



CANYON COUNTY COMMISSIONERS

Leslie Van Beek
District I

Brad Holton
District II

Zach Brooks
District III

1115 Albany ❖ Caldwell, Idaho 83605 ❖ Telephone: (208) 454-7507 ❖ Fax: (208) 454-7336

December 3, 2024

Michael Shuey and Timothy Kelly
All Detainment Solutions – Canyon County, LLC
PO Box 717
Seymour, MO 65746

Re: Temporary Detention Facility Equipment Lease Agreement

Mr. Shuey and Mr. Kelly:

This letter constitutes the County's written notice that it does not wish to exercise the purchase option as outlined in Section 16 of the *Temporary Detention Facility Equipment Lease Agreement* dated August 28, 2018 ("Lease"). The County recognizes that the Lease will officially expire on February 11, 2025. Pursuant to Section 10 of the Lease, we anticipate that ADS, as the Lessor, will remove the Equipment no later than Friday June 20, 2025 which we calculate as ninety (90) business days from the expiration of the Lease.

Sincerely,

BOARD OF COUNTY COMMISSIONERS



Commissioner Leslie Van Beek



Commissioner Brad Holton



Commissioner Zach Brooks

cc: CCSO and Facilities

**TEMPORARY DETENTION FACILITY
EQUIPMENT LEASE AGREEMENT**

This Equipment Lease Agreement (“Agreement” or “Lease”) is entered into effective on the 28th day of August, 2018 (the “Effective Date”), by and between All Detainment Solutions – Canyon County, LLC, a Missouri limited liability company (“Lessor”), and Canyon County, Idaho, a political subdivision of the State of Idaho (“Lessee”).

RECITALS

- A. Lessor is a Missouri limited liability company that manufactures and leases custom temporary detainment facilities to provide additional space at detainment facilities that are at or over capacity.
- B. Lessee is a duly formed and existing county pursuant to the laws and Constitution of the State of Idaho, and Lessee owns and operates detainment facilities at 219 N. 12th Avenue, Caldwell, Idaho (“Current Facilities”).
- C. The Current Facilities are at or over capacity and Lessee needs an immediate and temporary solution to the over capacitated Current Facilities while seeking funding to construct a permanent detention facility.
- D. Lessor desires to lease the Equipment (defined below) to Lessee and Lessee desire to lease the Equipment from Lessor on the terms and conditions set forth in this Agreement.
- E. Upon the advice of the Canyon County Sheriff’s Office, Lessee issued a preliminary declaration on July 17, 2018 that Lessor appeared to be the only vendor for such Equipment reasonably available under the circumstances because of an imminent and ongoing detriment to the public welfare caused by the Lessee’s need for additional constitutionally sufficient inmate housing and/or because additional competitive solicitation would be impractical, disadvantageous, or unreasonable under the circumstances.
- F. On July 31, 2018, Lessee took public comment on the proposed sole source procurement, continued potential execution of this Agreement to August 22, 2018, and on August 8, 2018 published a second declaration of intent to procure the Equipment by sole source and solicited responsive written comments by August 21, 2018.
- G. Given the benefit of public comment and pursuant to Idaho Code Section 67-2808, Lessee has determined that Lessor is the only vendor of a secure temporary jail facility meeting Lessee’s need that is reasonably available under the circumstances; and, upon the advice of the Canyon County Clerk’s Office, that funds sufficient to meet Lessee’s obligations under this Lease are available for expenditure; and, that it is otherwise authorized to enter this Agreement pursuant to Idaho Code §§ 31-604; 31-801; 31-807; 31-828; 31-1001; and 31-3302(3), (8), and (9).

#18-113

AGREEMENT

The Parties hereto hereby mutually covenant, promise, and agree as follows:

1. Equipment Lease. Lessor hereby rents to Lessee, and Lessee hereby rents from Lessor, as of the Effective Date, in accordance with the terms, provisions and conditions of this Lease, the items of equipment listed in **Exhibit "A"**, attached hereto and incorporated by reference herein (collectively the "Equipment"). Lessor will, at its sole cost and expense, deliver the Equipment to Lessee's selected site for use located generally at 219 N. 12th Avenue, Caldwell, Idaho, and as generally depicted in **Exhibit "B"** (hereinafter the "Premises"). Lessor will deliver the Equipment to the Premises no later than May 30, 2019 and will configure the Equipment on the Premises in the manner depicted in **Exhibit "C"** attached hereto and incorporated by reference herein; provided however, Lessor may begin delivery of the Equipment to the Premises and conduct any necessary set-up work at any time after January 15, 2019 and Lessor will have a period of at least ninety (90) business days to complete set-up of the Equipment on the Premises, which period shall be extended to account for any delays experienced by Lessor due to weather or other events beyond the reasonable control of Lessor as well as any change orders requested by Lessee and agreed to by Lessor pursuant to the this Agreement. Lessor will provide Lessee at least forty-eight (48) hours advance notice as to the dates and approximate times of day that the Equipment will be delivered to the Premises. Prior to Lessor's delivery of the Equipment, Lessee shall have the Premises adequately prepared and stabilized, including the installation of adequate storm water drainage, in order for same to properly support the Equipment and prevent any settling or other change which could cause movement of the Equipment over time. Lessee will furnish to Lessor a written report or other written certification from an engineer licensed in Idaho confirming that the Premises are suitable to support the Equipment and the use contemplated by this Lease prior to the time Lessor delivers the Equipment to the Premises, such report or certification to be reasonably acceptable to Lessor. Lessee shall have the Premises completely free of obstructions at the time the Equipment is delivered to the Premises, and will cooperate with Lessor to provide any necessary and convenient traffic control measures in order to allow delivery and placement of the Equipment as provided for herein. Lessee will have onsite, at Lessee's expense, and ready for placement one hundred five (105) 3' x 3' x 3' concrete blocks (or a reasonably suited equivalent), which Lessor will utilize to anchor the Equipment as Lessor may deem appropriate. Lessee will have at least one authorized representative present during delivery and placement of the Equipment in order to monitor same and respond to any questions or concerns which Lessor may have with respect to delivery and placement of the Equipment. Lessee shall secure, at Lessee's expense, all permits and approvals which may be required for the placement of the Equipment on the Premises and use of the Premises for the purposes contemplated by this Lease. In the event Lessee is unable to secure any such permits or approvals, Lessee may terminate this Lease upon written notice to Lessor by no later than September 5, 2018 in which case the initial rent installment of \$2,250,000.00 will be refunded by Lessor within five (5) business days. Lessee acknowledges and agrees that the Equipment is being furnished under a lease arrangement and that satisfaction of its obligations hereunder will not involve expenditure of federal funding and that as a result, neither Lessor nor any third parties with which Lessor may contract in connection with the Equipment shall be subject to any prevailing wage requirements.

2. Lease Term. The term of the Lease (the "Lease Term") shall be for a period of twelve (12) months (hereinafter referred to as the "Primary Term") commencing on the date the Equipment is fully installed by Lessor at the Premises and ready for use by Lessee (the "Commencement Date") pursuant to written notice of final delivery to Lessee (the "Commencement Notice"), subject however, to the right of Lessee to extend the Lease Term for four (4) additional consecutive periods (herein called the "Extended Term(s)") as provided in paragraph 4 hereof. The phrase "Lease Term" shall be deemed to include, where appropriate, the Primary Term and the Extended Terms. As used in this Lease, the term "Lease Year" means a period of twelve (12) full, consecutive calendar months, commencing as of the Commencement Date.

3. Rent. During the Lease Term, Lessee agrees to pay Lessor, without any prior demand, abatement, deduction or offset, the following rent:

- a. For the Primary Term, the total sum of \$4,500,000.00 paid as follows:
 - (i) The sum of \$2,250,000.00 by no later than September 1, 2018; and
 - (ii) The sum of \$2,250,000.00 on the Commencement Date; and

b. For each Extended Term, the sum of \$1,454,085.00 per year payable in advance on the first day of each such Extended Term.

All payments of rent will be tendered to Lessor by check made payable to Lessor, and mailed to Lessor's address shown in Section 16 below or by wire transfer in accordance with instructions provided by Lessor. Any installment of rent not received by Lessor within thirty (30) days of its due date shall be assessed a late payment charge equal to one percent (1%) of the amount due.

4. Extended Terms. Provided that Lessee is not in default of its obligations under this Lease beyond any applicable cure period either at the time of Lessee's exercise of an option or at the end of the Primary Term or Extended Term, as applicable, Lessee shall have the option, in its sole discretion, to extend the Lease Term for up to four (4) additional consecutive terms (the "Extended Terms") by budgeting funds to pay rent and providing notice to Lessor as hereinafter provided. This Lease will terminate at the end of the Primary Term or any applicable Extended Term if sufficient funds are not budgeted by the Lessee to pay rent during the next occurring Extended Term. Except as hereinafter provided, all terms and conditions that apply during the Primary Term of this Lease shall also apply during each Extended Term. The Extended Terms are as follows:

a. First Extended Term. Lessee may by written notice furnished to Lessor no later than forty-five (45) days prior to the expiration of the Primary Term, extend the Lease Term for a First Extended Term of twelve (12) months, commencing at the expiration of the Primary Term. If such notice is timely given, this Lease and the Lease Term shall be extended for such twelve (12) month period and shall remain in full force and effect during such period upon the same terms and conditions as those applicable during the Primary Term, except that the rent payable during the First Extended Term shall be as set forth in paragraph 3(b) above.

b. Second Extended Term. If Lessee has extended the Lease Term for the First Extended Term, Lessee may, by written notice furnished to Lessor no later than forty-five (45) days prior to expiration of the First Extended Term, further extend the Lease Term for a Second Extended Term of twelve (12) months, commencing at the expiration of the First Extended Term. If such notice is timely given, this Lease and the Lease Term shall be further extended for such twelve (12) month period and shall remain in full force and effect during such period upon the terms and conditions as those applicable during the Primary Term, except that the rent payable during the Second Extended Term shall be as set forth in paragraph 3(b) above.

c. Third Extended Term. If Lessee has extended the Lease Term for the First and Second Extended Terms, Lessee may, by written notice furnished to Lessor no later than forty-five (45) days prior to expiration of the Second Extended Term, further extend the Lease Term for a Third Extended Term of twelve (12) months, commencing at the expiration of the Second Extended Term. If such notice is timely given, this Lease and the Lease Term shall be further extended for such twelve (12) month period and shall remain in full force and effect during such period upon the terms and conditions as those applicable during the Primary Term, except that the rent payable during the Third Extended Term shall be as set forth in paragraph 3(b) above.

d. Fourth Extended Term. If Lessee has extended the Lease Term for the First, Second and Third Extended Terms, Lessee may, by written notice furnished to Lessor no later than forty-five (45) days prior to expiration of the Third Extended Term, further extend the Lease Term for a Fourth Extended Term of twelve (12) months, commencing at the expiration of the Third Extended Term. If such notice is timely given, this Lease and the Lease Term shall be further extended for such twelve (12) month period and shall remain in full force and effect during such period upon the terms and conditions as those applicable during the Primary Term, except that the rent payable during the Fourth Extended Term shall be as set forth in paragraph 3(b) above.

By giving notice of its election to exercise any Extended Term, Lessee shall be deemed to represent and warrant at the time such notice is issued that it has budgeted funds sufficient to pay all rent payable for such Extended Term.

5. Compliance with Jail Standards. Lessor shall not be required to modify or replace any Equipment during the Lease Term as a result of any revisions or restatements to the Idaho Jail Standards for Detention Facilities as published by the Idaho Sheriff's Association on Jail Standards, February 2018 Revision.

6. Use and Title. Lessee shall have the right to use the Equipment for housing and/or detention of prisoners at the Premises. Subject to Lessee's right to purchase the Equipment as provided in section 16 below, Lessee shall have no ownership interest in the Equipment and may not grant any third party an interest in same of any kind. Lessee will utilize its best efforts to protect the Equipment from damage or loss. If, at any time there occurs a breach or default of any of Lessor's obligations under this Lease which extends beyond the applicable cure period, and if for that reason Lessee shall be materially deprived of or impaired in the use of the Equipment as herein provided, (i) the rent to be paid by Lessee hereunder shall be equitably abated during any

such period, and (ii) the running of the Lease Term shall be suspended during such period, and the expiration date of the Lease Term shall be extended for an amount equal to such period. If such period continues beyond the applicable cure period, Lessee may, at its option, terminate this Lease by notice to Lessor while reserving all rights which Lessee may have for Lessor's default under this Lease.

7. Maintenance and Repairs. Lessor, at its sole expense, shall keep and maintain the Equipment (including, but not limited to, all lighting, air conditioning, heating, plumbing and electrical equipment) in good repair, order and condition and shall make all repairs and replacements in a reasonable amount of time as necessary to put and maintain the Equipment in such a state of repair, order and condition; provided however, any repairs of damage and/or inoperability resulting from any intentional or negligent act of Lessee or any prisoner shall be completed by Lessor at the cost of Lessee, and Lessee will reimburse Lessor the actual cost incurred by Lessor for such repairs within thirty (30) days of receipt of an invoice for same from Lessor. Lessee will promptly notify Lessor by telephone and email of any damage to the Equipment and any repairs which are needed. Notwithstanding the foregoing, Lessee will conduct ordinary repairs and perform routine maintenance to the Equipment at Lessee's expense, including without limitation, changing light bulbs and clearing drains; provided however, Lessee may not make any repairs or maintenance to any mechanical systems which are part of the Equipment, including the heating, ventilation and cooling equipment. All repairs required to be made by Lessor pursuant to this paragraph shall be made within a reasonable time, as and when necessary by contractors or employees reasonably acceptable to Lessee who are reasonably experienced and qualified to perform said repairs, and to the extent required under Idaho law, hold all required professional licenses, and shall be of quality reasonably equal to the original quality of any item of Equipment. To that end, should the nature of any repairs potentially necessitate the displacement of inmates from the Equipment, then the Lessee reserves the right to perform any repairs it deems necessary to the function of the facility as a detention complex provided that Lessor has been notified in advance of Lessee's intention to perform such repairs. Lessee shall be responsible for all snow, ice and garbage removal with respect to the Equipment. If Lessor defaults in making any repairs or replacements required by this paragraph to the Equipment, after written notice to Lessor, the Lessee may, but shall not be required to, make such repairs and replacements for the account of Lessor, and the expense thereof shall be payable by Lessor within thirty (30) days from the date Lessee delivers an itemization of such expenses and evidence of payment of same to Lessor. Nothing herein shall imply any duty on the part of Lessee, however, to effectuate any such repairs, and the performance thereof by Lessee shall not constitute a waiver of any default by Lessor. Lessee shall cooperate with Lessor with respect to any maintenance or service to be rendered by Lessor on the Equipment and Lessor shall have access to the Equipment in order to perform any routine inspections, or other maintenance required under the terms of this Lease or which Lessor deems appropriate. In the event all or a substantial portion of the Equipment is substantially damaged or destroyed as a result of an Act of God, including without limitation, any storm, flood or earthquake, Lessor may elect, by written notice to Lessee, to repair or replace such damaged or destroyed Equipment or terminate this Lease. If Lessor elects to repair or replace Equipment, same will be completed within a reasonable amount of time and Lessee's obligation to pay rent shall be abated until the damaged Equipment has been repaired/replaced and available for use by Lessee and the Lease Term shall be extended for an amount of time equal to the number of days which elapse between the date of the event causing such damage or destruction and the date the Equipment has been repaired/replaced and again available for use by Lessee. If Lessor elects to

terminate the lease, Lessor shall refund to Lessee, on a prorata basis, rent paid for the month in which such Equipment was damaged or destroyed. Notwithstanding the foregoing, or any other term or provision of this Lease, Lessee shall be responsible for the monitoring of all fire detection/alarm systems at its sole expense.

8. Utilities. Lessee shall be responsible for providing all utility and telecommunications services necessary for operation of the Equipment and delivery of same to the Premises at Lessee's sole expense. At least ninety (90) days prior to the Commencement Date Lessee shall have all necessary utility and telecommunications connections delivered to the Premises and "stubbed in" in the locations generally depicted in **Exhibit "D"** attached hereto and incorporated by reference herein, and upon delivery of the Equipment Lessee shall engage qualified personnel to connect same to the Equipment as necessary for proper functioning thereof. It shall be the responsibility of Lessee to maintain all necessary utility and telecommunications services during the Lease Term. Lessee acknowledges having been provided with the technical specifications relating to the utility functions and requirements of the Equipment, and has taken steps to insure that utility services provided by it on the Premises are suitable for proper operation of the Equipment. Lessor shall not be responsible for any disruptions in utility service which are the result of utility or telecommunication services provided by Lessee at the Premises.

9. Alterations. Lessee may, at its own cost and expense and with prior approval of Lessor (which shall not be unreasonably withheld), install its own equipment or devices on the Equipment from time to time as Lessee may find necessary or convenient for its purposes. Lessee shall pay the cost of any additions, and improvements made to the Equipment, and shall keep the Equipment free and clear of liens of any kind. No such additions shall impair the structural integrity of the Equipment. All Equipment or other devices installed by Lessee may be removed by Lessee, at its own cost and expense, at any time prior to expiration of seven (7) days following the expiration of the Lease Term or any earlier termination of this Lease; provided, however, that (i) such removal shall not impair the structural integrity of the Equipment, and (ii) if any such damage to the Equipment results from removal, Lessee shall repair such damage promptly at its own cost and expense. Lessee shall not, at any time, remove any of the Equipment from the Premises nor change the location or placement of same on the Premises without prior approval of Lessor (which shall not be unreasonably withheld). Lessor may make modifications or upgrades to the Equipment from time to time at its discretion, provided that same do not impair use of the Equipment for the purpose set forth in paragraph 5 above, and Lessee will reasonably cooperate with Lessor with respect to scheduling any work desired to be done by Lessor in this regard.

10. Removal of Equipment. Within ninety (90) business days following expiration of the Lease Term or any earlier termination of this Lease, Lessor shall, at its sole cost and expense, remove all of the Equipment from the Premises; provided however, such period shall be extended to account for any delays experienced by Lessor due to weather or other events beyond the reasonable control of Lessor. Upon expiration of the Lease Term or any earlier termination of the Lease, Lessee shall arrange to have all electrical and other utility services disconnected, and likewise cause the physical disconnection of any such utilities from the Equipment so that same can be freely and safely removed from the Premises. Lessee will cooperate with Lessor with respect to Lessor's removal of the Equipment, including ensuring Lessor has appropriate access to the Equipment and the ability to remove same without obstruction from vehicles or other objects.

The provisions of this section shall not apply in the event Lessee elects to purchase the Equipment pursuant to the provisions of section 16 below.

11. Insurance Requirements. The following insurance requirements shall be met at all times during the Lease Term:

a. Lessor's Insurance Obligations. At all times during the Lease Term, Lessor shall maintain in force and effect, at its own cost and expense, a policy or policies of commercial general liability insurance reasonably approved by Lessee, for the protection, indemnification and defense of Lessee and Lessor (with Lessee named as an additional insured) against claims, demands and causes of action arising out of or in connection with the use and operation of the Equipment, which policy or policies shall have limits of not less than \$1,000,000.00 per occurrence and an aggregate limit of \$2,000,000.00 covering both bodily injury and property damage, including accidental death. Such policy must not permit cancellation on less than thirty (30) days' notice to Lessee. Lessor will deliver proof of such insurance to Lessee on or before the Commencement Date, and thereafter upon the request of Lessee, subject to one request every six (6) months during the Lease Term. Lessor will further maintain a professional liability or umbrella policy with limits of \$1,000,000.00 per claims made.

b. Lessee's Insurance Obligations. At all times during the Lease Term, Lessee shall maintain in force and effect, at its own cost and expense, a policy or policies of commercial general liability insurance which provides coverage for claims, demands and causes of action arising out of or in connection with the use and operation of the Equipment, which policy or policies shall have limits of not less than \$500,000.00 per occurrence for claims pursuant to the Idaho Tort Claims Act, and not less than \$3,000,000.00 per occurrence for other claims, including civil rights claims. Additionally, Lessee shall insure all personal property which it may elect to place or store in the Equipment and Lessor shall have no liability with respect to any loss or damage to same. Lessee will deliver proof of such insurance to Lessor on or before the Commencement Date, and thereafter upon the request of Lessor, subject to one request every six (6) months during the Lease Term.

c. Worker's Compensation Insurance. Lessor shall take out and maintain at its own cost and expense during the Lease Term employee's liability and worker's compensation insurance for all of its employees which engage in the delivery, maintenance and/or removal of the Equipment from the Premises and in the event Lessor utilizes any third party to perform delivery, maintenance and/or removal of the Equipment, Lessor shall require that any such third-party vendor provide worker's compensation insurance for all of its employees. Worker's compensation coverage shall meet applicable statutory limits.

12. Indemnification. Lessor shall defend all actions against Lessee with respect to, and shall pay, protect, indemnify and save harmless the Lessee from and against any and all liabilities, lawsuits, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, claims, demands, or Judgments of any nature arising from (i) Lessor's default under this Lease; (ii) any act or omission of Lessor or its agents, contractors or employees; or (iii)

material defects in the Equipment created or caused to come into existence by Lessor. To the extent allowed by Idaho law, including Article VIII, Section 4 of the Constitution of the State of Idaho and the Idaho Tort Claims Act (Idaho Code § 6-901, et seq.), in the event Lessor is alleged to be liable solely as a result of wrongful acts, omissions, or negligence, or all three (3), of Lessee, its elected officials, employees, officers, volunteers, interns, externs, or agents, Lessee shall indemnify, defend and hold Lessor, its employees, officers, or agents harmless from and against all liability, claims, loss, costs, and expenses arising out of, or resulting from, the actions of Lessee (including reasonable attorneys' fees and expenses). Lessee's indemnification and defense of Lessor is further limited by all defenses, burdens of proof, immunities, and limitations on damages to which Lessee as a political subdivision in the State of Idaho would be entitled if the claims were asserted against Lessee.

13. Representations, Warranties and Covenants of Lessee. Lessee represents, warrants and covenants as follows:

a. That Lessee has evaluated its need for the Equipment as of the date of this Agreement, and has determined that the Equipment will be needed by Lessee at all times during the Primary Term.

b. That should Lessee discontinue use of the Equipment for any reason during the Primary Term, other than as a result of an uncured default by Lessor, Lessee will not, during the remainder of the Primary Term, procure or otherwise utilize any facility, equipment or other device to house prisoners other than those which are fixed and intended to be permanent (non-mobile).

c. That Lessee has or will budget and appropriate sufficient funds in its 2019 fiscal year budget to pay all rent payable for the Primary Term.

d. That Lessee has determined that the lease of the Equipment is necessary, is in the ordinary course of Lessee's business as a county, is in furtherance of the Lessee's governmental purposes, and that the consummation of the transactions provided for in this Lease and compliance by Lessee with the provisions of this Lease are within the Lessee's lawful powers.

e. That the execution and delivery of this Lease has been duly and validly authorized by the Lessee, the Lease is a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms, and Lessee has and will comply with any and all legally required procedures and take any and all other actions necessary to ensure that this Lease is a legal, valid and binding obligation of Lessee.

f. Lessee represents and warrants to Lessor that the lease payments hereunder are not subject to sales tax, and Lessee shall provide Lessor with a certificate of entitlement to exemption to such effect. If the Idaho State Tax Commission (the "Department") later determines that such lease payments, for which the Lessee provided the Lessor with a certificate of entitlement to the exemption, were not exempt sales to the Lessee, the Lessee shall be liable for any tax, penalty, and interest determined to be owed on such transactions. Possession by the Lessor of a certificate of entitlement to the exemption from the Lessee

relieves the Lessor from the responsibility of collecting tax on the lease payments and the Lessor for any liability for tax, penalty, or interest related to the sale, and the Department shall look solely to the Lessee for recovery of tax, penalty, and interest if the Department determines that the transaction was not an exempt sale to the Lessee. The Lessee may not transfer liability for such tax, penalty, and interest to another party by contract or agreement.

14. Representations, Warranties, and Covenants of Lessor. Lessor represents, warrants and covenants as follows:

a. That Lessor has evaluated its business and financial conditions, and as of the date of this Lease, has determined that Lessor sees no reason that it could not perform its obligations as set forth in this Lease.

b. That Lessor has become familiar with the project site where the Equipment will be delivered pursuant to the requirements of this Lease.

c. That Lessor possesses the skill, training, and experience necessary and required to provide the Equipment and perform its obligations under this Lease.

d. That there are no judgments, liens, actions, or proceedings existing or pending against Lessor which would materially affect Lessor's ability to enter into or perform under this Lease.

e. That Lessor shall not knowingly hire or engage any illegal aliens or persons not authorized to work in the United States, and shall take steps to verify that it does not hire or engage any illegal aliens or persons not authorized to work in the United States.

f. That Lessor will comply with all applicable laws in the performance of its obligations hereunder.

g. That none of its principals is related to any official of Lessee by blood/marriage within the second degree of kindred.

15. Default.

a. By Lessee. Lessee will be in default if Lessee shall fail to pay any rent due hereunder for more than twenty (20) days after written notice of such non-payment shall have been given to Lessee, or any failure by Lessee to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by Lessee for more than thirty (30) days after written notice of such failure shall have been given to Lessee, provided however, if Lessee has diligently commenced action to cure the failure and such failure cannot reasonably be cured within thirty (30) days, Lessee shall be allowed an additional period not exceeding sixty (60) days from the initial written notice to cure such failure provided Lessee at all times diligently and continuously takes action to cure such failure. In the event of an uncured default by Lessee, Lessor shall have the right and option to pursue all of its legal remedies under this Agreement and applicable law, including, without limitation, the right to terminate this Lease, to re-enter the Premises and to remove

the Equipment, all without being deemed guilty of any trespass and without prejudice to any claim by Lessor for damages for breach of this Lease or for arrears of rent or any other amounts due hereunder. Notwithstanding the foregoing, Lessor shall not have the right to terminate this Lease until the times to cure defaults have expired without cure and Lessor has given not less than fifteen (15) days' notice of its intent to terminate this Lease.

b. By Lessor. Lessor will be in default in the event of any failure by Lessor to perform any of the terms, conditions and covenants of this lease to be observed and performed by Lessor for more than thirty (30) days after written notice of such failure shall have been given to Lessor, provided however, if Lessor has diligently commenced action to cure the failure and such failure cannot reasonably be cured within thirty (30) days, Lessor shall be allowed an additional period not exceeding sixty (60) days from the initial written notice to cure such failure provided Lessor at all times diligently and continuously prosecutes the cure of such failure. In the event of an uncured default by Lessor, Lessee may (i) cure such default and deduct the cost thereof from rent subsequently becoming due hereunder (ii) terminate this Lease by giving thirty (30) days' written notice to Lessor, and/or (iii) pursue any remedy at law or in equity that Lessee may have as a result of Lessor's default, including, but not limited to, seeking specific performance of this Lease. Lessee shall not hinder, delay or otherwise interfere with Lessor's efforts to cure any alleged breach of this Lease.

16. Purchase Option. Upon expiration of the Fourth Extended Term, and provided that Lessee is not then in default of its Obligations under this Lease, Lessee shall have the option to purchase the Equipment from Lessor for the total sum of One Million Nine Hundred Thousand Dollars (\$1,900,000.00) (the "Purchase Price"). In order to exercise such option, Lessee shall give written notice of its election to purchase to Lessor at least sixty (60) days prior to expiration of the Fourth Extended Term and Lessee shall pay the Purchase Price on or before the last day of the Fourth Extended Term, by wire transfer in accordance with instructions provided by Lessor. Within seven (7) business days of Lessor's receipt of the Purchase Price Lessor shall execute and deliver to Lessee a bill of sale using Lessor's customary form, and will endorse and deliver all certificates of title issued for the Equipment to Lessee. If Lessee elects to purchase the Equipment, it agrees and acknowledges that:

a. THE EQUIPMENT IS SOLD AS IS AND IN ITS THEN-CURRENT CONDITION;

b. THE EQUIPMENT IS SOLD WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ALL OF WHICH ARE DISCLAIMED BY LESSOR, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE/USE; AND

c. THE SALE SHALL NOT TRANSFER TO LESSEE ANY PATENT RIGHTS, TRADEMARK RIGHTS, COPYRIGHTS OR OTHER INTELLECTUAL PROPERTY RIGHTS WHICH SHALL REMAIN THE SOLE AND EXCLUSIVE PROPERTY OF LESSOR, PROVIDED HOWEVER, THIS SHALL NOT PREVENT LESSEE'S CONTINUED USE OF THE EQUIPMENT WITH LESSOR'S LOGOS OR INSIGNIA AFFIXED THERETO.

To the extent Lessee purchases the Equipment pursuant to the provisions hereof, and thereafter receives a bona fide offer from a third-party to purchase all or any portion of the Equipment and which Lessee desires to accept (a "Sale Offer"), then Lessee shall, within ten (10) days, give Lessor written notice of such Sale Offer, which notice shall include copies of all written offers and/or agreements (or a description of the terms of such Sale Offer and the names and addresses of the parties thereto). Lessor shall have the right and option to purchase the Equipment which is the subject of the Sale Offer upon the same terms and conditions as set forth in the Sale Offer. Lessor shall have fifteen (15) days following Lessor's receipt of Lessee's Notice of Sale Offer within which to exercise its right of first refusal. If Lessor does not exercise its right of first refusal hereunder, and if the sale or transfer to the third-party is not completed by the closing date set forth in the Sale Offer, or if there is any material change in the provisions of the Sale Offer, then before making any such sale or transfer Lessee shall once again follow the notice requirements set forth in this section.

17. Notices. Any notice given hereunder shall be in writing and may be delivered in person or be sent by certified or registered mail, postage prepaid, or by recognized overnight courier (such as FedEx or UPS) addressed to the party to receive same at the address of such party set forth below or such other address as such party may hereafter furnish to the other in writing as a place for the giving of notice:

If to Lessor:

All Detainment Solutions – Canyon County, LLC
P.O. Box 717
Seymour, MO 65746

If to Lessee:

Board of County Commissioners of Canyon County, Idaho
Attn:Facilities Director
1115 Albany St
Caldwell, ID 83605

Any notice mailed or delivered in accordance with the preceding sentence shall be deemed to have been served at the time it is received. Notwithstanding the foregoing, any notice of damage to the Equipment or needed repairs to be given by Lessee pursuant to paragraph 6 above will be provided to Lessor by email at Anthony@overcrowdedjails.com and by phone at (417) 343-2280 or (417) 935-4080, and any notice given by Lessor will also be provided to Lessee by email to the Canyon County Jail Commander at dward@canyonco.org.

18. Assignment and Subletting. Neither Lessor nor Lessee may assign any of their rights or interests in this Lease, without obtaining the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. Further, Lessee may not sublet any of the Equipment to any person/entity nor allow any other non-party the right to utilize the Equipment without Lessor's prior written consent which shall not be unreasonably withheld, conditioned or delayed. In the event Lessor consents to any assignment or subletting by Lessee, Lessee shall remain liable under this Lease in all respects and any assignee or sublessee shall agree in writing to perform Lessee's obligations under this Lease. Notwithstanding the foregoing, Lessor may, without further consent of Lessee: (1) delegate any of its rights or

obligations under this Agreement to a management company having common ownership with Lessor; and/or (2) collaterally assign its interest in this Lease to a financial institution providing financing to Lessor and Lessee shall recognize and attorn to any such lender as Lessor's successor should they elect to exercise their rights under any such collateral assignment.

19. Execution. This Lease may be executed in multiple originals and/or multiple counterparts which, taken together, shall constitute one and the same instrument. This Lease may only be amended by a written agreement executed by Lessor and Lessee.

20. Section Headings. The paragraph/section headings used within this Lease are for convenience of reference only, and shall not be utilized in the interpretation or construction of this Lease.

21. Governing Law. This Lease shall be governed by the laws of the State of Idaho without regard to any conflict of laws principles or otherwise.

22. Resolutions of Controversies and Claims. If any controversy or claim, whether based on contract, tort, statute, or other legal or equitable theory (including any claim of fraud, misrepresentation or fraudulent inducement), arises out of or related to this Lease ("Dispute"), the parties agree to resolve the Dispute as provided in this Section.

a. Mediation. If the Dispute cannot be resolved by negotiation, the parties agree to submit the Dispute to mediation by a mediator mutually selected by the parties. If the parties are unable to agree upon a mediator, the American Arbitration Association shall appoint the mediator. In such event, the mediation shall take place within 30 days of the date that a party gives the other party written notice of its desire to mediate the Dispute.

b. Arbitration.

(i) If not resolved by mediation, the parties shall resolve the Dispute by arbitration pursuant to this paragraph and the then-current rules and supervision of the American Arbitration Association. The arbitration shall be held in Kansas City, Missouri before a single arbitrator who is knowledgeable about the laws relating to governmental lease and financing arrangements. The arbitrator may order the parties to exchange copies of non-rebuttal exhibits and copies of witness lists in advance of the arbitration hearing. The arbitrator has no other power, however, to order discovery or depositions unless and then only to the extent that the parties otherwise agree in writing. The arbitrator's decision and award are final and binding and may be entered in any court having jurisdiction. The arbitrator does not have the power to award, and the parties may not seek, an award of, punitive exemplary, or consequential damage. To prevent irreparable harm, the arbitrator may grant temporary or permanent injunctive or other equitable relief or the parties may seek such temporary injunctive relief from any court having competent jurisdiction.

(ii) Issues of arbitrability are determined in accordance with the Federal substantive and procedural laws relating to arbitration. All other aspects of the Agreement are interpreted in accordance with, and the arbitrator applies and is

bound to follow, the substantive laws of the State of Idaho. Each party bears its own attorneys' fees associated with negotiation, mediation, and arbitration, and other costs and expenses are borne as provided by the rules of the American Arbitration Association. If court proceedings to stay litigation or compel arbitration are necessary, the party who unsuccessfully opposes such proceedings must pay all associated costs, expenses, and attorneys' fees reasonably incurred by the other party.

23. Severability. If any provisions of this Lease or the application thereof to any party or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement and the application of such provision to any party or situation other than those to which it has been held invalid or unenforceable, shall not be affected thereby, but shall continue valid and enforceable to the fullest extent permitted by law.

24. Waiver of Jury Trial. Lessor and Lessee each hereby irrevocably waive all right to trial by jury with respect to any claim, action, proceeding or counterclaim by either Lessor or Lessee against the other as to any matters arising out of, or in any way connected with, this Lease, the relationship of Lessor and Lessee and/or Lessee's use of the Equipment.

25. Independent Contractor. The relationship of Lessor and Lessor's agents or employees to Lessee under this Lease shall be an independent contractor and this lease shall not be construed to create an employment relationship between Lessor and Lessee.

26. Lessor's Authority. At all times during the Lease Term Lessor shall maintain its legal authority to conduct business in the State of Idaho.

27. Entire Agreement. This Lease and the above Recitals represents the entire agreement of the parties and may only be amended by written agreement executed by each party.

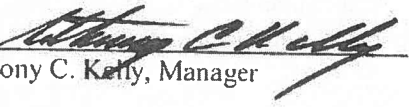
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the Effective Date.

NOTICE

THIS AGREEMENT INCLUDES A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

LESSOR:
ALL DETAINMENT SOLUTIONS –
CANYON COUNTY, LLC

By: 
Anthony C. Kelly, Manager

LESSEE:
CANYON COUNTY, IDAHO, a political
subdivision of the State of Idaho

By: Board of Commissioners

By: _____
Commissioner Steven J. Rule

By: _____
Commissioner Tom Dale

By: _____
Commissioner Pam White

ATTEST

By: _____
Chris Yamamoto, Clerk

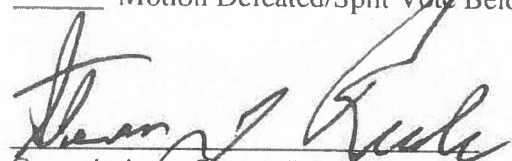
** Please see attached signature page*

SIGNATURE PAGE
TEMPORARY DETENTION FACILITY
EQUIPMENT LEASE AGREEMENT

DATED this 27th day of August, 2018.

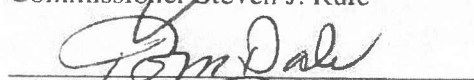
BOARD OF COUNTY COMMISSIONERS

- Motion Carried Unanimously
- Motion Carried/Split Vote Below
- Motion Defeated/Split Vote Below



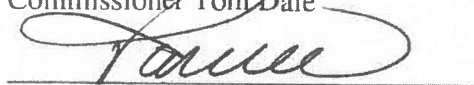
Commissioner Steven J. Rule

Yes	No	Did Not Vote
_____	<input checked="" type="checkbox"/>	_____



Commissioner Tom Dale

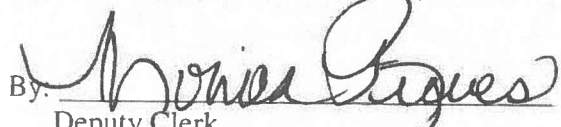
<input checked="" type="checkbox"/>	_____	_____
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Commissioner Pam White

<input checked="" type="checkbox"/>	_____	_____
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ATTEST: CHRIS YAMAMOTO, CLERK

By: 

Deputy Clerk

EXHIBIT "A"
(Items of Equipment)

The Equipment shall consist of twenty-eight (28) fixed axle mobile units configured to house one hundred twenty two (122) inmates and related space as follows:

1. One (1) Administrative/Corridor Area Unit containing safety vestibule, fifteen (15) doors, mechanical/electrical room, visitation room, medical screening room, staff control room with one (1) desk and one (1) chair, access to recreation yards and pods, lighting, HVAC units with skirting, exterior rec-yard skirting, data portals, fire alarm/detection and suppression system, emergency exit signage, utility connections and air evacuation equipment. Lessor may combine three (3) separate units to create one (1) combined administrative/corridor area unit.
2. One (1) Segregation Pod Unit containing twelve (12) segregation cells, twelve (12) lavatory/latrine combinations, twelve (12) beds, one (1) shower panel, enclosed janitorial area, telecommunications room, fourteen (14) doors, twelve (12) inmate desks, lighting, HVAC units with skirting, exterior rec-yard skirting, data portals, fire alarm/detection and suppression system, emergency exit signage, utility connections and air evacuation equipment. Lessor may combine three (3) separate units to create one (1) combined segregation pod unit.
3. Two (2) Four-Man Cell Pods
 - 3.1. One (1) Four-Man Cell Pod containing twelve (12) four-man cells, twelve (12) lavatory/latrine combinations, forty-eight (48) beds, four (4) shower panels, enclosed janitorial area, thirteen (13) doors, forty-eight (48) inmate desks, eight (8) inmate tables, forty-eight (48) inmate chairs, lighting, HVAC units with skirting, exterior rec-yard skirting, data portals, fire alarm/detection and suppression system, emergency exit signage, utility connections and air evacuation equipment. Lessor may combine ten (10) separate units to create one (1) combined dormitory unit.
 - 3.2. One (1) Four-Man Cell Pod containing six (6) four-man cells, one (1) two-man cell, seven (7) lavatory/latrine combinations, twenty-six (26) beds, two (2) shower panels, enclosed janitorial area, one (1) staff restroom (accessed only from admin corridor), eight (8) doors, twenty-six (26) inmate desks, four (4) inmate tables, twenty-six (26) inmate chairs, lighting, HVAC units with skirting, exterior rec-yard skirting, data portals, fire alarm/detection and suppression system, emergency exit signage, utility connections and air evacuation equipment. Lessor may combine six (6) separate units to create one (1) combined dormitory unit.

4. Two (2) Open Floor Dormitory Pods each containing eighteen (18) beds, two (2) lavatory/latrine combinations, two (2) shower panels, enclosed janitorial area, one (1) door, four (4) inmate tables, eighteen (18) inmate chairs, lighting, HVAC units with skirting, exterior rec-yard skirting, data portals, fire alarm/detection and suppression system, emergency exit signage, utility connections and air evacuation equipment. Lessor may combine three (3) separate units to create one (1) open floor dormitory pod.
5. Ten (10) foot high chain link fence with one ribbon of razor wire affixed to top and eight (8) walkthrough gates to enclose recreation yards of approximately 168 linear feet.
6. One (1) Ramp to access main entrance at safety vestibule that is 58' long by 5' wide.
7. One hundred twenty two (122) mattresses.*

*Lessor will furnish only one (1) set of one hundred twenty-two (122) mattresses. Lessee shall be responsible for any replacement mattresses thereafter.

Exhibit "B"

ADS Detention Facility Located in Parking Lot of Canyon Co ID Detention Center

Legend

- ADS Detention Facility
- Canyon County Detention Center
- Canyon County Jail
- Canyon County Passports
- Chicago & 12th

TEMPORARY
DETENTION
FACILITY

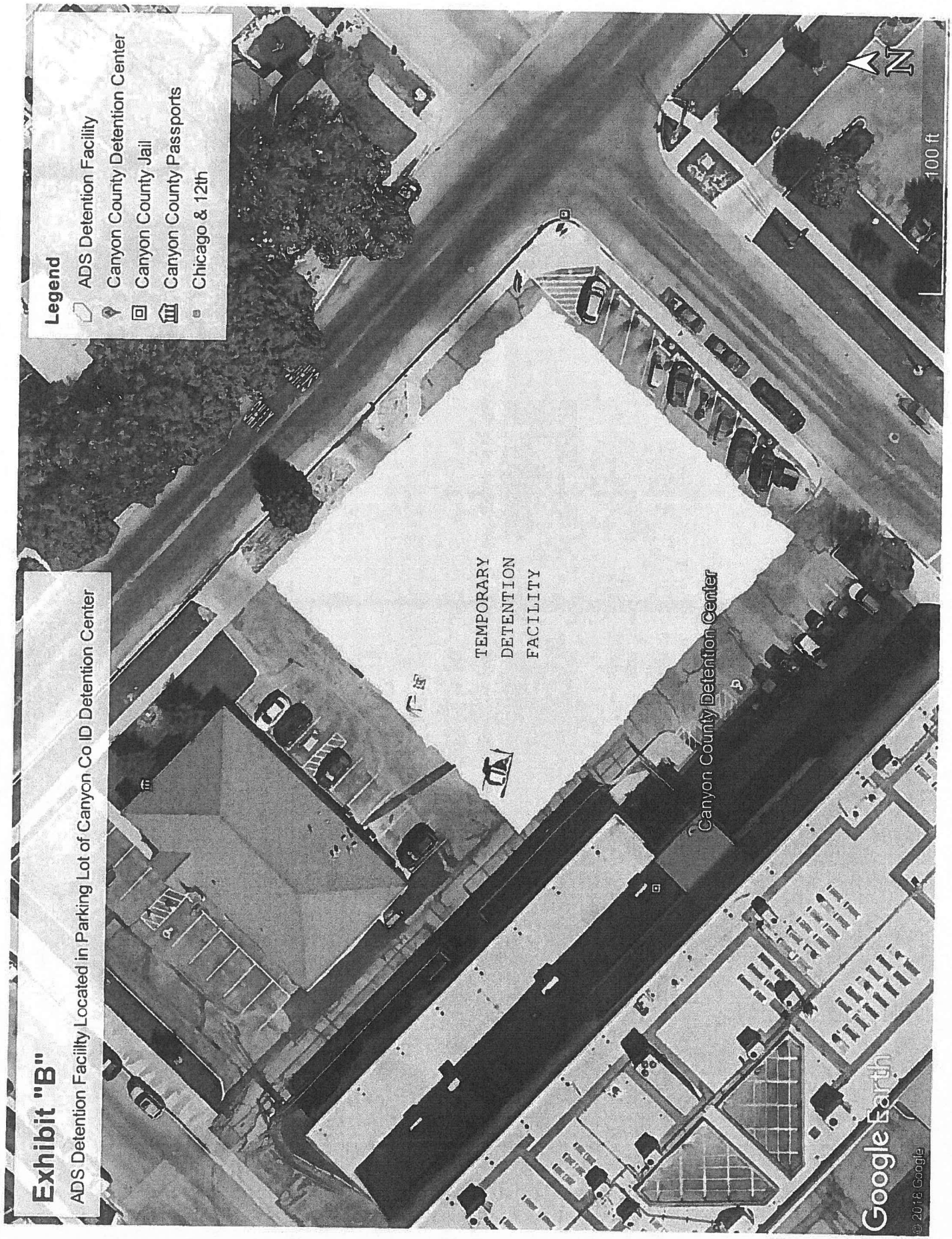
Canyon County Detention Center

Google Earth

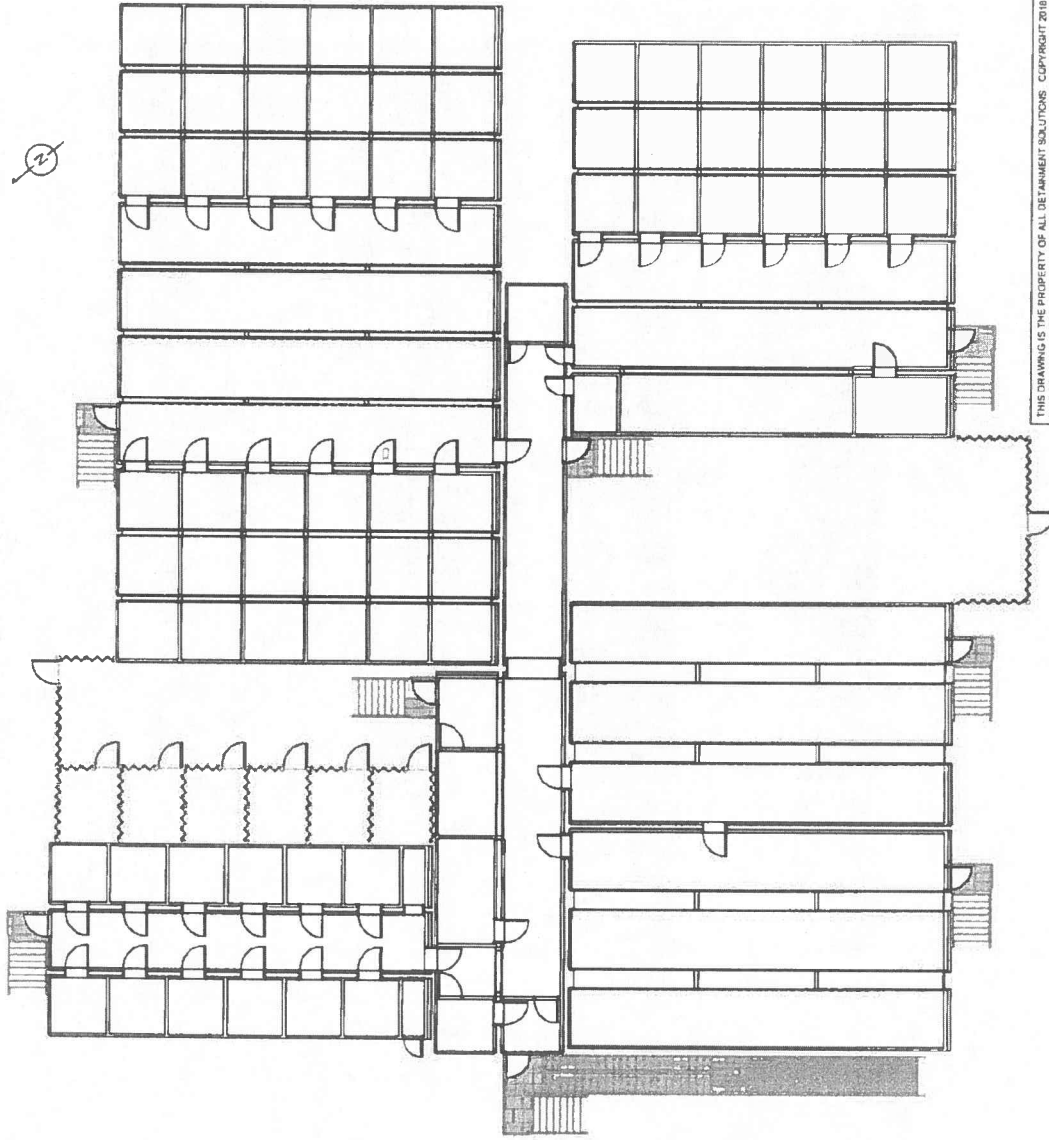
© 2016 Google



100 ft

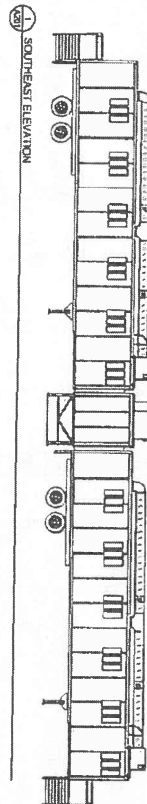


CANYON CO ID. MOBILE INMATE
HOUSING: ADS VERSION 09 - REDACTED

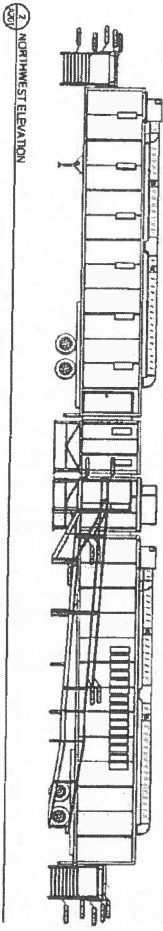


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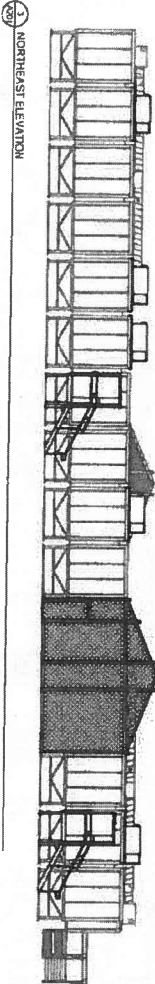
The confidential version of this
exhibit is maintained in the
Prosecutor's Office



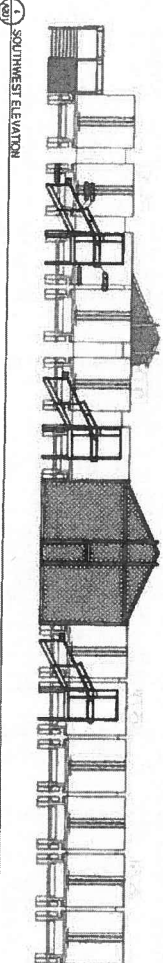
101 SOUTHWEST ELEVATION



102 NORTHWEST ELEVATION



103 NORTHEAST ELEVATION



104 SOUTHWEST ELEVATION

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CANYON CO. ID. ADS: MOBILE INMATE HOUSING

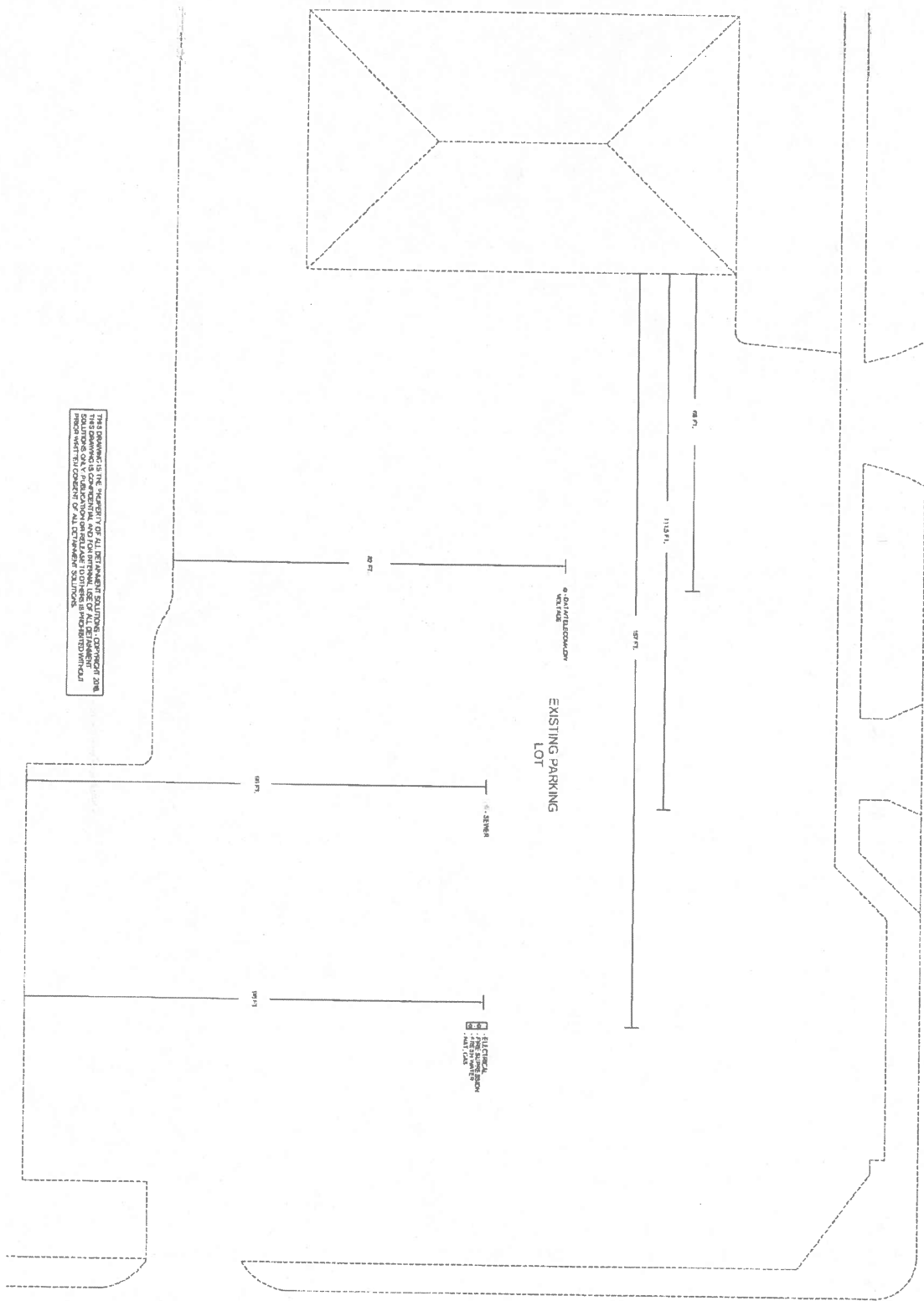
DATE	04.12.2018
DRAWN BY	ADS
CHECKED BY	MTS
REVISIONS	

A201

BUILDING ELEVATIONS

CANYON CO ID. ADS: MOBILE INMATE HOUSING: - UTILITY TAP LOCATIONS

E. CHICAGO ST.



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N 12TH AVE.

