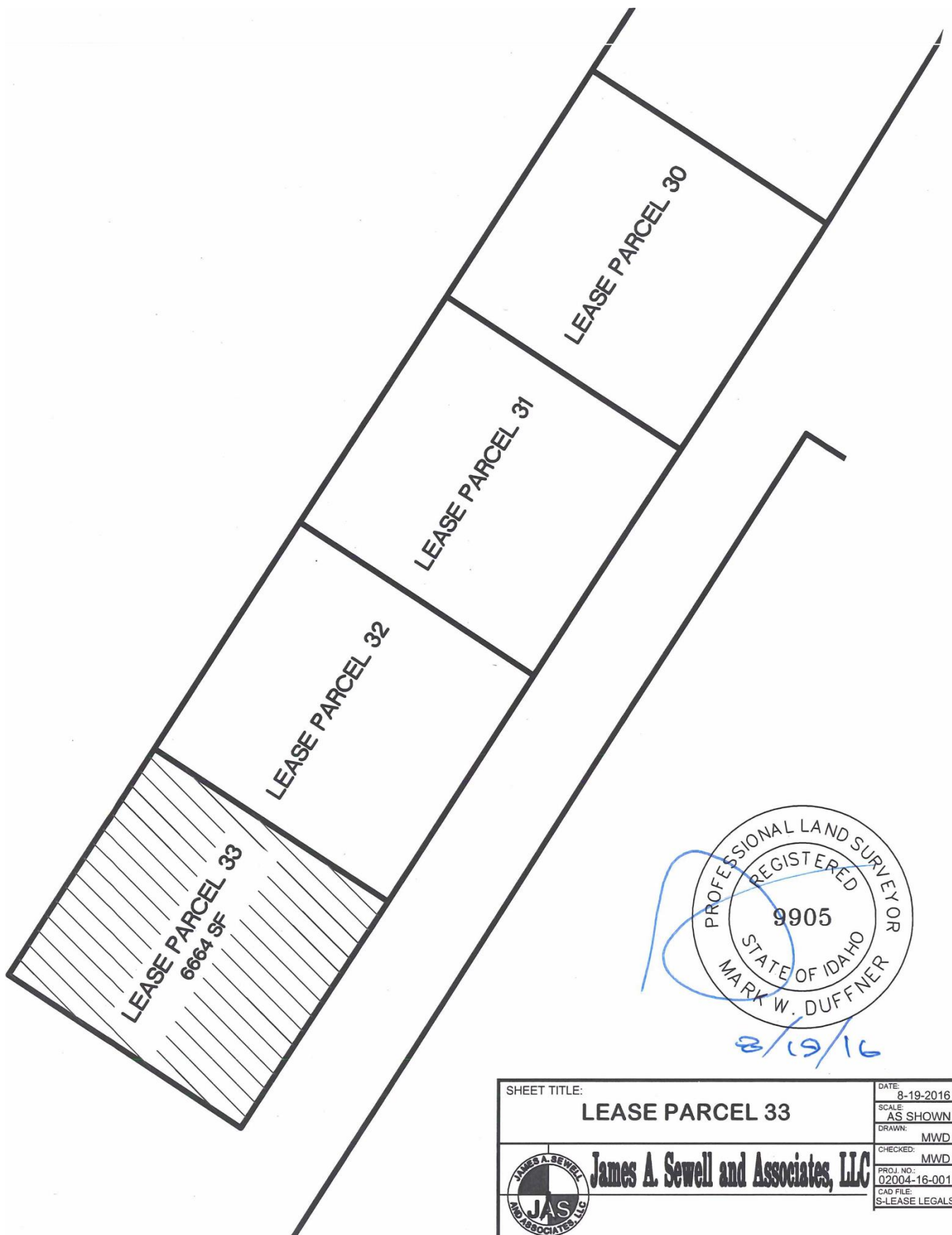
Thence S33°05'50"W, 80.00 feet;

Thence N56°59'19"W, 83.25 feet;

Thence N33°00'41"E, 80.00 feet to the **POINT OF BEGINNING**.

Contains 6,664 square feet.





PROFESSIONAL LAND SURVEYOR
REGISTERED
9905
STATE OF IDAHO
MARK W. DUFFNER
8/19/16

SHEET TITLE:		DATE:
LEASE PARCEL 33		8-19-2016
	SCALE:	
	AS SHOWN	
	DRAWN:	MWD
	CHECKED:	MWD
	PROJ. NO.:	02004-16-001
CAD FILE:		S-LEASE LEGALS

EXHIBIT C
SANDPOINT AIRPORT LEASE AGREEMENT
LOT 33

THIS LEASE AGREEMENT made and entered into this ____ day of _____, 20__ by and between **BONNER COUNTY**, hereinafter referred to as “County”, and _____, hereinafter referred to as “Lessee”.

WITNESSETH:

WHEREAS, the County operates a municipal airport, designated as the Sandpoint Airport, in the City of Sandpoint, Idaho, County of Bonner, hereafter called the “Airport”; and,

WHEREAS, the facilities available for pilots, aircraft owners, and the traveling public are currently limited; and

WHEREAS, Lessee has proposed to lease and develop by new construction at its own expense new facilities to meet the needs of Airport users; and

WHEREAS, the County believes it is the best interest of the people of this County and the traveling public that additional facilities be available at the Airport, at the lowest investment cost possible to the taxpayers;

NOW, THEREFORE, the County does hereby demise and let unto Lessee, and Lessee does hereby lease from Bonner County, certain real property located at Sandpoint Airport. In conjunction with this Lease the parties agree as follows:

GOVERNING SUBORDINATION CLAUSE

This lease shall be subordinate to the provisions of any existing agreement between the County of Bonner and the United States, relative to the operation or maintenance of the 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 the Airport. To the extent any language set forth in this

agreement is deemed by FAA staff to be a violation of the federal grant assurances, and be inconsistent with any such agreement, lessee shall be obligated to bring and maintain an informal (14 CFR Part 13) and formal (14 CFR Part 16) action against the FAA, prior to bringing any action against County, and shall pay all attorneys fees of any nature incurred by County to bring lessee into compliance. It is hereby agreed that County's Airport Improvement Program Grant Agreement Obligations currently in place as they relate to the leased lots herein flow-down to the Lessee. Lessee is further obligated to read and understand the most current version of the Airport Compliance Manual, currently promulgated as FAA Order 5190.6B and all other applicable federal regulations or requirements as they pertain to the leased premises.

ARTICLE I – LEASED PREMISES

1.1 - Description: The County agrees to lease to the Lessee, one lease lot known as Lot 33 for a term as identified in Article II. The site plan and legal descriptions are attached as Exhibit A to the Lease. Lessee, and its employees and invitees, shall have a non-exclusive right of ingress and egress to the demised premises, subject to all Federal Requirements including Federal Grant Obligations owed by County to FAA.

1.2 - Use of Common Airport Facilities: Lessee (including its employees, invitees, customers, subtenants and assignees) shall have the right of non-exclusive use, in common with the others authorized to do so, of all public Airport facilities and improvements which are now or hereafter provided at said Airport, to the extent compatible with any and all existing Federal Requirements including existing or future Federal Grant Obligation requirements owed by County to FAA. Such public Airport facilities and improvements may be changed, altered or modified from time to time at the reasonable discretion of the County or absolute discretion of

the Federal Aviation Administration, even if such Federally required changes otherwise materially impair Lessee's use of the Airport. Lessee may at any time bring legal action against the FAA for material impairment of Lessee's use but shall in no case bring such action against County, where County is acting under color of Federal requirements. In so using public facilities, Lessee shall comply with the local, state and federal laws, rules, regulations, and any existing or future Federal grant requirements or obligations applicable to County.

1.3 - Use of the Leased Premises: The premises are part of the Sandpoint Airport and are to be used for purposes consistent with a public Airport and consistent with the rules and requirements of the FAA. Lessee may conduct any lawful use on the premises so long as such uses conform to all applicable regulations and assurances. It is understood that the following specific purposes have been identified by Lessee, and are authorized:

Aircraft Maintenance

Aircraft Storage

Flight Planning

1.4 – Sublet of Leased Premises: All uses shall comply with applicable state and federal statutes, rules and regulations, and local zoning ordinances. Nothing in the lease prohibits Lessor from granting to other persons the right to conduct the same or similar activities for the benefit of Airport users, unless otherwise prohibited by Federal regulation or Federal grant requirements.

Space may be sublet by Lessee to third parties for aircraft storage and incidental aviation uses as long as they are not in conflict with the building and zoning codes of the City of Sandpoint or any Federal requirements. Office space may also be leased to third parties for aviation-related business incidental to their aircraft storage. All construction shall comply with all Federal, State

and local building requirements, including Airport rules, regulations and covenants or conditions. Lessee shall not use or permit the use of the leased premises, or the improvements being constructed thereon, or any portion thereof, for other purposes except upon the prior written consent of the County. Lessee has an independent obligation to understand and comply with all regulatory and grant requirements and reliance on County representations shall not create any liability against County. Lessee shall inform county of Contact information and use of space for sublet tenant. County shall have access to review usage of sublet tenant with appropriate notification. County shall agree to sign a reasonable non-disturbance agreement if such an agreement is presented to the County by an approved sub-lessee within sixty (60) days of sublease execution.

ARTICLE II – TERM

2.1 – Initial Term: The initial term of this Lease shall be for a period of thirty (30) years commencing on the 1st day of _____, 20__ (Initial Term). At the conclusion of the initial term the Lessee, at its option, may give written notice of acceptance of the right to extend the lease for an additional twenty (20) year term. The rental rate shall be adjusted every five (5) years to reflect any change in the United States West Region Consumer Price Index for All Urban Consumers (WRCPI-U) or should WRCPI-U no longer be in existence, by a similar index or evaluation. The rent for each succeeding five (5) year period shall be determined by multiplying the previous period rent by the NWCPI percentage change for the previous five (5) years and adding/subtracting the total change amount to the previous period's rent for the succeeding period. County shall notify Lessee in writing of the adjusted rate, and the index used to calculate it, thirty (30) days before such adjusted rate goes into effect.

All other terms and conditions for the Renewal Term shall remain the same as for the initial term.

ARTICLE III – RENTAL

3.1 – Annual Rent: Lessee, without demand, shall pay to the County as rent annually, the sum of \$2,700. (The total combined lot size to be rented as indicated in the legal description times \$.40516 per square foot of ground leased as shown as Exhibit A.) The first annual payment shall be prorated if necessary and due and payable upon execution of this Agreement. Each annual payment due thereafter shall be due and payable on the 1st day of October of each year the lease is in effect.

3.2 - Place of Payment: Rent shall be payable each year to the Bonner County Auditors at 1500 Highway 2, Suite 308, Sandpoint, Idaho 83864.

ARTICLE IV – RIGHTS OF LESSEE

4.1 - Use of Non-Exclusive Public Airport Facilities: Lessee and any subtenants and assignees shall have the right of non-exclusive use, in common with the others authorized to do so of all public Airport facilities and improvements which are now or hereafter provided at said Airport, subordinate to any existing or future Federal requirements. Such public Airport facilities and improvements may be changed, altered or modified from time to time at the reasonable discretion of the County. Lessee further agrees that its right to use said public facilities and improvements in common with others shall be subject to, and Lessee agrees to act in accordance with all current and future laws, rules, regulations, and existing Federal grant requirements and obligations imposed by the United State of America, State of Idaho, Bonner

County and other government bodies having jurisdiction. Lessee further agrees to be bound by the Rules and Regulations of Sandpoint Airport and any existing or future Minimum Standards Regulations imposed by County, which are incorporated by reference.

ARTICLE V – OBLIGATIONS OF LESSEE

5.1 - Construction of Improvements: Lessee proposes to construct a multi-functional hangar for aircraft and incidental aviation uses. Prior to any construction, alteration or changes in plans upon the leased premises, Lessee shall submit in writing to the County final plans, specifications and the estimated project completion date for the County's approval which approval shall not be unreasonably withheld or delayed more than thirty (30) days, except to the extent necessary to receive FAA approval of such submittals. Lessee may not store any items outside of the hangar structure. Lessee may only store items that are primarily aviation related as defined by any and all existing or future County-FAA grant agreements, or any applicable Federal, State or Local regulations.

Lessee shall obtain all required permits within twelve (12) months of lease execution, including but not limited to City of Sandpoint building permits, Federal Aviation Administration permit and/or letter of no objection. Lessee shall submit to the Bonner County Commissioners Office copies of the required Federal Aviation Administration approval, approved building permit, and building plans that include landscaping plans, prior to the start of construction. No construction will be started until final written approval has been given by the Board of County Commissioners. Lessee shall pay all costs associated with the Engineer's Plan Review. Upon approval and obtaining all required permits Lessee, at Lessee's expense, shall cause to be constructed the planned improvements and install therein all necessary fixtures, equipment and

accessories including: 1) utilities which includes but is not limited to electricity, natural gas, water, sewer, and storm water, 2) paving and landscaping, and 3) any other infra-structure requirements necessary for compliance with the City of Sandpoint building permit and other applicable codes. All planned, approved, and permitted improvements must be fully completed and a Certificate of Occupancy issued by the City of Sandpoint not more than thirty (30) months from lease execution date. Failure to do so will constitute **Abandonment** as defined in Section 9.1 (d) below.

5.2 – Maintenance: Lessee shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Lessee, in good and substantial repair and condition, including the exterior condition thereof and shall make all necessary repairs and alterations thereto. 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. Lessee shall keep all grassy areas on the leased premises free of weeds and mowed to a height acceptable to the County. The Commissioners shall, at all times during ordinary business hours, have the right to enter upon and inspect such premises. Such inspections shall be made only at mutually agreeable times and access will not unreasonably be withheld. The County reserves the right to force entry to preserve the premises or adjacent structures in the event of fire or emergency without liability to the County. Lessee shall also comply with all Federal maintenance requirements imposed by regulation or by way of existing or future FAA grant requirements imposed on County. The Lessee shall maintain an object free area within the taxilane object free area(s) as depicted on the approved Sandpoint or Priest River Airport Layout Plan.

5.3 – Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone and all other charges for utilities which may be furnished to the leased premises at Lessee's order or consent. The County shall grant appropriate easements for the provision of such utilities to the leased premises. Utilities shall be sized to accommodate other users and utility installation fees shall be prorated for other users where necessary as determined by the approved Sandpoint Airport Layout Plan.

5.4 – Liens: Lessee agrees to pay, when due, all sums of money that may become due or purport to be due 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 premises herein leased, which may be secured by any mechanic's, materialmen's or other lien against the premises herein leased or the County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of obligations secured by any such lien matures or becomes due. **Lessee personally guarantees that all sums will be paid.**

5.5 – Taxes: Lessee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien, or which may be levied by the state, county, city or any other tax-levying body upon the premises or upon any taxable possessory right which Lessee may have in or to the premises or facilities hereby leased or the improvements thereon by reason of its occupancy thereof, as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said premises. Upon any termination of tenancy, all taxes then levied or then a lien on any of said property or taxable interest therein shall be paid in full without proration by Lessee forthwith or as soon as a statement thereof has been issued by the tax collector.

5.6 - Fire Prevention: Lessee shall exercise due and reasonable care and caution to prevent and control fires on the premises and to that end shall install suitable fire extinguishers throughout the leased premises in accordance with rules and regulations as set forth by the appropriate local fire control officials and in accordance with any Federal requirements.

5.7 - Garbage and Waste Removal: Lessee agrees to cause to be removed, promptly at its own expense from the leased premises, all waste, including all petroleum products, 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 drainage system or other property of the County constituting the Airport. Should Lessee fail to comply with this provision, Lessor is not required to, but may, at their option, remove such rubbish or garbage and charge Lessee for the cost of removal. Failure of Lessee to pay such charges shall be deemed a default.

5.8 - Signage: Lessee may attach two signs of a size in compliance with City of Sandpoint City regulations, one on each end of each hangar building, identifying the structure, Lessee and Lessee's address and phone number. Lessee shall not erect, install, or operate nor permit to be erected, installed, or operated upon the premises herein, any additional signs or other advertising devices without first having obtained Lessor's written consent thereto as to size, construction, location, and appearance. Lessor shall either grant or disapprove such additional signs in accordance with the rules and regulations of Lessor relating to signs which either are in existence as of the date of signing of this Lease or as enacted or adopted during the term of this Lease. This provision is subordinate and may be altered at the will of the County in order to comply with any existing or future Federal requirements pertaining to signage. One of these signs may include a no-trespassing sign, so long as Lessor may enter and inspect upon the notice provided herein.

5.9 – Ground Vehicle Parking: Lessee shall cause to be constructed on the leased premises ground vehicle parking consisting of an impermeable surface sized in accordance with City of Sandpoint building requirements for a minimum of one (1) ground vehicle parking space, and not less than one (1) ground vehicle parking space for every 3,000 square feet of building space, or 500 square feet of office space.

EXAMPLES: A 2,500 square foot hangar will require one (1) ground vehicle parking space be constructed. A 4,000 square foot hangar will require two (2) ground vehicle parking spaces be constructed. 750 square feet of office space, regardless of hangar size, will require two (2) ground vehicle parking spaces be constructed.

ARTICLE VI – OBLIGATIONS OF LESSOR

6.1 – Maintenance of airport facilities: The County owes no obligation to tenant to maintain airport facilities. However, it should be noted that the County owes duties to the FAA under the AIP program to maintain airport facilities at levels satisfactory to FAA.

ARTICLE VII – RIGHTS OF LESSOR

7.1 - Payments by Lessor Recoverable From Lessee: The County shall have the right during the lease term to pay any taxes, assessments, water, sewer, liens, claims, insurance premiums or other charges owed by Lessee on the leased premises and reversionary interest therein remaining unpaid after the same have become due and payable, a written thirty (30) day demand for payment therefore having been made on Lessee. The amount paid shall be so much additional rent due from Lessee at the next rental payment date after any such payment with

interest thereon at the rate of eighteen percent (18%) per annum from the date of payment by Lessor until the repayment thereof to Lessor by Lessee.

ARTICLE VIII – INDEMNITY AND INSURANCE

8.1 – Indemnity: Except where such claim arises out of gross negligence or willful misconduct of the Indemnified, Lessee agrees fully to indemnify, save and hold harmless, the County of Bonner, the Bonner County Commissioners and the County's officers, agents, or employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of damages or injuries to third persons or their property caused by the negligence of Lessee, its agents, or employees in the use and occupancy of the premises hereby leased. Lessor shall give to Lessee prompt and reasonable notice of any such claims or actions, and Lessee shall have the right to investigate, compromise and defend the same. The fact that Lessee chooses to investigate and defend against such claim does not relieve the Lessee of the obligation to pay the expenses and attorney's fees incurred by the previously mentioned individuals or entities in the defense of a claim or action. **The undersigned representative of Lessee hereby personally guarantees this obligation.**

8.2 – Insurance:

- a. **Property Insurance:** Lessee shall keep any and all improvements on the leased premises continuously insured with an insurance underwriter satisfactory to the Lessor and licensed to do business in Idaho. Lessee shall insure said improvements against at least the perils specified in the standard Insurance Services Office (ISO) Broad Form Causes of Loss. These perils include, among others, 1) Fire and

Lightning, 2) Windstorm, 3) Vandalism, 4) Damage from Aircraft, Vehicles, or Falling Objects, 5) Damage from the Weight of Snow, Ice or Sleet, and 6) Damage from Water. The amount of insurance provided shall be for the full replacement cost of the said improvements. **To the extent Lessee fails to comply with this provision the undersigned representative of the Lessee personally guarantees this obligation.**

- b. **Public Liability Insurance:** Lessee shall maintain comprehensive general liability insurance for the protection of Lessee and Lessee's directors, officers, agents, servants and employees, insuring against liability for damages because of personal injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the premises leased or occasioned by reason of the operation of Lessee upon, in, and around the premises leased herein with insurance of not less than \$1,000,000 each person and \$1,000,000 each occurrence. Such insurance shall contain an endorsement naming the County of Bonner and Bonner County Commissioners, as additional insureds. **To the extent Lessee fails to comply with this provision the undersigned representative of the Lessee personally guarantees this obligation.**

- c. **Insurance Certificate:** Lessee shall furnish to Lessor policies or certificates evidencing the date, amount and type of insurance that has been procured pursuant to the lease. All policies of insurance shall provide for not less than thirty (30) days written notice to Lessor and Lessee before such policy may be revised or canceled. Proof of insurance shall be delivered to Bonner County Commissioners at 1500 Highway 2, Suite 308, Sandpoint, Idaho 83864.

ARTICLE IX – DEFAULT

9.1 – Events of Default: The following events shall constitute a default of this Lease:

- a. **Default in Rent:** Failure of Lessee to pay any rent or other charge within sixty (60) days after it is due.
- b. **Default in Other Covenants:** Failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease within sixty (60) days, after receipt of written notice from the County specifying the nature of the default with reasonable particularity. If the default is of such nature that it cannot be completely remedied within the sixty (60) day period (other than the payment of rent or other charges), this provision shall be complied with if Lessee begins correction of the default with reasonable diligence and in good faith as determined in a written addendum to this contract that is acceptable to the County. Notwithstanding any time limitations set forth herein, County reserves the right to bring an action at any time to compel performance of any covenant herein. Failure to take corrective action or in response to an FAA non-compliance determination whether issued informally or formally.
- c. **Insolvency of Lessee:** An assignment by Lessee for the benefit of creditors, notice that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee, attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days. **To the extent Lessee fails to satisfy all construction loan obligations, the undersigned representative personally guarantees that all**

construction loan obligations will be satisfied at or before the termination or natural end of this Lease, or shall personally satisfy these obligations.

- d. **Abandonment:** Failure of Lessee to complete construction specified in Article 5.1 and present the County with a City of Sandpoint Certificate of Occupancy within twenty-four (24) months of the building permit issue date will constitute abandonment. Lessee relinquishes all rights under this Lease Agreement unless the Board of the Bonner County Commissioners approves a different time frame in writing.

9.2 – Remedies on Default: In the event of a default as defined above, the County, at its option, may terminate the Lease by sending written notice to Lessee by certified mail, return receipt requested, at Lessee's last known mailing address. Upon such termination, Lessee shall vacate the leased premises immediately, remove any personal property of Lessee (excluding any fixtures which have been attached to structures or the real property), perform any clean-up, 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 County. Lessee shall be responsible for any and all costs incurred by the County associated with the enforcement of the provisions of this Agreement. If Lessee holds the leased premises beyond the date of such termination, the County may re-enter and take possession of the premises in accordance with the laws of the State of Idaho. In addition, the County may pursue any other remedies provided by the laws and statutes of the State of Idaho. **To the extent Lessee cannot pay any and all costs the undersigned**

Lessee representative shall be personally liable for said costs and personally guarantees this obligation.

9.3 – Notice of Default and Expenses: In the event of any default by Lessee, the County shall give Lessee written notice of such default and Lessee shall have sixty (60) days after the sending of such notice to cure. In addition to curing such default, Lessee shall pay to the County the sum of one hundred dollars (\$100) to cover the County's expenses of sending such notice. Lessee shall pay any and all County legal expenses associated with Lessee's default. **To the extent Lessee cannot pay these costs, lessee's undersigned representative personally guarantees payment of these costs.**

ARTICLE X – EXPIRATION

10.1 – Expiration: Upon expiration of the lease term and any extensions, but not upon earlier termination on account of default, Lessee shall have ninety (90) days to remove all personal property and/or trade fixtures from the improvements and/or facilities constructed on the leased land and surrender the improvements and/or facilities, except that a new lease term may be negotiated by both parties at mutually acceptable terms. Any removal of personal property and/or trade fixtures from the leased premises shall be at Lessee's expense and Lessee shall be responsible for any damages caused by such removal. If no new term is negotiated, all improvements and/or facilities constructed on the leased land become the property of Bonner County and Lessee shall not be entitled to payment for the improvements and/or facilities constructed in accordance with this Lease on the leased land and Lessee shall have no claim associated therewith against the County.

10.2 – Consent of County: Except as herein expressly provided, the Lessee will not, without prior written consent of the County, assign, mortgage, sublease or otherwise encumber this Lease. The County may not unreasonably withhold its consent. It is provided, however, that Lessee may, without such consent, assign this Lease by way of mortgage, or other security device, for the purpose of securing a construction loan from an established lending institution as herein expressly provided. In the event Lessee assigns this Lease by way of mortgage to a mortgagee, the County shall give the mortgagee a copy of any notice given to the Lessee under this Lease. Such mortgagee shall have the right, within the time limitations provided for herein, to perform any term, covenant, condition or agreement and to remedy any default by Lessee hereunder, and the County shall accept such performance by mortgagee with the same force and effect as if furnished by Lessee. Notwithstanding any language herein to the contrary, this provision is subordinate to any existing or future Federal requirements.

ARTICLE XI – GENERAL PROVISION

11.1 – Nonwaiver: Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

11.2 – Attorney's Fees: In the event either party hereto retains an attorney for the purpose of enforcing any right or duty arising out of this Lease, the non-prevailing party in such dispute shall pay to the prevailing party the latter's reasonable attorney's fees, whether or not litigation is actually instituted.

11.3 – Notices: Notice to Lessor provided for herein shall be sufficient if sent by certified mail, return receipt requested, addressed to the Bonner County Commissioners, 1500 Highway 2, Suite 308, Sandpoint, Idaho 83864.

Notice to Lessee shall be sent to: _____

Either party may designate in writing with proof of acceptance address changes when necessary.

11.6- Destruction or Demolition: Bonner County, but not Tenant, shall be excused from any duty to replace, repair or reconstruct the improvements in the event of its destruction or demolition resulting from unforeseen physical events.

Signature Block Follows

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement on the day and year first above written.

LESSOR:

**BONNER COUNTY BOARD OF BOARD
COMMISSIONERS**

By: _____, Chairman

STATE OF _____)
_____) SS
COUNTY OF _____)

On this ____ day of _____, 20____, before me, the undersigned Notary Public in and for the State of _____, personally appeared _____ known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he/she/they executed the same.

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

_____, Notary Public
My Commission Expires:

LESSEE:

.....

Address

City, State, Zip Code

Telephone

By:_____

STATE OF _____)
_____) SS
COUNTY OF _____)

On this ____ day of _____, 20____, before me, the undersigned Notary Public in and for the State of _____, personally appeared _____ known or identified to me to be the person(s) whose name(s) is/are subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he/she/they executed the same.

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

_____, Notary Public
My Commission Expires:

RECORD AFTER SIGNED