

RESOLUTION NO. 25-20

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF MOUNTAIN HOME, IDAHO, APPROVING THE LEASING OF CERTAIN REAL PROPERTY OWNED BY THE CITY OF MOUNTAIN HOME TO SEQUEL TSI OF IDAHO, LLC, AND AUTHORIZING AND DIRECTING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST, RESPECTIVELY, THE LEASE WITH SEQUEL TSI OF IDAHO, LLC.

WHEREAS, the City is the owner of Lot 3A, Block 1, Mountain View Industrial Park No. 1, to Mountain Home, Elmore County, Idaho, consisting of approximately 1.71 acres, that is shown on Exhibit A that is attached hereto and by this reference made a part hereof, and

WHEREAS, the real property herein described has been specifically set aside by the City to lease to private companies or individuals for industrial purposes and is not needed for any other City purpose and will not be needed for any other City purpose in the foreseeable future, and,

WHEREAS, the City desires to enter into the Lease that is attached hereto as "Exhibit B" and by this reference made a part hereof, NOW, THEREFORE;

BE IT HEREBY RESOLVED by the Mayor and Council of the City of Mountain Home, Idaho, as follows:

1. That the City of Mountain Home, Idaho, enter into the Lease attached hereto as "Exhibit B" and by this reference made a part hereof with SEQUEL TSI OF IDAHO, LLC, an Idaho limited liability company, thereby leasing to Sequel TSI of Idaho, LLC, Lot 3A, Block 1, Mountain View Industrial Park No. 1, to Mountain Home, Elmore County, Idaho, upon the terms and conditions contained in said Lease.

2. That Mayor Rich Sykes and City Clerk Nina Patterson be and they are hereby authorized and directed to execute and attest, respectively, on behalf of the City of

Mountain Home, Idaho, the Lease with Sequel TSI of Idaho, LLC that is attached hereto.

PASSED by the Council of the City of Mountain Home, Idaho, and
approved by the Mayor this 24th day of August, 2020.

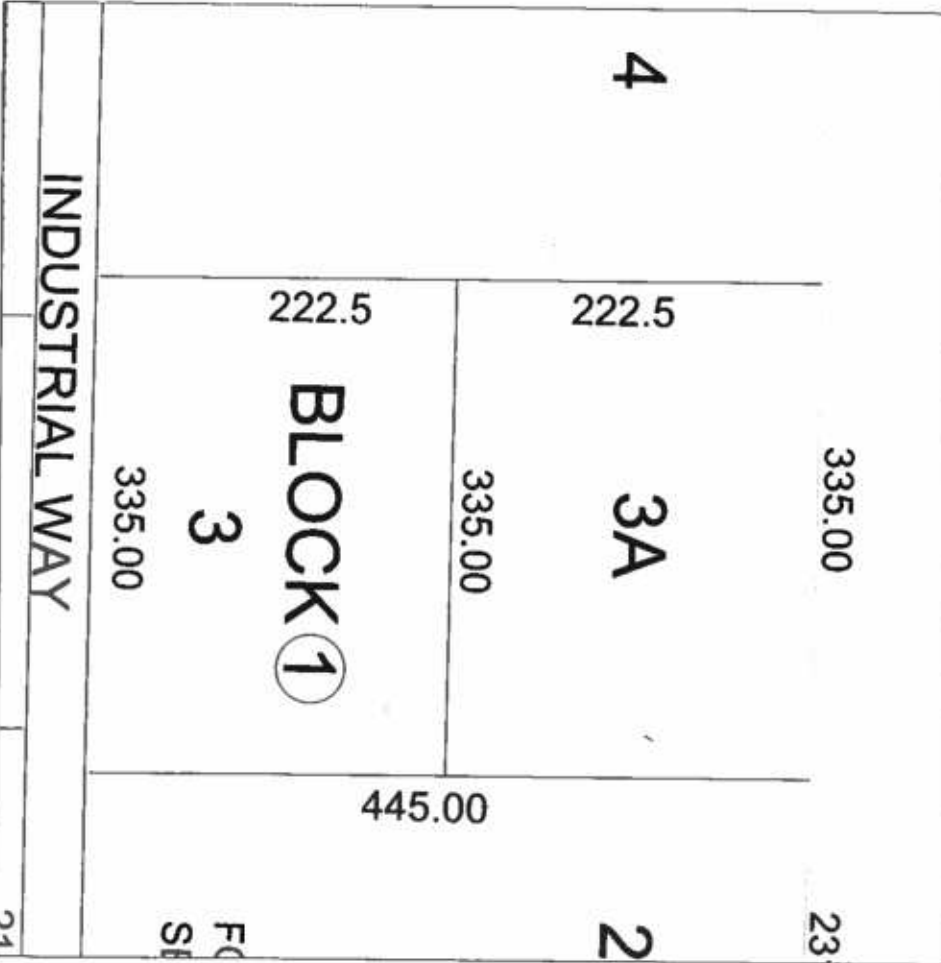

Rich Sykes, Mayor

ATTEST:


Nina Patterson, City Clerk



EXHIBIT A



BLOCK 1
LOT 3, 3.171 ACRES CITY
LOT 3A, 3.171 ACRES CITY

LOT 3:
A PARCEL OF LAND BEING A PORTION
OF THE SE 1/4 SEC 19, T3S, R7E, BOISE
MERIDIAN, ELMORE COUNTY IDAHO,
DESCRIBED AS FOLLOWS:
THE SOUTH HALF OF LOT 3 BLOCK 1
OF THE MOUNTAIN VIEW INDUSTRIAL
PARK SUBDIVISION NUMBER 1,
SAID LOT BEING +- 1.71 ACRES

LOT 3A:
A PARCEL OF LAND BEING A PORTION
OF THE SE 1/4 SEC 19, T3S, R7E, BOISE
MERIDIAN, ELMORE COUNTY IDAHO,
DESCRIBED AS FOLLOWS:
THE NORTH HALF OF LOT 3 BLOCK 1
OF THE MOUNTAIN VIEW INDUSTRIAL
PARK SUBDIVISION NUMBER 1,
SAID LOT BEING +- 1.71 ACRES.

Mountain Home

LOT 3/3A SPLIT
MOUNTAIN VIEW
INDUSTRIAL PARK
SUBDIVISION NO. 1
CITY OF MOUNTAIN HOME
MOUNTAINHOME, IDAHO 83450

FORMER PARTS

NO.	DATE	DESCRIPTION
1	05/12/20	LOT 3 SPLIT
2		
3		
4		
5		
6		
7		
8		
9		
10		

LOT 3 SPLIT
MOUNTAIN VIEW
INDUSTRIAL
PARK
SUB. NO. 1

051220

1 inch = 75 feet 11x17 sheet

EXHIBIT B

LEASE

LEASE, made this ____ day of August, 2020, by and between the City of Mountain Home, Idaho, a municipal corporation of the County of Elmore, State of Idaho, hereinafter designated as "Owner", and Sequel TSI of Idaho, LLC, an Idaho limited liability company, hereinafter designated as the "Lessee", WITNESSETH:

WHEREAS, the Owner has established an industrial park in the City of Mountain Home, County of Elmore, State of Idaho, known and platted as Mountain View Industrial Park No. 1 that is shown on the copy of the plat that is attached hereto as "Exhibit A", and,

WHEREAS, Lessee desires to lease from the Owner Lot 3A, Block 1, Mountain View Industrial Park No. 1, consisting of approximately 1.71 acres that is shown on Exhibit A that is attached hereto and which is referred to herein as the "Demised Premises", and,

WHEREAS, the Mayor and Council of the City of Mountain Home, Idaho, by Resolution duly enacted on the 24th day of August, 2020, have determined that the above-described real property is not needed for any city purpose and will not be needed for any city purpose in the future, that the terms of this lease are just and equitable, and have authorized the leasing of said property to Lessee, NOW, THEREFORE;

IN CONSIDERATION OF the mutual covenants and agreements herein contained and in consideration of the rent to be paid by the Lessee to the Owner as herein provided, Owner does hereby lease, let and demise unto the Lessee the real property described herein, to have and to hold the same unto Lessee, during the term and terms hereof, subject to the following terms and conditions:

1. DESCRIPTION OF LEASED PREMISES. The Owner leases to Lessee the real property located in the City of Mountain Home, County of Elmore, State of Idaho, that is described above and is shown on "Exhibit A" that is attached hereto and by this reference made a part hereof.

2. **TERM OF LEASE.** The initial term of this lease shall be for a period of one (1) year and ten (10) months, commencing on the 24th day of August, 2020, and ending upon the 13th day of June, 2022. The Lessee shall have the right and option to renew and extend the term of this lease for two successive periods of three years each on the same terms and conditions as are applicable to the initial term, except as otherwise provided herein. To exercise the right to extend the term of the lease for additional three-year periods, the Lessee shall notify the Owner in writing sixty days prior to the end of the previous term that it elects to exercise the right of extension as provided herein. Said notice shall be deemed given when mailed to the City Clerk of Mountain Home, Idaho, certified or registered mail with postage prepaid or by delivering in person said written notice to the City Clerk of Mountain Home, Idaho.

3. **RENT.** For the first ten (10) months of this lease agreement, the Lessee shall pay to the Owner, at the office of the City Clerk in Mountain Home, Idaho, a pro-rated amount of \$3,918.80, payable on or before the 31st day of August, 2020. Thereafter, the Lessee shall pay to the Owner, without demand, at the office of the City Clerk in Mountain Home, Idaho, or such other place as the Owner may from time to time designate in writing, annual rent during each year of the term of this lease in the amount of \$4,702.50 per year, payable in advance on or before the 30th day of June of each year of this lease, subject to the adjustments provided for in paragraph 4 hereof.

4. **ADJUSTMENT IN RENT.** If the lease is extended and renewed for an additional three-year period or periods as herein provided, the rent shall be increased or decreased according to the United States Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor. The rent for the three-year period beginning the 14th day of June, 2022 shall be increased or decreased by the percentage of increase or decrease in said Consumer Price Index during the preceding three-year period, and the rent for each subsequent three-year period shall be increased or decreased in a like manner.

5. USE AND OCCUPATION OF DEMISED PREMISES. Lessee is authorized to use the Demised Premises for recreational space for the sole use of residents of a juvenile treatment / corrections facility and any other lawful use, subject to prior approval of the Owner. The Lessee has examined and knows the condition of said property and premises and has leased the same as they now stand and no representations as to the condition or state of repair thereof have been made by the Owner prior to or at the time of the execution of this lease. The Lessee shall keep up and maintain said premises and any improvements constructed thereon in good condition and repair, and the Lessee shall keep said premises, appurtenances and improvements in a clean and presentable condition during the term of this lease. The Lessee specifically agrees that it will not use said premises or property for any unlawful purpose.

6. TITLE TO IMPROVEMENTS. Title to and ownership of all buildings and other improvements on the above-described real property, and all machinery, equipment, furnishings, fixtures and personal property located and/or installed on the above-described real property by the Lessee, shall remain in the Lessee. The Lessee shall have the right, at any time, to remove buildings, machinery, equipment, furnishings, fixtures and personal property located and/or installed on the above-described real property, if Lessee is not in default hereunder. Upon any such removal, Lessee shall, at its expense, repair any damage caused by such removal and restore said property to its original condition.

7. RESTRICTION AGAINST LIENS. Lessee shall pay and settle all expenses and liabilities arising out of or in any way connected with any and all construction, repairs, alterations or maintenance of any and all improvements on the Demised Premises, and it shall keep the premises and the improvements thereon free and clear from all liens of mechanics or materialmen, and all liens of a similar character, arising out of or growing out of the construction, repair, alteration or maintenance of such improvements.

8. RIGHT OF LESSEE TO PURCHASE. If the Owner is legally able to sell the Demised Premises, other than through a public auction as now required, and the Owner decides

to sell said property during the term of this lease or any extension or renewal thereof, the Lessee shall have the first option to purchase said property at its then fair market value for cash.

9. REQUIREMENTS OF LAW. Lessee shall promptly comply with all statutes, ordinances, rules, orders, regulations, and requirements of the Federal, State and Municipal governments and of any and all of their departments and bureaus which are applicable to the use by Lessee of the Demised Premises during the term of this lease or any extension or renewal thereof.

10. TAXES. Lessee shall pay and discharge when due all State and local taxes, assessments, levies and other charges, general and special, of whatever name, nature or kind, that are or may be, during the term of this lease, or any extension or renewal thereof, levied, assessed or imposed on the Demised Premises and the improvements placed thereon by Lessee.

11. UTILITIES. Lessee shall pay all charges for water, wastewater, electricity, gas, telephone and other utility services furnished to the Demised Premises.

12. MAINTENANCE OF PREMISES. The Lessee shall, at its own expense, keep and maintain the Demised Premises in a good state of repair and in a clean and presentable condition at all times and properly abate any nuisance which may arise or exist on the premises.

13. FREE ACCESS OF CITY. The Owner or any of its agents or employees shall have the right of free access to the premises at all reasonable times for the purpose of inspecting the premises to determine whether or not the Lessee is complying with the provisions of this lease.

14. ASSIGNMENT OR SUBLEASE. Lessee agrees that it will not assign this lease, nor sublet any portion of the Demised Premises without first obtaining the consent in writing of the Owner, which consent will not be unreasonably withheld. Consent to one assignment shall not be deemed a waiver of this provision and all later assignments shall likewise be made only on prior written consent of the Owner.

15. NONLIABILITY OF OWNER. The Owner shall not be liable for any damages occurring to persons or property on the Demised Premises while the Lessee is in occupancy

thereof under terms of this lease, nor for any damages occurring to persons or property by the failure of the Lessee to keep said premises in repair or for any damages arising from acts of negligence of any of the employees or agents of the Lessee and the Lessee shall indemnify and hold the Owner harmless from all such liability.

16. LIABILITY INSURANCE. Lessee shall, during the term of this lease and without expense to Owner, maintain or cause to be maintained in full force and effect, public liability insurance in one or more insurance companies selected by Lessee which are qualified to do business in the State of Idaho, with limits of coverage of not less than \$1,000,000 of personal injury per person, and \$1,000,000 coverage for damage to property. Lessee shall cause such policy or policies to name or contain an endorsement naming Owner as an additional insured thereunder. It is agreed that Lessee shall be entitled to provide the insurance coverage required under this paragraph in whole or in part pursuant to a "blanket" policy or policies. The Lessee shall provide the Owner with a certificate as evidence that the insurance policy or policies required herein are in full force and effect at all times.

17. MORTGAGE OF LEASEHOLD ESTATE. Lessee shall have the continuing right during the term of this lease, from time to time, without obtaining Owner's consent or approval, to mortgage, pledge or otherwise encumber this lease, including Lessee's leasehold estate in the Demised Premises and all right, title and interest of Lessee under this lease. Any such mortgage, pledge or encumbrance is hereinafter referred to as "Leasehold Mortgage", and the holder of such leasehold mortgage is hereinafter referred to as a "Leasehold Mortgagee". The leasehold mortgagee or its assigns may enforce such leasehold mortgage and acquire title to the leasehold estate created under such leasehold mortgage and acquire title to the leasehold estate created under this lease in any lawful way. Pending foreclosure of a leasehold mortgage, the leasehold mortgagee may take possession of and rent the Demised Premises.

If Lessee encumbers its leasehold estate created under this lease by a leasehold mortgage and if the leasehold mortgagee shall notify Owner of the creation thereof, then Owner shall, at the same time it shall give notice of a breach of this lease to Lessee, also give notice thereof to

the leasehold mortgagee. No such notice shall be deemed to have been given to Lessee unless and until a copy thereof shall have been so given to such leasehold mortgagee. The leasehold mortgagee shall have the right, but not the obligation, to cure any default of Lessee under this lease within the time and in the manner allowed Lessee to cure defaults as set out in this lease.

All payments so made and all things so done and performed by said leasehold mortgagee, as permitted by this section, shall be as effective to prevent a forfeiture of the right of Lessee under this lease as the same would have been if done and performed by Lessee instead of said leasehold mortgagee. Any such leasehold mortgage so executed by Lessee may be so conditioned as to provide, as between said leasehold mortgagee and Lessee, that said leasehold mortgagee, on making good and curing any such default or defaults on the part of Lessee, shall be thereby subrogated to any and all rights of Lessee under this lease. No leasehold mortgagee shall be considered or become liable to Owner as an assignee of this lease, or otherwise, until such time as said leasehold mortgagee shall by foreclosure or other appropriate proceedings in the nature thereof, or as a result of any other action or remedy provided for by such leasehold mortgage, acquire the rights, interest and estate of Lessee under this lease. Upon so acquiring the rights of the Lessee under this lease, the leasehold mortgagee shall be entitled to all of the rights and privileges of the Lessee under this lease, and shall be subject to all of the obligations of Lessee under this lease.

All notices by Owner to a leasehold mortgagee pursuant to this section or pursuant to any other provision of this lease shall be given by registered or certified mail, return receipt requested, addressed to such leasehold mortgagee at the address last specified to Owner in writing by such leasehold mortgagee, any such notice shall be deemed to have been given and served when so mailed.

18. TERMINATION OF LEASE ON CONDEMNATION. If the whole or substantially all of the Demised Premises shall be taken by any public authority, under the power of eminent domain, then this lease shall be terminated as of the day of possession by such authority, and the rent shall be paid up to the day of such possession. For purposes of this

paragraph, "substantially all" of the Demised Premises shall be deemed to have been taken if the remaining property cannot be practically used by Lessee or its subtenants, assignees or licensees, for its stated purposes. In the event of a taking of a whole or substantially all of the Demised Premises, Lessee or its subtenants, assignees or licensees as the case may be, shall be entitled to all awards in connection with the taking of the building and improvements erected on the premises by Lessee or its subtenants, assignees or licensees, any statutory awards available to lessees generally and any awards for the unexpired lease term. Owner shall be entitled to any award or awards made in connection with the taking of the value of its fee ownership and any awards available to lessors or owners generally.

If there is a partial condemnation of the Demised Premises such that Lessee or its subtenants can continue to use the premises for its intended purpose, Lessee shall be entitled to an equitable adjustment of the rent due hereunder. Absent agreement as to the amount of any such adjustment, the parties shall refer the matter to a third party arbitrator (under rules established by the American Arbitration Association for commercial disputes), and the decision of said arbitrator shall be binding. In the event of a partial condemnation, Owner shall be entitled to all condemnation awards unless improvements by the Lessee or its subtenants or assignees to the premises are located within the condemned area. In such event, Lessee or its subtenants shall be entitled to receive the value of the improvements taken by such condemnation and Owner shall receive the balance of the award.

19. VALIDITY OF LEASE. If the leasing of the Demised Premises or any portion thereof, or any part of this lease is held to be invalid by a court of law, Lessee shall make no claim against the Owner for damages of any kind. Should there be a legal challenge to the validity of this lease, Owner shall diligently and conscientiously defend the same. If this lease or any portion thereof is declared invalid by a court of competent jurisdiction, the Owner shall cooperate with the Lessee in attempting to mitigate any damages suffered by the Lessee.

20. COMPLIANCE WITH ENVIRONMENTAL LAWS AND INDEMNITY OF CITY. The Lessee shall comply with all health, safety, sanitation and environmental laws, rules

and regulations of appropriate governmental agencies affecting the use and occupancy of the premises for the uses herein specified. The Lessee assumes all environmental liabilities caused by Lessee during the term of this lease arising under the Comprehensive Environmental Response, Compensation and Liability Act, as amended from time to time, the Resource Conservation and Recovery Act, as amended from time to time, and the Toxic Substances Control Act, as amended from time to time, together with similar state laws and agrees to indemnify and hold the Owner harmless therefor.

21. REMEDIES FOR DEFAULT. If default be made in the payment of the rent hereby reserved or any part thereof, or in the performance of any of the other terms and conditions hereof, then the Owner shall first give the Lessee sixty days' notice in writing specifying wherein the Lessee has failed to comply with this lease and which said notice may be delivered to the Lessee personally or sent to it by registered or certified mail, addressed to it as hereinafter provided. If sent by mail, said notice shall be deemed served upon the Lessee upon the date it is deposited in the United States mails with postage prepaid, certified or registered and addressed as above mentioned. If the Lessee fails to correct such default within said sixty-day period, then the Owner may without further notice declare this lease terminated and may reenter and retake possession of the Demised Premises, with or without process of law, and may remove the Lessee from said premises, and the Lessee agrees that in case of such default it will immediately deliver up peaceable possession of the Demised Premises to the Owner upon demand, or the Owner may exercise any other remedy it may have either at law or in equity. The Lessee agrees that in case of its default in complying with the terms hereof, and at the time of surrendering possession of said premises, it will pay to the Owner any damages sustained by the Owner as a result of its failure to comply with the terms hereof.

22. ATTORNEY'S FEES. In the event it becomes necessary for either party to place this lease in the hands of an attorney for enforcement of their rights hereunder after default of the other party or to institute legal proceedings for enforcement of their rights hereunder, then the

(a) To Lessee:

Sequel TSI of Idaho, LLC
Attn: Ms. Mandy Moses
12220 Oak Brook Drive
Urbandale, IA 50323

(b) To Owner:

City Clerk
Post Office Box 10
Mountain Home, Idaho 83647

24. SURRENDER OF PREMISES AND HOLDING OVER. Lessee shall, on or before the last day of the term of this lease, or any extension or renewal thereof, peacefully and quietly leave, surrender and yield up unto Owner the Demised Premises. The failure of the Lessee to surrender the Demised Premises as provided herein and the subsequent holding over by Lessee, with or without the consent of the Owner, shall result in the creation of a tenancy from month to month at a monthly rental of one-twelfth of the annual rent then being paid, payable monthly in advance during the month-to-month tenancy. This provision does not give the Lessee any right to hold over at the expiration of any term. Any other terms and conditions of this lease shall remain in full force and effect during any month-to-month tenancy hereunder.

25. NO WAIVERS. Time is of the essence of this lease and the payment of the rent hereby reserved and of every term, covenant and condition herein contained. Any extensions or indulgences granted by the Owner in the performance of any term hereof shall not be construed as a waiver of the Owner's right to insist upon prompt and strict performance thereafter. No waivers or modifications of this lease shall be binding unless made in writing and subscribed by the parties hereto.

26. LANDLORD LEASE TERMINATION. The Owner of Demised Premises shall have the right to immediately terminate this Lease and all rights of the Lessee providing the Owner has given the Lessee at least thirty (30) days written notice prior to the lease termination date, in which event the Lessee shall immediately surrender the Demised Premises to the Owner. If the Lessee fails to do so, the Owner of Demised Premises may, without notice and without

prejudice to any other remedy the Owner may have, enter upon and take possession of the Premises and expel or remove the Lessee and its effects without being liable to prosecution or any claim for damages therefor.

27. **COVENANT.** The Owner hereby covenants that the Lessee performing the terms and conditions hereof shall peacefully and quietly have, hold and enjoy the said leased premises and property during the term hereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year in this agreement first above written.

CITY OF MOUNTAIN HOME, IDAHO,
a municipal corporation,

By _____
Rich Sykes, Mayor

ATTEST:

By _____
Nina Patterson, City Clerk

OWNER,

Sequel TSI of Idaho, LLC,
an Idaho limited liability company,

By _____
Its Manager

LESSEE.

STATE OF IDAHO,)
) ss.
COUNTY OF ELMORE,)

On this _____ day of _____, 2020, before me, the undersigned, a Notary Public in and for said State, personally appeared Rich Sykes and Nina Patterson, known to me to be the Mayor and City Clerk, respectively, of the City of Mountain Home, Idaho, a municipal corporation that executed the foregoing instrument or the persons who executed the instrument on behalf of said municipal corporation, and acknowledged to me that said municipal corporation executed the same.

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

Notary Public for Idaho,
Residing at Mountain Home, ID
My commission expires:

STATE OF IDAHO,)
) ss.
COUNTY OF ELMORE,)

On this _____ day of _____, 2020, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known to me to be the (member or manager) of Sequel TSI of Idaho, LLC, the limited liability company that executed the foregoing instrument or the person or entity who executed the instrument on behalf of said limited liability company, and acknowledged to me that said limited liability company executed the same.

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

Notary Public for Idaho,
Residing at Mountain Home, ID
My commission expires:



LOT 3A:
A PARCEL OF LAND BEING A PORTION
OF THE SE 1/4 SEC 18, T3S, R7E, BOISE
MERIDIAN, ELMORE COUNTY IDAHO,
DESCRIBED AS FOLLOWS:
THE NORTH HALF OF LOT 3 BLOCK 1
OF THE MOUNTAIN VIEW INDUSTRIAL
PARK SUBDIVISION NUMBER 1,
SAID LOT BEING +/- 1.71 ACRES.

Mountain Home