

NOTICE OF MEETING OF THE SAN LUIS FACILITY DEVELOPMENT CORPORATION

In accordance with section 38-431.01 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of San Luis Facility Development Corporation and to the general public that the Board Members of the San Luis Facility Development Corporation will hold a **Special Meeting Wednesday, October 29, 2025 at 5:30 p.m.** The meeting will take place at City Hall in **Council Chambers**, located at 1090 E. Union Street, San Luis, Arizona, 85349. Everyone from the public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

THIS NOTICE IS APPROVED BY:

/s/ Kay M. Macuil, Attorney for the San Luis Facility Development Corporation

AVISO DE JUNTA DE LA CORPORACIÓN

De acuerdo con los Estatutos del Estado de Arizona "A.R.S § 38-431.01", se le informa a los miembros de la Corporación San Luis Facility Development Corporation y al público en general que los miembros de la Corporación San Luis Facility Development Corporation, tendrán una **Junta Especial el día Miercoles, Octubre 29, 2025 a las 5:30 p.m.** La junta se llevará a cabo en el **Salón Del Cabildo** ubicada en el 1090 E. Union Street, San Luis, Arizona 85349. El público está cordialmente invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, Arizona, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona "A.R.S § 1-602.A.9", sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona "A.R.S. §1-602.A.9."

ESTE AVISO ES APROBADO POR:

/f/ Kay M. Macuil, Abogada de la San Luis Facility Development Corporation

AMENDED ON 10/15/25

**AGENDA
SAN LUIS FACILITY DEVELOPMENT CORPORATION
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
OCTOBER 29, 2025
5:30 p.m.**

PLEASE TAKE NOTICE THAT BOARD MEMBERS MAY ATTEND THE MEETING BY TELEPHONIC COMMUNICATION

PLEASE TAKE NOTICE: *The Chair or Acting Chair may change the order of the items.*

PLEASE TAKE NOTICE: *If authorized by law and by a majority vote of a present quorum of the Board of Directors, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.*

1. CALL TO ORDER/ROLL CALL

2. CONSENT AGENDA

All matters are considered to be routine by the Commission and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2. A. MINUTES OF:

- Regular meeting held July 23, 2025

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

- 3. A.** Discussion and possible action on any and all matters regarding Resolution No. 2025-01: A resolution of the San Luis Facility Development Corporation authorizing reimbursement to LaSalle Corrections from the Operating Reserve/Repair/Contingency Fund for the replacement and installation of three (3) HVAC units. **(Kay Marion Macuil, General Counsel to the Board)**

- 3. B.** Discussion and possible action on any and all matters regarding Resolution No. 2025-02. A resolution of the Board of the San Luis Facility Development Corporation in support of the San Luis Regional Detention and Support Center, ratifying the 2025 Amended and Restated Agreement with U.S. Bank Trust Company and LaSalle Corrections to extend the forbearance of the bonds until April 30, 2027; repealing conflicting provisions; and providing for severability.
(Kay Marion Macuil, General Counsel)
- 3. C.** Discussion and possible action on any and all matters regarding the ratification of the Intergovernmental Service Agreement with the U.S. federal agency Immigration and Customs Enforcement ("ICE") to provide detention services for five (5) years. **(Kay Marion Macuil, General Counsel)**
- 3. D.** Discussion and possible action on any and all matters regarding the ratification of the Intergovernmental Service Agreement with the U.S. federal agency Marshals Service ("ICE") to provide detention services for three (3) years.
- 3. E.** Discussion and possible action on any and all matters regarding a third amendment to the Operating Agreement with LaSalle Corrections to clarify payments of the City of San Luis License Fee, and variable fees for the City of San Luis and LaSalle corrections before, during and after the forbearance periods.
(Kay Marion Macuil, General Counsel)

4. EXECUTIVE SESSION

Vote to hold an Executive Session pursuant to A.R.S. § 38-431.03(A) (3), (4), and (7)

- 4. A.** Discussion and possible action to hold an executive session pursuant to A.R.S. §38-431.03(A) (3), (4) and (7) on any and all matters regarding the possibility of leasing land for a cell tower for discussion or consultation for legal advice with the San Luis Facility Development Corporation's legal counsel in order to consider the Corporation's position and instruct its legal counsel. **(Kay Marion Macuil, General Counsel)**

5. MOTION TO GO BACK INTO SPECIAL SESSION

6. NEW ITEMS OF BUSINESS FOR FUTURE AGENDAS

7. ADJOURNMENT

Suggested adjournment by President: "Since we have come to the end of the items on the agenda and there is no further business, the meeting is adjourned."

San Luis Facility Development Corporation

2. A.

Meeting Date: 10/29/2025

Summary

MINUTES OF:

- Regular meeting held July 23, 2025

Attachments

Minutes 2025-07-23

MINUTES
SAN LUIS FACILITY DEVELOPMENT CORPORATION

San Luis Council Chambers
1090 E Union Street.
San Luis, Arizona 85349
July 23, 2025

1. **CALL TO ORDER/ROLL CALL** President Jenny Torres called the meeting to order at approximately 5:00 p.m.

THOSE PRESENT:

Vice President Joe Harper
Director Eulogio Vera
Director Marco Pinzon – arrived at 5:15 p.m.
President Jenny Torres

THOSE NOT PRESENT:

Director Maria Gonzalez

OTHERS PRESENT:

Kay Marion Macuil, City Attorney, Attorney for the Corporation
Janet Taylor, Clerk of the Board
Roula Encinas, Finance Director
Miguel Ramirez, Assistant Finance Director
Thomas Carroll, Assistant Warden LaSalle
Albert Moreno, IT Technician
Antonio Maldonada, Multi-Media Production & Operations Specialist

2. Consent Agenda

All matters are considered to be routine by the Commission and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2.A. MINUTES OF:

- Regular meeting held May 14, 2024

MOTION: Vice President Joe Harper and Director Eulogio Vera approved the minutes of the meeting held May 14, 2025. **Motion passed unanimously.**

The vote was as follows:

Vice President Joe Harper	Aye
Director Eulogio Vera	Aye
President Jenny Torres	Aye

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3. A. Discussion and possible action on any and all matters regarding rescinding the motion to reimburse LaSalle Corrections for a boiler purchase from the bond Operating/Reserve/Repair/Contingency fund. **(Kay Marion Macuil City Attorney)**

Ms. Macuil stated that the item was approved in January, but during the forbearance agreement negotiations, LaSalle decided to pay for the boiler; therefore, we now need to rescind this item.

MOTION: Vice President Joe Harper and Director Eulogio Vera approve rescinding reimbursement for the purchase of the boiler from the bond Operating/Reserve/Repair/Contingency fund. **Motion passed unanimously.**

The vote was as follows:

Vice President Joe Harper	Aye
Director Eulogio Vera	Aye
President Jenny Torres	Aye

4. EXECUTIVE SESSION

Vote to hold an Executive Session pursuant to A.R.S. § 38-431.03(A) (3)(4) and (7)

4.A. EXECUTIVE SESSION

Vote to hold an Executive Session pursuant to A.R.S. § 38-431.03(A) (3)(4) and (7)

Discussion and possible action to hold an executive session pursuant to A.R.S. § 38-431.03(A) (3)(4) and (7) on any and all matters regarding a proposal for a forbearance agreement including use of potential proceeds from the sale of property to be used to request a court order granting the forbearance agreement terms control the San Luis Regional Detention and Support Center Project revenue allocation for two years in Case No. 62-TR-CV-24-31 Minnesota Second Judicial District for discussion or consultation for legal advice with the Corporation's General Counsel in order to consider and instruct the Corporation's attorneys regarding the Corporation's position. **(Kay Marion Macuil, General Counsel)**

MOTION: President Jenny Torres and Director Eulogio Vera approved to hold an executive session. **The motion passed unanimously.**

The vote was as follows:

Vice President Joe Harper	Aye
Director Eulogio Vera	Aye
President Jenny Torres	Aye

5. MOTION TO GO BACK INTO REGULAR SESSION

Vice President Joe Harper and Director Eulogio Vera approved returning to regular session at approximately 5:51 p.m. **The motion passed unanimously.**

6. NEW ITEMS OF BUSINESS FOR FUTURE AGENDAS

No new business.

7. ADJOURNMENT

President Jenny Torres adjourned the meeting at approximately 5:52 p.m.

PENDING APPROVAL

San Luis Facility Development Corporation

3. A.

Meeting Date: 10/29/2025
Department Head: Kay Macuil, City Attorney, Attorney's Office
Submitted By: Janet Taylor, Legal Secretary, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2025-01: A resolution of the San Luis Facility Development Corporation authorizing reimbursement to LaSalle Corrections from the Operating Reserve/Repair/Contingency Fund for the replacement and installation of three (3) HVAC units. **(Kay Marion Macuil, General Counsel to the Board)**

SUMMARY:

Update:

On October 24, 2025, after the posting of the Agenda for this October 29, 2025, meeting, Warden Rivas respectfully asked the full cost be submitted to the Board for the Trustee to reimburse. Our Warden submitted the removal of the old and installation of the new, largest of the 3 Roof Top Units. The invoice just came in for work done on September 16, 2025, in the amount of \$34,978.00, making the total cost from \$69,350.37 to \$104,328.37.

As explained before the update for the invoice for the September work, this summer, the San Luis Regional Detention and Support Center had to replace three (3) HVAC units. LaSalle Corrections paid Winlectric and AZ Valley Refrigeration for the removal of the old units, new units, parts, wiring, and installation, a total of \$104,328.37, with the discount noted on the attached quotes. This reimbursement for 3 AC Units was discussed during the forbearance settlement negotiations. The Trustee and its attorneys informally approved this reimbursement.

Our operator, LaSalle Corrections, requests reimbursement of \$104,328.37 using funds from the Operating Reserve/Repair/Contingency Account.

Date	Vendor	Description	Cost
24 July 2025	Arizona Valley Refrigeration H&C, LLC	Roof Top Units #2, #5, & #6 Install (2) 12.5 Ton and (1) 10 ton package A.C.s	\$ 56,734.00
01 August 2025	Yuma Winlectric Company	Electrical Wiring Roof Top Units #2, #5, & #6	\$ 4,977.19
04 August 2025	Arizona Valley Refrigeration H&C, LLC	Roof Top Units #2, #5, & #6 New Wire, Installed new 40 Amp Breakers, Removed Wire, etc.	\$ 4,750.00
04 August 2025	Yuma Winlectric Company	Electrical Wiring Roof Top Units #5 & #6	\$ 2,889.18
16 September 2025	Arizona Valley Refrigeration H&C, LLC	Building's 2 Dorms #809 & #810 Remove old and install a new 20-ton Roof Top Unit #2	\$ 34,978.00
		Total	\$104,328.37

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE RESOLUTION NO. 2025-01 FOR THE REIMBURSEMENT TO LASALLE FOR THE PURCHASE OF THREE (3) HVAC UNITS AND RELATED EXPENSES TO REMOVE THE OLD UNITS AND INSTALL THE NEW UNITS FROM THE BOND OPERATING RESERVE / REPAIR / CONTINGENCY ACCOUNT IN AN AMOUNT NOT TO EXCEED \$104,328.37.

Attachments

Res 2025-01
Checks Confirmation for \$69,205.25
\$56,734.00 (3) HVACs AZ Valley Refrig.
\$2,889.18 Winlectric Part & Wiring
\$4,977.19 Winlectric Parts & Wiring
\$4,750 AZ Valley Ref. Wire Install
\$38,978 Remove & Install 20-ton Unit for 2 Dorms

No. 2025-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN LUIS FACILITY DEVELOPMENT CORPORATION, AUTHORIZING REIMBURSEMENT TO LASALLE CORRECTIONS FROM THE OPERATING RESERVE/REPAIR/CONTINGENCY FUND FOR THE REPLACEMENT AND INSTALLATION OF THREE (3) HVAC UNITS; REPEALING CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

BE IT RESOLVED by the Board of Directors of the San Luis Facility Development Corporation (the "Board"):

Section 1: The San Luis Facility Development Corporation, issuer of the San Luis Regional Detention and Support Center Project Series 2014 and 2014A, authorizes the Trustee U.S. Bank to reimburse the operator and manager, LaSalle Corrections, L.L.C., \$104,328.37 for the replacement and installation of three (3) air conditioning units as documented on the attached Exhibit A.

Section 2: If a conflict arises between the provisions of this Resolution and any other formal action of the Board or the City of San Luis, Arizona, the conflicting provisions are amended, superseded, and replaced, and this Resolution shall govern.

Section 3: If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or controlling legislation, such decision or law shall not affect the validity of the remaining portion of this Resolution.

PASSED, ADOPTED, and APPROVED by the Board of Directors of the San Luis Facility Development Corporation, of the City of San Luis, Yuma County, Arizona, this ____ day of October 2025.

City of San Luis, Arizona

Jenny Torres, President

ATTEST:

APPROVED AS TO FORM:

Janet Taylor, Clerk of the Board

Kay Marion Macuil, General Counsel

From: Sophia Cloman <scloman@lasallecorrections.com>

Sent: Friday, September 12, 2025 1:48 PM

To: Karem Sosa <Karem.Sosa@lasallecorrections.com>

Subject: FW: Confirmation / Payment

Arizona Valley Refrigeration - \$56734 – Pd. 08/20/25 – Ck.#17966

Yuma Winelectric - \$4885.37 w/discount – Pd. 08/20/25 – Ck. #17979

Yuma Winelectric - \$2835.88 w/discount – Pd. 08/20/25 – Ck. #17979

Arizona Valley Refrigeration – \$4750 - Pd. 08/13/25 – Ck. #17931



Proposal

Proposal submitted to SLRDSC La Salle Correction West	Phone (928) 627-6500	Date June 27, 2025
Street 406 N. Ave D.	Job name 2-12.5 Ton 1-10 Ton Package Unit	
City, State and Zip Code San Luis, Az 85349	Job location RTU# 2,5 &6	
Architect Martin	Date of plans	Job phone

We hereby submit specifications and estimates for:

Remove and Dispose Existing 12.5 Tons. Package units
RTU #2 Model 48TMD014 S#1806630795 **RTU #5** 48HJD012 S#2506620822 **RTU #6** 48TMD014 S#1806G30793

RTU #2 Install New Direct Replacement Carrier 12.5ton package unit 460V 3 PH New R410-A Freon
 RTU# 5 Install New Direct Replacement Carrier 10ton package unit 460V 3 PH New R410-A Freon
 RTU# 6 Install New Direct Replacement Carrier 12.5ton package unit 460V 3 PH New R410-A Freon

Included in price: *Using Same Duct System *Complete Labor and crane service

*Start and Check System for Proper Operation *5 Year Compressor Warranty. 1 Year Parts and Labor

We propose hereby to furnish material and labor – complete in accordance with above specifications, for the sum of:

(Fifty-six thousand seven hundred thirty-four and 00/100) Dollars \$ 56,734.00

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specification involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized
 Signature: Martin Covarrubias

Note: This proposal may be withdrawn by us 30
 if not accepted within: Days

Acceptance of proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outline above.

Signature _____

Date of acceptance: _____

Signature _____

Remit To: **YUMA Winlectric**
COMPANY

YUMA WINLECTRIC CO.
 3246 S FLORENCE LN
 YUMA, AZ 85365

Page	Date Printed	Invoice No.
1	8/04/25	649602 01

To Reorder Contact Us At
Phone No. : (928) 782-9258
Fax No .. : (928) 782-4948 **DB# 02**

Sold To:

Ship To:

LASALLE CORRECTIONS WEST LLC
DBA SAN LUIS DETENTION CENTER
PO BOX 7710
SAN LUIS, AZ 85349-6816

LASALLE CORRECTIONS WEST LLC
 3246 South Florence Lane
 Yuma, AZ 85365-2433

Customer Number 00463-002979	Customer Purchase Order	Job Name
Placed By VARELA	Salesman 010-GILBERTO FELIX	Type Shipment Stock
	Ship VIA	Date Shipped 8/04/25

PLEASE REMIT ALL PAYMENTS TO 3246 S. FLORENCE LN, YUMA, AZ 85365

Units Ordered	U/M	Item Description	Units Shipped	B/C	Price	Per	Discount	Extended	Tax
1,000	FT	NM-B-8/3-CU-WG-500S/R WIRE 2 X 500'	1,000		2.4900		.00	2,490.00	T
500	FT	THHN-10-GRN-19STR-CU-2@500CN	500		.3500		.00	175.00	T

Terms: Monthly Finance Charge May Be Applied To Past Due Accounts.

2% 10TH NET 25TH PRO
If Paid By 9/10/25 You May Deduct 53.30
Pay full balance by 9/25/25

Tax Area ID:	Net Sales	2,665.00
AZ - 030270350	Freight	.00
State Tax % 5.600	State Tax	149.24
Local Tax % 2.812	Local Tax	74.94
	Invoice Amount	2,889.18

Electrical wiring RTU # 2, RTU, 5, and
 RTU # 6

A. Varela

YUMA Winlectric
COMPANY

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries please call (928) 782-9258.

T&C: You agree that the sale of these products/services is subject to all of our standard terms and conditions of sale located at www.winsupplyinc.com/tcsale.



YUMA WINLECTRIC CO.
3246 S FLORENCE LN
YUMA, AZ 85365

Page	Date Printed	Invoice No.
1	7/31/25	649550 01

To Reorder Contact Us At
Phone No. : (928) 782-9258
Fax No .. : (928) 782-4948 **DB# 23**

Sold To:

Ship To:

LASALLE CORRECTIONS WEST LLC
DBA SAN LUIS DETENTION CENTER
PO BOX 7710
SAN LUIS, AZ 85349-6816

LASALLE CORRECTIONS WEST LLC
406 N AVE D
SAN LUIS, AZ 85349

Customer Number 00463-002979		Customer Purchase Order		Job Name RTU2, 5, 6	
Placed By VARELA	Salesman 010-GILBERTO FELIX	Type Shipment Stock	Ship VIA	Date Shipped 7/31/25	

PLEASE REMIT ALL PAYMENTS TO 3246 S. FLORENCE LN, YUMA, AZ 85365

Units Ordered	U/M	Item Description	Units Shipped	B/C	Price	Per	Discount	Extended	Tax
3	EA	ED63B040L BREAKER	3		846.1600		.00	2,538.48	T
1	EA	30912VB12 7/8 TO 1-3/8 VARIBIT	1		76.8200		.00	76.82	T
30	EA	80132 EF-13 1IN GRY 100FT 1LT	30		2.2100		.00	66.30	T
6	EA	LTB100 1-IN STR L/T CONN	6		12.4800		.00	74.88	T
3	EA	LTB10090 1-IN 90D L/T CONN	3		22.6600		.00	67.98	T
50	EA	WT54-1 BLU TWISTCONN BOX50	50		.5600		.00	28.00	T
3	EA	DG322NRB 60A 240V SFTY SW	3		193.6100		.00	580.83	T
8	EA	FLNR060ID 250V INDCATOR FUSE FRN-R-60	8		14.6000		.00	116.80	T
3	EA	RJ100 1-IN ROOF FLASHING 1" ROOF JACK	3		18.1500		.00	54.45	T
6	EA	842 3/4 2-SCR SEC CONN	6		1.6900		.00	10.14	T
6	EA	843 1-IN 2-SCR SEC CONN	6		2.7200		.00	16.32	T
500	FT	THHN-8-BRN-19STR-CU-500S/R 1 X 500 REEL BROWN	500		.6400		.00	320.00	T
500	FT	THHN-8-ORN-19STR-CU-500S/R	500		.6400		.00	320.00	T
500	EA	THHN-8-YEL-19STR-CU-500S/R 1 X 500 YELLOW	500		.6400		.00	320.00	T

Terms: Monthly Finance Charge May Be Applied To Past Due Accounts.

2% 10TH NET 25TH PRO

If Paid By 9/10/25 You May Deduct 91.82

Pay full balance by 9/25/25

Tax Area ID:	Net Sales	4,591.00
AZ - 030270350	Freight	.00
State Tax % 5.600	State Tax	257.09
Local Tax % 2.812	Local Tax	129.10
	Invoice Amount	4,977.19

Electrical wiring RTU.# 2
RTU # 5, and RTU # 6

A. Varela



When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries please call (928) 782-9258.

T&C: You agree that the sale of these products/services is subject to all of our standard terms and conditions of sale located at www.winsupplyinc.com/tcsale.

Authorized Dealer



YORK



ARIZONA VALLEY REFRIGERATION, HEATING & COOLING, LLC

1250 W 9th St
YUMA, ARIZONA 85364
Office (928) 210-3787 Cell. (928) 920-3147

21789

ROC 283898

NAME La Salle Corrections	DATE STARTED 9-16-25	BRAND
ADDRESS 406 N Ave D	DATE COMPLETED 9-16-25	MODEL NO.
CITY San Luis STATE AZ ZIP 85349	PHONE	SERIAL NO.
BILL TO:		INSTALLATION DATE
NAME	ADDRESS	
COMPLAINT Install 20 Ton Unit	TIME IN	TIME OUT
	P.O. #	WO#

SERVICES PERFORMED	QUAN.	DESCRIPTION	PRICE EA.	AMOUNT
- Remove and dispose of existing 20 Ton unit	1	20 Ton Package Carrier		
- Provide and install new direct replacement Carrier 20 Ton package unit Model: 48TCFD24A1A6 for RTU#2.		M# 48TCFD24A1A6 S# 4219P25389		
- Start and check system for proper operation.	2	Thermostats		
- 5 year compressor warranty				
- 1 year parts and labor.				

WARRANTY POLICY

All labor and parts used in repairs are guaranteed for thirty (30) days to be free from defects in material and workmanship. The entire machine is inspected as a normal part of our service but we do not guarantee that parts in good working order at the time of our inspection will continue without failure for this period of time.

I certify the above itemized work has been completed and is performing satisfactory.
 Serviceman Signature Luis / Ricardo Truck No. 28
 Signature Gonzalo / Fernando

CUSTOMER ACCEPTANCE

I authorize a delinquency charge of 2% per month (24% ANNUAL INTEREST) to be added to my outstanding past due balance.
 I agree to pay court costs and reasonable attorney fees and/or collection fees in the event that my account is referred for collection.
 I understand my account is due and payable within 10 days following purchase.
 I have read and understand the above and acknowledge satisfactory completion of the above described work.

Date: _____ Customer Signature [Signature]

Payment: _____ Deposit: _____

Total Materials	
Service Call Labor and Travel	
Additional time:	
Helper Labor Job Time:	
Sub-Total	\$ 34,978.00
Sales Tax _____ % _____	
TOTAL	
Transaction Fee	
TOTAL	



Proposal

Proposal submitted to SLRDSC La Salle Correction West	Phone (928) 627-6500	Date 09/02/2025
Street 406 N. Ave D.	Job name 2-12.5 Ton 1-10 Ton Package Unit	
City, State and Zip Code San Luis, Az 85349	Job location RTU# 2	
Architect Martin	Date of plans	Job phone

We hereby submit specifications and estimates for:

Remove and Dispose Existing 20 Tons. Package unit
RTU #2 48TCDD24 SN 2811U29653

RTU #2 Install New Direct Replacement Carrier 20ton package unit Model 48TCFD24A1A6 460V 3 PH
R410-A Freon

Included in price: *Using Same Duct System *Complete Labor and crane service

*Start and Check System for Proper Operation *5 Year Compressor Warranty. 1 Year Parts and Labor

We propose hereby to furnish material and labor -- complete in accordance with above specifications, for the sum of:

(Thirty four thousand nine hundred seventy-eight and 00/100) Dollars \$ 34,978.00

Payment to be made as follows:

PRICE IS GOOD WHILE SUPPLY LASTS. Once inventory is gone, please add \$3,500.00 to convert
 Unit to 454B freon gas frame which needs a curb adapter.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specification involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized
 Signature: Martin Covarrubias

Note: This proposal may be withdrawn by us 15
 if not accepted within: Days

Acceptance of proposal -- The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outline above.

Signature *[Signature]*

Date of acceptance: 9/8/2025

Signature _____

San Luis Facility Development Corporation

3. B.

Meeting Date: 10/29/2025

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Janet Taylor, Legal Secretary, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding Resolution No. 2025-02. A resolution of the Board of the San Luis Facility Development Corporation in support of the San Luis Regional Detention and Support Center, ratifying the 2025 Amended and Restated Agreement with U.S. Bank Trust Company and LaSalle Corrections to extend the forbearance of the bonds until April 30, 2027; repealing conflicting provisions; and providing for severability. **(Kay Marion Macuil, General Counsel)**

SUMMARY:

The attached is the final executed forbearance agreement. There were no changes from the final term sheet reviewed by the Board in executive session. President Jenny Torres signed it because the temporary forbearance ended on July 31, 2025, and there was insufficient time to arrange a Board meeting. Therefore, this agenda item requests ratification of the executed forbearance agreement.

The staff requests that the San Luis Facility Development Corporation Board ratify the 2025 Amended and Restated Forbearance Agreement between the San Luis Facility Development Corporation (which issued the bonds), LaSalle Corrections (which is the operator), and U.S. Bank Trust Company ("Trustee") for the San Luis Regional Detention and Support Center.

This agreement is effective as of May 1, 2025, if approved by the Court, and does the following:

- Preserves bondholder rights while avoiding disruption to facility operations.
- Extends the forbearance period through April 30, 2027, allowing LaSalle to continue managing the facility.
- Prioritizes monthly revenues to cover operating costs, repay past due amounts to the LaSalle, and make partial bond payments.
- Acknowledges more than \$4.4 million in unpaid operating costs owed to the LaSalle from prior years.
- Authorizes the San Luis Facility Development Corporation to pursue a public election and auction for the potential sale of the facility, with proceeds to repay outstanding bonds. A.R.S. § 9-403(C) requires a municipality's real property, the value of which is \$15,000,000 or more, to submit to the voters of the city in an election for authority to sell. If approved by the votes, the facility must go to a public auction. Starting May 1, 2025, the Trustee will sweep all the fund balances in the separate funds into a Trustee Administration Fund. From that fund, the Trustee will reimburse the City for the costs of the election and auction, if any, up to a maximum of \$100,000.

Fiscal Impact:

There is no fiscal impact on the San Luis Facility Development Corporation or the City of San Luis.

There may be funds available for the city if revenue from the project is sufficient after paying during the forbearance period:

1. Trustee and Trustee's Attorneys' Fees,
2. Interest on the bonds up to \$90,000 per month (starts August 1, 2025, through April 30, 2026), the payment will increase to \$146, 467.29 after April 30, 2026.
3. LaSalle's loses until paid or cut off on May 1, 2026,
4. Payment of \$15,000 per month into the Operating Reserve/Repair/Contingency fund,
5. LaSalle's reimbursement for operation and maintenance costs (break-even),
6. LaSalle's 6% of its reimbursement for profit,

7. LaSalle's \$4,408,781 losses until paid in full, Then the city will receive a one-time payment of \$20,000. Finally, at the end of the two-year forbearance period, if any fund balances remain, they shall go to pay on the interest and principal on the bonds. (Please see Amended and Restated Forbearance Agreement for the actual wording and details.)

Recommendation:

Staff recommends ratifying the 2025 Amended and Restated Forbearance Agreement.

The staff requests that the San Luis Facility Development Corporation Board ratify the 2025 Amended and Restated Forbearance Agreement between the San Luis Facility Development Corporation (which issued the bonds), LaSalle Corrections (which is the operator), and U.S. Bank Trust Company ("Trustee") for the San Luis Regional Detention and Support Center.

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Then the city will receive a one-time payment of \$20,000.

Finally, at the end of the two-year forbearance period, if any fund balances remain, they shall go to pay on the interest and principal on the bonds. (Please see Amended and Restated Forbearance Agreement for the actual wording and details.)

Recommendation:

Staff recommends ratifying the 2025 Amended and Restated Forbearance Agreement.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE RESOLUTION NO. 2025-02 RATIFYING THE AMENDED AND RESTATED AGREEMENT REGARDING TEMPORARY FORBEARANCE, OPERATION OF PROJECT AND PROJECT REVENUES EXECUTED ON JULY 31, 2025.

Attachments

Resolution No. 2025-02
2025 Amended & Restated Forbearance Agreement
Forbearance Order

No. 2025-02

A RESOLUTION OF THE BOARD OF THE SAN LUIS FACILITY DEVELOPMENT CORPORATION IN SUPPORT OF THE SAN LUIS REGIONAL DETENTION AND SUPPORT CENTER, RATIFYING THE 2025 AGREEMENT WITH U.S. BANK TRUST COMPANY AND LASALLE CORRECTIONS TO EXTEND THE FORBEARANCE OF THE BONDS UNTIL APRIL 30, 2027; REPEALING CONFLICTING PROVISIONS; AND PROVIDING FOR SEVERABILITY.

BE IT RESOLVED by the Board of Directors of the San Luis Facility Development Corporation (the "Board"):

Section 1: The Board ratifies the Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenue, fully executed on July 31, 2025, as shown in Exhibit A, incorporated into this resolution by this reference as if fully set out here.

Section 2: If a conflict arises between the provisions of this Resolution and any other formal action of the Board or the City of San Luis, Arizona, the conflicting provisions are amended, superseded, and replaced, and this Resolution shall govern.

Section 3: If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Resolution is held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction or controlling legislation, such decision or law shall not affect the validity of the remaining portion of this Resolution.

PASSED, ADOPTED, and APPROVED by the Board of Directors of the San Luis Facility Development Corporation, of the City of San Luis, Yuma County, Arizona, this ____ day of October 2025.

City of San Luis, Arizona

Jenny Torres, President

ATTEST:

APPROVED AS TO FORM:

Janet Taylor, Clerk of the Board

Kay Marion Macuil, General Counsel

Exhibit A

AMENDED AND RESTATED AGREEMENT REGARDING TEMPORARY FORBEARANCE, OPERATION OF PROJECT AND PROJECT REVENUES

This Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues (this “**Agreement**”) is entered into on this 31st day of July 2025, but made effective as of May 1, 2025, by and among **U.S. Bank Trust Company, National Association**, solely in its capacity as successor trustee (in such capacity, the “**Trustee**”) under that certain Trust Indenture dated as of October 1, 2005 (as amended from time to time, the “**Indenture**”), **San Luis Facility Development Corporation** (the “**Issuer**”), which entity was organized under the laws of the State of Arizona and its board members are appointed by the City of San Luis, Arizona, as the issuer of the Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 issued as of April 1, 2014 in the original aggregate principal amount of \$26,090,000 and the Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014-A issued as of July 1, 2014 in the original aggregate principal amount of \$20,835,000 (collectively, the “**Bonds**”), and **LaSalle Corrections West, L.L.C.**, a limited liability company organized under the laws of the State of Louisiana, as the operator (the “**Operator**”) of the San Luis Detention Facility (the “**Project**”) under the terms of that certain Facility Operation and Management Agreement entered into by the Operator and the Issuer in 2024 (as amended from time to time prior to the date hereof, the “**Management Agreement**”). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture. The Issuer, Trustee and Operator shall each be described herein as a “**Party**” and collectively, the “**Parties**”.

WHEREAS, the Project consists of an approximate 869-bed secure detention facility located in San Luis, Arizona (the “**City**”), and certain related property rights, and is currently being managed and operated by the Operator under the terms of the Management Agreement;

WHEREAS, all Project Revenues from the Project are pledged to the Trustee as security for payment of the Bonds and are required to be delivered directly to the Trustee for application pursuant to the terms of the Indenture;

WHEREAS, Events of Default under the Indenture have occurred and are continuing at this time, including certain Events of Default that occurred in 2016 which have never been waived by the Trustee or the Bondholders;

WHEREAS, under the terms of the Indenture, including Section 5.06 thereof, Project Revenues are to be used first to make provision for the payment of Bond interest and principal (and certain other charges, including all Trustee fees and expenses) and, thereafter, to the extent there are remaining available Project Revenues, to pay or reimburse, as applicable, the Operation and Maintenance Costs (including Operator Fees payable to

the Operator and certain administrative fees payable to the City) pursuant to the Management Agreement;

WHEREAS, in light of the foregoing priority provisions under the Indenture and as a result of insufficient Project Revenues resulting from ongoing Project operations, the Operator had previously sustained substantial operating losses which resulted in it previously sending a Notice of Non-Renewal to the Issuer dated October 1, 2024, informing the Issuer that it was not renewing a prior version of the Management Agreement;

WHEREAS, the Trustee and Issuer desired to prevent the loss of the Operator and the related risk of discontinued operation of the Project, which could have resulted in a cessation of Project Revenues, which is the primary source of payment for the Bonds, and accordingly entered into negotiations to prevent the Operators departure; and in connection therewith the Trustee, Issuer and Operator, entered into that certain Agreement Regarding Forbearance, Operation of Project and Project Revenues effective as of September 1, 2024 (as heretofore amended, the “**2024 Forbearance Agreement**”) whereby the Project Revenues received by and deposited with the Trustee during the Forbearance Period (as defined in the Prior Forbearance Agreement and scheduled to run from September 1, 2024 to April 30, 2025) were first paid to the Operator for the payment of Operation and Maintenance Costs prior to the allocation of such Project Revenues towards the accrual of interest and principal payments;

WHEREAS the Trustee’s entrance into the 2024 Forbearance Agreement was approved by the Ramsey County District Court for the State of Minnesota in a trust instruction proceedings;

WHEREAS, the Forbearance Period as it pertains to the 2024 Forbearance Agreement was extended from April 30, 2025, through July 31, 2025, by agreement between the parties in order to facilitate, among other things, negotiation of the current Agreement;

WHEREAS, during the term of the 2024 Forbearance Agreement the Operator negotiated with and secured increased per diem rates with ICE and the U.S. Marshals Service through new and amended contracts effective as of March 1, 2025, that will aid in increase revenue and profitability of the Project according to the projections prepared by the Operator and shared with the Trustee and Issuer;

WHEREAS, as a result of the elevation of payments to the Operator during the Prior Forbearance Agreement, the operating costs incurred by the Operator during the Forbearance Period thereunder were paid in full by application of Project Revenue to such amounts, with a small amount of excess Revenue, but nonetheless the Operator is still owed \$4,408,781.00 in unreimbursed Operating and Maintenance Costs incurred prior to September 1, 2024 (the “**Operator Loss Carryforward**”);

WHEREAS, the Forbearance Period under the 2024 Forbearance Agreement will expire on July 31, 2025, and the Operator has informed the Issuer and the Trustee that it is

willing to continue operating the Project for an extended period of time if it is provided an ability to recover its Operator Loss Carryforward from Project Revenues on a basis preferential to certain debt service collections otherwise payable to the Trustee for the benefit of Holders of the Bonds;

WHEREAS, and the Issuer, the Operator and Trustee desire (a) for the Operator to remain as the operator of the Project; (b) to extend the term of the Forbearance period to April 30, 2027; (c) have negotiated for certain modified terms for the application of Project Revenues during the extended forbearance period, (d) create a mechanism for the Issuer to hold an election and run an auction process for the sale of the Project and to use the net proceeds thereof to pay the Bonds; and (d) to otherwise amend and restate the 2024 Forbearance Agreement, each pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Trustee's actions hereunder are being taken pursuant to its powers to protect the interests of Bondholders under Article VII of the Indenture.

NOW, THEREFORE, the Parties for the consideration set forth herein, the sufficiency and delivery of which is acknowledged, hereby agree as follows:

1. ***Payment of Operation and Maintenance Costs during Forbearance Period.***
The Parties hereby agree that during the period beginning and made effective as of May 1, 2025 and ending on the Termination Date, each such term as defined below (such period, the "**Forbearance Period**"), all Project Revenues actually received by and deposited with the Trustee each month from the operation of the Project by the Operator (the "**Subject Project Revenues**") and attributable to any calendar month in the Forbearance Period (each such month, the "**Revenue Deposit Month**"), shall be applied, for each Revenue Deposit Month during the Forbearance Period, as follows:

a. First, to pay any outstanding Trustee's fees and expenses (including, without limitation, reasonable attorneys' fees), which fees and expenses shall continue to be a first charge on Project Revenues as provided in the Indenture;

b. Second, to the Trustee (i) commencing from August 1, 2025, through April 30, 2026 (but subject to modification as provided in the succeeding clause (ii), an amount equal to ninety thousand dollars (\$90,000.00) each month on account of accrued interest on the Bonds; and (ii) from the earlier of the date the Operator Loss Carryforward has been paid in full or May 1, 2026, such monthly payment shall be increased to \$146,467.29;

c. Third, to the Trustee an amount up to but not greater than fifteen thousand dollars (\$15,000.00) solely to the extent necessary each month to replenish the minimum balance of the Operating Reserve/Repair/Contingency Account to an amount not less than three hundred thousand (\$300,000).

d. Fourth, as and when due and required to pay the Operator for such costs, to make transfers to the Operating Account for further payment to the Operator in the amount equal to the following (collectively, the “**Operator Payments**”): (i) the Operation and Maintenance Costs incurred by the Operator (which for the avoidance of doubt shall not include any Operator Fee or any amounts owing to the Issuer or the City) and billed for such Revenue Month, as certified pursuant to Section 7 below, plus (ii) an Operator Fee amount equal to 6% of the total amount of such costs payable under Section (d)(i) above with respect to the Operation and Maintenance Costs for that Revenue Month only;

e. Fifth, applied to the Operator Loss Carryforward, in the agreed amount of \$4,408,781, until paid in full; and

f. Sixth, after making the requisite payments under Section 1(a) through (e) hereof, excess Subject Project Revenues for any Revenue Deposit Month shall be (i) first be used to pay the Issuer a one-time payment of \$20,000.00 for its accrued expenses, and (ii) thereafter all remaining amounts shall be shared and paid each month in equal amounts of one-third (1/3rd) each to the Trustee, the Issuer and the Operator until each of the Operator and the Issuer has recouped its respective accrued Additional Operator Fee and City Fee (each as defined below) for such month (or any prior month for which it remains unpaid), and thereafter all remaining Subject Project Revenues in such month shall be paid to the Trustee, with all such amounts payable to Trustee for application to debt service on the Bonds or other amounts owed to the Trustee but in each case subject to and in accordance with the terms of the Indenture (including the post Event of Default rights and powers of the Trustee for the application of monies received under Article VII of the Indenture. The parties further agree that (Y) the Operator shall be entitled to receive an additional Operator fee equal to 5% of direct Operation and Maintenance Costs (and for avoidance of doubt, excluding the Operators 6% Fee) each month (the “**Additional Operator Fee**”), and (Z) the Issuer shall be entitled to receive and pay to the City a monthly administrative fee equal to \$20,000.00 (the “**City Fee**”), each commencing on the earlier of (i) May 1, 2026 or (ii) the date that the Operator Loss Carryforward has been paid in full.

To the extent that there are insufficient Subject Project Revenues to cover the payments in full as described in Sections 1(a) and (d) above in any Revenue Deposit Month, such amounts shall be carried forward and paid in a future Revenue Deposit Month in accordance with the payment priorities set forth above. The Operator and Issuer further agree that it shall continue to cause all Project Revenues to be directly paid to the Trustee each month for application in accordance with the payment priorities set forth in this Section 1.

.All monies used during the Forbearance Period to make payments towards the Operator Payments, the Additional Operator Fee or the Loss Carryforward herein are being made as protective advances (the “**Protective Advances**”) by the trust created under the

Indenture in order to preserve the Trust Estate. The Issuer and Operator hereby specifically acknowledge and agree that the Operator Payments to be made under this Agreement shall be made solely from the Subject Project Revenues deposited with the Trustee during the Forbearance Period under this Agreement and the Trustee is not obligated to advance monies from any other funds on deposit with the Trustee or any other source for payment of the Operator Payments.

The above priorities for the deposit and application of Project Revenues by the Trustee shall apply only for the Revenue Deposit Months occurring during the Forbearance Period, and the provisions of the Indenture with respect thereto shall apply fully to all calendar months before and after the Revenue Deposit Months occurring during the Forbearance Period (except as otherwise provided in Sections 2, 3 and 4 hereof), *provided, however*, that the Protective Advances made hereunder shall constitute additional obligations owing to the trust created by the Indenture for the benefit of the Holders of the Bonds, and such Protective Advances, less any portion of the excess Subject Project Revenues remaining at the end of the Forbearance Period and not used to make Operator Payments, shall be repaid from the first Project Revenues, net of fees and expenses or other amounts owing to the Trustee, becoming available after the Forbearance Period.

At the end of the Forbearance Period any excess or remaining Subject Project Revenues not used to make Operator Payments or pay amounts owing to the Trustee shall be applied to catch up any amounts to be credited to the Bond Fund under Section 5.06(b)(i) and 5.06(b)(ii) of the Indenture that were not made during the Forbearance Period, subject to the Trustee’s rights and powers with respect to the application of funds under Article VII of the Indenture.

2. ***Establishment of Trust Reserve.*** In order to assist the Trustee with its duties to preserve the Trust Estate under the Indenture, the parties agree that funds from the following accounts are to be withdrawn either to the amount shown, or in their entirety, and all such funds shall be transferred to a new subaccount of the Project Fund established under the Trust Agreement named the “**Trustee Administration Fund**”. The sole purpose of the Trustee Administration Fund (subject to the terms of Section 4 hereof) shall be to primarily enable the Trustee to preserve and protect the Trust Estate and to pay any indemnification or other amounts owing to the Trustee under the Indenture consistent with its duties under the Indenture and in the best interest of the Bondholders, and secondarily as additional collateral for the repayment of the Bonds. It shall be one of the Funds established under the Indenture and funds held therein shall be invested in accordance with the terms of the Indenture.

<u>Account</u>	<u>Balance to be Transferred</u>
Project Fund	\$468,681
Operating Account	\$671,952
Operator Fee Account	\$112,627
Operating Reserve/Repair	\$146,740

For the avoidance of doubt, after funding in accordance with this Section, the Trustee Administration Fund shall have \$1,400,000. The Trustee Administration Fund is not subject to the Disposition of Pledged Revenues established under Article V of the Indenture.

3. ***Sale of Project.*** The Issuer hereby agrees to promptly continue the election process with the assistance of the City of San Luis for the sale of the Project's real and personal property conforming to A.R.S. § 9-403. On the condition that the results of said election authorize the sale, then the Issuer shall expeditiously give legal notice and hold a public auction, which shall be commercially reasonable and appropriate under Arizona law, including, but not limited to A.R.S. § 9-403, to the highest bidder for cash at no less than the appraised value, reserving the right to reject any and all bids. (the "**Project Sale**"). The net proceeds thereof to repay the Bonds. If the proposed net sale proceeds are insufficient to pay the then Outstanding Principal amount of the Bonds plus all interest accrued through such date, then the Issuer agrees that the Trustee's consent to any such sale and release of its lien on the Project would be expressly conditioned upon obtaining either (i) the requisite consent and direction of Bondholders holding not less than two thirds of the then Outstanding Principal amount of the Bonds; or (ii) a court order satisfactory to the Trustee in a trust instruction proceeding approving of the Trustee's release of its liens in exchange for the net proceeds of such sale in partial repayment of the Bonds. Notwithstanding the foregoing, the parties acknowledge and understand that certain governmental approvals (including in certain circumstances, approval of the residents of San Luis, Arizona) is required to complete such sale and the Issuer cannot provide an assurance that all such approvals will be granted. In addition, the Issuer cannot provide assurance that the auction will result in the highest bid being for the appraised value or exceed it. Under Arizona law, the Issuer cannot accept bids less than the appraised value. However, the Issuer will follow the legal processes to sell the Project with the goal of selling it by March 1, 2026.

4. ***Limited Funding from Trustee Administration Fund.*** Notwithstanding the terms of Section 4 hereof, the Trustee agrees that it shall use amounts initially deposited into the Trustee Administration Fund to (i) pay to the Issuer the actual and reasonable costs as and when incurred for (a) any appraisal of the Project, and (b) seeking an election from the residents of the City of San Luis as may be necessary under applicable law, in each case related to the Project Sale, ***provided*** that all such payments shall not exceed one hundred thousand dollars (\$100,000.00) in the aggregate; and (b) pay for the unpaid costs and fees of Trustee counsel for such amounts incurred up to and including July 18, 2025 in an amount not to exceed one hundred thousand dollars (\$100,000.00) in the aggregate. The use of monies in the Trustee Administration Fund to pay fees and expenses of counsel as set forth above shall not otherwise be construed as a modification of the right of the Trustee to be reimbursed for its fees and expenses first from the Project Revenue waterfall as set forth in Section 1 hereof.

5. ***Application of Monies in the Bond and Reserve Funds.*** The Operator and Issuer both hereby acknowledged and agree that amounts on deposit in accounts of the Bond Fund as well as the 2014 Reserve Fund and the 2014-A Reserve Fund are specifically held for the repayment of the Bonds and funds in such accounts or Funds are not available for use at the Project, payment of Operator Fee, or otherwise. On or before the November 1, 2025, Interest Payment Date, the Trustee may withdraw some or all of the amounts in such accounts and Funds in order to make payments on account of principal which shall have become due in the order of their due dates. To the extent monies are withdrawn and applied in accordance with this Section during the Forbearance Period, the Issuer's failure to replenish the Reserve Requirement shall not be an additional Event of Default under the Indenture or a default hereunder. Notwithstanding the foregoing, upon the expiration or termination of the Forbearance Period the Issuer shall be required to fund the Reserve Requirement within twelve months of such date, as required by the Indenture.

6. ***Acceleration of Bonds.*** During the Forbearance Period the Trustee reserves the right and may upon ten (10) days prior written notices to the Issuer (with a copy to the Operator) declare the principal of the Bonds immediately due and payable, solely for the purpose of making distributions upon the Bonds pursuant to Section 7.03(b) of the Indenture. The Issuer and the Operator acknowledge and agree that any such declaration made by the Trustee is specifically permitted by this Agreement and does not constitute an exercise or remedies or a failure by the Trustee to forbear from the same. For the avoidance of doubt, any acceleration of the Bonds made under the Indenture pursuant to this Section of Agreement during the Forbearance Period (a) shall be for the purpose of making distributions pursuant to the provisions of Section 7.03(b) of the Indenture and is not intended to, and shall not, interfere with the Operator's continued management of the Project, and (b) shall not act to end the Forbearance Period or otherwise terminate this Agreement, each of which are subject to the terms of Sections 9 and 10 hereof.

7. ***Certification of Monthly Operation and Maintenance Costs.*** The Operator hereby agrees that during the Forbearance Period, it shall submit to the Trustee and, if requested, to the Issuer, a monthly summary of all costs and expenses incurred in connection with the operation of the Project during each Revenue Deposit Month (the "**Monthly O&M Summary**"), beginning with June 1, 2025. Each Monthly O&M Summary shall include a certification by the Operator certifying that all amounts listed therein represent the actual costs and expenses (excluding any Operator Fee or Issuer and City fees) incurred in the operation of the Project during the relevant Revenue Deposit Month. Monthly O&M Summary for each Revenue Deposit Month shall be provided to the Trustee no later than the last business day of the calendar month immediately following such Revenue Deposit Month. The Operator hereby agrees that if requested by the Trustee or the Issuer, the Operator shall provide copies of all invoices and other commercially reasonable documentation with respect to the costs and expenses included in each Monthly O&M Summary. During the Forbearance Period each Monthly O&M Summary shall state

the Operator Loss Carryforward outstanding at the beginning of the subject Revenue Deposit Month, and shall indicate the amount by which the Operator Loss Carryforward was decreased (or increased) through the application of Project Revenue during the subject Revenue Deposit Month. In addition the Operator hereby specifically acknowledges and agrees that the sole amounts payable to it during the Forbearance Period are the Operator Payments which are to be paid through Protective Advances, and that while other amounts owed under the Management Agreement may accrue during the Forbearance Period, such amounts are not payable from the Protective Advances made by the Trustee pursuant to this Agreement.

8. ***Acknowledgement of Events of Default and Forbearance of Remedies.*** The Issuer agrees that Events of Default exist under the Indenture and are continuing at this time and that the Trustee has all of the rights and remedies set forth in the Indenture, the Deed of Trust, and other Bond documents with respect to the Project and Project Revenues including the right of foreclosure, and the appointment of a receiver, at the Project. The Parties acknowledge and agree that the principal amount of the indebtedness evidenced by the Bonds as of the date hereof is \$24,655,000, and that interest is accruing in accordance with the terms of the Bonds and the Indenture, each without any defense or right of set off, but subject to limited recourse to the Project Revenues and other assets held in trust as set forth in the Indenture and the Deed of Trust. In consideration of this Agreement and subject to the terms and conditions thereof, during the Forbearance Period the Trustee agrees that it shall not seek the appointment of a receiver nor exercise any other similar enforcement remedies with respect to the Project based upon any Events of Default in existence on the date hereof or that result solely by reason of the application of Project Revenues during the Forbearance Period in accordance herewith (together, the “**Permitted Events of Default**”). For the avoidance of doubt, nothing herein shall constitute a waiver of any right or remedy of the Trustee or any Bondholder or of any present or future Event of Default, or a modification of the duties and obligations of the Issuer under the Indenture.

9. ***The Forbearance Period.*** The effectiveness of this Agreement and the Forbearance Period shall be as of May 1, 2025 (the “**Effective Date**”) and shall terminate on the Termination Date, and the first Revenue Deposit Month in the Forbearance Period shall be deemed to be May 1, 2025. The Parties acknowledge and agree that nothing in this Agreement is intended to apply to Project Revenues received prior to May 1, 2025, other than as expressly set forth in this Agreement.

10. ***The Termination Date.*** The “Termination Date” shall be a date that is the earlier of (i) April 30, 2027, (ii) 75 days after the Trustee sends a notice to the Operator (with a copy to the Issuer) in writing that a Termination Event has occurred, and (iii) the cessation or suspension of operations at the Project by the Operator or the termination date of the Management Agreement.

A “Termination Event” would mean the occurrence of any of following events as determined by the Trustee: (a) the Trustee receives Bondholder directions to terminate or objections to the forbearance arrangement in an amount that the Trustee deems sufficient under the Bond Documents or for which it exposes the Trustee to unacceptable risks or liability in its sole and absolute discretion, or (b) the Trustee did not receive the TIP Court Order (hereinafter defined) approving the proposed forbearance; (c) the Operator or the Issuer shall be in breach, for a period of 30 days after the Trustee shall send written notice thereof, of its obligations under this Agreement to cause all Project Revenues to be directly paid to the Trustee each month; and/or (d) other events mutually agreed to by the Parties. Upon the occurrence of a Termination Event, the Trustee may send written notice to the Operator and the Issuer of such occurrence and its intention to terminate the Forbearance Period, and such termination shall be effective (i) 75 days after the date such notice is sent, or (ii) immediately if the such termination is the result of a breach by the Operator under the terms of this Agreement. To extent of available Subject Project Revenues, the Operator would be entitled to Protective Advances for all permitted Operating and Maintenance Costs incurred during the term of the Forbearance Period to the extent set forth above. If the Forbearance Period ends on a day other than on the last day of a Revenue Deposit Month, the Operating and Maintenance Costs and Operator Payments payable to the Operator would be prorated through the last day of the Forbearance Period.

11. ***Trust Instruction Proceeding.*** The Trustee will use reasonable efforts to file a trust instruction petition within ten (10) calendar days of the execution of the this Agreement seeking a court order in form acceptable to the Trustee (the “**TIP Court Order**”) approving the Trustee’s entrance into and performance under this Agreement. During the pendency of the court proceeding, the Trustee will nonetheless perform its obligations under this Agreement during the Forbearance Period, subject to the termination rights set forth herein.

12. ***Existing Funds and Obligations Unaffected.*** Nothing in this Agreement shall be construed to modify or amend any of the terms of the Indenture, the Deed of Trust, the Management Agreement, or any of the other Bond Documents, all of which shall remain in full force and effect, subject to the rights of the Parties hereunder. The Parties hereby acknowledge that nothing herein is intended to or shall be construed as modifying or limiting the Issuer’s legal obligation to pay all principal and interest as and when due on the Bonds from Project Revenues in accordance with the terms of the Indenture, *provided, however*, that the failure to pay Bond interest or principal by reason of the priorities set forth herein shall be a Permitted Event of Default within the meaning set forth in this Agreement.

13. ***Amendment and Restatement.*** This Agreement completely amends and restates the 2024 Forbearance Agreement in its entirety as of the Effective Date.

14. ***Miscellaneous.***

(a) The captions or headings contained herein are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Agreement.

(b) This Agreement is intended to provide benefits to the Parties hereto, and shall not be deemed to give, grant or bestow any right, defense or benefit upon any third Party, except that the holders of the Bonds shall have the rights of the Trustee to the extent contemplated by the Indenture.

(c) No waiver of any breach of any of the terms or conditions of this Agreement shall be held to be a waiver of any other or subsequent breach, nor shall any waiver be valid or binding unless the same shall be in writing and signed by the Party alleged to have granted the waiver.

(d) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Facsimile signatures and signature pages provided in the form of a “.pdf” or similar imaged document transmitted by electronic mail shall be deemed original signatures for all purposes hereunder.

(e) This Agreement may only be amended in writing, and such amendment shall only become effective upon the execution by all Parties to this Agreement.

(f) By his or her signature below, each signatory individual certifies that he or she is the properly authorized agent or officer of the applicable Party hereto and has the requisite authority necessary to execute this Agreement on behalf of such Party, and each Party hereby certifies to the other that any resolutions necessary to create such authority have been duly passed and are now in full force and effect.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

SAN LUIS FACILITY DEVELOPMENT CORPORATION, as Issuer

By:  _____

Its: Jenny Torres _____

LASALLE CORRECTIONS WEST, LLC, as Operator

By: _____

Its: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

not individually but solely in its capacity as successor Trustee

By: _____

Its: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

SAN LUIS FACILITY DEVELOPMENT CORPORATION, as Issuer

By: _____
Its: _____

LASALLE CORRECTIONS WEST, LLC, as Operator

By: *Lin August 7-31-25*
Its: *CFO*

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

not individually but solely in its capacity as successor Trustee

By: _____
Its: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

SAN LUIS FACILITY DEVELOPMENT CORPORATION, as Issuer

By: _____
Its: _____

LASALLE CORRECTIONS WEST, LLC, as Operator

By: _____
Its: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
not individually but solely in its capacity as successor Trustee

By: _____
Its: Charles S. Hodges

AMENDED AND RESTATED AGREEMENT REGARDING TEMPORARY FORBEARANCE, OPERATION OF PROJECT AND PROJECT REVENUES

This Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues (this “**Agreement**”) is entered into on this 31st day of July 2025, but made effective as of May 1, 2025, by and among **U.S. Bank Trust Company, National Association**, solely in its capacity as successor trustee (in such capacity, the “**Trustee**”) under that certain Trust Indenture dated as of October 1, 2005 (as amended from time to time, the “**Indenture**”), **San Luis Facility Development Corporation** (the “**Issuer**”), which entity was organized under the laws of the State of Arizona and its board members are appointed by the City of San Luis, Arizona, as the issuer of the Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 issued as of April 1, 2014 in the original aggregate principal amount of \$26,090,000 and the Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014-A issued as of July 1, 2014 in the original aggregate principal amount of \$20,835,000 (collectively, the “**Bonds**”), and **LaSalle Corrections West, L.L.C.**, a limited liability company organized under the laws of the State of Louisiana, as the operator (the “**Operator**”) of the San Luis Detention Facility (the “**Project**”) under the terms of that certain Facility Operation and Management Agreement entered into by the Operator and the Issuer in 2024 (as amended from time to time prior to the date hereof, the “**Management Agreement**”). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture. The Issuer, Trustee and Operator shall each be described herein as a “**Party**” and collectively, the “**Parties**”.

WHEREAS, the Project consists of an approximate 869-bed secure detention facility located in San Luis, Arizona (the “**City**”), and certain related property rights, and is currently being managed and operated by the Operator under the terms of the Management Agreement;

WHEREAS, all Project Revenues from the Project are pledged to the Trustee as security for payment of the Bonds and are required to be delivered directly to the Trustee for application pursuant to the terms of the Indenture;

WHEREAS, Events of Default under the Indenture have occurred and are continuing at this time, including certain Events of Default that occurred in 2016 which have never been waived by the Trustee or the Bondholders;

WHEREAS, under the terms of the Indenture, including Section 5.06 thereof, Project Revenues are to be used first to make provision for the payment of Bond interest and principal (and certain other charges, including all Trustee fees and expenses) and, thereafter, to the extent there are remaining available Project Revenues, to pay or reimburse, as applicable, the Operation and Maintenance Costs (including Operator Fees payable to

the Operator and certain administrative fees payable to the City) pursuant to the Management Agreement;

WHEREAS, in light of the foregoing priority provisions under the Indenture and as a result of insufficient Project Revenues resulting from ongoing Project operations, the Operator had previously sustained substantial operating losses which resulted in it previously sending a Notice of Non-Renewal to the Issuer dated October 1, 2024, informing the Issuer that it was not renewing a prior version of the Management Agreement;

WHEREAS, the Trustee and Issuer desired to prevent the loss of the Operator and the related risk of discontinued operation of the Project, which could have resulted in a cessation of Project Revenues, which is the primary source of payment for the Bonds, and accordingly entered into negotiations to prevent the Operators departure; and in connection therewith the Trustee, Issuer and Operator, entered into that certain Agreement Regarding Forbearance, Operation of Project and Project Revenues effective as of September 1, 2024 (as heretofore amended, the “**2024 Forbearance Agreement**”) whereby the Project Revenues received by and deposited with the Trustee during the Forbearance Period (as defined in the Prior Forbearance Agreement and scheduled to run from September 1, 2024 to April 30, 2025) were first paid to the Operator for the payment of Operation and Maintenance Costs prior to the allocation of such Project Revenues towards the accrual of interest and principal payments;

WHEREAS the Trustee’s entrance into the 2024 Forbearance Agreement was approved by the Ramsey County District Court for the State of Minnesota in a trust instruction proceedings;

WHEREAS, the Forbearance Period as it pertains to the 2024 Forbearance Agreement was extended from April 30, 2025, through July 31, 2025, by agreement between the parties in order to facilitate, among other things, negotiation of the current Agreement;

WHEREAS, during the term of the 2024 Forbearance Agreement the Operator negotiated with and secured increased per diem rates with ICE and the U.S. Marshals Service through new and amended contracts effective as of March 1, 2025, that will aid in increase revenue and profitability of the Project according to the projections prepared by the Operator and shared with the Trustee and Issuer;

WHEREAS, as a result of the elevation of payments to the Operator during the Prior Forbearance Agreement, the operating costs incurred by the Operator during the Forbearance Period thereunder were paid in full by application of Project Revenue to such amounts, with a small amount of excess Revenue, but nonetheless the Operator is still owed \$4,408,781.00 in unreimbursed Operating and Maintenance Costs incurred prior to September 1, 2024 (the “**Operator Loss Carryforward**”);

WHEREAS, the Forbearance Period under the 2024 Forbearance Agreement will expire on July 31, 2025, and the Operator has informed the Issuer and the Trustee that it is

willing to continue operating the Project for an extended period of time if it is provided an ability to recover its Operator Loss Carryforward from Project Revenues on a basis preferential to certain debt service collections otherwise payable to the Trustee for the benefit of Holders of the Bonds;

WHEREAS, and the Issuer, the Operator and Trustee desire (a) for the Operator to remain as the operator of the Project; (b) to extend the term of the Forbearance period to April 30, 2027; (c) have negotiated for certain modified terms for the application of Project Revenues during the extended forbearance period, (d) create a mechanism for the Issuer to hold an election and run an auction process for the sale of the Project and to use the net proceeds thereof to pay the Bonds; and (d) to otherwise amend and restate the 2024 Forbearance Agreement, each pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Trustee's actions hereunder are being taken pursuant to its powers to protect the interests of Bondholders under Article VII of the Indenture.

NOW, THEREFORE, the Parties for the consideration set forth herein, the sufficiency and delivery of which is acknowledged, hereby agree as follows:

1. ***Payment of Operation and Maintenance Costs during Forbearance Period.***

The Parties hereby agree that during the period beginning and made effective as of May 1, 2025 and ending on the Termination Date, each such term as defined below (such period, the "**Forbearance Period**"), all Project Revenues actually received by and deposited with the Trustee each month from the operation of the Project by the Operator (the "**Subject Project Revenues**") and attributable to any calendar month in the Forbearance Period (each such month, the "**Revenue Deposit Month**"), shall be applied, for each Revenue Deposit Month during the Forbearance Period, as follows:

a. First, to pay any outstanding Trustee's fees and expenses (including, without limitation, reasonable attorneys' fees), which fees and expenses shall continue to be a first charge on Project Revenues as provided in the Indenture;

b. Second, to the Trustee (i) commencing from August 1, 2025, through April 30, 2026 (but subject to modification as provided in the succeeding clause (ii), an amount equal to ninety thousand dollars (\$90,000.00) each month on account of accrued interest on the Bonds; and (ii) from the earlier of the date the Operator Loss Carryforward has been paid in full or May 1, 2026, such monthly payment shall be increased to \$146,467.29;

c. Third, to the Trustee an amount up to but not greater than fifteen thousand dollars (\$15,000.00) solely to the extent necessary each month to replenish the minimum balance of the Operating Reserve/Repair/Contingency Account to an amount not less than three hundred thousand (\$300,000).

d. Fourth, as and when due and required to pay the Operator for such costs, to make transfers to the Operating Account for further payment to the Operator in the amount equal to the following (collectively, the “**Operator Payments**”): (i) the Operation and Maintenance Costs incurred by the Operator (which for the avoidance of doubt shall not include any Operator Fee or any amounts owing to the Issuer or the City) and billed for such Revenue Month, as certified pursuant to Section 7 below, plus (ii) an Operator Fee amount equal to 6% of the total amount of such costs payable under Section (d)(i) above with respect to the Operation and Maintenance Costs for that Revenue Month only;

e. Fifth, applied to the Operator Loss Carryforward, in the agreed amount of \$4,408,781, until paid in full; and

f. Sixth, after making the requisite payments under Section 1(a) through (e) hereof, excess Subject Project Revenues for any Revenue Deposit Month shall be (i) first be used to pay the Issuer a one-time payment of \$20,000.00 for its accrued expenses, and (ii) thereafter all remaining amounts shall be shared and paid each month in equal amounts of one-third (1/3rd) each to the Trustee, the Issuer and the Operator until each of the Operator and the Issuer has recouped its respective accrued Additional Operator Fee and City Fee (each as defined below) for such month (or any prior month for which it remains unpaid), and thereafter all remaining Subject Project Revenues in such month shall be paid to the Trustee, with all such amounts payable to Trustee for application to debt service on the Bonds or other amounts owed to the Trustee but in each case subject to and in accordance with the terms of the Indenture (including the post Event of Default rights and powers of the Trustee for the application of monies received under Article VII of the Indenture. The parties further agree that (Y) the Operator shall be entitled to receive an additional Operator fee equal to 5% of direct Operation and Maintenance Costs (and for avoidance of doubt, excluding the Operators 6% Fee) each month (the “**Additional Operator Fee**”), and (Z) the Issuer shall be entitled to receive and pay to the City a monthly administrative fee equal to \$20,000.00 (the “**City Fee**”), each commencing on the earlier of (i) May 1, 2026 or (ii) the date that the Operator Loss Carryforward has been paid in full.

To the extent that there are insufficient Subject Project Revenues to cover the payments in full as described in Sections 1(a) and (d) above in any Revenue Deposit Month, such amounts shall be carried forward and paid in a future Revenue Deposit Month in accordance with the payment priorities set forth above. The Operator and Issuer further agree that it shall continue to cause all Project Revenues to be directly paid to the Trustee each month for application in accordance with the payment priorities set forth in this Section 1.

.All monies used during the Forbearance Period to make payments towards the Operator Payments, the Additional Operator Fee or the Loss Carryforward herein are being made as protective advances (the “**Protective Advances**”) by the trust created under the

Indenture in order to preserve the Trust Estate. The Issuer and Operator hereby specifically acknowledge and agree that the Operator Payments to be made under this Agreement shall be made solely from the Subject Project Revenues deposited with the Trustee during the Forbearance Period under this Agreement and the Trustee is not obligated to advance monies from any other funds on deposit with the Trustee or any other source for payment of the Operator Payments.

The above priorities for the deposit and application of Project Revenues by the Trustee shall apply only for the Revenue Deposit Months occurring during the Forbearance Period, and the provisions of the Indenture with respect thereto shall apply fully to all calendar months before and after the Revenue Deposit Months occurring during the Forbearance Period (except as otherwise provided in Sections 2, 3 and 4 hereof), *provided, however*, that the Protective Advances made hereunder shall constitute additional obligations owing to the trust created by the Indenture for the benefit of the Holders of the Bonds, and such Protective Advances, less any portion of the excess Subject Project Revenues remaining at the end of the Forbearance Period and not used to make Operator Payments, shall be repaid from the first Project Revenues, net of fees and expenses or other amounts owing to the Trustee, becoming available after the Forbearance Period.

At the end of the Forbearance Period any excess or remaining Subject Project Revenues not used to make Operator Payments or pay amounts owing to the Trustee shall be applied to catch up any amounts to be credited to the Bond Fund under Section 5.06(b)(i) and 5.06(b)(ii) of the Indenture that were not made during the Forbearance Period, subject to the Trustee’s rights and powers with respect to the application of funds under Article VII of the Indenture.

2. ***Establishment of Trust Reserve.*** In order to assist the Trustee with its duties to preserve the Trust Estate under the Indenture, the parties agree that funds from the following accounts are to be withdrawn either to the amount shown, or in their entirety, and all such funds shall be transferred to a new subaccount of the Project Fund established under the Trust Agreement named the “**Trustee Administration Fund**”. The sole purpose of the Trustee Administration Fund (subject to the terms of Section 4 hereof) shall be to primarily enable the Trustee to preserve and protect the Trust Estate and to pay any indemnification or other amounts owing to the Trustee under the Indenture consistent with its duties under the Indenture and in the best interest of the Bondholders, and secondarily as additional collateral for the repayment of the Bonds. It shall be one of the Funds established under the Indenture and funds held therein shall be invested in accordance with the terms of the Indenture.

<u>Account</u>	<u>Balance to be Transferred</u>
Project Fund	\$468,681
Operating Account	\$671,952
Operator Fee Account	\$112,627
Operating Reserve/Repair	\$146,740

For the avoidance of doubt, after funding in accordance with this Section, the Trustee Administration Fund shall have \$1,400,000. The Trustee Administration Fund is not subject to the Disposition of Pledged Revenues established under Article V of the Indenture.

3. ***Sale of Project.*** The Issuer hereby agrees to promptly continue the election process with the assistance of the City of San Luis for the sale of the Project's real and personal property conforming to A.R.S. § 9-403. On the condition that the results of said election authorize the sale, then the Issuer shall expeditiously give legal notice and hold a public auction, which shall be commercially reasonable and appropriate under Arizona law, including, but not limited to A.R.S. § 9-403, to the highest bidder for cash at no less than the appraised value, reserving the right to reject any and all bids. (the "**Project Sale**"). The net proceeds thereof to repay the Bonds. If the proposed net sale proceeds are insufficient to pay the then Outstanding Principal amount of the Bonds plus all interest accrued through such date, then the Issuer agrees that the Trustee's consent to any such sale and release of its lien on the Project would be expressly conditioned upon obtaining either (i) the requisite consent and direction of Bondholders holding not less than two thirds of the then Outstanding Principal amount of the Bonds; or (ii) a court order satisfactory to the Trustee in a trust instruction proceeding approving of the Trustee's release of its liens in exchange for the net proceeds of such sale in partial repayment of the Bonds. Notwithstanding the foregoing, the parties acknowledge and understand that certain governmental approvals (including in certain circumstances, approval of the residents of San Luis, Arizona) is required to complete such sale and the Issuer cannot provide an assurance that all such approvals will be granted. In addition, the Issuer cannot provide assurance that the auction will result in the highest bid being for the appraised value or exceed it. Under Arizona law, the Issuer cannot accept bids less than the appraised value. However, the Issuer will follow the legal processes to sell the Project with the goal of selling it by March 1, 2026.

4. ***Limited Funding from Trustee Administration Fund.*** Notwithstanding the terms of Section 4 hereof, the Trustee agrees that it shall use amounts initially deposited into the Trustee Administration Fund to (i) pay to the Issuer the actual and reasonable costs as and when incurred for (a) any appraisal of the Project, and (b) seeking an election from the residents of the City of San Luis as may be necessary under applicable law, in each case related to the Project Sale, ***provided*** that all such payments shall not exceed one hundred thousand dollars (\$100,000.00) in the aggregate; and (b) pay for the unpaid costs and fees of Trustee counsel for such amounts incurred up to and including July 18, 2025 in an amount not to exceed one hundred thousand dollars (\$100,000.00) in the aggregate. The use of monies in the Trustee Administration Fund to pay fees and expenses of counsel as set forth above shall not otherwise be construed as a modification of the right of the Trustee to be reimbursed for its fees and expenses first from the Project Revenue waterfall as set forth in Section 1 hereof.

5. ***Application of Monies in the Bond and Reserve Funds.*** The Operator and Issuer both hereby acknowledged and agree that amounts on deposit in accounts of the Bond Fund as well as the 2014 Reserve Fund and the 2014-A Reserve Fund are specifically held for the repayment of the Bonds and funds in such accounts or Funds are not available for use at the Project, payment of Operator Fee, or otherwise. On or before the November 1, 2025, Interest Payment Date, the Trustee may withdraw some or all of the amounts in such accounts and Funds in order to make payments on account of principal which shall have become due in the order of their due dates. To the extent monies are withdrawn and applied in accordance with this Section during the Forbearance Period, the Issuer's failure to replenish the Reserve Requirement shall not be an additional Event of Default under the Indenture or a default hereunder. Notwithstanding the foregoing, upon the expiration or termination of the Forbearance Period the Issuer shall be required to fund the Reserve Requirement within twelve months of such date, as required by the Indenture.

6. ***Acceleration of Bonds.*** During the Forbearance Period the Trustee reserves the right and may upon ten (10) days prior written notices to the Issuer (with a copy to the Operator) declare the principal of the Bonds immediately due and payable, solely for the purpose of making distributions upon the Bonds pursuant to Section 7.03(b) of the Indenture. The Issuer and the Operator acknowledge and agree that any such declaration made by the Trustee is specifically permitted by this Agreement and does not constitute an exercise or remedies or a failure by the Trustee to forbear from the same. For the avoidance of doubt, any acceleration of the Bonds made under the Indenture pursuant to this Section of Agreement during the Forbearance Period (a) shall be for the purpose of making distributions pursuant to the provisions of Section 7.03(b) of the Indenture and is not intended to, and shall not, interfere with the Operator's continued management of the Project, and (b) shall not act to end the Forbearance Period or otherwise terminate this Agreement, each of which are subject to the terms of Sections 9 and 10 hereof.

7. ***Certification of Monthly Operation and Maintenance Costs.*** The Operator hereby agrees that during the Forbearance Period, it shall submit to the Trustee and, if requested, to the Issuer, a monthly summary of all costs and expenses incurred in connection with the operation of the Project during each Revenue Deposit Month (the "**Monthly O&M Summary**"), beginning with June 1, 2025. Each Monthly O&M Summary shall include a certification by the Operator certifying that all amounts listed therein represent the actual costs and expenses (excluding any Operator Fee or Issuer and City fees) incurred in the operation of the Project during the relevant Revenue Deposit Month. Monthly O&M Summary for each Revenue Deposit Month shall be provided to the Trustee no later than the last business day of the calendar month immediately following such Revenue Deposit Month. The Operator hereby agrees that if requested by the Trustee or the Issuer, the Operator shall provide copies of all invoices and other commercially reasonable documentation with respect to the costs and expenses included in each Monthly O&M Summary. During the Forbearance Period each Monthly O&M Summary shall state

the Operator Loss Carryforward outstanding at the beginning of the subject Revenue Deposit Month, and shall indicate the amount by which the Operator Loss Carryforward was decreased (or increased) through the application of Project Revenue during the subject Revenue Deposit Month. In addition the Operator hereby specifically acknowledges and agrees that the sole amounts payable to it during the Forbearance Period are the Operator Payments which are to be paid through Protective Advances, and that while other amounts owed under the Management Agreement may accrue during the Forbearance Period, such amounts are not payable from the Protective Advances made by the Trustee pursuant to this Agreement.

8. ***Acknowledgement of Events of Default and Forbearance of Remedies.*** The Issuer agrees that Events of Default exist under the Indenture and are continuing at this time and that the Trustee has all of the rights and remedies set forth in the Indenture, the Deed of Trust, and other Bond documents with respect to the Project and Project Revenues including the right of foreclosure, and the appointment of a receiver, at the Project. The Parties acknowledge and agree that the principal amount of the indebtedness evidenced by the Bonds as of the date hereof is \$24,655,000, and that interest is accruing in accordance with the terms of the Bonds and the Indenture, each without any defense or right of set off, but subject to limited recourse to the Project Revenues and other assets held in trust as set forth in the Indenture and the Deed of Trust. In consideration of this Agreement and subject to the terms and conditions thereof, during the Forbearance Period the Trustee agrees that it shall not seek the appointment of a receiver nor exercise any other similar enforcement remedies with respect to the Project based upon any Events of Default in existence on the date hereof or that result solely by reason of the application of Project Revenues during the Forbearance Period in accordance herewith (together, the “**Permitted Events of Default**”). For the avoidance of doubt, nothing herein shall constitute a waiver of any right or remedy of the Trustee or any Bondholder or of any present or future Event of Default, or a modification of the duties and obligations of the Issuer under the Indenture.

9. ***The Forbearance Period.*** The effectiveness of this Agreement and the Forbearance Period shall be as of May 1, 2025 (the “**Effective Date**”) and shall terminate on the Termination Date, and the first Revenue Deposit Month in the Forbearance Period shall be deemed to be May 1, 2025. The Parties acknowledge and agree that nothing in this Agreement is intended to apply to Project Revenues received prior to May 1, 2025, other than as expressly set forth in this Agreement.

10. ***The Termination Date.*** The “Termination Date” shall be a date that is the earlier of (i) April 30, 2027, (ii) 75 days after the Trustee sends a notice to the Operator (with a copy to the Issuer) in writing that a Termination Event has occurred, and (iii) the cessation or suspension of operations at the Project by the Operator or the termination date of the Management Agreement.

A “Termination Event” would mean the occurrence of any of following events as determined by the Trustee: (a) the Trustee receives Bondholder directions to terminate or objections to the forbearance arrangement in an amount that the Trustee deems sufficient under the Bond Documents or for which it exposes the Trustee to unacceptable risks or liability in its sole and absolute discretion, or (b) the Trustee did not receive the TIP Court Order (hereinafter defined) approving the proposed forbearance; (c) the Operator or the Issuer shall be in breach, for a period of 30 days after the Trustee shall send written notice thereof, of its obligations under this Agreement to cause all Project Revenues to be directly paid to the Trustee each month; and/or (d) other events mutually agreed to by the Parties. Upon the occurrence of a Termination Event, the Trustee may send written notice to the Operator and the Issuer of such occurrence and its intention to terminate the Forbearance Period, and such termination shall be effective (i) 75 days after the date such notice is sent, or (ii) immediately if the such termination is the result of a breach by the Operator under the terms of this Agreement. To extent of available Subject Project Revenues, the Operator would be entitled to Protective Advances for all permitted Operating and Maintenance Costs incurred during the term of the Forbearance Period to the extent set forth above. If the Forbearance Period ends on a day other than on the last day of a Revenue Deposit Month, the Operating and Maintenance Costs and Operator Payments payable to the Operator would be prorated through the last day of the Forbearance Period.

11. ***Trust Instruction Proceeding.*** The Trustee will use reasonable efforts to file a trust instruction petition within ten (10) calendar days of the execution of the this Agreement seeking a court order in form acceptable to the Trustee (the “**TIP Court Order**”) approving the Trustee’s entrance into and performance under this Agreement. During the pendency of the court proceeding, the Trustee will nonetheless perform its obligations under this Agreement during the Forbearance Period, subject to the termination rights set forth herein.

12. ***Existing Funds and Obligations Unaffected.*** Nothing in this Agreement shall be construed to modify or amend any of the terms of the Indenture, the Deed of Trust, the Management Agreement, or any of the other Bond Documents, all of which shall remain in full force and effect, subject to the rights of the Parties hereunder. The Parties hereby acknowledge that nothing herein is intended to or shall be construed as modifying or limiting the Issuer’s legal obligation to pay all principal and interest as and when due on the Bonds from Project Revenues in accordance with the terms of the Indenture, *provided, however*, that the failure to pay Bond interest or principal by reason of the priorities set forth herein shall be a Permitted Event of Default within the meaning set forth in this Agreement.

13. ***Amendment and Restatement.*** This Agreement completely amends and restates the 2024 Forbearance Agreement in its entirety as of the Effective Date.

14. ***Miscellaneous.***

(a) The captions or headings contained herein are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Agreement.

(b) This Agreement is intended to provide benefits to the Parties hereto, and shall not be deemed to give, grant or bestow any right, defense or benefit upon any third Party, except that the holders of the Bonds shall have the rights of the Trustee to the extent contemplated by the Indenture.

(c) No waiver of any breach of any of the terms or conditions of this Agreement shall be held to be a waiver of any other or subsequent breach, nor shall any waiver be valid or binding unless the same shall be in writing and signed by the Party alleged to have granted the waiver.

(d) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Facsimile signatures and signature pages provided in the form of a “.pdf” or similar imaged document transmitted by electronic mail shall be deemed original signatures for all purposes hereunder.

(e) This Agreement may only be amended in writing, and such amendment shall only become effective upon the execution by all Parties to this Agreement.

(f) By his or her signature below, each signatory individual certifies that he or she is the properly authorized agent or officer of the applicable Party hereto and has the requisite authority necessary to execute this Agreement on behalf of such Party, and each Party hereby certifies to the other that any resolutions necessary to create such authority have been duly passed and are now in full force and effect.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

SAN LUIS FACILITY DEVELOPMENT CORPORATION, as Issuer

By:  _____

Its: Jenny Torres _____

LASALLE CORRECTIONS WEST, LLC, as Operator

By: _____

Its: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

not individually but solely in its capacity as successor Trustee

By: _____

Its: _____

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By: _____
Its: _____

LASALLE CORRECTIONS WEST, LLC, as Operator

By: _____
Its: _____

Lin August 7-31-25
CFO

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not individually but solely in its capacity as successor Trustee

By: _____
Its: _____

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By: _____
Its: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
not individually but solely in its capacity as successor Trustee

By: 
Its: Charles S. Hodges

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

In the Matter of Trusteeship created by San Luis Project Development Corporation Pursuant to the Trust Indenture Dated as of October 1, 2005, as Amended, Relating to the Issuance of San Luis Project Development Corporation Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 and Series 2014-A

Case Type: Other
File No. 62-TR-CV-25-17
Hon. Adam Yang

**FINDINGS OF FACT, CONCLUSIONS OF LAW,
DIRECTIONS AND ORDER FOR JUDGMENT**

The above matter was heard by the Court via remote technology on October 20, 2025, on the petition (the “**Petition**”) of U.S. Bank Trust Company, National Association (“**U.S. Bank**”), solely in its capacity as trustee (in such capacity, the “**Trustee**”) for the above-captioned trust (the “**Trust**”) created pursuant to the Indenture (defined below) between San Luis Project Development Corporation, as issuer (the “**Issuer**”), and the Trustee.¹ Pursuant to the terms of the Indenture, the Issuer has issued, and there are currently outstanding, \$24,655,000 of taxable revenue bonds that are secured by a deed of trust and a pledge of Project Revenues (as defined in the Indenture) generated from a privately-operated secure detention facility (the “**Project**”) located near the City of San Luis, Arizona, on the U.S.-Mexico border. The Trustee, the Issuer and the private Project operator, LaSalle Corrections West, L.L.C. (“**LaSalle**” or the “**Operator**”), after extensive negotiations, entered into an amended and restated forbearance agreement, subject to termination if approval is not obtained from this Court, for the Operator to continue managing and operating

¹ Capitalized terms used but not defined herein shall have the meanings given to them in the Petition.

the Project after July 2025. Having completed its review and evaluation of the amended and restated forbearance agreement, the Trustee filed the Petition pursuant to Minn. Stat. § 501C.0201 *et seq.* seeking approval of the Amended and Restated Forbearance Agreement (as defined below) and to obtain certain authorizations, instructions and relief related thereto. Erin J. Snyder of Maslon LLP appeared on behalf of the Trustee in support of the Petition. Charles S. Hodges, a Vice President of U.S. Bank, appeared at the hearing in support of the relief requested in the Petition.

This Court, being fully advised as to the facts and issues involved herein, and due and timely notice having been given to Trust beneficiaries and other potentially interested parties, makes the following Findings of Fact, Conclusions of Law, Directions and Order for Judgment:

FINDINGS OF FACT

Background and 2024 Forbearance Agreement

1. The Trust was created pursuant to the Trust Indenture dated as of October 1, 2005, between San Luis Project Development Corporation, as issuer, and the Trustee, as supplemented by that certain First Supplemental Indenture dated as of February 1, 2011, Second Supplemental Indenture dated as of March 27, 2014, Third Supplemental Indenture dated as of April 1, 2014, and Fourth Supplemental Indenture dated as of July 1, 2014 (as further amended or supplemented from time to time, the “**Indenture**”).

2. Pursuant to the Indenture, specifically the Third Supplemental Trust Indenture dated as of April 1, 2014, the Issuer issued its Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 in the original aggregate principal amount of \$26,090,000.00 (the “**Series 2014 Bonds**”). Subsequently, pursuant to the Fourth Supplemental Trust Indenture dated as of July 1, 2014, the Issuer issued its Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014-

A in the original aggregate principal amount of \$20,835,000.00 (the “**Series 2014-A Bonds**” and together with the Series 2014 Bonds, the “**Bonds**”). As of the date of the Petition, the aggregate principal amount of the Bonds outstanding was \$24,655,000.00, of which \$16,870,000.00 is Series 2014 Bonds, and \$7,730,000.00 is Series 2014-A Bonds.

3. Proceeds of the Bonds were used primarily to refund all of the tax-exempt bonds that had been previously issued under the Indenture in connection with the Issuer’s acquisition and construction of the Project.² The indebtedness evidenced by the Bonds is non-recourse indebtedness that is repayable solely from and primarily secured by the Issuer’s pledge of Project Revenues generated through the operation of the Project and a deed of trust lien and security interest on all real and personal property comprising the Project.

4. The Project consists of an approximate 869-bed secure detention facility located in San Luis, Arizona. Since 2018, the Project has been operated by LaSalle under an Operation and Management Agreement, executed by LaSalle and the Issuer (the “**Existing Management Agreement**”) and primarily generates Project Revenues by charging daily per diem rates for housing inmates and detainees on behalf of the U.S. Marshall’s Service and the U.S. Department of Homeland Security.

5. All Project Revenues generated from the operation of the Project are pledged to the Trustee under the Indenture and are delivered directly to the Trustee each month to fund debt service accruals on the Bonds and certain other charges, including payments or reimbursements to the Operator for operating costs and expenses, subject to the priorities set forth in the Indenture.

² Earlier Series 2005 Bonds and Series 2011 Bonds were previously issued under the Indenture, but such bonds were repaid and refunded from the proceeds of the outstanding 2014 and 2014-A Bonds.

6. Events of Default have occurred and are continuing as the date of the Petition, including that certain Event of Default that occurred under Section 7.01(d) of the Indenture in April 2016 due to the failure of the Issuer to provide, or to cause the then current Operator³ to provide (after notice and an opportunity to cure), certain Project financial and census information in accordance with the Indenture (the “**Existing Event of Default**”). The Existing Event of Default has never been waived by the Trustee or the Bondholders.

7. Under the terms of the Indenture, including Section 5.06 thereof, Project Revenues are to be used first to make provision for the payment of interest owing on the Bonds interest and payments of principal then coming due (and certain other charges, including all Trustee fees and expenses) and, thereafter, to the extent there are remaining available Project Revenues, to pay or reimburse, as applicable, the Operation and Maintenance Costs (including Operator Fees payable to the Operator and certain administrative fees payable to the City) pursuant to the Existing Management Agreement. In light of the foregoing priority provisions under the Indenture and as a result of insufficient Project Revenues resulting from ongoing Project operations, the Operator had previously sustained substantial operating losses which resulted in it previously sending a Notice of Non-Renewal to the Issuer dated October 1, 2024, informing the Issuer that it was not renewing the Existing Management Agreement.

8. The Trustee and the Issuer desired to prevent the loss of the Operator and the related risk of discontinued operation of the Project, which could have resulted in a cessation of Project Revenues, which is the primary source of payment for the Bonds, and accordingly entered into negotiations to prevent the Operators departure; and in connection therewith the Trustee, Issuer

³ In 2016, the Project was operated and managed by Emerald Correctional Management L.L.C., which operator was subsequently replaced by the Issuer with LaSalle in 2018.

and Operator, entered into that certain Agreement Regarding Forbearance, Operation of Project and Project Revenues effective as of September 1, 2024 (as heretofore amended, the “**Prior Forbearance Agreement**”) whereby the Project Revenues received by and deposited with the Trustee during the Forbearance Period (as defined in the Prior Forbearance Agreement and scheduled to run from September 1, 2024 to April 30, 2025) were first paid to the Operator for the payment of Operation and Maintenance Costs prior to the allocation of such Project Revenues towards the accrual of interest and principal payments.

9. The Trustee’s entrance into the Prior Forbearance Agreement was approved by the Ramsey County District Court for the State of Minnesota in a trust instruction proceeding (the “**2024 TIP Proceeding**”). The 2024 TIP Proceeding was assigned case number 62-TR-CV-24-31 and the order approving entrance into the Prior Forbearance Agreement can be found at index number 10.

10. The Forbearance Period and term of the Prior Forbearance Agreement, operated and was in effect from September 1, 2024 through April 30, 2025, but was extended through July 31, 2025, by that certain First Amendment to Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues executed by and among the Issuer, the Operator and the Trustee (the “**First Amendment**” and together with the Prior Forbearance Agreement the “**2024 Forbearance Agreement**”). The purpose of the First Amendment was to provide additional time to the parties thereto to negotiate the terms and seek requisite approvals of the Amended and Restated Forbearance Agreement referenced below.

11. During the term of the 2024 Forbearance Agreement, the revenues generated from the operation of the Project were only sufficient to cover ongoing operating expenses of the Operator and the Trustee’s fees and expenses, with no excess funds remaining to provide for the

payment of debt service on the Bonds. However, as a result of the Operator's negotiations with its customers of the Project, it was able to secure materially increased per diem housing rates pursuant to new and amended contracts effective as of March 1, 2025, that will aid in increasing the revenue of the Project according to projections prepared by the Operator and shared with the Trustee and Issuer as further discussed below.

Amended and Restated Forbearance Agreement

12. For quite some time prior to effectiveness of the 2024 Forbearance Agreement and as discussed in the 2024 TIP Proceeding, the Project Revenues were insufficient to cover both ongoing scheduled debt service payments on the Bonds and the operating costs and fees incurred by the Operator, which insufficiency in revenues caused the Operator to incur losses resulting from unreimbursed "Operating and Maintenance Costs" and "Operator Fees" (each as defined in the Indenture) prior to September 1, 2024 in the aggregate amount of \$4,408,781.00 (the "**Operator Loss Carryforward**"). The Operator has informed the Issuer and the Trustee that it is willing to continue operating the Project beyond the original Forbearance Period for an extended period of time if it is provided an ability to recover from Project Revenues on a priority basis not only its ongoing future Operating and Maintenance Costs but also a reasonable Operator Fee and its Operator Loss Carryforward, each of which would be paid ahead of at least some of the debt service payments that would otherwise be paid on account of the Bonds.

13. After several weeks of discussions and negotiations, on July 31, 2025, the Trustee, the Issuer and the Operator entered into that certain Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues (the "**Amended and Restated Forbearance Agreement**").

14. The Amended and Restated Forbearance Agreement provides, among other things, for a new two (2) year term and extended Forbearance Period, which commences as of May 1, 2025, subject to certain early termination rights of the Trustee and Operator as set forth therein and further discussed below.

15. A summary of the essential terms of the Amended and Restated Forbearance Agreement that are effective during the new Forbearance Period are set forth below:

- a. All Project Revenues generated by the Operator's operation of the Project on and after May 1, 2025 through April 30, 2027 (the "**Subject Project Revenues**") are to be applied using a new priority structure which is designed to give greater protection to the Operator while also requiring the resumption of certain debt service payments on the Bonds. Under the terms of the Amended and Restated Forbearance Agreement, each calendar month during the Forbearance Period is referred to as a "Revenue Deposit Month" and Subject Project Revenues attributable to each Revenue Deposit Month are to be applied and in priority of payment as follows:
 - i. First, to pay any outstanding Trustee's fees and expenses (as currently permitted by the Indenture;
 - ii. Second, to the Trustee (1) commencing from August 1, 2025, through April 30, 2026 (but subject to modification as provided in the succeeding clause (2), an amount equal to ninety thousand dollars (\$90,000.00) each month on account of accrued interest on the Bonds; and (2) from the earlier of the date the Operator Loss Carryforward has been paid in full or May 1, 2026, such monthly payment shall be

increased to \$146,467.29 (which amount represents the full accrual of interest on the Bonds as the express stated rate set forth in each series of Bonds);

- iii. Third, to the Trustee an amount not greater than fifteen thousand dollars (\$15,000.00) solely to the extent necessary each month to replenish the “Operating Reserve/Repair/Contingency Account” (as originally described and for the purposes set forth in the Indenture) to an amount of three hundred thousand dollars (\$300,000);
- iv. Fourth, for payment by the Trustee to the Operator of (x) the Operation and Maintenance Costs incurred by the Operator, plus (y) an Operator Fee amount equal to 6% of the total amount of such costs payable with respect to the Operation and Maintenance Costs for that Revenue Month only (together, the “Operator Payments”).
- v. Fifth, for payment by the Trustee to the Operator to be applied to the Operator Loss Carryforward, in the agreed amount of \$4,408,781, until paid in full; and
- vi. Lastly, after making the requisite payments under paragraphs (i) through (v) above and subject to certain additional terms in the Amended and Restated Forbearance Agreement, any excess Subject Project Revenues for any Revenue Deposit Month shall be (1) first used to pay the Issuer a one-time payment of \$20,000 for its accrued transaction expenses, and (2) thereafter all remaining amounts shall

be shared and paid each month in equal amounts of one-third (1/3rd) each to the Trustee, the Issuer and the Operator until each of the Operator and the Issuer has recouped its respective accrued Additional Operator Fee and City Fee (each as defined below) for such month (or any prior month for which it remains unpaid), and thereafter all remaining Subject Project Revenues in such month shall be paid to the Trustee, with all such amounts payable to Trustee for application to debt service on the Bonds or other amounts owed to the Trustee but in each case subject to and in accordance with the terms of the Indenture (including the post Event of Default rights and powers of the Trustee for the application of monies received under Article VII of the Indenture). As set forth above, (Y) the term “Additional Operator Fee” means an additional Operator fee equal to 5% of direct Operation and Maintenance Costs, and (Z) the term “City Fee” means a monthly administrative fee equal to \$20,000.00. By capping these amounts it is possible that payment on the Bonds will be able to resume at a level more than just partial interest payments during the Forbearance Period. However, the amount of future debt service payments will depend entirely on the performance of the Project and the Operator’s related management thereof. In that regard, the Operator has provided to the Issuer and Trustee certain financial projections based upon projected occupancy rates at the new per diem rates. If the Project performs to such projections, then it would appear that there will be

material excess Project Revenues available to increase debt service payments on the Bonds commencing as early as the Summer of 2026.

16. In partial consideration of the foregoing modified payment waterfall, the Issuer has agreed pursuant to Section 3 of the Amended and Restated Forbearance Agreement to begin a process for the potential sale of the Project. This process will include the Issuer's efforts to obtain all required local governmental approvals so as to permit the sale of the Project in accordance with its local rules and regulations. Further, the net proceeds of any sale would be used to repay the Bonds; *provided however*, that to the extent the net proceeds of any anticipated sale would be less than the amount required to fully pay the then current Outstanding Principal of the Bonds (together with accrued but unpaid interest), the Amended and Restated Forbearance Agreement makes clear that the Trustee's lien would not be released without either (x) the direction of Bondholders owning more than two-thirds of the principal amount of the Bonds (as required under Section 7.05 of the Indenture; or (y) further satisfactory approvals from this Court in a subsequent trust instruction proceeding.

17. The Amended and Restated Forbearance Agreement further provides pursuant to Section 2 thereof and subject to certain term and conditions for the creation of a new subaccount of the Project Fund (the "**Trustee Administration Fund**") for, among other things, the Trustee's use in protecting the Trust Estate as further set forth therein. In accordance with such Section 2, \$1,400,000 of existing funds set forth in the Operating Account, the Operator Fee Account, the Operating Reserve/ Repair / Contingency Account and the Project Fund (each as defined and set forth in Article V of the Indenture) shall be moved and transferred into the Trustee Administration Fund. This new Trustee Administration Fund will sit outside of the waterfall established in the Amended and Restated Forbearance Agreement as well as Article V of the Indenture. Its purpose

will be to assist the Trustee with the efficient administration of the Trust Estate as well as providing additional collateral for the Bonds, but subject to the additional requirement that the Trustee will use up to \$200,000 of monies in the Trustee Administration Fund on a one time basis to reimburse certain legal costs of the Trustee incurred prior to the execution of the Amended and Restated Forbearance Agreement, as well as defraying certain costs of the Issuer incurred and related to any potential local election needed by the Issuer to obtain its necessary approvals for the potential sale of the Project.

18. Section 5 of the Amended and Restated Forbearance Agreement clarifies that the funds currently on deposit in both the 2014 Reserve Fund and the 2014-A Reserve Fund are specifically held for Bondholders and not available for operation of the Project. Amounts on deposit in these funds may be withdrawn prior to the November 1, 2025 Interest Payment Date and applied to the outstanding principal of the Bonds. The Indenture requires that when funds in the Reserve Fund drop below the reserve requirements that the Issuer replenish the reserves within one year. This requirement will be temporarily suspended during the Forbearance Period but will be reimposed upon expiration of the Agreement unless the Project is sold before such time.

19. In order to allow for the potential pro rata application of Project Revenues to both the Series 2014 Bonds and Series 2014A Bonds in the future, the Trustee has reserved the right during the Forbearance Period to accelerate the maturity of the Bonds (as permitted under Section 7.03 of the Indenture after the occurrence of and Event of Default) solely for distribution purposes. Section 6 of the Amended and Restated Forbearance Agreement is explicit that this acceleration would not function to terminate the agreement and that the Trustee would take no action to interfere with the operation of the Project in connection with any such acceleration.

20. As stated earlier, the terms of the Amended and Restated Forbearance Agreement will operate and run through the earlier April 30, 2027; provided however that the Agreement may be terminated earlier (i) 75 days after the Trustee sends the Operator a notice that a “Termination Event” has occurred (as further defined in the Agreement including as a result of the Operator’s or Issuer’s breach of the terms of the Agreement); (ii) the cessation or suspension of operations at the Project by the Operator or the termination of the Operator’s management agreement with respect to the Project. As set forth in the Forbearance Agreement, a Termination Event further means, among other things, (Y) that the Trustee receives requisite Bondholder directions to terminate that Agreement, or (Z) the Trustee does not receive satisfactory approval and direction from this Court regarding the Agreement.

21. The Trustee has negotiated the Amended and Restated Forbearance Agreement because, among other things, the Operator was able to secure improved contracts for the long-term success of the Project. The new payment terms in the agreement provide for partial debt service payments while keeping the Operator in place for a significant period of time. The Trustee reasonably believes that the Amended and Restated Forbearance Agreement is in the best interest of the Bondholders, particularly given the prior poor financial performance of the Project in 2024 and prior years. Accordingly, the Trustee now seeks approval and direction from this Court for its entry into and performance under the Amended and Restated Forbearance Agreement.

CONCLUSIONS OF LAW

1. This Court has *in rem* jurisdiction over the Petition pursuant to Minn. Stat. §§ 501C.0202 (24) because the Trustee is seeking instruction from this Court regarding administration of the Trust and discharge of the Trustee’s duties under the agreement(s) governing

the Trust. The Trustee's principal corporate trust office is located in St. Paul, Minnesota, and the Trustee performs functions of Trust administration in Minnesota.

2. This Petition is properly venued in this Court pursuant to Minn. Stat. § 501C.0207(a)(2)(i) because the Trustee has a corporate trust office in St. Paul, Minnesota, and pursuant to Minn. Stat. § 501C.0207(b) because this Trust has been the subject of prior proceedings in this district.

3. The Trustee has fully complied with all of the notice and publication requirements set forth in Minn. Stat. § 501C.0203 subd. 1 and this Court's Order for Hearing.

4. Pursuant to Minn. Stat. § 501C.0204 subd. 1, this order is final as to all matters determined by it and binding *in rem* upon the Trustee, the Trust, all parties involved in the administration of the Trust, and all persons or entities claiming a beneficial or ownership interest in the Trust including, without limitation, all past, present or future Certificateholders, and their respective successors or assigns, as well as any other parties-in-interest, if any.

5. All actions taken (or omissions made) by the Trustee in accordance with this Order shall be deemed to be in good faith and comply with all applicable standards of care and duties of the Trustee under, and are fully authorized and protected by, the Trust Agreement and other Governing Documents including, without limitation, Section 6.01(e) of the Trust Agreement, and applicable law, and shall not subject U.S. Bank, individually or as Trustee, to liability.

DIRECTIONS AND ORDER FOR JUDGMENT

The relief sought by the Trustee in the Petition is hereby **GRANTED**, and the Court further specifically hereby directs and orders as follows:

- (i) The Trustee's entrance into the First Amendment and performance thereunder is ratified;

(ii) The Trustee is hereby approved and authorized to (1) enter into and perform under the terms of the Amended and Restated Forbearance Agreement including, without limitation, allocation of Project Revenues pursuant to the terms thereof and (2) take such further or additional actions as may be necessary or appropriate in connection with the Amended and Restated Forbearance Agreement and the operation of the Project;

(iii) The Trustee's execution and delivery of the Amended and Restated Forbearance Agreement and any and all actions taken by the Trustee thereunder or in connection therewith, are prudent and reasonable and satisfy any and all duties of the Trustee under the Indenture and any other Trust documents, and finding that the Trustee shall not be liable to any holders of the Bonds or other party for complying with this Court's Order;

(iv) the Trust and the Trustee shall not be subject to the continuing supervision of the Court for the purposes of Minn. Stat. § 501C.0205 or General Rule of Practice 417.02.

LET JUDGMENT BE ENTERED ACCORDINGLY.

Dated: _____, 2025

BY THE COURT:



Yang, Adam (Judge)
Oct 20, 2025 3:46 PM

Hon. Adam Yang
Judge of District Court

I certify the above order constitutes the Judgment of the Court.
Court Administrator

By:  Digitally signed by Syverud,
Michael
Date: 2025.10.20 16:31:02 -05'00'

10/20/2025 04:30 pm

San Luis Facility Development Corporation

3. C.

Meeting Date: 10/29/2025

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding the ratification of the Intergovernmental Service Agreement with the U.S. federal agency Immigration and Customs Enforcement ("ICE") to provide detention services for five (5) years. **(Kay Marion Macuil, General Counsel)**

SUMMARY:

San Luis Facility Development Corporation's General Counsel and La Salle Correction's Chief Financial Officer were able to negotiate a \$40 per head increase, a guaranteed minimum of 100 detainees, and a \$5.83 per mile mileage rate for transportation, due to the specialized secure buses that are used for transportation. Detention Services are to be provided under the detailed terms and standards provided in the Intergovernmental Service Agreement ("IGSA") from March 1, 2025, through February 28, 2030. The IGSA is attached. The San Luis Facility Development Corporation's President signed the IGSA on February 28, 2025. The recommendation for this item is to ratify the IGSA.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO RATIFY THE 2025 INTERGOVERNMENTAL SERVICE AGREEMENT WITH ICE FOR DETENTION SERVICES FOR FIVE (5) YEARS AS PRESENTED.

Attachments

2025 IGSA ICE

70CDCR25DIG000010
INTERGOVERNMENTAL SERVICE AGREEMENT
BETWEEN THE
UNITED STATES DEPARTMENT OF HOMELAND SECURITY
U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT
AND
SAN LUIS FACILITY DEVELOPMENT CORPORATION

This Intergovernmental Service Agreement (“**Agreement**”) is entered into between United States (US) Department of Homeland Security (“**DHS**”), Immigration and Customs Enforcement (“**ICE**”), and **SAN LUIS FACILITY DEVELOPMENT CORPORATION** (“**service provider**” or “**contractor**”) for the detention and care of detained aliens (also referred to as “**aliens**” and “**detainees**”). The term “**parties**” is used in this Agreement to refer jointly to ICE and the service provider.

AGREEMENT SUMMARY:

The service provider shall provide detention services for detained aliens at the following facility:

San Luis Regional Detention and Support Center
406 North Avenue D
San Luis, AZ 85349

The service provider shall house ICE aliens and perform related detention services, at a minimum, in accordance with 2019 National Detention Standards (NDS) or the most current version as outlined in a subsequent modification. The standards are available at www.ice.gov.

The service provider shall provide ICE with guaranteed **100 male/female** beds. The total capacity of the facility is **870 adult male/female beds**.

The Agreement will remain in effect for a period not to exceed 60 months unless extended by bilateral modification or terminated in writing by either party in accordance with the terms of Article 13 of this Agreement. The period of performance for this Agreement is March 1, 2025, to February 28, 2030.

Authorized Negotiator: The following individual is appointed as the service provider’s authorized negotiator with full authority to bind the service provider regarding this Agreement. The authorized negotiator must be an employee of the service provider (prime).

Authorized Negotiator: Kay Macuil
Title: City Attorney
Email Address: kmacuil@cityofsanluis.org
Phone: (928) 341-8526

Documents

The following documents constitute the complete Agreement and are hereby incorporated directly or by reference:

- Standard Form 1449 - 70CDCR25DIG000010
- B. Intergovernmental Service Agreement (IGSA) 70CDCR25DIG000010 (This document)

Attachments

- Attachment 1 – Title 29, Part 4 Labor Standards for Federal Service Contracts
- Attachment 2 – Wage Determination Number: 2015-5475 Revision: 24 Dated 12.23.24
- Attachment 3 – Attachment 3 – Quality Assurance Surveillance Plan and Performance Requirements Summary (NDS 2019)
 - Attachment 3a – Contract Discrepancy Report (CDR) Template
- Attachment 4 – Quality Control Plan
- Attachment 5 – Prison Rape Elimination Act (PREA) Regulations
- Attachment 6 – Detention-Transportation Invoice Supporting Documentation Template
- Attachment 7 – Combatting Trafficking in Persons
- Attachment 8 – ICE Privacy, Records Management, and Safeguarding of Sensitive Information
- Attachment 9 – Physical Plant Requirements
- Attachment 10 – Transportation Requirements
 - Attachment 10a – Route List
- Attachment 11 – Virtual Attorney Visitation
- Attachment 12 – Staffing Plan

IN WITNESS WHEREOF, the undersigned, duly authorized officers, have subscribed their names on behalf of the San Luis Facility Development Corporation and the Department of Homeland Security, U.S. Immigration and Customs Enforcement.

ACCEPTED:

U.S. Immigration and Customs Enforcement

Diana K Brozi
Contracting Officer (CO)

Signature: _____

Date: February 28, 2025

ACCEPTED:

San Luis Facility Development Corp.

Jenny Torres
President

Signature:  _____

Date: Feb 28, 2025

Intergovernmental Service Agreement

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REQUIRED WORK PERFORMANCE

Article 1. Purpose

- A. Purpose: The purpose of this IGSA is to establish an Agreement between ICE and the service provider for the provision of the necessary physical structure, equipment, facilities, personnel, and services to provide ICE alien detention in a secure environment under the authority of the Immigration and Nationality Act, as amended, 8 U.S.C. § 1103(a)(11)(A).

All persons in the custody of ICE are aliens. This term recognizes that ICE detained aliens are not charged with criminal violations and are only held in custody to ensure their presence throughout the administrative hearing process and to assure their presence for removal from the US pursuant to a lawful final order by the Immigration Court, the Board of Immigration Appeals, or other Federal judicial bodies.

- B. Responsibilities: This Agreement sets forth the responsibilities of ICE and the service provider. The service provider shall provide all personnel, management, equipment, supplies, and services necessary for performance of all aspects of the Agreement and ensure that the safekeeping, housing, subsistence, medical, and other program services provided to ICE aliens housed in the facility are consistent with ICE’s civil detention authority, IGSA requirements, ICE standards incorporated and referenced in this Agreement, and all applicable state and local laws. The service provider must perform satisfactorily as described in the QASP to receive payment from ICE at the rate prescribed below.
- C. Rates: This is a fixed rate Agreement, not a cost reimbursable Agreement, with respect to the facility operating charge and/or bed day rate. ICE will be responsible for reviewing and approving the costs associated with this Agreement, and any subsequent modifications, in accordance with all applicable federal procurement laws, regulations and standards in determining the facility operating charge and bed day rate.

Detention Bed Day Guaranteed Minimum (GM) DA (1-100)

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
\$ 140.00	\$ 143.50	\$ 147.09	\$ 150.76	\$154.53

Detention Bed Day Rate 100 >above

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
\$ 140.00	\$ 143.50	\$ 143.50	\$ 147.81	\$ 152.24

On-Call Guard at Regular Rate	\$	\$39.28 per hour
On-Call Guard at Overtime Rate	\$	\$53.53 per hour

**Transportation Mileage rate is as follows:

- i. Buses/ Large Van (12-15 passengers) per mile

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
\$5.83	\$ 5.98	\$ 6.13	\$ 6.28	\$6.44

- iii. Small Van/Sedan: Current GSA FTR Rate per mile

** Other Direct Cost

- i. Aliens Welfare Items
(sweatshirts, sweatpants, shoes and property bags). TBD

The Agreement includes a 2.5% escalation rate. If incorporating a new Wage Determination causes the overall cost to increase by over 2.5%, it will be evaluated and considered at that time.

** See Article 4, **See Attachment 10 and 10A*

The “Facility Operating Charge” is defined as all costs that are fixed for providing services to ICE based on the expected usage of the facility. The price shall be firm fixed price and invoiced on a monthly basis.

The “Bed Day” is defined as general costs associated with one person per day. The service provider shall bill for the date of arrival but not the date of departure.

The service provider shall not charge for costs that are not directly related to the housing and detention of aliens. Such unallowable costs include but are not limited to:

- 1) Salaries of elected officials
- 2) Salaries of employees not directly engaged in the housing and detention of aliens
- 3) Indirect costs in which a percentage of all local government costs are pro-rated and applied to individual departments unless, those cost are allocated under an approved Cost Allocation Plan
- 4) Alien services which are not provided to, or cannot be used by, Federal detained aliens
- 5) Operating costs of facilities not utilized by Federal detained aliens
- 6) Interest on borrowing (however represented), bond discounts, costs of financing/refinancing, except as prescribed by OMB Circular A-87
- 7) Legal or professional fees (specifically legal expenses for prosecution of claims against the Federal Government, legal expenses of individual aliens or inmates)

- D. ICE will not be responsible for paying any costs if ICE is unable to use the facility and such occurrence arises out of causes beyond the control and without the fault or negligence of ICE. Such causes may include but are not limited to acts of God or the public enemy, fires, flood, court orders, extraordinary severe weather and failure to perform in accordance with ICE standards incorporated into this Agreement.

Article 2. ICE Detention Standards and Other Applicable Standards,

- A. The standards applicable to this Agreement are referenced on page 1. DHS and ICE inspectors will conduct periodic inspections of the facility to assure compliance with ICE, DHS and other Federal standards.
- B. The service provider shall comply with the American Correctional Association (ACA) Standards for Adult Local Detention Facilities (ALDF) or Core Jail Standards and supplements and will strive to comply with National Commission on Correctional Health Care (NCCHC) Standards for Health Services in Jails. Some ACA/NCCHC standards are augmented by ICE policy and/or procedures.
- C. The service provider shall also comply with the requirements of Subpart A and Subpart C of the U.S. Department of Homeland Security Regulation titled “*Standards to Prevent, Detect, and Respond to Sexual Abuse and Assault in Confinement Facilities,*” title 6 Code of Federal Regulation (C.F.R.) part 115 (DHS PREA)/79 Fed. Reg. 13100 (Mar. 7, 2014), and Attachment 5 to this Agreement. If any requirements of the DHS PREA standards conflict with the terms of NDS 2019, the DHS PREA standards shall prevail.
- D. Order of Precedence: In instances where other standards conflict with ICE policy or standards, ICE policy and standards take precedence. If the service provider believes there is a conflict in standards, the service provider shall immediately seek clarification from the CO.

Article 3. Covered Services

- A. Access: The facility shall be located within proximity and access to emergency services (medical, fire protection, law enforcement, etc.).
- B. Basic Needs: The service provider shall provide ICE aliens with safekeeping, housing, subsistence, medical and other services in accordance with this Agreement. In providing these services, the service provider shall ensure compliance with all applicable laws, regulations, fire and safety codes, policies, and procedures. The types and levels of services shall be consistent with ICE detention standards and policies.
- C. All service providers are required to comply with any Enforcement and Removal Operations (ERO) pandemic guidance or instructions.

- D. Staffing: The service provider shall have a staffing plan to effectively staff the facility in a safe and secure manner. The number, type and distribution of staff as described in the IGSA-staffing plan shall be maintained throughout the term of the IGSA. Written requests to change the number, type and/or distribution of staff described in the staffing plan must be submitted to the CO and the Contracting Officer's Representative (COR), for approval prior to implementation and incorporation into this IGSA. Staffing levels shall not fall below a monthly average of 85% for custody staff, 80% for health services staff, and 85% for all other departments of the approved staffing plan. The approved staffing levels for detention officers shall not fall below a monthly average of 85%. Staffing levels for all departments other than custody and health services will be calculated in the aggregate. If the service provider does not provide health services, the health services staffing level does not apply.

Each month, the service provider shall submit to the COR the current average monthly vacancy rate and indicate any individual positions that have been vacant more than 120 calendar days. Failure to fill any individual position within 120 calendar days of the vacancy may result in a deduction from the monthly invoice.

As part of the justification package for a FOC, GM or bed rate increase request, along with the staffing plan, the service provider shall submit a detention facility floor plan which shows all detention guard posts and identifies the duration of each guard post and the number of shifts required in a 24-hour day. The detention facility floor plan should be color-coded so that each detention guard post can be easily mapped to the description of the duration of the guard post and the number of daily shifts required.

Article 4. On-Call Guard Services

- A. The service provider agrees to provide on-call guard services, at a separately agreed hourly rate, on demand by the COR and shall include, but not limited to, escorting and guarding aliens to medical or doctor's appointments, hearings, ICE interviews, and any other offsite location as requested by the COR. Qualified detention officers employed by the service provider under its policies, procedures, and practices will perform such services. The service provider agrees to augment such practices as may be requested by CO or COR to enhance specific requirements for security, alien monitoring, visitation, and contraband control. Visitation with ICE aliens at offsite locations is prohibited unless authorized in advance by the COR.
- B. The service provider shall provide two officers for each offsite location, unless additional officers are required, per the direction of the COR or designated ICE officer. Except in cases of an emergency, one of the two above referenced officers shall be of the same sex as the alien being assigned to the offsite location. The service provider shall not pull officers posts in order to fill on-call guard services. All posts shall be staffed and shall not be left vacant in order to meet on demand needs.

Article 5. Receiving and Discharging Aliens

- A. Required Activity: The service provider shall receive and discharge ICE aliens only to/ from properly identified ICE/ERO personnel or other properly identified Federal law enforcement officials with written authorization from ICE/ERO. Presentation of U.S. Government identification will constitute “proper identification.”
- B. The service provider shall furnish receiving and discharging services twenty-four (24) hours per day, seven (7) days per week. ICE will furnish the service provider with reasonable notice of receiving and discharging ICE aliens. The service provider shall ensure positive identification and recording of aliens and ICE officers. The service provider shall not permit medical or emergency discharges from the hospital except through coordination with ICE/ERO.
- C. Emergency Situations: ICE aliens shall not be released from the facility into the custody of other Federal, state, or local officials for any reason, except for medical or emergency situations, without express authorization of ICE.
- D. Restricted Release of ICE Aliens: The service provider shall not release ICE aliens from its physical custody to any persons other than those described in Paragraph A of this Article, for any reason, except for either medical, other emergency situations (such as a hurricane evacuation or activation or an emergency plan), or in response to a Federal writ of habeas corpus. If an ICE alien is required for Federal, state, or local proceedings, only ICE/ERO may authorize release of the alien for such purposes. The service provider shall contact the COR or designated ICE official immediately regarding any such requests.
- E. Service Provider Right of Refusal. The service provider retains the right to refuse acceptance of any alien if such refusal is supported by a valid justification and agreed to by the COR. Examples of such justification are any individual exhibiting violent or disruptive behavior, or any alien found to have a medical condition that requires medical care beyond the scope of the service provider. In the case of a alien already in custody, the service provider shall notify ICE and request transfer of the alien from the facility. The service provider shall allow ICE reasonable time to make alternative arrangements for detention of the alien.
- F. Juveniles. If the service provider determines that ICE has delivered a person for custody who is under the age of eighteen (18), the service provider shall not house that person with adults and shall immediately notify the COR or designated ICE official. ICE will relocate the juvenile within seventy-two (72) hours.
- G. Emergency Evacuation: In the event of an emergency requiring evacuation of the facility, the service provider shall evacuate ICE aliens in the same manner, and with the same safeguards, as it employs for persons detained under the service provider’s authority. The service provider shall notify the ICE COR or designated ICE official within two (2) hours of evacuation.

Article 6. Medical Services

- A. The service provider shall not charge any ICE aliens a fee or co-payment for medical services or treatment, including medications and durable medical equipment provided at the facility. The service provider shall ensure that ICE aliens receive no lower level of on-site medical care and services than those it provides to local inmates, and as required by the ICE standards incorporated into this Agreement as well as all Centers for Disease Prevention and Control (CDC) guidance and recommendations regarding infectious disease prevention and control. All medical-related costs will be included in the applicable rate for this Agreement.
- B. The service provider ensures quality health care delivery and accountability in compliance with detention standards through a continuous quality improvement (CQI) system that includes risk management, patient safety, and health services delivery quality assurance programs. The CQI system identifies, addresses, and monitors health care delivery for undesired outcomes and trends, including but not limited to those due to near miss occurrences, adverse events, sentinel events, and systemic processes or outcomes. Concerns identified from the CQI system risk assessment are addressed through corrective action plans.
- C. The service provider is required to report all incidents, in accordance with ICE Health Service Corps (IHSC) incident reporting criteria, to the IHSC Field Medical Coordinator (FMC) immediately. Alien deaths at the facility are subject to an IHSC directed mortality review, concurrent or subsequent root cause analysis for the purpose of identifying actual and potential process failures and errors.
- D. The service provider shall notify ICE/ERO and the IHSC FMC of alien with serious medical conditions within 48 hours of identification of the case. Examples of cases include, but are not limited to: uncontrolled hypertension; uncontrolled diabetes; unable respiratory disease or any alien requiring oxygen treatment; history of congestive heart failure complaining of shortness of breath; transgender; pregnancy; multiple unstable chronic conditions; liver failure; renal failure; infectious and communicable diseases (i.e., HIV/AIDS, viral hepatitis, varicella, measles, mumps, COVID-19); infectious disease outbreaks; acute mental health conditions (one or more psychiatric symptoms – disorganization, active hallucinations or delusions, severe depressive symptoms, suicidal ideation, marked anxiety or impulsivity); history of more than two psychiatric hospitalizations in the past three months and still presenting moderate to severe symptoms; presently taking psychiatric medications and still presenting active moderate to symptoms; continues to display self-harm to self or others in spite of treatment and/or hospitalization; serious limitations in mental functions due to mental disability or severe medical conditions impairing mental function.
- E. Prescription medications that must be filled at a retail pharmacy location, are available through and paid for by the IHSC pharmacy benefits program. The FMC in conjunction with the IHSC Managed Care Coordinators will be the service provider's point of contact for the IHSC pharmacy benefits program. The service provider is required to follow IHSC processes regarding filling of prescriptions through the pharmacy benefits program including processes for non-formulary medications requiring prior authorization and

overrides for travel medications. Vaccines are also provided through the IHSC pharmacy benefits program as per the Non-IHSC Staffed Facility Medication Formulary. Durable medical equipment (DME) identified as medically necessary by a medical provider shall be covered by IHSC Medical Payment Authorization Request (MedPAR) or through coordination with the FMC when/if the facility is unable to provide the DME through existing stock supplies covered in the applicable rate for this Agreement.

- F. The service provider is required to follow all MedPAR guidance and requirements available <https://medpar.ice.gov>. If the MedPAR is cancelled, the service provider is required to notify the FMC. The service provider is required to provide the approved authorization to all off-site medical providers (i.e., emergency medical services, hospital, diagnostic or laboratory service provider, independent medical providers who provided care while at the hospital or in the community) to assist with the medical claims processes to ensure payment to the off-site provider for the services rendered. Payment is made directly to the off-site provider by the Veteran's Affairs Financial Services Center (VAFSC) on behalf of IHSC. VAFSC contact information is below. The VAFSC, ICE and IHSC cannot reimburse the service provider for services rendered by these providers.

IHSC VA Financial Services Center
PO Box 149345
Austin, TX 78714-9345
Phone: (800) 479-0523
Fax: (512) 460-5538

- G. In the event of a medical emergency, the service provider shall immediately proceed to provide necessary emergency medical treatment, including initial on-site stabilization and off-site transport, if required. The service provider shall notify ICE and the IHSC FMC immediately regarding the nature of the transferred alien illness or injury and the type of treatment provided. The cost of all emergency medical services provided off-site will be the responsibility of IHSC. The IHSC FMC assigned to this facility will be the point of contact for obtaining the approval for the emergency off-site care. Utilizing the IHSC MedPAR system, the request for approval for the emergency care shall be submitted no more than 72 hours from receipt of the care.
- H. Utilizing the IHSC MedPAR, the service provider will request prior approval for all non-emergent off-site medical care and requests for durable medical equipment (DME). The primary POC for obtaining pre-approval will be the IHSC FMC assigned to this location.
- I. The service provider is required to maintain Agreements with community providers including hospitals and specialty providers to provide healthcare to ICE aliens. The service provider is required to provide a listing of those providers to and to notify the IHSC FMC of new community providers in order for IHSC to begin the new provider recruitment process.
- J. The service provider shall retain, at a minimum, medical staffing levels as approved by IHSC and incorporated into this IGSA in accordance with Article 3 above. The service

provider shall ensure that all health care providers utilized for ICE aliens hold current licenses, certifications, and/or registrations within the state, county and/or city where they treat the ICE detained aliens.

- K. If the service provider determines that an ICE alien has a medical condition which renders the individual unacceptable for detention under this Agreement, (for example, serious contagious disease, condition needing life support, uncontrollable violence, or serious mental health condition), the service provider shall notify ICE COR. Upon such notification, the service provider shall allow ICE reasonable time to make the proper arrangements for further detention of that individual.
- L. The service provider shall release all medical information in person, electronically or virtually for ICE aliens to IHSC representatives upon request, including but not limited to: IHSC FMC, IHSC Managed Care Coordinators, Behavioral Health Unit Staff, IHSC Pharmacy Staff, or other IHSC staff as requested.
- M. The service provider shall submit a MedPAR to IHSC for payment for offsite medical care (e.g., offsite lab testing, eyeglasses, prosthetics, hospitalizations, emergency visits). The service provider shall enter payment authorization requests electronically as outlined in the MedPAR User Guide.
- N. The service provider shall allow IHSC FMCs, Managed Care Coordinators, Referral Coordinators, IHSC personnel, DHS, ICE personnel reasonable access to its facility, medical records and electronic health record (EHR) system records of ICE alien for the purpose of liaison activities with the local IGSA Health Authority and associated service provider departments. The access is in accordance with Health Insurance Portability and Accountability Act (HIPAA) privacy exception at 45 C.F.R. §§ 164.512 (k)(5)(i) which allows disclosure without consent to a correctional institution or a law enforcement official having lawful custody of an inmate or other individual if the correctional institution or such law enforcement official represents that such protected health information is necessary for:
 - a. The provision of health care to such individuals;
 - b. The health and safety of such individual or other inmates;
 - c. The health and safety of the officers or employees of or others at the correctional institution;
 - d. The health and safety of such individuals and officers or other persons responsible for the transporting of inmates or their transfer from one institution, facility, or setting to another;
 - e. Law enforcement on the premises of the correctional institution;
 - f. The administration and maintenance of the safety, security, and good order of the correctional institution; and
 - g. Conducting a quality improvement / quality of care review consistent with an established quality improvement (medical quality management) program and interfacing with the IHSC quality improvement program consistent with federal, state, and local laws.

- O. The service provider shall provide ICE alien medical records to ICE, whether created by the service provider or any medical subcontractor, upon request from the COR or CO within seven business days of the request. The service provider shall respond in a timely manner to ICE requests for reporting, documentation and other data required to respond to pending and current litigation, Congressional inquiries, other Federal, state or local entity request for information.

Article 7. Inspections and Audits

- A. Facility Inspections and Oversight: The service provider shall allow DHS, ICE, DHS Office of the Inspector General, DHS Office of Civil Rights and Civil Liberties, DHS Office of the Detention Ombudsman (OIDO), the Government Accountability Office, Members of Congress or any entity or organization approved by ICE to conduct inspections of the facility to ensure an acceptable level of service and acceptable conditions of detention. There will be both announced and unannounced inspections. No notice to the service provider is required prior to an unannounced inspection. For ICE-directed inspections or audit, ICE will share findings of the inspection with the authorized signatory.
- B. In accordance with Congressional mandate, ICE cannot house aliens in any facility that has received two most recent overall performance evaluations of less than “adequate” or the equivalent median score. Upon notice that the second overall rating is less than “adequate”, ICE will relocate all aliens from the facility within 7 calendar days. Should aliens be relocated because of two most recent performance evaluations of less than “adequate”, the FOC will no longer be applicable the day after the last alien has been removed. Accordingly, the invoice for the FOC that month will be prorated. A unilateral modification will be processed to memorialize the removal of the FOC.
- C. Possible Termination: Following a DHS or ICE inspection, if the service provider, after being afforded reasonable time to comply, fails to remedy deficient service identified through a DHS or ICE inspection, ICE may terminate this Agreement without regard to any other provisions in this Agreement.
- D. Share Findings: The service provider shall provide ICE copies of facility inspections, reviews, examinations, and surveys performed by state, local, or accreditation sources.

Article 8. Employment Screening Requirements

General. The service provider shall certify to the CO and Contracting COR that any employees performing under this Agreement, who have access to ICE detainees, will have successfully completed an employment screening that includes at a minimum a criminal history records check, employment reference checks and a citizenship check.

Employment Eligibility. Each employee working on this contract shall successfully pass the DHS Employment Eligibility Verification (E-Verify) program operated by the United States Citizenship and Immigration Services (USCIS to) establish work authorization.

The E-Verify system is an Internet-based system operated by DHS USCIS, in partnership with the Social Security Administration (SSA), that allows participating employers to electronically verify the employment eligibility of their newly hired employees.

Each employee working on this Agreement shall have a Social Security Card issued by the SSA. The service provider shall be responsible for acts and omissions of his own employees and for any subcontractor(s) and their employees.

Subject to existing law, regulations and/or other provisions of this contract, illegal or undocumented aliens shall not be employed by the service provider under this Agreement. The service provider shall ensure that this provision is expressly incorporated into any subcontracts or Agreements issued in support of this Agreement.

Security Management. The service provider shall appoint a senior official to act as the Corporate Security Officer. The individual will interface with OPR PSO through the COR on all security matters, to include physical, personnel, and protection of all Government information and data accessed by the service provider.

The COR and OPR shall have the right to inspect the procedures, methods, and facilities utilized by the service provider in complying with the security requirements under this contract. Should the COR determine that the service provider is not complying with the security requirements of this contract, the service provider will be informed in writing by the CO of the proper action to be taken to effect compliance with such requirements.

Health Requirements for All Officers. The service provider is solely responsible for ensuring Employees are able to perform essential functions described within this contract, with reasonable accommodation, if applicable. All Officers who work under this contract shall pass a medical examination conducted by a licensed physician within 30 days prior to initial assignment.

The service provider shall have a collaborative Agreement with a fully licensed certified independent clinic and laboratory for the purpose of accomplishing the Standard Form 88, Medical Record - Report of Medical Examination. Transportation officers will require both SF 88 and DOT 649F (DOT physical).

The Medical Record. Report of Medical Examination, Standard Form 88, shall evidence the physical fitness of each Detention Officer. If requested by the COR, the service provider shall make medical records of contract employees available for review. The service provider will keep one duplicate copy of each Standard Form 88. Prior to the officer's initial assignment or reassignment to the ICE site, the service provider shall certify in writing to the COR that each Detention Officer is in full compliance with the following:

Officers shall not have diseases that may be transmitted to and result in the disablement of other persons and shall be physically and mentally able to perform the essential functions of their position, either with or without reasonable accommodation, and without creating a significant risk of substantial harm to the health or safety of that Officer or others, which risk cannot be eliminated or reduced by a reasonable accommodation.

Article 9. Records Management Obligations

A. Applicability: This Article applies to all service providers whose employees create, work with, or otherwise handle Federal records, as defined in Section B, regardless of the medium in which the record exists.

B. Definitions

“Federal record” as defined in 44 U.S.C. § 3301, includes all recorded information, regardless of form or characteristics, made or received by a Federal agency under Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the US Government or because of the informational value of data in them.

The term Federal record:

1. includes DHS or ICE records.
2. does not include personal materials.
3. applies to records created, received, or maintained by a service provider pursuant to their ICE Agreement.
4. may include deliverables and documentation associated with deliverables.

C. Requirements

1. The service provider shall comply with all applicable records management laws and regulations, as well as National Archives and Records Administration (NARA) records policies, including but not limited to the Federal Records Act (44 U.S.C. chs. 21, 29, 31, 33), NARA regulations at 36 CFR Chapter XII Subchapter B, and those policies associated with the safeguarding of records covered by the Privacy Act of 1974 (5 U.S.C. 552a). These policies include the preservation of all records, regardless of form or characteristics, mode of transmission, or state of completion.
2. In accordance with 36 CFR 1222.32, all data created for Government use and delivered to, or falling under the legal control of, the Government are Federal records subject to the provisions of 44 U.S.C. chapters 21, 29, 31, and 33, the Freedom of Information Act (FOIA) (5 U.S.C. 552), as amended, and the Privacy Act of 1974 (5 U.S.C. 552a), as amended and must be managed and scheduled for disposition only as permitted by statute or regulation.

3. In accordance with 36 CFR 1222.32, service provider shall maintain all records created for Government use or created in the course of performing the Agreement and/or delivered to, or under the legal control of the Government and must be managed in accordance with Federal law. Electronic records and associated metadata must be accompanied by sufficient technical documentation to permit understanding and use of the records and data.
4. ICE and its service providers are responsible for preventing the alienation or unauthorized destruction of records, including all forms of mutilation. Records may not be removed from the legal custody of ICE or destroyed except for in accordance with the provisions of the agency records schedules and with the written concurrence of the Head of the Contracting Activity (HCA). Willful and unlawful destruction, damage or alienation of Federal records is subject to the fines and penalties imposed by 18 U.S.C. 2701. In the event of any unlawful or accidental removal, defacing, alteration, or destruction of records, the service provider must report to ICE. The agency must report promptly to NARA in accordance with 36 CFR 1230.
5. The service provider shall immediately notify the appropriate CO upon discovery of any inadvertent or unauthorized disclosures of information, data, documentary materials, records or equipment. Disclosure of non-public information is limited to authorized personnel with a need-to-know as described in the IGSA. The service provider shall ensure that the appropriate personnel, administrative, technical, and physical safeguards are established to ensure the security and confidentiality of this information, data, documentary material, records and/or equipment is properly protected. The service provider shall not remove material from Government facilities or systems, or facilities or systems operated or maintained on the Government's behalf, without the express written permission of the HCA. When information, data, documentary material, records and/or equipment is no longer required, it shall be returned to ICE control, or the service provider must hold it until otherwise directed. Items returned to the Government shall be hand carried, mailed, emailed, or securely electronically transmitted to the CO or address prescribed in the IGSA. Destruction of records is EXPRESSLY PROHIBITED unless in accordance with Paragraph (4).
6. The service provider is required to obtain the CO's approval prior to engaging in any contractual relationship (sub-contractor) in support of this Agreement requiring the disclosure of information, documentary material and/or records generated under, or relating to, contracts. The service provider (and any sub-contractor) is required to abide by Government and ICE guidance for protecting sensitive, proprietary information, classified, and controlled unclassified information.
7. The service provider shall only use Government IT equipment for purposes specifically tied to or authorized by the Agreement and in accordance with ICE policy.

8. The service provider shall not create or maintain any records containing any non-public ICE information that are not specifically tied to or authorized by the Agreement.
9. The service provider shall not retain, use, sell, or disseminate copies of any deliverable that contains information covered by the Privacy Act of 1974 or that which is generally protected from public disclosure by an exemption to the FOIA.
10. Training. All service provider employees assigned to this Agreement who create, work with, or otherwise handle records are required to take ICE-provided records management training. The service provider is responsible for confirming training has been completed according to agency policies, including initial training and any annual or refresher training.

D. Flow down of requirements to subcontractors

1. The service provider shall incorporate the substance of this Article, its terms and requirements including this paragraph, in all subcontracts under this IGSA, and require written subcontractor acknowledgment of same.
2. Violation by a subcontractor of any provision set forth in this Article will be attributed to the service provider.

- E. ICE Access to Alien and Facility Records: The service provider shall, upon request, grant ICE access to any record in its possession, regardless of whether the service provider created the record, concerning any ICE alien. This right of access includes, but is not limited to, incident reports, records relating to suicide attempts, and behavioral assessments and other records relating to the alien while in the service provider's custody; provided, however that access to medical and mental health record information be provided in accordance with Article 6. Retention of records requirements can be found in Attachment 8.

Article 10. Incident Reporting

- A. The COR shall be immediately notified in the event of all serious incidents. The COR will provide any additional contact information for outside-working-hours to the service provider at the time of award.
- B. Serious incidents include, but are not limited to: activation of disturbance control team(s); disturbances (including gang activities, group demonstrations, food boycotts, work strikes, work-place violence, civil disturbances/protests); staff use of force including use of lethal and less-lethal force (includes aliens in restraints more than eight hours); assaults on staff/population resulting in injuries requiring medical attention (does not include routine medical evaluation after the incident); fights resulting in injuries requiring medical attention; fires; full or partial lock down of the facility; escape; weapons discharge; suicide attempts; deaths; declared or non-

declared hunger strikes; adverse incidents that attract unusual interest or significant publicity; adverse weather (e.g., hurricanes, floods, ice/snow storms, heat waves, tornadoes); fence damage; power outages; bomb threats; aliens admitted to a community hospital; witness security cases taken outside the facility; significant environmental problems that impact the facility operations; transportation accidents (i.e. airlift, bus) resulting in injuries, death or property damage; and sexual assaults.

- C. The service provider agrees to cooperate with any Federal investigation concerning incidents and treatment involving ICE aliens to the full extent of its authorities, including providing access to any relevant databases, CCTV recordings, personnel, and documents.
- D. The ICE alien and the public are the ultimate recipients of the services identified in this Agreement. Any complaints made known to the COR will be logged and forwarded to the service provider for remedy. Upon notification, the service provider shall be given a pre-specified number of hours after verbal notification from the COR to address the issue. The service provider shall submit documentation to the COR regarding the actions taken to remedy the situation. If the complaint is found to be invalid, the service provider shall document its findings and notify the COR.

Article 11. ICE Communication Services (ICS)

- A. Video phones, portable electronics or other enhanced telecommunications features provided by the ICE ICS contractor to ICE aliens, based upon concurrence between ICE and the service provider, may be utilized at this facility, and their distribution will be coordinated with the service provider. These features may not in any way compromise the safety and security of the inmates/prisoners/aliens, staff or the facility. Any new or enhanced telecommunications features will be integrated within the ICS service and shall NOT be a separate system or software from the ICS service. Such capabilities may include: video visitation; web access for law library; email; kites; commissary ordering; educational tools; news; sports; and video games. Pricing for alien use of these technologies will be set by the ICS provider.
- B. Should ICE determine that ICE will fund phone or tablet costs for ICE aliens, the service provider will work with ICE to determine how to best provide, account, track and invoice for these services.
- C. It is ICE's preference that all facilities housing ICE aliens use the ICE ICS however, the service provider may have an existing contract with a telecommunications company to provide telephone and/or tablet service. Notwithstanding any existing contract, the service provider shall require their telecommunications company to provide connectivity to the ICE ICS contractor for ICE alien pro bono telephone calls. The service provider (and the telecommunications company) shall make all arrangements with the ICS contractor independently from this Agreement.

If the service provider has an existing contract with a telecommunications company, ICE requires that ICE aliens have direct access to the ICS contractor for collect and prepaid

calls. The ICS contractor shall receive all revenues collected by sale of prepaid debit services to ICE aliens. The ICS contractor shall be responsible for the costs incurred to provide the pro bono services, and the maintenance and operation of the system, including a standard compensation to the telecommunications company. The service provider shall not be entitled to any commissions, fees, or revenues generated by the use of the ICS.

It will be the service provider's responsibility to ensure all detained alien telephone and communication rates are in compliance with Federal Communication Commission laws, statutes, regulations, rulings and any subsequent orders.

- D. The service provider shall inspect telephones for serviceability, in accordance with ICE standards, policies and procedures. The service provider shall notify the COR or ICE designee of any inoperable telephones.

ICE ICS Contractor Information:

Talton Communications
910 Ravenwood Dr.
Selma, AL 36701

Robin Howell
Customer Relations Manager
(214) 293-1793
robin@talton.com

Mike Oslund
Operations Manager
334-412-4506
mike@talton.com

Article 12. Government Use of Wireless Communication Devices

- A. All personnel possessing a Federally owned wireless communication device, including but not limited to, cellular telephones, pagers or wireless Internet devices, shall be authorized to possess and use those items in all areas of the facility.

Article 13. ICE Furnished Property

- A. ICE Property Furnished to the Service Provider: ICE may furnish Federal property and equipment to the service provider. Accountable property remains titled to ICE and shall be returned to the custody of ICE upon termination of the Agreement or as requested. The suspension of use of bed space is grounds for the recall and return of any or all ICE furnished property.
- B. Service Provider Responsibility: The service provider shall not remove ICE property from the facility without the prior written approval of the COR. The service provider shall report any loss or destruction of any ICE property immediately to ICE and may be responsible for replacement costs.

Article 14. Termination

- A. The period of performance for this Agreement is referenced on page 1 of the Agreement Summary. This Agreement becomes effective upon the date of final signature by the ICE CO, which shall occur after the authorized signatory of the service provider.
- B. Except for as described in Article 7, Inspections & Audits, Paragraph C, either party may terminate this Agreement by providing written notice of intention to terminate the Agreement, a minimum of 60 calendar days in advance of the effective date of termination, or the parties may agree to a shorter period under the procedures prescribed in Article 16, Modifications and Disputes. If this Agreement is terminated by either party under this Article, ICE will be under no financial obligation for any costs after the date of termination. The service provider will only be paid for services provided to ICE up to and including the day of termination.

ADMINISTRATION

Article 15. Administrative

- C. Contracting Officer's Representative: The COR will be designated by the CO. When the COR duties are reassigned, an administrative modification will be issued to reflect the changes. This designation does not include authority to sign contractual documents or to otherwise commit to, or issue changes, which could affect the price, quantity, or performance of this Agreement.

Should the service provider believe it has received direction that is not within the scope of the Agreement; the service provider shall not proceed with any portion that is not within the scope of the Agreement without first contacting the CO. The service provider shall continue performance of efforts that are deemed within the scope.

- D. Commencement of Services: ICE is under no obligation to utilize the beds identified herein until the need for detention services has been identified, funding has been identified and made available, and the facility meets ICE requirements and the applicable ICE standards delineated in this Agreement. ICE may perform numerous assessments to ensure compliance prior to housing aliens in the facility.

Should there be a need for a ramp-up plan, the effective start date of the plan is the effective date of the award or modification authorizing the ramp up plan.

- E. Funding: The obligation of ICE to make payments to the service provider is contingent upon the availability of Federal funds. ICE will neither present aliens to the service provider nor direct performance of any other services until ICE has appropriate funding. Task orders will be placed under this Agreement when specific requirements have been identified and funding obligated. Performance under this Agreement is not authorized until the CO issues a task order in writing. Task orders issued against this IGSA have a period of performance that extend up to one year after the end of the IGSA period of

performance. The effective date of the services will be negotiated and specified in this Agreement. The service provider shall be prepared to accept aliens immediately upon issuance of task order in accordance with the agreed upon ramp-up plan. In the event of a Federal lapse of funding, please consult with the CO .

- F. Subcontractors: The service provider shall obtain the CO's approval before subcontracting the detention and care of aliens to another entity. The CO has the right to deny, withhold, or withdraw approval of the proposed subcontractor. Upon approval by the CO, the service provider shall ensure that any subcontract includes all provisions of this Agreement. ICE only has privity of contract with the service provider therefore, all payments will be made to the service provider. If the facility, or any future facility, is operated by an entity other than the service provider, ICE will treat the entity as a subcontractor of the service provider. ICE will not accept invoices from, or make payments to, a subcontractor. Subcontractors that perform under this Agreement are subject to all terms and conditions of this IGSA.
- G. Consistent with Law: This Agreement is permitted under applicable statutes, regulations, policies, and judicial mandates. Any provision of this Agreement contrary to applicable statutes, regulation, policies, or judicial mandates is null and void and shall not necessarily affect the balance of the Agreement.

Article 16. Adjusting the Agreement Rates

- A. ICE will reimburse the service provider at the rates shown in Article 1, Paragraph C. except as provided in Article 20, Labor Standards and Wage Determination, the service provider may request a rate adjustment no less than thirty-six (36) months after the effective date of the Agreement or subsequent rate increase unless required by law. After 36 months, the service provider may request a rate adjustment by submitting a new Detention Services Cost Statement (DSCS) with a summary of the rate adjustment, break-out of the requested increase amount, and back-up documentation necessary to support the request. The parties agree to base the cost portion of the rate adjustment on the principles of allowability and allocability as set forth in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, Federal procurement law, regulations, and standards in arriving at the rate. If ICE does not receive an official request for a rate adjustment that is supported by the information provided, the fixed rates as stated in this Agreement will be in place indefinitely.
- B. ICE reserves the right to audit the actual and/or prospective costs upon which the rate adjustment request is based. All rate adjustments are prospective, there are no retroactive adjustment(s).

Article 17. Modifications and Disputes

- A. Modifications: Actions, other than those designated in this Agreement, will not bind or incur liability on behalf of either party. Either party may request a modification to this

Agreement by submitting a written request to the other party. A modification will become a part of this Agreement only after the CO has approved the modification in writing.

B. Change Orders:

1. The CO may at any time, by written order, and without notice to the service provider, make changes within the general scope of this Agreement in any one or more of the following:
 - (a) Description of services to be performed and,
2. Should any such change cause an increase or decrease in the cost of the services under the Agreement, the service provider may request and the CO may approve an equitable adjustment and will modify the Agreement accordingly.
3. The service provider must assert its right to an adjustment under this article within 30 calendar days from the date of receipt of the written order including a proposal addressing the cost impacts and detailed supporting data.
4. If the service provider's proposal includes costs that are determined unreasonable and/or unsupported, as determined by the CO, the CO will disallow those costs when determining a revised rate, if any.
5. Failure to agree to any adjustment will be a dispute under the Disputes section of this Article. However, nothing in this Article excuses the service provider from proceeding with the Agreement as changed.

C. Disputes: The CO and the authorized signatory of the service provider will settle disputes, questions, and concerns arising from this Agreement. Settlement of disputes will be memorialized in a written modification between the ICE CO and authorized signatory of the service provider. In the event a dispute is not able to be resolved between the service provider and the ICE CO, the ICE CO will make the final decision. If the service provider does not agree with the final decision, the matter may be appealed to the ICE HCA for resolution. The ICE HCA may employ all methods available to resolve the dispute including alternative dispute resolution techniques. The service provider shall proceed diligently with performance of this Agreement pending final resolution of any dispute.

Article 18. Enrollment, Invoicing, and Payment

A. Enrollment in Electronic Funds Transfer: The service provider shall provide ICE with the information needed to make payments by electronic funds transfer (EFT). The service provider shall identify their financial institution and related information on Standard Form 3881, Automated Clearing House (ACH) Vendor Miscellaneous Payment Enrollment Form <https://www.gsa.gov/forms-library/ach-vendormiscellaneous-payment-enrollment> The service provider shall submit a completed SF 3881 to ICE payment

office prior to submitting its initial request for payment under this Agreement. If the EFT data changes, the service provider shall be responsible for providing updated information to the ICE payment office.

- B. SAM Registration: The service provider shall maintain an active registration in System for Award Management (SAM) at the time of award and throughout the life of this Agreement. The service provider shall be registered to receive “All Awards” in their SAM registration. The SAM website can be found at www.sam.gov.
- C. Consolidated Invoicing: The service provider shall submit a monthly itemized invoice within the first ten (10) business days of the month following the calendar month when it provided the services. Invoice instructions can be found on the SF 1449.
- D. On-call Guard Hours: The itemized monthly invoice for on-call guard services shall state the number of hours being billed, the duration of the billing (times and dates) and the mission/trip number. Such services shall be denoted as a separate item on submitted invoices. ICE agrees to reimburse the service provider for actual on-call guard services provided during the invoiced period.
- E. Payment: ICE will transfer funds electronically through either an Automated Clearing House subject to the banking laws of the US, or the Federal Reserve Wire Transfer System. The Prompt Payment Act applies to this Agreement. The Prompt Payment Act requires ICE to make payments under this Agreement the thirtieth (30th) calendar day after the Burlington Finance Office receives a proper invoice. Either the date on the Government's check, or the date it executes an electronic transfer of funds, constitutes the payment date. The Prompt Payment Act requires ICE to pay interest on overdue payments to the service provider. ICE will determine any interest due in accordance with the Prompt Payment Act provided the service provider maintains an active registration in the SAM and all information is accurate.
- F. Robotics Process Automation Requirement: The Detention Facility Robotics Process Automation (RPA) process requires that data supporting detention bed space, ground transportation costs and any other additional costs covered by the current Agreement will be recorded utilizing the Detention-Transportation Invoice Supporting Documentation Template (Attachment 6). This data template shall be completed in its entirety in the established format once all data supporting the monthly operations is available. Once completed, the Detention-Transportation Template must be submitted to both the COR and the ERO RPA Team Mailbox (erorpa@ice.dhs.gov). Please also note that the requirement for submission of the Detention-Transportation Template is prior to and in addition to the invoice submission requirement already included in this Agreement. Any required updates/adjustments will be identified and sent to the service provider within 48 hours of submission to the mailbox. The Detention-Transportation Template updates may be requested by the COR and will require timely resubmission to the COR and the ERO RPA Team Mailbox. For ground transportation services, the G-391 portion of the Detention-Transportation Template must be completed and validated by the service provider on a monthly basis so that there are no errors for each of the trips in the G-391

upload template. Errors are indicated by rows, columns, and cells that are highlighted when the vendor checks the validation using the tool. If the COR identifies errors that have not been corrected, they will resend the report within 48 hours to the vendor to fix and resubmit within 5 business days. All reports must align with invoice amounts and dollar values.

The Government reserves the right to update the detention facility invoice process, templates or other related documents, in order to fix issues, expand capabilities, and improve performance of the reconciliation process.

Article 19. Hold Harmless Provisions

Unless specifically addressed by the terms of this Agreement, the parties agree to be responsible for the negligent or wrongful acts or omissions of their respective employees to the extent authorized under the applicable law.

- A. Service Provider Held Harmless: ICE liability for any injury, damage or loss to persons or property caused by the negligent or tortuous conduct of its own officers, employees, and other persons provided coverage pursuant to Federal law is governed by the Federal Tort Claims Act, 28 USC 2691 *et seq.* (FTCA). Compensation for work related injuries for ICE's officers, employees and covered persons is governed by the Federal Employees Compensation Act (FECA). The service provider shall promptly notify ICE of any claims or lawsuits filed against any ICE employees of which service provider is notified.
- B. Federal Government Held Harmless: Service provider liability for any injury, damage or loss to persons or property arising out of the performance of this Agreement and caused by the negligence of its own officers, employees, agents and representatives is governed by the applicable State and/or local law. ICE will promptly notify the service provider of any claims filed against any of service provider's employees of which ICE is notified. The Federal Government will be held harmless for any injury, damage or loss to persons or property caused by a service provider employee arising in the performance of this Agreement.
- C. Defense of Suit: In the event an ICE detained alien files suit against the service provider contesting the legality of the alien's ICE detention under this Agreement and/or immigration/citizenship status, or a alien files suit as a result of an administrative error or omission of the Federal Government, ICE will request that the United States Department of Justice (DOJ), as appropriate, move either to have the service provider dismissed from such suit; to have ICE substituted as the proper party defendant; or to have the case removed to a court of proper jurisdiction. Regardless of the decision on any such motion, ICE will request that DOJ be responsible for the defense of any suit on these grounds. Nothing in this Agreement limits the discretion of DOJ on any litigation matters.
- D. ICE Recovery Right: The service provider shall do nothing to prejudice ICE's right to recover against third parties for any loss, destruction of, or damage to U.S. Government property. Upon request from the CO, the service provider shall furnish to ICE all

reasonable assistance and cooperation, including assistance in the prosecution of suit and execution of the instruments of assignment in favor of ICE in obtaining recovery.

- E. Service Provider Insurance: The service provider and any subcontractor(s) shall maintain insurance and/or be self-insured in an amount not less than \$1,000,000 to protect the service provider from claims under workman's compensation acts and from any other claims for damages for personal injury, including death which may arise from operations under this contract whether such operations by the service provider itself or by any subcontractor or anyone directly or indirectly employed by either business entity. The service provider and its subcontractor(s) shall maintain General Liability insurance: bodily injury liability coverage written on a comprehensive form of policy of at least \$500,000 per occurrence is required.

Additionally, an automobile liability insurance policy and/or self-insurance providing for bodily injury and property damage liability covering automobiles operated in the US shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury and \$20,000 per occurrence for property coverage. Certificates of such insurance shall be subject to the approval of the CO for adequacy of protection. All insurance certificates required under this contract shall provide 30 days advance notice to the Government of any contemplated cancellation.

Article 20. Financial Records

- A. Retention of Records: All financial records, supporting documents, statistical records, and other records pertinent to contracts or subordinate Agreements under this Agreement shall be retained by the service provider in accordance with the NARA records schedule for purposes of federal examinations and audit. The retention period begins at the end of the first year of completion of service under the Agreement. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the retention period, the records must be retained until completion of the action and resolution of all issues which arise from it or until the end of the regular NARA record retention period, whichever is later. Retention of records requirements can be found in Attachment 8.
- B. Access to Records: ICE and the Comptroller General of the United States, or any of their authorized representatives, have the right of access to any pertinent books, documents, papers or other records of the service provider or its subcontractors, which are pertinent to the award, to make audits, examinations, excerpts, and transcripts. The rights of access must not be limited to the required retention period but shall last as long as the records are retained.
- C. Delinquent Debt Collection: ICE will hold the service provider accountable for any overpayment, or any breach of this Agreement that results in a debt owed to the Federal Government. ICE will apply interest, penalties, and administrative costs to a delinquent debt owed to the Federal government by the service provider pursuant to the Debt Collection Improvement Act of 1982, as amended.

Article 21. Labor Standards and Wage Determination

- A. The Service Contract Act, 41 U.S.C. § 351 et seq., Title 29, Part 4 Labor Standards for Federal Service Contracts, is hereby incorporated as Attachment 1. These standards and provisions are included in every contract and IGSA entered by the United States or the District of Columbia, in excess of \$2,500, or in an indefinite amount, the principal purpose of which is to furnish services through the use of service employees.
- B. Wage Determination: Each service employee employed in the performance of this Agreement shall be paid not less than the minimum prevailing wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor or authorized representative, as specified in any wage determination applicable under this Agreement. The wage determination, issued under the Service Contract Labor Standards statute, by the Administrator, Wage and Hour Division, U.S. Department of Labor, will be updated on the annual anniversary of the IGSA Agreement with the most recent applicable wage determination.
- C. The service provider shall notify the CO of any increase claimed within 30 calendar days after receiving a new wage determination unless this notification period is extended in writing by the CO.

Article 22. Notification and Public Disclosures

- A. Information obtained or developed because of this IGSA is under the control of ICE and is subject to public disclosure only pursuant to the provisions of applicable Federal laws (such as the FOIA), regulations, and Executive Orders or as ordered by a Court. The Service provider is prohibited from disclosing any information relating to ICE aliens pursuant to 8 C.F.R § 236.6. If the service provider receives a request for such information through, for example relevant State sunshine laws or another mechanism, the service provider shall promptly notify the ICE FOIA Officer and inform the requester to submit a FOIA request directly to the ICE FOIA Office. To the extent the service provider intends to release the IGSA or any information relating to, or exchanged under, this IGSA, the service provider agrees to coordinate with the ICE FOIA Officer prior to such release. The service provider may, at its discretion, communicate the substance of this IGSA when requested. ICE understands that this IGSA will become a public document when presented to the service provider's governing body for approval.
- B. The CO shall be notified in writing of all litigation pertaining to this IGSA and provided copies of any pleadings filed or said litigation within five business days of the filing. The service provider shall cooperate with government legal staff and/or the United States Attorney regarding any requests pertaining to Federal or service provider litigation.
- C. The service provider shall notify the ICE Office of Congressional Relations when a member of the United States Congress requests information, or the CO and the ICE Office of Congressional Relations when he/she makes a request to visit the facility. The

service provider shall coordinate all public information related issues pertaining to ICE aliens with ICE. The service provider shall promptly make public announcements stating the facts of unusual or newsworthy incidents to local media. Examples of such events include, but are not limited to deaths, escapes from custody, and facility emergencies. All press statements and releases shall be cleared, in advance, with the ICE Office of Public Affairs.

- D. With respect to public announcements and press statements, the service provider shall ensure employees agree to use appropriate disclaimers clearly stating the employees' opinions do not reflect the position of the United States government in any public presentations they make or articles they write that relate to any aspect of performance or the facility operations.
- E. Facility Access: The Facility's perimeter will ensure that public access is denied without proper authorization. Visitation and/or tours of the facility shall be conducted as directed by ICE.
- F. For the safety and privacy of the ICE aliens, no videotaping is permitted by visitors or others (including the service provider) without prior approval from ICE, except for CCTV cameras operated by the service provider or the Government for security purposes. No video or audio recording devices will be allowed within the secure perimeter, except in accordance with court order or Federal law. Uses of force are excluded from this provision in accordance with the applicable ICE standards.

Article 23. Privacy

- A. The service provider shall comply with the Privacy Act of 1974 ("the Act") and the agency rules and regulations issued under the Act in the design, development, or operation of any system of records on individuals to accomplish an agency function when the Agreement specifically identifies (i) the systems of records; and (ii) the design, development, or operation work that the service provider is to perform. The service provider shall also include the Privacy Act into all subcontracts when the work statement in the proposed subcontract requires the redesign, development, or operation of a system of records on individuals that is subject to the Act; and
- B. In the event of violations of the Act, a civil action may be brought against the agency involved when the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency when the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act, when the Agreement is for the operation of a system of records on individuals to accomplish an agency function, the service provider is considered to be an employee of the Agency.

1. "Operation of a system of records," as used in this article, means performance of any of the activities associated with maintaining the system of records, including the collection, use, and dissemination of records.
2. "Record," as used in this article, means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and that contains the person's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a fingerprint or voiceprint or a photograph.
3. "System of records on individuals," as used in this article, means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

Article 24. Attestation of Pricing Data

A. Requirements for Attested Pricing Data and Data Other Than Attested Pricing Data

(a) Exceptions from attested pricing data.

(1) In lieu of submitting attested pricing data, service providers may submit a written request for exception by submitting the information described in the following subparagraphs. The CO may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) *Identification of the law or regulation establishing the price offered.* If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document.

(ii) *Commercial item exception.* For a commercial item exception, the service provider shall submit, at minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include –

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, provide a copy or describe current discount policies and price lists (published or unpublished), *e.g.*, wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities.

(B) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market.

(C) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The service provider grants the CO or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the service provider's determination of the prices to be offered in the catalog or marketplace.

(b) *Requirements for attested pricing data.* If the service provider is not granted an exception from the requirement to submit attested pricing data, the following applies:

(1) The service provider shall prepare and submit attested pricing data, and data other than attested pricing data, and supporting attachments.

(2) As soon as practicable after Agreement on price, but before IGSA award, the service provider shall submit an Attestation of Current Pricing Data, the format of which is at the end of this article.

B. Requirements for Attested Pricing Data and Data Other Than Attested Pricing Data – Modifications

(a) *Exceptions from attested pricing data.*

(1) In lieu of submitting attested pricing data for modifications under this IGSA, for price adjustments expected to exceed \$750,000 on the date of the Agreement on price or the date of the award, whichever is later, the service provider may submit a written request for exception by submitting the information described in the following subparagraphs. The CO may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable –

(i) *Identification of the law or regulation establishing the price offered.* If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document.

(2) The service provider grants the CO or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this Article, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the service provider's determination of the prices to be offered in the catalog or marketplace.

(b) *Requirements for attested pricing data.* If the service provider is not granted an exception from the requirement to submit attested pricing data, the following applies:

(1) The service provider shall submit attested pricing data, data other than attested pricing data, and supporting attachments.

(2) As soon as practicable after Agreement on price, but before award, the service provider shall submit an Attestation of Current Pricing Data. The form is included at the end of this Article.

C. Subcontractor Attested Pricing Data

(a) Before awarding any subcontract expected to exceed \$750,000 on the date of Agreement on price or the date of award, whichever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed \$750,000, the service provider shall require the subcontractor to submit attested pricing data (actually or by specific identification in writing), to include any information reasonably required to explain the subcontractor's estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price, unless (1) the prices are based upon adequate price competition, or (2) if a waiver has been granted.

(b) The service provider shall require the subcontractor to attest in substantially the form at the end of this article that, to the best of its knowledge and belief, the data submitted under paragraph (a) of this Article were accurate, complete, and current as of the date of Agreement on the negotiated price of the subcontract or subcontract modification.

(c) In each subcontract that exceeds \$750,000, when entered into, the service provider shall insert either -

(1) The substance of this Article, including this paragraph (c), if paragraph (a) of this Article requires submission of attested pricing data for the subcontract; or

(2) The substance of the Section below entitled "Subcontractor Attested Pricing Data - Modifications."

D. Subcontractor Attested Pricing Data – Modifications

(a) The requirements of paragraphs (b) and (c) of this Section shall –

(1) Become operative only for any modification to this IGSA involving a pricing adjustment expected to exceed \$700,000; and

(2) Be limited to such modifications.

(b) Before awarding any subcontract expected to exceed \$750,000, on the date of Agreement on price or the date of award, whichever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed \$750,000, the service provider shall require the subcontractor to submit attested pricing data (actually or by specific identification in writing), to include any information reasonably required to explain the subcontractor's estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price, unless (1) prices of the modification are based upon adequate price competition, or (2) if a waiver has been granted.

(c) The service provider shall require the subcontractor to certify in substantially the form at the end of this article that, to the best of its knowledge and belief, the data submitted under paragraph (b) of this Article were accurate, complete, and current as of the date of Agreement on the negotiated price of the subcontract or subcontract modification.

(d) The service provider shall insert the substance of this article, including this paragraph (d), in each subcontract that exceeds \$750,000 on the date of Agreement on price or the date of award, whichever is later.

E. Price Reduction for Defective Attested Pricing Data

(a) If any price, including profit or fee, negotiated in connection with this IGSA, or any cost reimbursable under this IGSA, was increased by any significant amount because –

(1) The service provider or a subcontractor furnished attested pricing data that were not complete, accurate, and current as attested in its Attestation of Pricing Data;

(2) A subcontractor or prospective subcontractor furnished the service provider attested pricing data that were not complete, accurate, and current as attested in the service provider's Attested of Current Pricing Data; or

(3) Any of these parties furnished data of any description that were not accurate, the price or cost shall be reduced accordingly and the IGSA shall be modified to reflect the reduction.

(b) Any reduction in the IGSA price under paragraph (a) of this Article due to defective data from a prospective subcontractor that was not subsequently awarded the subcontract shall be limited to the amount, plus applicable overhead and profit markup, by which (1) the actual subcontract or (2) the actual cost to the service provider, if there was no subcontract, was less than the prospective subcontract cost estimate submitted by the service provider; provided, that the actual subcontract price was not itself affected by defective attested pricing data.

(c)

(1) If the CO determines under paragraph (a) of this Article that a price or cost reduction should be made, the service provider agrees not to raise the following matters as a defense:

(i) The service provider or subcontractor was a sole source supplier or otherwise was in a superior bargaining position and thus the price of the IGSA would not have been modified even if accurate, complete, and current attested pricing data had been submitted.

(ii) The CO should have known that the attested pricing data in issue were defective even though the service provider or subcontractor took no affirmative action to bring the character of the data to the attention of the CO.

(iii) The IGSA was based on an Agreement about the total cost of the IGSA and there was no Agreement about the cost of each item procured under the IGSA.

(iv) The service provider or subcontractor did not submit a Attestation of Current Pricing Data.

(2)

(i) Except as prohibited by subdivision (c)(2)(ii) of this Article, an offset in an amount determined appropriate by the CO based upon the facts shall be allowed against the amount of a IGSA price reduction if –

(A) The service provider certifies to the CO that, to the best of the service provider’s knowledge and belief, the service provider is entitled to the offset in the amount requested; and

(B) The service provider proves that the attested pricing data were available before the “as of” date specified on its Attestation of Current Pricing Data, and that the data were not submitted before such date.

(ii) An offset shall not be allowed if –

(A) The understated data were known by the service provider to be understated before the “as of” date specified on its Attestation of Current Pricing Data; or

(B) The Government proves that the facts demonstrate that the IGSA price would not have increased in the amount to be offset even if the available data had been submitted before the “as of” date specified on its Attestation of Current Pricing Data.

(d) If any reduction in the IGSA price under this Article reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the service provider shall be liable to and shall pay the United States at the time such overpayment is repaid –

(1) Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the service provider to the date the Government is repaid by the service provider at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and

(2) A penalty equal to the amount of the overpayment, if the service provider or subcontractor knowingly submitted attested pricing data that were incomplete, inaccurate, or noncurrent.

F. Price Reduction for Defective Attested Pricing Data - Modifications

(a) Section F shall become operative only for any modification to this IGSA involving a pricing adjustment expected to exceed \$720,000, except that this section does not apply to any modification (1) where prices of the modification are based upon adequate price competition, or (2) when a waiver has been granted.

(b) If any price, including profit or fee, negotiated in connection with any modification under this Article, or any cost reimbursable under this IGSA, was increased by any significant amount because

(1) the service provider or a subcontractor furnished attested pricing data that not complete, accurate, and current as attested in its Attestation of Current Pricing Data,

(2) a subcontractor or prospective subcontractor furnished the service provider attested data that were not complete, accurate, and current as attested in the service provider's Attestation of Current Pricing Data, or

(3) any of these parties furnished data of any description that were not accurate, the price or cost shall be reduced accordingly and the IGSA shall be modified to reflect the reduction. This right to a price reduction is limited to that resulting from defects in data relating to modifications for which this Article becomes operative under paragraph (a) of this Article.

(c) Any reduction in the IGSA price under paragraph (b) of this Article due to defective data from a prospective subcontractor that was not subsequently awarded the subcontract shall be limited to the amount, plus applicable overhead and profit markup, by which (1) the actual subcontract or (2) the actual cost to the service provider, if there was no subcontract, was less than the prospective subcontract cost estimate submitted by the service provider; provided, that the actual subcontract price was not itself affected by defective attested pricing data.

(d)

(1) If the CO determines under paragraph (b) of this Article that a price or cost reduction should be made, the service provider agrees not to raise the following matters as a defense:

(i) The service provider or subcontractor was a sole source supplier or otherwise was in a superior bargaining position and thus the price of the IGSA would not have been modified even if accurate, complete, and current attested pricing data had been submitted.

(ii) The CO should have known that the attested pricing data in issue were defective even though the service provider or subcontractor took no affirmative action to bring the character of the data to the attention of the CO.

(iii) The IGSA was based on an Agreement about the total cost of the IGSA and there was no Agreement about the cost of each item procured under the IGSA.

(iv) The service provider or subcontractor did not submit a Attestation of Current Pricing Data.

(2)

(i) Except as prohibited by subdivision (d)(2)(ii) of this Article, an offset in an amount determined appropriate by the CO based upon the facts shall be allowed against the amount of a IGSA price reduction if -

(A) The service provider certifies to the CO that, to the best of the service provider's knowledge and belief, the service provider is entitled to the offset in the amount requested; and

(B) The service provider proves that the attested pricing data were available before the "as of" date specified on its Attestation of Current Pricing Data, and that the data were not submitted before such date.

(ii) An offset shall not be allowed if -

(A) The understated data were known by the service provider to be understated before the "as of" date specified on its Attestation of Current Pricing Data; or

(B) The Government proves that the facts demonstrate that the IGSA price would not have increased in the amount to be offset even if the available data had been submitted before the "as of" date specified on its Attestation of Current Pricing Data.

(e) If any reduction in the IGSA price under this Article reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the service provider shall be liable to and shall pay the United States at the time such overpayment is repaid the following:

(1) Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the service provider to the date the Government is repaid by the service provider at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and

(2) A penalty equal to the amount of the overpayment, if the service provider or subcontractor knowingly submitted attested pricing data that were incomplete, inaccurate, or noncurrent.

Prior to the award of any modification exceeding \$750,000.00, the service provider shall submit a signed copy of the following statement to the CO:

*Note: The initial attestation is found in the RFP letter to the vendor.

Attestation of Current Pricing Data for Modifications (if applicable)

This is to attest that, to the best of my knowledge and belief, the pricing data submitted, either actually or by specific identification in writing, to the CO or to the CO’s representative in support of ____* are accurate, complete, and current as of ____**. This attestation includes the pricing data supporting requests for equitable adjustments between the service provider and the Government that are part of the proposal.

Service Provider _____

Signature _____

Name _____

Title _____

Date of execution*** _____

* Identify the proposal, request for price adjustment, or other submission involved, giving the appropriate identifying number (e.g., RFP No.).

** Insert the day, month, and year when price negotiations were concluded and price Agreement was reached or, if applicable, an earlier date agreed upon between the parties that is as close as practicable to the date of Agreement on price.

*** Insert the day, month, and year of signing, which should be as close as practicable to the date when the price negotiations were concluded, and the contract price was agreed to.

QUALITY CONTROL

Article 25. Quality Control

- A. The service provider is responsible for management and quality control actions necessary to meet the quality standards set forth in the Agreement. The service provider shall provide a Quality Control Plan (QCP) that meets the requirements specified in the Performance Requirements Summary (PRS), (included in Attachment 3) to the CO for concurrence prior to award of the IGSA (or as directed by the CO). The CO will notify the service provider of concurrence or required modifications to the plan before the Agreement start date. If a modification to the plan is required, the service provider shall make appropriate modifications and obtain concurrence of the revised plan by the CO before the IGSA start date.

- B. The service provider shall provide a QCP that addresses critical operational performance standards for the services required under this IGSA. The QCP shall ensure that services will be maintained at a uniform and acceptable level. At a minimum, the service provider shall periodically review and update the QCP policies and procedures at least on an

annual basis. The service provider shall audit the facility's operations monthly for compliance with the QCP. The service provider shall notify the Government 48 hours in advance of the audit to ensure the COR is available to participate. The service provider's QCP shall identify deficiencies, appropriate corrective action(s), and timely implementation plans to the COR.

- C. If the service provider proposes changes in the QCP after IGSA award, the service provider shall submit them to the COR for review. If the COR concurs with the changes, the COR shall submit the changes to the CO. The CO may modify the contract to include these changes.

Article 26. Quality Assurance Surveillance Plan (QASP)

- A. The Government's QASP is based on the premise that the service provider, and not the Government, is responsible for management and quality control actions to meet the terms of the Agreement. The QASP procedures recognize that unforeseen problems do occur. Good management and use of an adequate QCP will allow the facility to operate within acceptable quality levels. See Attachment 3 for the Government's QASP.
- B. All services rendered under this Agreement are subject to inspection both during the service provider's operations and after completion of the tasks.
- C. When the service provider is advised of any unsatisfactory condition(s), the service provider shall submit a written report to the COR addressing corrective/preventive actions taken. The QASP is not a substitute for quality control by the service provider.
- D. The COR may check the service provider's performance and document any noncompliance; only the CO may take formal action against the service provider for unsatisfactory performance.
- E. The Government may apply various inspection and extrapolation techniques (i.e., 100 % surveillance, random sampling, planned sampling, unscheduled inspections) to determine the quality of services, the appropriate reductions, and the total payment due.
- F. The QASP sets forth the procedures and guidelines that ICE will use to inspect the technical performance of the service provider. It presents the financial values and mechanisms for applying adjustments to the service provider's invoices as dictated by work performance measured to the desired level of accomplishment.
 - 1. The purpose of the QASP is to:
 - a. Define the roles and responsibilities of participating Government officials.
 - b. Define the types of work to be performed.
 - c. Describe the evaluation methods that will be employed by the Government in assessing the service provider's performance.
 - d. Describe the process of performance documentation.

2. Roles and Responsibilities of Participating Government Officials

- a. The COR(s) will be responsible for monitoring, assessing, recording, and reporting on the technical performance of the service provider on a day-to-day basis. The COR(s) will have primary responsibility for documenting their inspection and evaluation of the service provider's work performance.
 - b. The CO or designee has overall responsibility for evaluating the service provider's performance in areas of contract compliance, contract administration, and cost and property control. The CO shall review the COR's evaluation of the service provider's performance and invoices. If applicable, deductions or withholdings will be assessed in accordance with the evaluation of the service provider's performance, e.g., monetary adjustments for inadequate performance.
- G. The rights of the Government and remedies described in this section are in addition to all other rights and remedies set forth in this Agreement. Any reductions in the service provider's invoice shall reflect the contract's reduced value resulting from the Service Provider's failure to perform required services. The service provider shall not be relieved of full performance of the services hereunder and may be terminated based upon inadequate performance of services, even if a reduction was previously taken for any inadequate performance.

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

1. REQUISITION NUMBER: _____ PAGE OF: 1 17
 2. CONTRACT NO. 70CDCR25DIG000010
 3. AWARD/EFFECTIVE DATE: _____ 4. ORDER NUMBER: _____ 5. SOLICITATION NUMBER: _____ 6. SOLICITATION ISSUE DATE: _____

7. **FOR SOLICITATION INFORMATION CALL:** a. NAME: RACHAEL TIGNOR b. TELEPHONE NUMBER (No collect calls): _____ 8. OFFER DUE DATE/LOCAL TIME: _____

9. ISSUED BY: DETENTION COMPLIANCE AND REMOVALS
 ICE Office of Acquisition Management
 500 12th St SW
 WASHINGTON DC 20024
 CODE: 70CDCR
 10. THIS ACQUISITION IS: UNRESTRICTED OR SET ASIDE: _____ % FOR: _____
 SMALL BUSINESS WOMEN-OWNED SMALL BUSINESS (WOSB) NORTH AMERICAN INDUSTRY CLASSIFICATION STANDARD (NAICS): 561612
 HUBZONE SMALL BUSINESS ECONOMICALLY DISADVANTAGED WOMEN-OWNED SMALL BUSINESS (EDWOSB) 8(A) SIZE STANDARD: \$29
 SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS (SDVOSB)

11. DELIVERY FOR FREE ON BOARD (FOB) DESTINATION UNLESS BLOCK IS MARKED SEE SCHEDULE
 12. DISCOUNT TERMS: Various
 13a. THIS CONTRACT IS A RATED ORDER UNDER THE DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM - DPAS (15 CFR 700)
 13b. RATING: _____
 14. METHOD OF SOLICITATION: REQUEST FOR QUOTE (RFQ) INVITATION FOR BID (IFB) REQUEST FOR PROPOSAL (RFP)

15. DELIVER TO: VARIOUS LOCATIONS CODE: 000000
 16. ADMINISTERED BY: ICE/DCR CODE: ICE/DCR
 ICE/Detention Compliance & Removals
 ICE Office of Acquisition Management
 500 12th St SW
 Washington DC 20024

17a. CONTRACTOR/OFFEROR: LEAWNWFBAJ3 CODE: LEAWNWFBAJ3 FACILITY CODE: _____
 SAN LUIS FACILITY DEVELOPMENT CORPORATION
 PO BOX 1170
 SAN LUIS AZ 85349
 18a. PAYMENT WILL BE MADE BY: ICE/ERO/FOD/FSD CODE: ICE/ERO/FOD/FSD
 WWW.IPP.GOV

TELEPHONE NO.: _____
 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER
 18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED SEE ADDENDUM

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	UEI: LEAWNWFBAJ3 Contracting Officer Representative (COR): Perry Weidman, (619) 661-3828, Perry.E.Weidman@ice.dhs.gov Contracting Officer (CO): Diana Brozi, (202) 430-2428, Diana.Brozi@ice.dhs.gov Contract Specialist (CS): Rachael Tignor, (703) 213-7442, Rachael.Tignor@ice.dhs.gov Contractor POC: (Use Reverse and/or Attach Additional Sheets as Necessary)				

25. ACCOUNTING AND APPROPRIATION DATA: See schedule
 26. TOTAL AWARD AMOUNT (For Government Use Only): \$0.00

27a. SOLICITATION INCORPORATES BY REFERENCE (FEDERAL ACQUISITION REGULATION) FAR 52.212-1, 52.212-4, FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ARE ARE NOT ATTACHED.

27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4, FAR 52.212-5 IS ATTACHED. ADDENDA ARE ARE NOT ATTACHED.

28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED.
 29. AWARD OF CONTRACT: REFERENCE _____ OFFER DATED _____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:

30a. SIGNATURE OF OFFEROR/CONTRACTOR:

30b. NAME AND TITLE OF SIGNER (Type or print): Lenny Torres, President
 30c. DATE SIGNED: 2/28/25
 31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER): DIANA BROZI
 31c. DATE SIGNED: 02/28/2025

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	<p>Kay Macuil, City Attorney, email: kmacuil@sanluisaz.gov</p> <p>Tim Kurpiewski, CPA, LaSalle Corrections Chief Financial Officer email: timkswc@aol.com Office: (512)-858-7202 Cell Phone: (512)-694-5259</p> <p>This is the award document for Inter- Governmental Service Agreement (IGSA) No.70CDCR25DIG000010 with SAN LUIS FACILITY DEVELOPMENT CORPORATION.</p> <p>The following are attached to this award document:</p> <ul style="list-style-type: none"> - IGSA No. 70CDCR25DIG000010 - Attachment 01 - Title 29, Part 4 Labor Standards for Federal Service Contracts - Attachment 02 - Wage Determination Number:2015-5475, Rev. 24 Dated of Last Revision: 12/23/2024. - Attachment 03 - Quality Assurance Surveillance Plan and Performance Requirements Summary (NDS 2019) - Attachment 03a- Contract Discrepancy Report (CDR) Template - Attachment 04 - Quality Control Plan - Attachment 05 - Prison Rape Elimination Act (PREA) Regulations - Attachment 06 - Detention-Transportation Invoice Supporting Documentation Template - Attachment 07 - Combatting Trafficking in Persons - Attachment 08 - ICE Privacy, Records Management, and Safeguarding of Sensitive <p>Continued ...</p>				

32a. QUANTITY IN COLUMN 21 HAS BEEN

RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
--	-----------	---

32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
	32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER
--	--------------------	------------------------------------	--	------------------

38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY
------------------------	------------------------	-------------

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT	42a. RECEIVED BY (<i>Print</i>)	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	42b. RECEIVED AT (<i>Location</i>)
		42c. DATE REC'D (YY/MM/DD)

NAME OF OFFEROR OR CONTRACTOR
SAN LUIS FACILITY DEVELOPMENT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>Information</p> <ul style="list-style-type: none"> - Attachment 09 - Physical Plant Requirements - Attachment 10 - Transportation Requirements - Attachment 10a- Anticipated Transportation Routes - Attachment 11 - Virtual Attorney Visitation - Attachment 12 - Staffing Plan <p>This is a Firm Fixed Price IGSA with the Period of Performance from 03/01/2025 to 02/28/2030 for goods and services agreed that are reflected under each CLIN for each respective year during this agreement Year 1 through Year 5. Service Provider should not provide any additional supplies or services and/or bill in any additional amount without authorization by the Contracting Officer. Funding will be added by issuance of annual task orders.</p> <p>All other terms and conditions referenced within the IGSA remain the same.</p> <p>***Note: There shall be no public disclosures regarding this agreement made by the Provider (or any subcontractors) without review and approval of such disclosure by ICE.</p> <p>Delivery: 30 Days After Award Period of Performance: 03/01/2025 to 02/28/2030</p>				
0001	<p>Detention Bed Day Guarantee Minimum (GM) (1-100)-- Scope in accordance with IGSA Bed Day (DA) Rate (100 DA x 365 days = 36,500 Bed Day per year; 36,500 X 5 years= 182,500 total bed days for 5 years) Bed Day Rate Year 1; GM 1-100: Year 1: \$140.00</p> <p>Obligated Amount: \$0.00 Award Type: Firm-fixed-price Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD</p> <p>Period of Performance: 03/01/2025 to 02/28/2026</p>		DA	140.00	0.00
0002	<p>Detention Bed Day Above Guarantee Minimum (100- above) Rate-- Scope in accordance with IGSA.</p> <p>Bed days for adult male and female detainees share between San Diego and Phoenix Field Offices.</p> <p>**Additional beds above 100 detainees, ICE maintains access to bed on a First Come, First Serve Basis** Continued ...</p>		DA	140.00	0.00

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NAME OF OFFEROR OR CONTRACTOR
SAN LUIS FACILITY DEVELOPMENT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Bed Day Rate Year 1 above GM 100- above: Year 1: \$140.00 Obligated Amount: \$0.00 Award Type: Firm-fixed-price Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2025 to 02/28/2026				
0003	Guards and Transportation Services Hourly Rate (HR)-- Scope in accordance with IGSA. Hourly Rate: 39.28 Obligated Amount: \$0.00 Award Type: Firm-fixed-price Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2025 to 02/28/2026		HR	39.28	0.00
0004	Guards and Transportation Services Overtime Rate (OT)-- Scope in accordance with IGSA. Overtime Rate: \$53.53 Obligated Amount: \$0.00 Award Type: Firm-fixed-price Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2025 to 02/28/2026		OT	53.53	0.00
0005	Mileage (MI) Small Vans/Sedans- Scope in accordance with IGSA. Mileage Reimbursement in accordance with GSA FTR Rate. Obligated Amount: \$0.00 Award Type: Firm-fixed-price Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES Period of Performance: 03/01/2025 to 02/28/2026		MI	0.00	0.00
0006	Mileage (MI) Buses/Large Vans (12-15 passengers) Cost Reimbursement based on IGSA agreement. Mileage Rate for Year 1 is \$5.83. Obligated Amount: \$0.00 Continued ...		MI	5.83	0.00

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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Award Type: Firm-fixed-price Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES Period of Performance: 03/01/2025 to 02/28/2026				
0007	Other Direct Costs (OCD) Aliens Welfare Items Reimbursement-- (sweatshirts, sweatpants, shoes and property bags). Obligated Amount: \$0.00 Award Type: Firm-fixed-price Product/Service Code: 8415 Product/Service Description: CLOTHING, SPECIAL PURPOSE Period of Performance: 03/01/2025 to 02/28/2026				0.00
0008	Other Direct Cost - Virtual Attorney Visitation Services for Aliens. VAV Fax Line \$70.00 Monthly Obligated Amount: \$0.00 Award Type: Firm-fixed-price Product/Service Code: R418 Product/Service Description: SUPPORT- PROFESSIONAL: LEGAL Period of Performance: 03/01/2025 to 02/28/2026		MO	70.00	0.00
1001	Detention Bed Day Guarantee Minimum (GM) (1-100)-- Scope in accordance with IGSA Bed Day (DA) Rate (100 DA x 365 days = 36,500 DA per year) Bed Day Rate Year 2; GM 1-100: Option Period 1: \$ 143.50 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2026 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2026 to 02/28/2027 Continued ...		DA	143.50	0.00

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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
1002	Detention Bed Day Above Guarantee Minimum (100- above) Rate-- Scope in accordance with IGSA. Bed days for adult male and female detainees share between San Diego and Phoenix Field Offices. **Additional beds above 100 detainees, ICE maintains access to bed on a First Come, First Serve Basis** Bed Day Rate Year 2; GM 100- above: Year 2: \$143.50 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2026 to 02/28/2027		DA	143.50	0.00
1003	Guards and Transportation Services Hourly Rate (HR)-- Scope in accordance with IGSA. Hourly Rate: 39.28 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2026 to 02/28/2027		HR	39.28	0.00
1004	Guards and Transportation Services Overtime Rate (OT)-- Scope in accordance with IGSA. Overtime Rate: \$53.53 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2026 to 02/28/2027		OT	53.53	0.00
1005	Mileage (MI) Small Vans/Sedans- Mileage Reimbursement in accordance with GSA FTR Rate. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) Continued ...		MI	0.00	0.00

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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
1006	03/01/2026 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES Period of Performance: 03/01/2026 to 02/28/2027 Mileage (MI) Buses/Large Vans (12-15 passengers)- Cost Reimbursement is in accordance with IGSA. Mileage Rate for Year 2 is \$5.98. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item)		MI	5.98	0.00
1007	03/01/2026 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES Period of Performance: 03/01/2026 to 02/28/2027 Other Direct Costs (OCD) Aliens Welfare Items Reimbursement-- (sweatshirts, sweatpants, shoes and property bags). Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item)		EA	0.00	0.00
1008	03/01/2026 Product/Service Code: 8415 Product/Service Description: CLOTHING, SPECIAL PURPOSE Period of Performance: 03/01/2026 to 02/28/2027 Other Direct Cost - Virtual Attorney Visitation Services for Aliens. VAV Fax Line \$70.00 Monthly Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item)		MO	70.00	0.00
2001	03/01/2026 Product/Service Code: R418 Product/Service Description: SUPPORT- PROFESSIONAL: LEGAL Period of Performance: 03/01/2026 to 02/28/2027 Detention Bed Day Guarantee Minimum (GM) (1-100)-- Scope in accordance with IGSA. Bed Day (DA) Rate (100 DA x 365 days = 36,500 DA per year) Continued ...		DA	147.09	0.00

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NAME OF OFFEROR OR CONTRACTOR
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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
2002	<p>Bed Day Rate in Year 3 is \$147.09. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD</p> <p>Period of Performance: 03/01/2027 to 02/29/2028</p> <p>Detention Bed Day Above Guarantee Minimum (100- above) Rate-- Scope in accordance with IGSA.</p> <p>Bed days for adult male and female detainees share between San Diego and Phoenix Field Offices.</p> <p>**Additional beds above 100 detainees, ICE maintains access to bed on a First Come, First Serve Basis** Bed Day Rate in Year 3 for GM 100- above is \$143.50.</p> <p>Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD</p> <p>Period of Performance: 03/01/2027 to 02/29/2028</p>		DA	143.50	0.00
2003	<p>Guards and Transportation Services Hourly Rate (HR)-- Scope in accordance with IGSA. Hourly Rate: 39.28 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD</p> <p>Period of Performance: 03/01/2027 to 02/29/2028</p>		HR	39.28	0.00
2004	<p>Guards and Transportation Services Overtime Rate (OT)-- Scope in accordance with IGSA. Overtime Rate: \$53.53 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: S206 Continued ...</p>		OT	53.53	0.00

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SAN LUIS FACILITY DEVELOPMENT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
2005	Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2027 to 02/29/2028 Mileage (MI) Small Vans/Sedans- Cost Reimbursement based on GSA FTR Rate. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES		MI	0.00	0.00
2006	Period of Performance: 03/01/2027 to 02/29/2028 Mileage (MI) Buses/Large Van (12-15 passengers) Cost Reimbursement-- Scope in accordance with IGSA Year 3. Mileage Rate for Year 3 is \$6.13 per mile. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES		MI	6.13	0.00
2007	Period of Performance: 03/01/2027 to 02/29/2028 Other Direct Costs (OCD)- Aliens Welfare Items- Reimbursement-- (sweatshirts, sweatpants, shoes and property bags). Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: 8415 Product/Service Description: CLOTHING, SPECIAL PURPOSE		EA	0.00	0.00
2008	Period of Performance: 03/01/2027 to 02/29/2028 Other Direct Cost - Virtual Attorney Visitation Services for Aliens. VAV Fax Line \$70.00 Monthly Continued ...		MO	70.00	0.00

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NAME OF OFFEROR OR CONTRACTOR
SAN LUIS FACILITY DEVELOPMENT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
3001	<p>Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2027 Product/Service Code: R418 Product/Service Description: SUPPORT- PROFESSIONAL: LEGAL</p> <p>Period of Performance: 03/01/2027 to 02/29/2028</p> <p>Detention Bed Day Guarantee Minimum (GM) (1-100)-- Scope in accordance with IGSA</p> <p>Bed Day (DA) Rate (100 DA x 365 days = 36,500 DA per year)</p> <p>Bed Day Rate Year 4 is 150.76.</p>		DA	150.76	0.00
3002	<p>Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD</p> <p>Period of Performance: 03/01/2028 to 02/28/2029</p> <p>Detention Bed Day Above Guarantee Minimum (100- above) Rate-- Scope in accordance with IGSA.</p> <p>Bed days for adult male and female detainees share between San Diego and Phoenix Field Offices.</p> <p>**Additional beds above 100 detainees, ICE maintains access to bed on a First Come, First Serve Basis**</p> <p>Bed Day Rate Year 4 above GM 100- above is \$147.81.</p>		DA	147.81	0.00
3003	<p>Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD</p> <p>Period of Performance: 03/01/2028 to 02/28/2029</p> <p>Guards and Transportation Services Hourly Rate (HR)-- Scope in accordance with IGSA.</p> <p>Continued ...</p>		HR	39.28	0.00

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NAME OF OFFEROR OR CONTRACTOR
SAN LUIS FACILITY DEVELOPMENT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
3004	Hourly Rate: 39.28 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2028 to 02/28/2029 Guards and Transportation Services Overtime Rate (OT)-- Scope in accordance with IGSA. Overtime Rate: \$53.53 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2028 to 02/28/2029		OT	53.53	0.00
3005	Mileage (MI) Small Vans/Sedans- Scope in accordance with IGSA. Mileage Cost Reimbursement in accordance with GSA FTR Rate. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES Period of Performance: 03/01/2028 to 02/28/2029		MI	0.00	0.00
3006	Mileage (MI) Reimbursement (Busses/ Large Vans (12-15 passengers) - Scope in accordance with IGSA Mileage Rate for Year 4 is \$6.28. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES Period of Performance: 03/01/2028 to 02/28/2029 Continued ...		MI	6.28	0.00

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NAME OF OFFEROR OR CONTRACTOR
SAN LUIS FACILITY DEVELOPMENT CORPORATION

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
3007	Other Direct Costs (OCD) Aliens Welfare Items Reimbursement (sweatshirts, sweatpants, shoes and property bags). Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: 8415 Product/Service Description: CLOTHING, SPECIAL PURPOSE Period of Performance: 03/01/2028 to 02/28/2029		EA	0.00	0.00
3008	Other Direct Cost - Virtual Attorney Visitation Services for Aliens VAV Fax Line \$70.00 Monthly Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2028 Product/Service Code: R418 Product/Service Description: SUPPORT- PROFESSIONAL: LEGAL Period of Performance: 03/01/2028 to 02/28/2029		MO	70.00	0.00
4001	Detention Bed Day Guarantee Minimum (GM) (1-100)-- Scope in accordance with IGSA. Bed Day (DA) Rate (100 DA x 365 days = 36,500 DA per year) Bed Day Rate for Year 5 for GM 1-100 is \$154.53. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2029 to 02/28/2030		DA	154.53	0.00
4002	Detention Bed Day Above Guarantee Minimum (100-above) Rate-- Scope in accordance with IGSA. Bed days for adult male and female detainees share between San Diego and Phoenix Field Offices. Continued ...		DA	152.24	0.00

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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Additional beds above 100 detainees, ICE maintains access to bed on a First Come, First Serve Basis Bed Day Rate GM 100- above for Year 5 is \$152.24. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2029 to 03/01/2030				
4003	Guards and Transportation Services Hourly Rate (HR)-- Scope in accordance with IGSA. Hourly Rate: 39.28 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2029 to 02/28/2030		HR	39.28	0.00
4004	Guards and Transportation Services Overtime Rate (OT)-- Scope in accordance with IGSA. Overtime Rate: \$53.53 Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: S206 Product/Service Description: HOUSEKEEPING- GUARD Period of Performance: 03/01/2029 to 02/28/2030		OT	53.53	0.00
4005	Mileage (MI) Small Vans/Sedans- Scope in accordance with IGSA. Mileage Reimbursement based on GSA FTR Rate. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES Continued ...		MI	0.00	0.00

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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
4006	Period of Performance: 03/01/2029 to 02/28/2030 Mileage (MI) Reimbursement Busses/Large Vans (12-15 passengers) Scope in accordance with IGSA Mileage Rate for Year 5 is \$6.44. Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: 2310 Product/Service Description: PASSENGER MOTOR VEHICLES		MI	6.44	0.00
4007	Other Direct Costs (OCD) -Aliens Welfare Items Reimbursement-- (sweatshirts, sweatpants, shoes and property bags) Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: 8415 Product/Service Description: CLOTHING, SPECIAL PURPOSE Period of Performance: 03/01/2029 to 02/28/2030		EA	0.00	0.00
4008	Other Direct Cost - Virtual Attorney Visitation Services for Aliens. VAV Fax Line \$70.00 Monthly. Award Type: Firm-fixed-price Amount: \$0.00 (Option Line Item) 03/01/2029 Product/Service Code: R418 Product/Service Description: SUPPORT- PROFESSIONAL: LEGAL Period of Performance: 03/01/2029 to 02/28/2030 ICE - INVOICE INSTRUCTIONS ERO Beginning December 9, 2024 all invoicing procedures will take place on www.IPP.gov. Vendors must be registered www.IPP.gov. Registration on www.IPP.gov is required to receive payment. Invoices will not be accepted by any other method. 1. The contractor shall be active in the System for Award Management (www.SAM.gov) for invoice processing. Besides the information identified below, a proper invoice shall also include; contractor's Unique Entity Identifier (UEI) number; the ICE Continued ...		MO	70.00	0.00

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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>Program Office; and state whether the invoice is "INTERIM" or "FINAL".</p> <p>2. In accordance with Contract Clauses, FAR 52.212-4 (g) (1), Contract Terms and Conditions - Commercial Items, or FAR 52.232-25 (a) (3), Prompt Payment, as applicable, the information required with each invoice submission is as follows: "...An invoice must include-</p> <ul style="list-style-type: none"> (i) Name and address of the Contractor. The name, address and UEI number on the invoice MUST match the information in both the Contract/Agreement and the information in SAM; (ii) Unique Entity Identifier (UEI) number; (iii) Invoice date and number; (iv) Contract number, line items and, if applicable, the order number; (v) Description, quantity, unit of measure, unit price and extended price of the items delivered; (vi) Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on Government bill of lading; (vii) Terms of any discount for prompt payment offered; (viii) Remit to Address; (ix) Name, title, and phone number of persons to notify in event of defective invoice; (x) ICE Program Office designated on the order/contract/agreement; and (xi) Whether the invoice is "Interim" or "Final" (xii). Electronic Funds Transfer (EFT) banking information in accordance with 52.232-33 Payment by Electronic Funds Transfer - System for Award Management or 52-232-34, Payment by Electronic Funds Transfer - Other than System for Award Management. <p>3. Invoice submission: The above information will be required to complete the invoice submission requirements within IPP. Please refer to www.IPP.gov for additional information on Getting Started, Benefits, Features, and Enrollment.</p> <p>4. Invoice Supporting Documentation. To ensure payment, the vendor must submit supporting documentation which provides substantiation for the invoiced costs to the Contracting Officer Representative (COR) or Point of Contact (POC) identified in the contract. Invoice charges must align with the contract CLINs. Supporting documentation is required when guaranteed minimums are exceeded and when allowable costs are incurred. Details are as follows:</p> <ul style="list-style-type: none"> (i). Guaranteed Minimums. If a guaranteed minimum is not exceeded on a CLIN(s) for the invoice period, no supporting documentation is required. When a guaranteed minimum is exceeded on a CLIN (s) for the invoice period, the Contractor is required to submit invoice supporting documentation for all detention services provided during the invoice period which provides the information described below: <ul style="list-style-type: none"> a. Detention Bed Space Services <ul style="list-style-type: none"> • Bed day rate; • Detainees check-in and check-out dates; • Number of bed days multiplied by the bed day rate; • Name of each detainee; <p>Continued ...</p>				

NAME OF OFFEROR OR CONTRACTOR
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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>• Detainees identification information</p> <p>(ii). Allowable Incurred Cost. Fixed Unit Price Items (items for allowable incurred costs, such as transportation services, stationary guard or escort services, transportation mileage or other Minor Charges such as sack lunches and detainee wages): shall be fully supported with documentation substantiating the costs and/or reflecting the established price in the contract and shall be submitted in .pdf format:</p> <p>a. Detention Bed Space Services. For detention bed space CLINs without a GM, the supporting documentation must include:</p> <ul style="list-style-type: none"> • Bed day rate; • Detainees check-in and check-out dates; • Number of bed days multiplied by the bed day rate; • Name of each detainee; • Detainees identification information <p>b. Transportation Services: For transportation CLINs without a GM, the supporting documentation must include:</p> <ul style="list-style-type: none"> • Mileage rate being applied for that invoice; • Number of miles; • Transportation routes provided; • Locations serviced; • Names of detainees transported; • Itemized listing of all other charges; and, • for reimbursable expenses (e.g. travel expenses, special meals, etc.) copies of all receipts. <p>c. Stationary Guard Services: The itemized monthly invoice shall state:</p> <ul style="list-style-type: none"> • The location where the guard services were provided, • The employee guard names and number of hours being billed, • The employee guard names and duration of the billing (times and dates), and • for individual or detainee group escort services only, the name of the detainee(s) that was/were escorted. <p>d. Other Direct Charges (e.g. VTC support, transportation meals/sack lunches, volunteer detainee wages, etc.):</p> <p>5. The invoice shall include appropriate supporting documentation for any direct charge billed for reimbursement. For charges for detainee support items (e.g. meals, wages, etc.), the supporting documentation should include the name of the detainee(s) supported and the date(s) and amount(s) of support.</p> <p>(iii) Firm Fixed-Price CLINs. Supporting documentation is not required for charges for FFP CLINs.</p> <p>6. Safeguarding Information: As a contractor or vendor conducting business</p> <p>Continued ...</p>				

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ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>with Immigration and Customs Enforcement (ICE), you are required to comply with DHS Policy regarding the safeguarding of Sensitive Personally Identifiable Information (PII). Sensitive PII is information that identifies an individual, including an alien, and could result in harm, embarrassment, inconvenience, or unfairness. Examples of Sensitive PII include information such as: Social Security Numbers, Alien Registration Numbers (A-Numbers), or combinations of information such as the individuals name or other unique identifier and full date of birth, citizenship, or immigration status.</p> <p>As part of your obligation to safeguard information, the follow precautions are required:</p> <p>(i) Email supporting documents containing Sensitive PII in an encrypted attachment with password sent separately to the Contracting Officer Representative assigned to the contract.</p> <p>(ii) Never leave paper documents containing Sensitive PII unattended and unsecure. When not in use, these documents will be locked in drawers, cabinets, desks, etc. so the information is not accessible to those without a need to know.</p> <p>(iii) Use shredders when discarding paper documents containing Sensitive PII.</p> <p>(iv) Refer to the DHS Handbook for Safeguarding Sensitive Personally Identifiable Information (March 2012) found at http://www.dhs.gov/xlibrary/assets/privacy/dhs-privacy-safeguardingsensitivepiihandbook-march2012.pdf for more information on and/or examples of Sensitive PII. Invoices without the above information may be returned for resubmission.</p> <p>The obligated amount of award: \$0.00. The total for this award is shown in box 26.</p>				

San Luis Facility Development Corporation

3. D.

Meeting Date: 10/29/2025

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding the ratification of the Intergovernmental Service Agreement with the U.S. federal agency Marshals Service ("ICE") to provide detention services for three (3) years.

SUMMARY:

San Luis Facility Development Corporation's General Counsel and La Salle Correction's Chief Financial Officer were able to negotiate the following on the U.S. Marshals Service Intergovernmental Service Agreement ("IGSA"):


- The per head, per diem rate increases from \$104.84 to \$140.00.
- The hourly rate for transportation to court, medical appointments, hospital, and the Marshals Service Justice Prisoner and Alien Transportation System increases from \$35.17 to \$38.50.
- The IGSA is extended starting March 1, 2025, for 36 months (which is 3 years) to February 29, 2028.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO RATIFY THE 2025 INTERGOVERNMENTAL SERVICE AGREEMENT WITH THE U.S. MARSHALS SERVICE FOR THREE (3) YEARS OF DETENTION SERVICES AS PRESENTED.

Attachments

2025 IGSA Marshals Service

1. Agreement No. ODT-1-7-0002	2. Effective Date March 1, 2025	3. Facility Code(s) 6Q2	4. Modification No. Twenty-eight (28)	5. DUNS No. 963542084
6. Issuing Federal Agency United States Marshals Service Prisoner Operations Division Intergovernmental Agreements Branch CG-3, Suite 300 Washington, DC 20530-0001		7. Local Government San Luis Regional Detention Facility 406 N. Avenue D Yuma, AZ 85349		
8. Appropriation Data 15X1020	9. Per-Diem Rate \$140.00	10. Guard/Transportation Hourly Rate \$38.50		
<p>11. EXCEPT AS PROVIDED SPECIFICALLY HEREIN, ALL TERMS AND CONDITIONS OF THE IGA DOCUMENT REFERRED TO IN BLOCK 1, REMAIN UNCHANGED. TERMS OF THIS MODIFICATION:</p> <p>A. The purpose of this modification is to increase the operational per diem rate.</p> <p>B. To execute the above, the following changes are made:</p> <p> 1. Increase the per diem rate from \$104.84 to \$140.00</p> <p>C. The hourly rate for court, medical appointments, hospital, JPATS transportation services increased from \$35.17 to \$38.50.</p> <p>D. The per-diem rate and the guard/transportation hourly rate shall be fixed for a period from the effective date of this agreement forward for thirty-six (36) consecutive months except for any pricing adjustments resulting from DOL wage determinations or collective bargaining agreements. An economic rate adjustment to either rate can be requested by the Local Government after thirty-six (36) months of continuous performance. Request for economic rate adjustments before the ending of the thirty-six (36) month period preceding the most recent rate adjustment shall only be considered if there are extreme circumstances that warrant a review of an out-of-cycle economic rate adjustment. Granting an out-of-cycle economic rate adjustment is not guaranteed.</p> <p>ALL OTHER CONDITIONS AND TERMS ARE TO REMAIN THE SAME IN ACCORDANCE WITH THE TERMS OF THE CURRENT INTERGOVERNMENTAL AGREEMENT.</p>				
12. INSTRUCTIONS TO LOCAL GOVERNMENT FOR EXECUTION OF THIS MODIFICATION:				
A. <input type="checkbox"/> LOCAL GOVERNMENT IS NOT REQUIRED TO SIGN THIS DOCUMENT		B. <input checked="" type="checkbox"/> LOCAL GOVERNMENT IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN ALL COPIES TO U. S. MARSHAL		
13. APPROVALS				
<p>A. LOCAL GOVERNMENT</p>  <p>_____ Signature</p> <p>President 3/10/2025 TITLE DATE</p>		<p>B. FEDERAL GOVERNMENT</p> <p>ARNESS HARRIS Digitally signed by ARNESS HARRIS</p> <p>_____ Signature Date: 2025.03.12 07:28:36 -04'00'</p> <p>Chief, Procurement TITLE DATE</p>		

**U. S. Department of Justice
United States Marshals Service**

Modification of Intergovernmental Agreement

1. Agreement No. ODT-1-7-0002	2. Effective Date August 3, 2024	3. Facility Code(s) 6Q2	4. Modification No. Twenty-seven (27)	5. DUNS No. 963542084
6. Issuing Federal Agency United States Marshals Service Prisoner Operations Division Intergovernmental Agreements Branch CG-3, Suite 300 Washington, DC 20530-0001		7. Local Government San Luis Regional Detention Facility 406 N. Avenue D Yuma, AZ 85349		
8. Appropriation Data 15X1020	9. Per-Diem Rate \$104.84	10. Guard/Transportation Hourly Rate \$35.17		
<p>11. EXCEPT AS PROVIDED SPECIFICALLY HEREIN, ALL TERMS AND CONDITIONS OF THE IGA DOCUMENT REFERRED TO IN BLOCK 1, REMAIN UNCHANGED. TERMS OF THIS MODIFICATION:</p> <p>The purpose of this modification is to replace the Department of Labor Wage Determination issued in modification #26 with the attached (WD) Number 2015-5475 (Rev 23) dated 07/22/2024.</p> <p>ALL OTHER CONDITIONS AND TERMS ARE TO REMAIN THE SAME IN ACCORDANCE WITH THE TERMS OF THE CURRENT INTERGOVERNMENTAL AGREEMENT.</p>				
12. INSTRUCTIONS TO LOCAL GOVERNMENT FOR EXECUTION OF THIS MODIFICATION:				
A. <input checked="" type="checkbox"/> LOCAL GOVERNMENT IS NOT REQUIRED TO SIGN THIS DOCUMENT		B. <input type="checkbox"/> LOCAL GOVERNMENT IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN ALL COPIES TO U. S. MARSHAL		
13. APPROVALS				
<p>A. LOCAL GOVERNMENT</p> <p>_____</p> <p style="text-align: center;"><i>Signature</i></p> <p>_____</p> <p>TITLE DATE</p>		<p>B. FEDERAL GOVERNMENT</p> <p>REGINA TURNER <small>Digitally signed by REGINA TURNER Date: 2024.08.22 06:54:00 -04'00'</small></p> <p>_____</p> <p style="text-align: center;"><i>Signature</i></p> <p><u>Assistant Chief, Procurement</u> _____</p> <p>TITLE DATE</p>		

<p style="text-align: center;">"REGISTER OF WAGE DETERMINATIONS UNDER THE SERVICE CONTRACT ACT By direction of the Secretary of Labor</p>	<p style="text-align: center;">U.S. DEPARTMENT OF LABOR EMPLOYMENT STANDARDS ADMINISTRATION WAGE AND HOUR DIVISION WASHINGTON D.C. 20210</p>
<p>Daniel W. Simms Director</p>	<p>Division of Wage Determinations</p>
<p>Wage Determination No.: 2015-5475 Revision No.: 23 Date Of Last Revision: 07/22/2024</p>	

Note: Contracts subject to the Service Contract Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658.

<p>If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:</p>	<p>Executive Order 14026 generally applies to the contract. The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.</p>
<p>If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:</p>	<p>Executive Order 13658 generally applies to the contract. The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.</p>

The applicable Executive Order minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the Executive Orders is available at www.dol.gov/whd/govcontracts.

State: Arizona

Area: Arizona County of Yuma

Fringe Benefits Required Follow the Occupational Listing

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		16.05***
01012 - Accounting Clerk II		18.02
01013 - Accounting Clerk III		20.15
01020 - Administrative Assistant		28.25
01035 - Court Reporter		20.34
01041 - Customer Service Representative I		14.21***
01042 - Customer Service Representative II		15.51***
01043 - Customer Service Representative III		17.40
01051 - Data Entry Operator I		15.03***
01052 - Data Entry Operator II		16.40***
01060 - Dispatcher, Motor Vehicle		20.79
01070 - Document Preparation Clerk		16.20***
01090 - Duplicating Machine Operator		16.20***
01111 - General Clerk I		14.67***
01112 - General Clerk II		16.00***
01113 - General Clerk III		17.96

01120 - Housing Referral Assistant	22.68
01141 - Messenger Courier	13.19***
01191 - Order Clerk I	15.46***
01192 - Order Clerk II	17.93
01261 - Personnel Assistant (Employment) I	17.09***
01262 - Personnel Assistant (Employment) II	19.12
01263 - Personnel Assistant (Employment) III	21.32
01270 - Production Control Clerk	22.52
01290 - Rental Clerk	17.41
01300 - Scheduler, Maintenance	18.18
01311 - Secretary I	18.18
01312 - Secretary II	20.34
01313 - Secretary III	22.68
01320 - Service Order Dispatcher	18.59
01410 - Supply Technician	28.25
01420 - Survey Worker	20.34
01460 - Switchboard Operator/Receptionist	15.92***
01531 - Travel Clerk I	15.86***
01532 - Travel Clerk II	16.76***
01533 - Travel Clerk III	17.61
01611 - Word Processor I	16.20***
01612 - Word Processor II	18.18
01613 - Word Processor III	20.34
05000 - Automotive Service Occupations	
05005 - Automobile Body Repairer, Fiberglass	25.04
05010 - Automotive Electrician	19.99
05040 - Automotive Glass Installer	19.24
05070 - Automotive Worker	19.24
05110 - Mobile Equipment Servicer	17.70
05130 - Motor Equipment Metal Mechanic	20.69
05160 - Motor Equipment Metal Worker	19.24
05190 - Motor Vehicle Mechanic	20.32
05220 - Motor Vehicle Mechanic Helper	16.60***
05250 - Motor Vehicle Upholstery Worker	18.53
05280 - Motor Vehicle Wrecker	19.24
05310 - Painter, Automotive	19.99
05340 - Radiator Repair Specialist	19.24
05370 - Tire Repairer	16.43***
05400 - Transmission Repair Specialist	20.69
07000 - Food Preparation And Service Occupations	
07010 - Baker	15.79***
07041 - Cook I	15.83***
07042 - Cook II	18.21
07070 - Dishwasher	14.10***
07130 - Food Service Worker	14.91***
07210 - Meat Cutter	16.44***
07260 - Waiter/Waitress	16.90***
09000 - Furniture Maintenance And Repair Occupations	
09010 - Electrostatic Spray Painter	20.89
09040 - Furniture Handler	14.49***
09080 - Furniture Refinisher	20.89
09090 - Furniture Refinisher Helper	17.14***
09110 - Furniture Repairer, Minor	19.37
09130 - Upholsterer	20.89
11000 - General Services And Support Occupations	
11030 - Cleaner, Vehicles	14.57***
11060 - Elevator Operator	14.60***
11090 - Gardener	19.23
11122 - Housekeeping Aide	14.60***
11150 - Janitor	14.60***
11210 - Laborer, Grounds Maintenance	15.91***
11240 - Maid or Houseman	14.84***
11260 - Pruner	15.18***
11270 - Tractor Operator	17.91
11330 - Trail Maintenance Worker	15.91***

11360 - Window Cleaner	15.30***
12000 - Health Occupations	
12010 - Ambulance Driver	26.90
12011 - Breath Alcohol Technician	27.89
12012 - Certified Occupational Therapist Assistant	38.27
12015 - Certified Physical Therapist Assistant	34.17
12020 - Dental Assistant	18.81
12025 - Dental Hygienist	42.70
12030 - EKG Technician	42.27
12035 - Electroneurodiagnostic Technologist	42.27
12040 - Emergency Medical Technician	26.90
12071 - Licensed Practical Nurse I	24.93
12072 - Licensed Practical Nurse II	27.89
12073 - Licensed Practical Nurse III	31.10
12100 - Medical Assistant	18.15
12130 - Medical Laboratory Technician	25.43
12160 - Medical Record Clerk	21.29
12190 - Medical Record Technician	23.80
12195 - Medical Transcriptionist	24.93
12210 - Nuclear Medicine Technologist	61.29
12221 - Nursing Assistant I	12.75***
12222 - Nursing Assistant II	14.33***
12223 - Nursing Assistant III	15.64***
12224 - Nursing Assistant IV	17.57
12235 - Optical Dispenser	22.50
12236 - Optical Technician	24.93
12250 - Pharmacy Technician	21.43
12280 - Phlebotomist	24.93
12305 - Radiologic Technologist	37.73
12311 - Registered Nurse I	26.74
12312 - Registered Nurse II	32.70
12313 - Registered Nurse II, Specialist	32.70
12314 - Registered Nurse III	39.56
12315 - Registered Nurse III, Anesthetist	39.56
12316 - Registered Nurse IV	47.42
12317 - Scheduler (Drug and Alcohol Testing)	34.55
12320 - Substance Abuse Treatment Counselor	24.14
13000 - Information And Arts Occupations	
13011 - Exhibits Specialist I	17.75
13012 - Exhibits Specialist II	21.83
13013 - Exhibits Specialist III	26.71
13041 - Illustrator I	17.75
13042 - Illustrator II	21.83
13043 - Illustrator III	26.71
13047 - Librarian	24.18
13050 - Library Aide/Clerk	16.67***
13054 - Library Information Technology Systems Administrator	21.83
13058 - Library Technician	17.62
13061 - Media Specialist I	15.75***
13062 - Media Specialist II	17.62
13063 - Media Specialist III	19.65
13071 - Photographer I	15.75***
13072 - Photographer II	18.91
13073 - Photographer III	22.03
13074 - Photographer IV	26.71
13075 - Photographer V	32.31
13090 - Technical Order Library Clerk	20.93
13110 - Video Teleconference Technician	19.39
14000 - Information Technology Occupations	
14041 - Computer Operator I	18.76
14042 - Computer Operator II	21.01
14043 - Computer Operator III	25.06
14044 - Computer Operator IV	26.84
14045 - Computer Operator V	29.73

14071 - Computer Programmer I	(see 1)	20.98
14072 - Computer Programmer II	(see 1)	25.99
14073 - Computer Programmer III	(see 1)	
14074 - Computer Programmer IV	(see 1)	
14101 - Computer Systems Analyst I	(see 1)	
14102 - Computer Systems Analyst II	(see 1)	
14103 - Computer Systems Analyst III	(see 1)	
14150 - Peripheral Equipment Operator		18.76
14160 - Personal Computer Support Technician		27.86
14170 - System Support Specialist		30.85
15000 - Instructional Occupations		
15010 - Aircrew Training Devices Instructor (Non-Rated)		34.31
15020 - Aircrew Training Devices Instructor (Rated)		41.51
15030 - Air Crew Training Devices Instructor (Pilot)		49.75
15050 - Computer Based Training Specialist / Instructor		34.31
15060 - Educational Technologist		26.89
15070 - Flight Instructor (Pilot)		49.75
15080 - Graphic Artist		27.13
15085 - Maintenance Test Pilot, Fixed, Jet/Prop		49.75
15086 - Maintenance Test Pilot, Rotary Wing		49.75
15088 - Non-Maintenance Test/Co-Pilot		49.75
15090 - Technical Instructor		23.71
15095 - Technical Instructor/Course Developer		29.00
15110 - Test Proctor		19.13
15120 - Tutor		19.13
16000 - Laundry, Dry-Cleaning, Pressing And Related Occupations		
16010 - Assembler		17.99
16030 - Counter Attendant		17.99
16040 - Dry Cleaner		20.55
16070 - Finisher, Flatwork, Machine		17.99
16090 - Presser, Hand		17.99
16110 - Presser, Machine, Drycleaning		17.99
16130 - Presser, Machine, Shirts		17.99
16160 - Presser, Machine, Wearing Apparel, Laundry		17.99
16190 - Sewing Machine Operator		21.41
16220 - Tailor		22.26
16250 - Washer, Machine		18.85
19000 - Machine Tool Operation And Repair Occupations		
19010 - Machine-Tool Operator (Tool Room)		23.80
19040 - Tool And Die Maker		28.33
21000 - Materials Handling And Packing Occupations		
21020 - Forklift Operator		16.61***
21030 - Material Coordinator		22.52
21040 - Material Expediter		22.52
21050 - Material Handling Laborer		15.40***
21071 - Order Filler		16.50***
21080 - Production Line Worker (Food Processing)		16.61***
21110 - Shipping Packer		19.20
21130 - Shipping/Receiving Clerk		19.20
21140 - Store Worker I		17.83
21150 - Stock Clerk		20.55
21210 - Tools And Parts Attendant		16.61***
21410 - Warehouse Specialist		16.61***
23000 - Mechanics And Maintenance And Repair Occupations		
23010 - Aerospace Structural Welder		32.57
23019 - Aircraft Logs and Records Technician		25.57
23021 - Aircraft Mechanic I		31.11
23022 - Aircraft Mechanic II		32.57
23023 - Aircraft Mechanic III		33.74
23040 - Aircraft Mechanic Helper		22.18
23050 - Aircraft, Painter		29.22
23060 - Aircraft Servicer		25.57
23070 - Aircraft Survival Flight Equipment Technician		29.22
23080 - Aircraft Worker		27.38
23091 - Aircrew Life Support Equipment (ALSE) Mechanic		27.38

I		
23092	- Aircrew Life Support Equipment (ALSE) Mechanic	31.11
II		
23110	- Appliance Mechanic	23.80
23120	- Bicycle Repairer	19.40
23125	- Cable Splicer	30.22
23130	- Carpenter, Maintenance	21.28
23140	- Carpet Layer	22.31
23160	- Electrician, Maintenance	24.16
23181	- Electronics Technician Maintenance I	29.19
23182	- Electronics Technician Maintenance II	32.67
23183	- Electronics Technician Maintenance III	34.78
23260	- Fabric Worker	20.83
23290	- Fire Alarm System Mechanic	25.34
23310	- Fire Extinguisher Repairer	19.40
23311	- Fuel Distribution System Mechanic	25.34
23312	- Fuel Distribution System Operator	19.40
23370	- General Maintenance Worker	18.22
23380	- Ground Support Equipment Mechanic	31.11
23381	- Ground Support Equipment Servicer	25.57
23382	- Ground Support Equipment Worker	27.38
23391	- Gunsmith I	19.40
23392	- Gunsmith II	22.31
23393	- Gunsmith III	25.34
23410	- Heating, Ventilation And Air-Conditioning Mechanic	23.94
23411	- Heating, Ventilation And Air Contidioning Mechanic (Research Facility)	25.07
23430	- Heavy Equipment Mechanic	28.73
23440	- Heavy Equipment Operator	23.03
23460	- Instrument Mechanic	25.34
23465	- Laboratory/Shelter Mechanic	23.80
23470	- Laborer	15.40***
23510	- Locksmith	23.80
23530	- Machinery Maintenance Mechanic	27.13
23550	- Machinist, Maintenance	24.13
23580	- Maintenance Trades Helper	17.05***
23591	- Metrology Technician I	25.34
23592	- Metrology Technician II	26.53
23593	- Metrology Technician III	27.48
23640	- Millwright	25.34
23710	- Office Appliance Repairer	23.80
23760	- Painter, Maintenance	21.17
23790	- Pipefitter, Maintenance	23.91
23810	- Plumber, Maintenance	22.45
23820	- Pneudraulic Systems Mechanic	25.34
23850	- Rigger	25.34
23870	- Scale Mechanic	22.31
23890	- Sheet-Metal Worker, Maintenance	24.77
23910	- Small Engine Mechanic	22.31
23931	- Telecommunications Mechanic I	29.39
23932	- Telecommunications Mechanic II	32.80
23950	- Telephone Lineman	22.54
23960	- Welder, Combination, Maintenance	22.62
23965	- Well Driller	25.34
23970	- Woodcraft Worker	25.34
23980	- Woodworker	19.40
24000	- Personal Needs Occupations	
24550	- Case Manager	17.35
24570	- Child Care Attendant	12.70***
24580	- Child Care Center Clerk	15.84***
24610	- Chore Aide	14.34***
24620	- Family Readiness And Support Services Coordinator	17.35
24630	- Homemaker	17.60

25000 - Plant And System Operations Occupations	25.75
25010 - Boiler Tender	24.19
25040 - Sewage Plant Operator	26.02
25070 - Stationary Engineer	18.85
25190 - Ventilation Equipment Tender	24.19
25210 - Water Treatment Plant Operator	
27000 - Protective Service Occupations	21.95
27004 - Alarm Monitor	15.39***
27007 - Baggage Inspector	24.02
27008 - Corrections Officer	24.02
27010 - Court Security Officer	18.32
27030 - Detection Dog Handler	24.02
27040 - Detention Officer	23.93
27070 - Firefighter	15.39***
27101 - Guard I	18.32
27102 - Guard II	26.80
27131 - Police Officer I	29.78
27132 - Police Officer II	
28000 - Recreation Occupations	16.50***
28041 - Carnival Equipment Operator	17.72
28042 - Carnival Equipment Repairer	13.99***
28043 - Carnival Worker	16.96***
28210 - Gate Attendant/Gate Tender	14.73***
28310 - Lifeguard	18.97
28350 - Park Attendant (Aide)	13.85***
28510 - Recreation Aide/Health Facility Attendant	23.50
28515 - Recreation Specialist	15.11***
28630 - Sports Official	20.37
28690 - Swimming Pool Operator	
29000 - Stevedoring/Longshoremen Occupational Services	22.31
29010 - Blocker And Bracer	22.31
29020 - Hatch Tender	22.31
29030 - Line Handler	20.83
29041 - Stevedore I	23.80
29042 - Stevedore II	
30000 - Technical Occupations	45.21
30010 - Air Traffic Control Specialist, Center (HFO) (see 2)	31.17
30011 - Air Traffic Control Specialist, Station (HFO) (see 2)	34.34
30012 - Air Traffic Control Specialist, Terminal (HFO) (see 2)	19.39
30021 - Archeological Technician I	21.68
30022 - Archeological Technician II	26.87
30023 - Archeological Technician III	26.87
30030 - Cartographic Technician	27.51
30040 - Civil Engineering Technician	29.75
30051 - Cryogenic Technician I	32.86
30052 - Cryogenic Technician II	19.39
30061 - Drafter/CAD Operator I	21.68
30062 - Drafter/CAD Operator II	24.17
30063 - Drafter/CAD Operator III	29.75
30064 - Drafter/CAD Operator IV	16.79***
30081 - Engineering Technician I	19.39
30082 - Engineering Technician II	21.68
30083 - Engineering Technician III	26.87
30084 - Engineering Technician IV	32.86
30085 - Engineering Technician V	39.75
30086 - Engineering Technician VI	26.87
30090 - Environmental Technician	26.87
30095 - Evidence Control Specialist	24.17
30210 - Laboratory Technician	29.75
30221 - Latent Fingerprint Technician I	32.86
30222 - Latent Fingerprint Technician II	26.87
30240 - Mathematical Technician	21.80
30361 - Paralegal/Legal Assistant I	27.03
30362 - Paralegal/Legal Assistant II	33.04
30363 - Paralegal/Legal Assistant III	

30364 - Paralegal/Legal Assistant IV	39.99
30375 - Petroleum Supply Specialist	32.86
30390 - Photo-Optics Technician	26.87
30395 - Radiation Control Technician	32.86
30461 - Technical Writer I	26.87
30462 - Technical Writer II	32.86
30463 - Technical Writer III	39.75
30491 - Unexploded Ordnance (UXO) Technician I	28.73
30492 - Unexploded Ordnance (UXO) Technician II	34.76
30493 - Unexploded Ordnance (UXO) Technician III	41.67
30494 - Unexploded (UXO) Safety Escort	28.73
30495 - Unexploded (UXO) Sweep Personnel	28.73
30501 - Weather Forecaster I	29.75
30502 - Weather Forecaster II	36.19
30620 - Weather Observer, Combined Upper Air Or Surface Programs	(see 2) 24.17
30621 - Weather Observer, Senior	(see 2) 26.87
31000 - Transportation/Mobile Equipment Operation Occupations	
31010 - Airplane Pilot	34.76
31020 - Bus Aide	16.67***
31030 - Bus Driver	21.88
31043 - Driver Courier	18.99
31260 - Parking and Lot Attendant	14.38***
31290 - Shuttle Bus Driver	19.51
31310 - Taxi Driver	13.85***
31361 - Truckdriver, Light	20.38
31362 - Truckdriver, Medium	21.88
31363 - Truckdriver, Heavy	22.19
31364 - Truckdriver, Tractor-Trailer	22.19
99000 - Miscellaneous Occupations	
99020 - Cabin Safety Specialist	16.95***
99030 - Cashier	14.28***
99050 - Desk Clerk	14.59***
99095 - Embalmer	28.73
99130 - Flight Follower	28.73
99251 - Laboratory Animal Caretaker I	22.13
99252 - Laboratory Animal Caretaker II	23.76
99260 - Marketing Analyst	26.94
99310 - Mortician	28.73
99410 - Pest Controller	16.54***
99510 - Photofinishing Worker	15.10***
99710 - Recycling Laborer	19.66
99711 - Recycling Specialist	22.95
99730 - Refuse Collector	18.76
99810 - Sales Clerk	15.25***
99820 - School Crossing Guard	16.41***
99830 - Survey Party Chief	33.23
99831 - Surveying Aide	20.68
99832 - Surveying Technician	28.37
99840 - Vending Machine Attendant	22.13
99841 - Vending Machine Repairer	27.32
99842 - Vending Machine Repairer Helper	22.13

***Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.20 per hour) or 13658 (\$12.90 per hour). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 and 13658 are not currently being enforced as to contracts or contract-like instruments entered into with the federal government in connection with seasonal recreational services or seasonal recreational equipment rental for the general public on federal lands. The minimum wage requirements of Executive Order 14026 also are not currently being

enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors, applies to all contracts subject to the Service Contract Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is the victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: \$5.36 per hour, up to 40 hours per week, or \$214.40 per week or \$929.07 per month

HEALTH & WELFARE EO 13706: \$4.93 per hour, up to 40 hours per week, or \$197.20 per week, or \$854.53 per month*

*This rate is to be used only when compensating employees for performance on an SCA-covered contract also covered by EO 13706, Establishing Paid Sick Leave for Federal Contractors. A contractor may not receive credit toward its SCA obligations for any paid sick leave provided pursuant to EO 13706.

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor, 3 weeks after 5 years, and 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of eleven paid holidays per year: New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4.174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: This wage determination does not apply to any individual employed in a bona fide executive, administrative, or professional capacity, as defined in 29 C.F.R. Part 541. (See 41 C.F.R. 6701(3)). Because most Computer Systems Analysts and Computer Programmers who are paid at least \$27.63 per hour (or at least \$684 per week if paid on a salary or fee basis) likely qualify as exempt computer professionals under 29 U.S.C. 213(a)(1) and 29 U.S.C. 213(a)(17), this wage determination may not include wage rates for all occupations within those job families. In such instances, a conformance will be necessary if there are nonexempt employees in these job families working on the contract.

Job titles vary widely and change quickly in the computer industry, and are not determinative of whether an employee is an exempt computer professional. To be exempt, computer employees who satisfy the compensation requirements must also have a primary duty that consists of:

(1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;

(2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

(3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or

(4) A combination of the aforementioned duties, the performance of which requires the same level of skills. (29 C.F.R. 541.400).

Any computer employee who meets the applicable compensation requirements and the above duties test qualifies as an exempt computer professional under both section 13(a)(1) and section 13(a)(17) of the Fair Labor Standards Act. (Field Assistance Bulletin No. 2006-3 (Dec. 14, 2006)). Accordingly, this wage determination will not apply to any exempt computer employee regardless of which of these two exemptions is utilized.

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

**** HAZARDOUS PAY DIFFERENTIAL ****

An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance, explosives, and incendiary materials. This includes work such as screening, blending, dying, mixing, and pressing of sensitive ordnance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives. Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving re-grading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordnance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving, unloading, storage, and hauling of ordnance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance, explosives, and incendiary material differential pay.

**** UNIFORM ALLOWANCE ****

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to

this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

**** SERVICE CONTRACT ACT DIRECTORY OF OCCUPATIONS ****

The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations", Fifth Edition (Revision 1), dated September 2015, unless otherwise indicated.

**** REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE, Standard Form 1444 (SF-1444) ****

Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination (See 29 CFR 4.6(b)(2)(i)). Such conforming procedures shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees (See 29 CFR 4.6(b)(2)(ii)). The Wage and Hour Division shall make a final determination of conformed classification, wage rate, and/or fringe benefits which shall be paid to all employees performing in the classification from the first day of work on which contract work is performed by them in the classification. Failure to pay such unlisted employees the compensation agreed upon by the interested parties and/or fully determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract. (See 29 CFR 4.6(b)(2)(v)). When multiple wage determinations are included in a contract, a separate SF-1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

- 1) When preparing the bid, the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).
- 2) After contract award, the contractor prepares a written report listing in order the proposed classification title(s), a Federal grade equivalency (FGE) for each proposed classification(s), job description(s), and rationale for proposed wage rate(s), including information regarding the agreement or disagreement of the authorized representative of the employees involved, or where there is no authorized representative, the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.
- 3) The contracting officer reviews the proposed action and promptly submits a report of the action, together with the agency's recommendations and pertinent information including the position of the contractor and the employees, to the U.S. Department of Labor, Wage and Hour Division, for review (See 29 CFR 4.6(b)(2)(ii)).
- 4) Within 30 days of receipt, the Wage and Hour Division approves, modifies, or disapproves the action via transmittal to the agency contracting officer, or notifies the contracting officer that additional time will be required to process the request.

5) The contracting officer transmits the Wage and Hour Division's decision to the contractor.

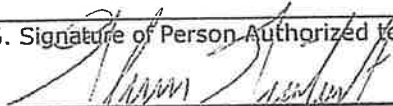
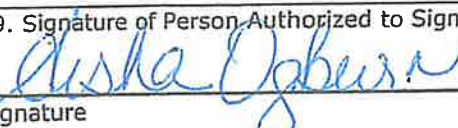
6) Each affected employee shall be furnished by the contractor with a written copy of such determination or it shall be posted as a part of the wage determination (See 29 CFR 4.6(b)(2)(iii)).

Information required by the Regulations must be submitted on SF-1444 or bond paper.

When preparing a conformance request, the ""Service Contract Act Directory of Occupations"" should be used to compare job definitions to ensure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination (See 29 CFR 4.152(c)(1))."

**U.S. Department of Justice
United States Marshals Service
Prisoner Operations Division**

**Detention Services
Intergovernmental Agreement**

1. Agreement Number ODT-1-7-0002	2. Effective Date APR - 1 2015	3. Facility Code(s) 6Q2	4. DUNS Number 15847752
5. Issuing Federal Agency United States Marshals Service Prisoner Operations Division 2604 Jefferson Davis Highway Alexandria, VA 22301-1025		6. Local Government San Luis Regional Detention Facility 406 N. Ave. D Yuma, AZ 85349 Tax ID#: 86-0376164	
7. Appropriation Data 15X1020		8. Local Contact Person Glenn Gimbut	
		9. Telephone: 928-341-8520 Fax: Email: ggminbut@cityofsanluis.org	
Services		Estimated Number of Federal Beds	Per Diem Rate
10. This agreement is for the housing, safekeeping, and subsistence of Federal detainees, in accordance with content set forth herein.		11. Male: 616 Female: 300 Total: 916	12. \$85.00
13a. Optional Guard/Transportation Services to: <input checked="" type="checkbox"/> Medical Facility <input type="checkbox"/> Other _____ <input checked="" type="checkbox"/> U.S. Courthouse <input type="checkbox"/> JPATS		14. Guard/Transportation to and from medical services only hourly rate is \$26.09 Guard/Transportation to and from court is encompassed in the per diem rate.	
13b. <input checked="" type="checkbox"/> Department of Labor Wage Determination			
15. Local Government Certification <i>To the best of my knowledge and belief, information submitted in support of this agreement is true and correct. This document has been duly authorized by the governing authorities of their applying Department or Agency State or County Government and therefore agree to comply with all provisions set forth herein this document.</i>		16. Signature of Person Authorized to Sign (Local)  Signature Glenn Gimbut Print Name City Attorney Title 3/17/2015 Date	
17. Federal Detainee Type Authorized <input checked="" type="checkbox"/> Adult Male <input checked="" type="checkbox"/> Adult Female <input type="checkbox"/> Juvenile Male <input type="checkbox"/> Juvenile Female	18. Other Authorized Agency User <input checked="" type="checkbox"/> ICE <input checked="" type="checkbox"/> U.S. CUSTOMS BORDER PATROL	19. Signature of Person Authorized to Sign (Federal)  Signature Aisha Ogburn Print Name Grant Specialist Title 3/24/2015 Date	

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Authority

Pursuant to the authority of Section 119 of the Department of Justice Appropriations Act of 2001 (Public Law 106-553), this Agreement is entered into between the United States Marshals Service (hereinafter referred to as the "Federal Government") and **San Luis Regional Detention Facility** hereinafter referred to as "Local Government"), who hereby agree as follows:

Purpose of Agreement and Security Provided

The Federal Government and the Local Government establish this Agreement that allows the United States Marshals Service (USMS) or other authorized agency user as noted in block #18 on page (1) to house Federal detainees with the Local Government at the **San Luis Regional Detention Facility 406 N. Avenue, D. San Luis, Arizona 85349** (hereinafter referred to as "the Facility") designated in #6 page 1.

The population (hereinafter referred to as "Federal detainees,") will include individuals charged with Federal offenses and detained while awaiting trial, individuals who have been sentenced and are awaiting designation and transport to a Bureau of Prisons (BOP) facility, and individuals who are awaiting a hearing on their immigration status or deportation.

The Local Government shall accept and provide for the secure custody, safekeeping, housing, subsistence and care of Federal detainees in accordance with all state and local laws, standards, regulations, policies and court orders applicable to the operation of the Facility. Detainees shall also be housed in a manner that is consistent with Federal law and the Core Detention Standards and/or any other standards required by an authorized agency whose detainees are housed by the Local Government pursuant to this Agreement.

The USMS ensures the secure custody, care, and safekeeping of USMS detainees. Accordingly, all housing or work assignments, and recreation or other activities for USMS detainees are permitted only within secure areas of the building or within the secure external recreational/exercise areas.

At all times, the Federal Government shall have access to the Facility and to the Federal detainees housed there, and to all records pertaining to this Agreement, including financial records, for a period going back three (3) years from the date of request by the Federal Government.

Period of Performance and Termination

This Agreement is effective upon the date of signature of both parties, and remains in effect unless terminated by either party with written notice. The Local Government shall provide no less than 100 calendar days notice of their intent to terminate, where the

[Handwritten initials]
[Handwritten initials]

Local Government has received a Cooperative Agreement Program (CAP) Award, the termination provision of the CAP Prevails.

Assignment and Outsourcing of Jail Operations

The overall management and operation of the Facility housing Federal detainees may not be contracted out without the prior express written consent of the Federal Government.

Medical Services

The Local Government shall provide Federal detainees with the same level and range of care **inside** the Facility as that provided to state and local detainees. The Local Government is financially responsible for all medical care provided **inside** the Facility to Federal detainees. This includes the cost of all medical, dental, and mental health care as well as the cost of medical supplies, over-the-counter medications and, any prescription medications routinely stocked by the Facility which are provided to Federal detainees. When possible, generic medications should be prescribed. The cost of all of the above-referenced medical care is covered by the Federal per diem rate. However, for specialized medical services not routinely provided within the Facility, such as dialysis, the Federal Government will pay for the cost of that service.

The Federal Government is financially responsible for all medical care provided **outside** the Facility to Federal detainees. The Federal Government must be billed directly by outside medical care providers pursuant to arrangements made by the Local Government for outside medical care. The Local Government should utilize outside medical care providers that are covered by the USMS's National Managed Care Contract (NMCC) to reduce the costs and administrative workload associated with these medical services. The Local Government can obtain information about NMCC covered providers from the local USMS District Office. The Federal Government will be billed directly by the medical care provider **not** the Local Government. To ensure that Medicare rates are properly applied, medical claims for Federal detainees must be on Centers for Medicare and Medicaid (CMS) Forms so that they can be re-priced to Medicare rates in accordance with the provisions of Title 18 U.S.C. Section 4006. If the Local Government receives any bills for medical care provided to Federal detainees outside the Facility, the Local Government should immediately forward those bills to the Federal Government for processing.

All **outside** medical care provided to Federal detainees must be pre-approved by the Federal Government except in a medical emergency. In the event of an emergency, the Local Government shall proceed immediately with necessary medical treatment. In such an event, the Local Government shall notify the Federal Government immediately regarding the nature of the Federal detainee's illness or injury as well as the types of treatment provided.

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Medical care for Federal detainees shall be provided by the Local Government in accordance with the provisions of USMS, Publication 100-Prisoner Health Care Standards (www.usmarshals.gov/prisoner/standards.htm) and in compliance with the Core Detention Standards or those standards which may be required by any other authorized agency user. The Local Government is responsible for all associated medical record keeping.

The Facility shall have in place an adequate infectious disease control program which includes testing of all Federal detainees for Tuberculosis (TB) within 14 days of intake.

TB testing shall be accomplished in accordance with the latest Centers for Disease Control (CDC) Guidelines and the result promptly documented in the Federal detainee's medical record. Special requests for expedited TB testing and clearance (to include time sensitive moves) will be accomplished through advance coordination by the Federal Government and Local Government.

The Local Government shall immediately notify the Federal Government of any cases of suspected or active TB or any other highly communicable diseases such as Severe Acute Respiratory Syndrome (SARS), Avian Flu, Methicillin-Resistant Staphylococcus Aureus (MRSA), Chicken Pox, etc., which might affect scheduled transports or productions so that protective measures can be taken by the Federal Government.

When a Federal detainee is being transferred and/or released from the Facility, they will be provided with seven (7) days of prescription medication which will be dispensed from the Facility. Medical records and the USM-553 must travel with the Federal detainee. If the records are maintained at a medical contractor's facility, it is the Local Government's responsibility to obtain them before a Federal detainee is moved.

Federal detainees may be charged a medical co-payment by the Local Government in accordance with the provisions of Title 18, USC Section 4013(d). The Federal Government is not responsible for medical co-payments and cannot be billed for these costs even for indigent Federal detainees.

Affordable Care Act

The Local Government shall provide Federal detainees, upon release of custody, information regarding the Affordable Care Act, The Affordable Care Act website is located at <http://www.hhs.gov/opa/affordable-care-act/>.

Receiving and Discharge of Federal Detainees

The Local Government agrees to accept Federal detainees only upon presentation by a law enforcement officer of the Federal Government or a USMS designee with proper agency credentials.



The Local Government shall not relocate a Federal detainee from one facility under its control to another facility not described in this Agreement without permission of the Federal Government. Additional facilities within the same Agreement shall be identified in a modification.

The Local Government agrees to release Federal detainees only to law enforcement officers of the authorized Federal Government agency initially committing the Federal detainee (i.e., Drug Enforcement Administration (DEA), Immigration and Customs Enforcement (ICE), etc.) or to a Deputy United States Marshal (DUSM) or USMS designee with proper agency credentials. Those Federal detainees who are remanded to custody by a DUSM may only be released to a DUSM or an agent specified by the DUSM of the Judicial District.

USMS Federal detainees sought for a state or local court proceeding must be acquired through a Writ of Habeas Corpus or the Interstate Agreement on Detainers and then only with the concurrence of the jurisdictional United States Marshal (USM).

Optional Guard/Transportation Services to Medical Facility

If Medical Facility in block #13 on page one (1) of this Agreement is checked, the Local Government agrees, subject to the availability of its personnel, to provide transportation and escort guard services for Federal detainees housed at the Facility to and from a medical facility for outpatient care, and transportation and stationary guard services for Federal detainees admitted to a medical facility.

These services should be performed by at least two (2) armed qualified law enforcement or correctional officer personnel. Criteria as specified by the County Entity running the facility. In all cases these are part of a fulltime Law Enforcement Officer (LEO) or Correctional Officer (CO) that have met the minimum training requirements.

The Local Government agrees to augment this security escort if requested by the USM to enhance specific requirement for security, prisoner monitoring, visitation, and contraband control.

If an hourly rate for these services have been agreed upon to reimburse the Local Government, it will be stipulated in block #14 on page one (1) of this Agreement. After **thirty-six (36) months**, if a rate adjustment is desired, the Local Government shall submit a request. Mileage shall be reimbursed in accordance with the current GSA mileage rate.

Optional Guard/Transportation Services to U.S. Courthouse

If U.S. Courthouse in block #13 on page one (1) of this Agreement is checked, the Local Government agrees, subject to the availability of its personnel, to provide transportation

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and escort guard services for Federal detainees housed at its facility to and from the U.S. Courthouse.

These services should be performed by at least two (2) armed qualified law enforcement or correctional officer personnel.

The Local Government agrees to augment this security escort if requested by the USM to enhance specific requirements for security, detainee monitoring, and contraband control.

Upon arrival at the courthouse, the Local Government's transportation and escort guard will turn Federal detainees over to a DUSM only upon presentation by the deputy of proper law enforcement credentials.

The Local Government will not transport Federal detainees to any U.S. Courthouse without a specific request from the USM or their designee who will provide the detainee's name, the U.S. Courthouse, and the date the detainee is to be transported.

Each detainee will be restrained in handcuffs, waist chains, and leg irons during transportation unless otherwise authorized by the USMS.

If an hourly rate for these services have been agreed upon to reimburse the Local Government, it will be stipulated in block #14 on page one (1) of this Agreement. After **thirty-six (36) months**, if a rate adjustment is desired, the Local Government shall submit a request. Mileage shall be reimbursed in accordance with the current GSA mileage rate.

Optional Guard/Transportation Services to Justice Prisoner & Alien Transportation System (JPATS)

If JPATS in block #13 on page one (1) of this Agreement is checked, the Local Government agrees, subject to the availability of its personnel, to provide transportation and escort guard services for Federal detainees housed at its facility to and from the JPATS.

These services should be performed by at least two (2) armed qualified law enforcement or correctional officer personnel.

The Local Government agrees to augment this security escort if requested by the USM to enhance specific requirements for security, detainee monitoring, and contraband control.

Upon arrival at JPATS, the Local Government's transportation and escort guards will turn federal detainees over to a DUSM only upon presentation by the deputy of proper law enforcement credentials.

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The Local Government will not transport federal detainees to the airlift without a specific request from the USM who will provide the detainee's name, location (district), and the date the detainee is to be transported.

Each detainee will be restrained in handcuffs, waist chains, and leg irons during transportation.

If an hourly rate for these services has been agreed upon to reimburse the Local Government, it will be stipulated on in block #14 on page one (1) of this Agreement. After **thirty-six (36) months**, if a rate adjustment is desired, the Local Government shall submit a request. Mileage shall be reimbursed in accordance with the current GSA mileage rate.

Special Notifications

The Local Government shall notify the Federal Government of any activity by a Federal detainee which would likely result in litigation or alleged criminal activity.

The Local Government shall immediately notify the Federal Government of an escape of a Federal detainee. The Local Government shall use all reasonable means to apprehend the escaped Federal detainee and all reasonable costs in connection therewith shall be borne by the Local Government. The Federal Government shall have primary responsibility and authority to direct the pursuit and capture of such escaped Federal detainees. Additionally, the Local Government shall notify the Federal Government as soon as possible when a Federal detainee is involved in an attempted escape or conspiracy to escape from the Facility.

In the event of the death or assault or a medical emergency of a Federal detainee, the Local Government shall immediately notify the Federal Government.

Special Management Inmates and Suicide Prevention

The Local Government shall have written policy, procedure, and practice require that all special management inmates are personally observed by a correctional officer twice per hour, but no more than 40 minutes apart, on an irregular schedule. Inmates who are violent or mentally disordered or who demonstrate unusual or bizarre behavior receive more frequent observation; suicidal inmates are under constant observation.

The Local Government shall have a comprehensive suicide-prevention program in place incorporating all aspects of identification, assessment, evaluation, treatment, preventive intervention, and annual training of all medical, mental health, and correctional staff.

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Prison Rape Elimination Act (PREA)

The Facility must post the Prison Rape Elimination Act brochure/bulletin in each housing unit of the Facility. The Facility must abide by all relevant PREA regulations.

Service Contract Act

This Agreement incorporates the following clause by reference, with the same force and effect as if it was given in full text. Upon request, the full text will be made available. The full text of this provision may be accessed electronically at this address: <http://www.dol.gov/oasam/regs/statutes/351.htm>.

Federal Acquisition Regulation Clause(s):

52.222-41 Service Contract Act of 1965, as Amended (July 2005)

52.222-42 Statement of Equivalent Rates for Federal Hires (May 1989)

52.222-43 Fair Labor Standards Act and the Service Contract Act – Price Adjustment (Multiyear and Option Contracts) (May 1989)

The current Local Government wage rates shall be the prevailing wages unless notified by the Federal Government.

If the Department of Labor Wage Determination block #13b on page one (1) of this Agreement is checked, the Local Government agrees, in accordance with FAR PART 52.222.43 (f), must notify the Federal Government of any increase or decrease in applicable wages and fringe benefits claimed under this clause within 30 days after receiving a new wage determination.

Per-Diem Rate

The Federal Government will use various price analysis techniques and procedures to ensure the per-diem rate established by this Agreement is considered a fair and reasonable price. Examples of such techniques include, but are not limited to, the following:

1. Comparison of the requested per-diem rate with the independent Federal Government estimate for detention services, otherwise known as the Core Rate;
2. Comparison with per-diem rates at other state or local facilities of similar size and economic conditions;

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3. Comparison of previously proposed prices and previous Federal Government and commercial contract prices with current proposed prices for the same or similar items;
4. Evaluation of the provided jail operating expense information;

The firm-fixed per-diem rate for services is stipulated in block #12 on page (1) of this agreement, and shall not be subject to adjustment on the basis of **San Luis Regional Detention Facility** actual cost experience in providing the service. The per-diem rate shall be fixed for a period from the effective date of this Agreement forward for **thirty-six (36) months**. The per-diem rate covers the support of one Federal detainee per "Federal detainee day", which shall include the day of arrival, but not the day of departure.

After **thirty-six (36) months**, if a per-diem rate adjustment is desired, the Local Government shall submit a request through the Office of the Federal Detention Trustee's (OFDT) electronic Intergovernmental Agreements (eIGA) area of the Detention Services Network (DSNetwork). All information pertaining to the Facility on the DSNetwork will be required before a new per-diem rate will be considered.

Billing and Financial Provisions

The Local Government shall prepare and submit for certification and payment, original and separate invoices each month to each Federal Government component responsible for Federal detainees housed at the Facility.

If the County presently has financed, or will seek to finance with tax exempt bonds, the construction and/or renovation of the detention facility under USMS IGA number as shown in Block 1, the County, by signing this Intergovernmental Agreement hereby certifies to the best of its knowledge and belief that the County has complied with, and will continue to comply with, all Federal and State statutes and regulations applicable to such financing with tax-exempt revenue bonds.

Note: This language is being added in the Intergovernmental Agreement by the local government for the stated purpose of applying for tax-exempt bonds. The approval of this Intergovernmental Agreement should not be construed as a determination by the United States Marshals Service that the local government has or has not met all necessary requirements under applicable law and regulations.



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Addresses for the components are:

**United States Marshals Service
District of Arizona
Sandra Day O' Connor U.S. Courthouse
401 W. Washington Street, Suite 270 SPC 64
Phoenix, AZ 85003-2159
602-382-8767**

**United States Marshals Service
Central District of California
U.S. Courthouse
312 N. Spring Street, G-23
Los Angeles, CA 90012-4798
213-894-2485**

**United States Marshals Service
Southern District of California
United States Courthouse Annex
333 W. Broadway, Suite 100
San Diego, CA 92101
619-557-6620**

**Immigration and Customs Enforcement
2035 N. Central Avenue
Phoenix, AZ 85004
602-766-7030**

**U.S. Customs and Border Protection/ U.S. Border Patrol
Community Corrections Office
National Finance Center
P.O. Box 68908
Indianapolis, IN 46268
317-298-1200**

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To constitute a proper monthly invoice, the name and address of the Facility, the name of each Federal detainee, their specific dates of confinement, the total days to be paid, the appropriate per diem rate as approved in the Agreement, and the total amount billed (total days multiplied by the per-diem rate per day) shall be listed, along with the name, title, complete address, and telephone number of the Local Government official responsible for invoice preparation. Additional services provided, such as transportation and guard services, shall be listed separately and itemized.

Nothing contained herein shall be construed to obligate the Federal Government to any expenditure or obligation of funds in excess of, or in advance of, appropriations in accordance with the Anti-Deficiency Act, 31 U.S.C. 1341.

Payment Procedures

The Federal Government will make payments to the Local Government at the address listed in block #6 on page one (1) of this Agreement, on a monthly basis, promptly, after receipt of an appropriate invoice.

Hold Harmless

It is understood and agreed that the Local Government shall fully defend, indemnify, and hold harmless the United States of America, its officers, employees, agents, and servants, individually and officially, for any and all liability caused by any act of any member of the Local Government or anyone else arising out of the use, operation, or handling of any property (to include any vehicle, equipment, and supplies) furnished to the Local Government in which legal ownership is retained by the United States of America, and to pay all claims, damages, judgments, legal costs, adjuster fees, and attorney fees related thereto. The Local Government will be solely responsible for all maintenance, storage, and other expenses related to the care and responsibility for all property furnished to the Local Government.

Disputes

Disputes, questions, or concerns pertaining to this Agreement will be resolved between appropriate officials of each party. Both the parties agree that they will use their best efforts to resolve the dispute in an informal fashion through consultation and communication, or other forms of non-binding alternative dispute resolution mutually acceptable to the parties.

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Inspection of Services

Inspection standards for detainees may differ among authorized agency users. The Local Government agrees to allow periodic inspections by Federal Government inspectors, to include approved Federal contractors, in accordance with the Core Detention Standards required by any or all of the Federal authorized agency users whose detainees may be housed pursuant to this Agreement. Findings of the inspections will be shared with the Facility administrator in order to promote improvements to Facility operations, conditions of confinement, and levels of services.

Modifications

For all modifications except for full or partial terminations, either party may initiate a request for modification to this Agreement in writing. All modifications negotiated will be effective only upon written approval of both parties.

Litigation

The Federal Government shall be notified, in writing, of all litigation pertaining to this Agreement and provided copies of any pleadings filed or said litigation within five (5) working days of the filing.

The Local Government shall cooperate with the Federal Government legal staff and/or the United States Attorney regarding any requests pertaining to Federal Government or Local Government litigation.

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Rape Elimination Act Reporting Information

SEXUAL ASSAULT AWARENESS

This document is requested to be posted in each Housing Unit Bulletin Board at all Contract Detention Facilities. This document may be used and adapted by Intergovernmental Service Agreement Providers. While detained by the Department of Justice, United States Marshals Service, you have a right to be safe and free from sexual harassment and sexual assaults.

Definitions

A. Detainee-on-Detainee Sexual Abuse/Assault

One or more detainees engaging in or attempting to engage in a sexual act with another detainee or the use of threats, intimidation, inappropriate touching or other actions and/or communications by one or more detainees aimed at coercing and/or pressuring another detainee to engage in a sexual act.

B. Staff-on-Detainee Sexual Abuse/Assault

Staff member engaging in, or attempting to engage in a sexual act with any detainee or the intentional touching of a detainee's genitalia, anus, groin, breast, inner thigh, or buttocks with the intent to abuse, humiliate, harass, degrade, arouse, or gratify the sexual desires of any person. Sexual abuse/assault of detainees by staff or other detainees is an inappropriate use of power and is prohibited by DOJ policy and the law.

C. Staff Sexual Misconduct is:

Sexual behavior between a staff member and detainee which can include, but is not limited to indecent, profane or abusive language or gestures and inappropriate visual surveillance of detainees.

Prohibited Acts

A detainee, who engages in inappropriate sexual behavior with or directs it at others, can be charged with the following Prohibited Acts under the Detainee Disciplinary Policy.

- Using Abusive or Obscene Language
- Sexual Assault
- Making a Sexual Proposal
- Indecent Exposure
- Engaging in Sex Act

Detention as a Safe Environment

While you are detained, no one has the right to pressure you to engage in sexual acts or engage in unwanted sexual behavior regardless of your age, size, race, or ethnicity. Regardless of your sexual orientation, you have the right to be safe from unwanted sexual advances and acts.

Confidentiality

Information concerning the identity of a detainee victim reporting a sexual assault, and the facts of the report itself, shall be limited to those who have the need to know in order to make decisions concerning the detainee-victim's welfare and for law enforcement investigative purposes.

Report All Assaults!

If you become a victim of a sexual assault, you should report it immediately to any staff person you trust, to include housing officers, chaplains, medical staff, supervisors or Deputy U.S. Marshals. Staff members keep the reported information confidential and only discuss it with the appropriate officials on a need to know basis. If you are not comfortable reporting the assault to staff, you have other options:

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- Write a letter reporting the sexual misconduct to the person in charge or the United States Marshal. To ensure confidentiality, use special (Legal) mail procedures.
- File an Emergency Detainee Grievance - If you decide your complaint is too sensitive to file with the Officer in Charge, you can file your Grievance directly with the Field Office Director. You can get the forms from your housing unit officer, or a Facility supervisor.
- Write to the Office of Inspector General (OIG), which investigates allegations of staff misconduct. The address is: Office of Inspector General, U.S. Department of Justice, 950 Pennsylvania Ave. Room 4706, Washington, DC. 20530
- Call, at no expense to you, the Office of Inspector General (OIG). The phone number is 1-800-869-4499.

Individuals who sexually abuse or assault detainees can only be disciplined or prosecuted if the abuse is reported.

A publication of the Office of the
Federal Detention Trustee
Washington, DC

Published February 2008

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San Luis Facility Development Corporation

3. E.

Meeting Date: 10/29/2025

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding a third amendment to the Operating Agreement with LaSalle Corrections to clarify payments of the City of San Luis License Fee, and variable fees for the City of San Luis and LaSalle corrections before, during and after the forbearance periods. **(Kay Marion Macuil, General Counsel)**

SUMMARY:

Background

The Operating and Management Agreement with LaSalle Corrections has an expiration date of November 30, 2024.

On September 3, the Board passed a first amendment, which LaSalle never signed.

On September 19, 2024, the Board passed a Second Amendment, which LaSalle Corrections had signed the day before. The Second Amendment extended the Agreement indefinitely but allows for termination upon 75 days' notice.

This Third Amendment to the Agreement preserves the indefinite extension of the Second Amendment with termination upon 75 days' notice to the other party.

Purpose of the Third Amendment

This Third Amendment clarifies the payments before the forbearance periods, during the September 2024 forbearance, during the May 2025 forbearance, and after the May 2025 forbearance ends.

The Third Amendment spells out, in Sections 5 and 6, the payments affected by the forbearance periods, specifically:

- The City of San Luis License Fee,
- LaSalle's Variable Incentive Fee, and
- The City of San Luis Variable Business License Fee.

The above fees that accrued prior to the September 1, 2024, forbearance remain owing, except for the City of San Luis Variable Business License Fee, which is discharged through this 3rd Amendment. This fee comes at the bottom of the waterfall, right before the last payment to the surplus account. None of the fees accrue during the forbearance periods. Once the forbearance terminates, all the fees will resume, either payable or accruing, depending on the revenues generated.

It is hoped this amendment will help the Parties and the Trustee accurately calculate these payments going forward.

RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE THE ATTACHED THIRD AMENDMENT TO THE
OPERATING AND MANAGEMENT AGREEMENT WITH LASALLE CORRECTIONS,
LLC.**

Attachments

3rd Amendment to O&M

2019 Agreement

Sept 2024 Forbearance Order

May 2025 Forbearance Agreement

THIRD AMENDMENT TO
FACILITY OPERATION AND MANAGEMENT AGREEMENT

This Third Amendment to Facility Operation and Management Agreement (this “3rd Amendment”) is entered into on this ____ day of _____ 2025 between:

San Luis Facility Development Corp. 1090 East Union Street P.O. Box 1170 San Luis, Arizona 85349, an Arizona nonprofit corporation (“MPC”) and	LaSalle Corrections West, L.L.C. 26228 Ranch Road 12 (Domicile Address) Dripping Springs, Texas 78620-4903 192 Bastille Lane (Principal Address) Suite 200 Ruston, Louisiana 71270, a Louisiana limited liability company (“Operator”).
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RECITALS

WHEREAS, this 3rd Amendment restates the 2nd Amendment to preserve the extension and termination provisions, and amends the Facility Operation and Management Agreement between the Parties named above, first effective on December 1, 2019 (“Operating Agreement”) for the operation of the San Luis Regional Detention and Support Center (the “Facility”); and

WHEREAS, this 3rd Amendment uses the definitions provided in the Operating Agreement; and

WHEREAS, under Section 18.01 of the Operating Agreement, the Operating Agreement may be amended only by a written instrument specifically purporting to amend the Operating Agreement and executed by all Parties; and

WHEREAS, on July 2, 2024, the MPC unanimously approved renewing the Operating Agreement with the Operator; and

WHEREAS, on August 2, 2024, the Operator gave notice of nonrenewal; and

WHEREAS, on September 3, 2024, the MPC approved a First Amendment to the Operating Agreement (“1st Amendment”), which the Operator never signed, and so it never became effective;

WHEREAS, on September 19, 2024, the MPC approved a Second Amendment to the Operating Agreement (“2nd Amendment”), which the Operator had signed on September 18, 2024, which extended the Operating Agreement unless terminated by either Party with seventy-five (75) days’ notice; and

WHEREAS, the Parties mutually agreed to waive any deadline required by Section 2:02 of the Operating Agreement and extended the Operating Agreement through means of the 2nd Amendment until modified terms could be discussed; and

WHEREAS, the Parties were able to negotiate higher rates under the Intergovernmental Service Agreements with the U.S. Immigration and Customs Enforcement (“ICE”) and the U.S. Marshals Service; and

WHEREAS, in November 2024, the MPC, the Operator, and the Trustee agreed to a forbearance settlement, which was submitted to the Second Judicial District Court of Ramsey County, Minnesota (“TIP Court”) for a Trust Instruction Proceeding for approval, which was granted on November 4, 2024 and effective from September 1, 2024 through April 30, 2025 (“September 2024 Forbearance Agreement”); and

WHEREAS, on July 31, 2025, the MPC, the Operator, and the Trustee entered into a forbearance agreement titled “Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues,” which replaced the November 2024 forbearance agreement, and is effective as of May 1, 2025, through April 30, 2027 (“May 2025 Forbearance Agreement”) which is pending approval by the TIP Court; and

WHEREAS, the May 2025 Forbearance Agreement is pending approval through the TIP Court; and

WHEREAS, the purpose of this 3rd Agreement is to document the status of the City Business License Fee under the Operating Agreement, Section 3.01(b)(iv) and Section 3.01(b)(vi) City’s Variable Business License Fee during the September 2024 Forbearance and the May 2025 Forbearance Agreement.

NOW, THEREFORE, in consideration of the mutual rights, benefits, and obligations exchanged to extend the Operating Agreement, the Parties agree and bind themselves to the foregoing Recitals, and as follows:

1. **Incorporation by Reference:** The above Recitals and the Operating Agreement are incorporated by reference and made a part of this 3rd Amendment as if fully set forth herein.
2. **2nd Amendment:** The 2nd Amendment to the Operating Agreement is hereby restated, replaced, amended, and appended by this 3rd Amendment.
3. **Section 2.01:** The Parties preserve Section 2.01 as amended by the 2nd Amendment to read as follows:

The MPC retains the Operator exclusively, and the Operator accepts this engagement for the operation, management, and maintenance of the Facility of this Operating Agreement. The term of this Operating Agreement shall begin on the Effective Date, December 1, 2019, and shall be automatically extended after November 30, 2024, and shall continue in full force and effect until terminated by either Party upon a minimum of seventy-five (75) days' prior written notice to the other Party ("Primary Term"). At the termination of the Primary Term, the Parties may mutually agree to two (2), five-year renewal terms ("Renewal Term"), which can be exercised by the mutual agreement of the MPC and the Operator. The first Renewal Term shall expire on November 30, 2029. If the Parties have not mutually agreed to any such renewal by the deadline required by Section 2.02, this Agreement shall terminate upon the expiration of the then-current term. By this 3rd Amendment, the Parties have mutually agreed to extend the Primary Term and waive any deadline required by Section 2.02 for extending the Primary Term.

4. **Replace Contact information for the Notice Section 16.01:** The Parties preserve Section 16.01 as amended by the 2nd Amendment to read as follows:

Notice to the MPC Shall be delivered or Sent to:	San Luis Facility Development Corporation 1090 East Union Street (Delivery) P.O. Box 1170 (By U.S. Postal Service) San Luis, Arizona 85349 Attention: Board President Jenny Torres Copy to: Board General Counsel Kay Marion Macuil Copy to: Board Finance Adviser Roula Encinas
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<p>Notice to the Operator Shall be delivered or sent to:</p>	<p>LaSalle Corrections, L.L.C. 192 Bastille Lane, Suite 200 Ruston, Louisiana 71270 Attention: William K. "Billy" McConnell (Managing Director)</p> <p>Copy to: Tim Kurpiewski, Chief Financial Officer LaSalle Southwestern Correctional, LLC 14707 Fitzhugh Road, B0100 Austin, Texas 78736-6313</p>
<p>Notice to the Trustee Shall be delivered or sent to:</p>	<p>U.S. BANK TRUST COMPANY NATIONAL ASSOCIATION (successor Trustee for US Bank) 5715 Burlington Lane Olive Branch, Mississippi 38654 Attention: Charles S. Hodges, Vice President</p>

5. **Section 3.01(b)(iv)** of the Operating Agreement is restated and appended to read:

City Business License Fee To the extent that there are sufficient available Project Revenue after satisfaction of the above priorities deposits the Trustee shall pay the City a fixed monthly City Business License Fee of \$40,000.00 ("City Business License Fee"), and will also include any prior unreimbursed City Business License Fees. Any unpaid amounts will be carried forward to the next month.

- **Before September 1, 2024:** As of August 31, 2024, the City Business License Fee accrued \$1,245,292.00, which has not been paid as of the signing of this 3rd Amendment and continues to be owed to the City.
- **September 1, 2024-April 30, 2025:** During the September 2024 Forbearance Agreement, the City Business License Fee was suspended and did not accrue for the period of September 1, 2024, through April 30, 2025.
- **May 1, 2025, Forbearance:** For the duration the May 2025 Forbearance Agreement is in effect, it replaces the Operating Agreement's City Business License Fee with the "City Fee" in Section 1. f. of the May 2025 Forbearance Agreement.
- **Termination of the May Forbearance:** Upon the expiration or termination of the May 2025 Forbearance Agreement, to the extent that there is sufficient available Project Revenue after satisfaction of the priorities in Section 3.01(b)(i) through (iii), the Trustee shall pay the City a

fixed monthly City Business License Fee of \$40,000.00 (“City Business License Fee”), and will also include any prior unreimbursed City Business License Fees. Any unpaid amounts will be carried forward to the next month; and

6. **Section 3.01(b)(vi)** of the Operating Agreement is hereby restated and appended to read:

“Variable Incentive Fee” and City’s “Variable Business License Fee” After paying the above costs and fees in subsection (i) through (v), if there is sufficient net Project Revenue in the Operator Fee Account, the MPC shall direct the Trustee to pay from the Operator Fee Account a Variable Fee when the average Inmate Days for a month is 638 or above. The Operator shall be paid an amount equal to \$20 per inmate per day in that month (the “Variable Incentive Fee”), and the City shall be paid a “Variable Business License Fee” equal to \$5 per inmate per day in that month. The amounts will be paid in a pro-rata share between the Operator and the City; provided, however, if there is not sufficient net Project Revenue to pay both variable fees, the Operator and the City shall only be paid to the extent of available net Project Revenue and any unpaid amounts will be carried forward to the next month, except as provided in Section 3.01 of this Agreement. See section 3.10 below for the calculation of those Inmate Days.

Variable Incentive Fee

- **Before September 1, 2024:** As of August 31, 2025, the Variable Incentive Fee accrued \$4,578,935.46, which has not been paid as of the signing of this 3rd Amendment and continues to be owed to the Operator.
- **September 1, 2024-April 30, 2025:** During the September 2024 Forbearance Agreement, the Variable Incentive Fee was suspended and did not accrue.
- **May 1, 2025, Forbearance:** For the duration of the May 2025 Forbearance Agreement, the Variable Incentive Fee is suspended and will not accrue.

City’s Variable Business License Fee During the Forbearances

- **Before September 1, 2024:** As of August 31, 2024, the City’s Variable Business License Fee accrued \$1,144,733.87, which has not been paid as of the signing of this 3rd Amendment. Given that the City’s Variable Business License Fee is penultimate to the last priority of payments, the accrual of the City’s Variable Business License Fee through August 31, 2024, is **discharged**.

- **September 1, 2024-April 30, 2025:** During the September 2024 Forbearance Agreement, the City's Variable Business License Fee was suspended and did not accrue.
- **May 1, 2025, Forbearance:** For the duration of the May 2025 Forbearance Agreement, the City's Variable Business License Fee is suspended and will not accrue.
- **Termination of the May Forbearance:**
For Both the Variable Incentive Fee and Variable Business License Fee

Upon the expiration or termination of the May 2025 Forbearance Agreement, the Variable Incentive Fee and City's Variable Business License Fee, after paying the costs and fees in 3.01(b) (i) through (v), if there is sufficient net Project Revenue in the Operator Fee Account, the MPC shall direct the Trustee to pay from the Operator Fee Account a Variable Fee when the average Inmate Days for a month is 638 or above. The Operator shall be paid an amount equal to \$20 per inmate per day in that month (the "Variable Incentive Fee"), and the City shall be paid a "Variable Business License Fee" equal to \$5 per inmate per day in that month. The amounts will be paid in a pro-rata share between the Operator and the City; provided, however, if there is not sufficient net Project Revenue to pay both variable fees, the Operator and the City shall only be paid to the extent of available net Project Revenue and any unpaid amounts will be carried forward to the next month, except as provided in Section 3.01(c) of this Agreement. See section 3.10 below for the calculation of those Inmate Days; and

7. **Section 3.01(b)(vii)** Section 3.01(b)(vii) remains unchanged from the December 2019 wording of the Agreement, for reference here states: "Surplus Fund Amounts" Any funds remaining after paying the Variable Incentive Fee and the Variable Business License Fee including any carryover shall follow the requirements for the excess of the Operator Fee Account under the Indenture as it relates to surplus account defined in Section 5.06(f) of the Indenture. In each case, nothing in this Section 3.01 of this Operating Agreement shall be construed in a manner inconsistent with the Indenture.
8. **Execution Authority:** By his or her signature below, each signatory individual certifies that he or she is the properly authorized agent or officer of the applicable Party hereto and has the necessary authority to execute this 3rd Amendment on behalf of such Party and each Party hereby certifies to the other that any required documents to create such authority have been duly passed and are now in full force and effect.

9. Performance of this 3rd Amendment and Entire Agreement: The performance of the obligations under this 3rd Amendment shall be deemed to be the performance of the obligations under the original Operating Agreement. All references to the Operating Agreement in any document or instrument shall be deemed to refer to the Operating Agreement as amended by this 3rd Amendment. The Operating Agreement and this 3rd Amendment are the entire agreement of the Parties.

This 3rd Amendment shall inure to the benefit of and bind the respective Parties' heirs, legal representatives, and successors. The Parties have executed this 3rd Amendment on the day and year set forth above, the day the last Party approved this 3rd Amendment.

<p>Attest:</p> <p>_____ Maria Gonzalez, Secretary</p>	<p>San Luis Facility Development Corporation</p> <p>_____ Jenny Torres, President _____ Date</p> <p>Approved As to Form:</p> <p>_____ Kay Marion Macuil, General Counsel</p> <p>LaSalle Corrections West, L.L.C.</p> <p>_____ Tim Kurpiewski, C.F.O. _____ Date</p>
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FACILITY OPERATION AND MANAGEMENT AGREEMENT

This Facility and Operation and Management Agreement (“Operating Agreement”) is entered into by and between the SAN LUIS FACILITY DEVELOPMENT CORPORATION, a nonprofit corporation organized under the laws of the State of Arizona (“MPC”) and LaSALLE CORRECTIONS WEST, L.L.C., a Limited Liability Company organized under the law of the State of Louisiana (“Operator”). The MPC and the Operator may be referred to singularly as the Party (“Party”) and collectively as the Parties (“Parties”). This Operating Agreement is effective December 1, 2019 (“Effective Date”) for the operation and management of the San Luis Regional Detention and Support Center at 406 North Avenue D, San Luis, Arizona 85349 (“Facility”).

RECITAL

WHEREAS, Background: This Operating Agreement is entered into as a response to “Request for Proposals for San Luis Regional Detention Facility” to be effective December 1, 2019.

WHEREAS The existing Facility Operation and Management Agreement with an effective date December 1, 2018, as amended by the Second Amendment to Facility Operation and Management Agreement, dated November 25, 2019 (“Prior Operating Agreement”) terminating on November 30, 2019 with respect to all obligations under the Prior Operating Agreement other than the obligation to pay unreimbursed Operation and Maintenance Costs and General and Administrative Expenses, which obligations shall terminate upon the MPC’s approval of this Operating Agreement..

WHEREAS, the MPC is the owner of the Facility, with a capacity of eight hundred seventy (870) inmate beds for secure detention; and

WHEREAS, the MPC (also sometimes referred to in this Operating Agreement as the “Issuer”) has issued bonds to finance building the Facility and other improvements to support the operation of the Facility; and

WHEREAS, the Parties desire to enter into an agreement for the operation and management of the Facility; and

WHEREAS, the MPC and Operator find this Operating Agreement to be in the best interests of the Parties and the efficient and safe operation of the Facility.

WHEREAS, the Parties find this Operating Agreement to be in the best interests of the public because it serves the public purposes of providing space for incarcerating law violators and economic benefits to the local economy; and

WHEREAS, the workforce for the Facility as represented by the International Guards Union of America Local 158 is content with the Operator (LaSalle), and it wants no abrupt change of operators as it has experienced; and

WHEREAS, the MPC has entered into a Trust Indenture ("Indenture"), dated October 1, 2005, and supplemented on February 1, 2011, March 27, 2014, and April 2014, with the Trustee. Capitalized terms not otherwise defined shall have the meaning ascribed to such terms in the Indenture.

NOW, THEREFORE, in consideration of the mutual rights, benefits and obligations herein exchanged, the Parties covenant, agree and bind themselves to the forgoing Recitals and as follows:

I. PURPOSES

1.01 Operator agrees to operate, manage and supervise the Facility for the MPC, and to receive, detain and care for all properly classified inmates for which the Facility is approved that may be assigned to the Facility from:

- (a) the City of San Luis, Arizona ("City") through its Chief of Police, or through its Acting Chief of Police, or through such other person or persons as may be designated by its City Manager, or its Chief or Acting Chief of Police (collectively the "Police Chief");
- (b) the United States Government or any of its agency, under an agreement between the MPC and the United States or any of its agencies;
- (c) any Indian Tribe as defined under 25 USC §101 subject to the jurisdiction of the United States and recognized as possessing powers of self-government;
- (d) the Arizona Department of Corrections ("ADOC"), under an agreement between ADOC and the MPC; and
- (e) any other federal, state, county, city or local jurisdictions.

The above entities may be referred to as "Users" or "User Agencies."

1.02 Operation and management of the Facility must be in accordance with the applicable standards of the American Correctional Association and the requirements set forth in agreements with entities contracting with the MPC to house inmates at the Facility ("Sending Jurisdictions").

1.03 The Operator is an independent operator engaged for the public purpose of operating a Detention Center on behalf of the MPC. No property interest or right in the Facility or its grounds is granted to the Operator by this Operating Agreement.

1.04 The Operator shall operate the Facility in compliance with the Indenture and this signed Operating Agreement. The Operator shall provide or cause to be provided all insurance, maintenance, certifications and other matters required of or made the obligation of the MPC under the Indenture and this Operating Agreement. This obligation includes, without limitation, preparation of all reports or disclosures required under the Indenture and this Operating Agreement.

- 1.05 Each statement contained in the introduction section of this Operating Agreement are contractual provisions and stipulations binding upon the Parties and are not mere recitals.

II. TERM

- 2.01 The MPC retains Operator exclusively, and Operator accepts this engagement for the operation, management, and maintenance of the Facility of this Operating Agreement. The term of this Operating Agreement shall begin on the Effective Date, **December 1, 2019, and shall end on November 30, 2024** ("Primary Term"). At the expiration of the Primary Term, the parties may mutually agree to two (2) five-year renewal terms which can be exercised by the mutual agreement of the MPC and the Operator. The first Renewal Term shall be from **December 01, 2024 to November 30, 2029**. If the Parties have not mutually agreed to any such renewal by the deadline required by Section 2.02, this Agreement shall terminate upon the expiration of the then current Term.
- 2.02 Notwithstanding any renewal option or other term herein, the Parties shall have the right to terminate this Agreement at the end of each Term with or without cause. Notice of intent to not exercise a renewal period must be given one hundred and twenty (120) days prior to the end of the existing term by either Party.
- 2.03 The MPC may terminate with cause if Operator's continued default occurs under the terms of this Operating Agreement existing more than ninety (90) days after Operator's receipt of the MPC's notice that Operator has failed to perform any of its obligations under this Operating Agreement. If Operator does not, within ninety (90) days of receiving from the MPC written notice that Operator has failed to perform any of its obligations in this Operating Agreement, cure such failure (or if such failure cannot be cured within such ninety (90) day period, Operator does not commence such cure within the ninety (90) day period and thereafter diligently proceed with all actions necessary to cure such failure when reasonably possible), then the MPC, may upon written notice to Operator, terminate the Operating Agreement.

III. OPERATOR'S COMPENSATION

3.01 Operator Fee.

(a) Operator Fee.

Indenture. During the term of this Operating Agreement and solely from Project Revenue, MPC agrees to pay Operator compensation as set forth herein for the goods and services provided hereunder to the extent that Project Revenue are made available for that purpose under the Indenture.

Definition of Operator Fee. As used in this Operating Agreement, the term "Operator Fee" shall mean collectively the fees earned under this Operating Agreement, including (without limitation) any Variable Incentive Fee.

Source of Funds. The MPC is only obligated to pay the Operator's share of the Operator Fees to Operator to the extent that funds are available in the Operating Account, Operator Fee Account and the Surplus Account (maintained by the Trustee pursuant to the Indenture) for such purposes. No funds of the MPC that are generated by other projects or any other funds of the MPC, and no funds of the City, including but not limited to those that are held in the general fund of the City, and no tax, fee, enterprise or any other revenue of the City, shall be obligated to pay the Operator Fee or any fees under this Operating Agreement. MPC shall instruct the Trustee to pay the Operator's share of the Operator Fees to Operator when funds are available to the Trustee to pay such fees. The Operator shall instruct the Trustee to pay the City's fees under this Operating Agreement, when funds are available to the Trustee to pay such fees.

- (b) Operator Fee Payments and Order of Priority. Once the Trustee has transferred Project Revenue to the Bond Fund and Reserve Fund under Indenture Sections 5.06(a) and (b), and made all required Principal and Interest payments on the Bonds according to the Indenture including deposits needed to cover any shortfalls of Interest and Principal due and owing from prior months, MPC shall then direct the Trustee to calculate and pay any available Project Revenue as an Operator Fee payable on a monthly basis in this order:
- (i) "Operation and Maintenance Costs" From Project Revenue available to the Trustee in the Operating Account for such purposes, MPC shall direct the Trustee to pay to Operator all of the unreimbursed "Operator and Maintenance Costs" as defined by the Indenture incurred by the Operator, including any unreimbursed "Operator Direct Expenses" from prior months. If there is not sufficient net revenue or available funds in the Surplus Account to pay these expenses, any unpaid amounts will be carried forward to the next month; and
 - (ii) "General and Administrative Expenses" After paying the above Operating and Maintenance Costs and carryforwards, if there is sufficient net Project Revenue in the Operator Fee Account, the MPC shall direct the Trustee to pay the Operator for its "General and Administrative Expenses" based on 6% of actual Operation and Maintenance Costs and will also include any unreimbursed Operator's General and Administrative Expenses from prior months. Any unpaid amounts will be carried forward to the next month; and
 - (iii) "Operating Reserve/Repair/Contingency Account" To the extent that there are sufficient available Project Revenue after satisfaction of the above priorities, deposits shall be made to the Operating Reserve/Repair/Contingency Account up to \$15,000 per month, not to exceed an account balance of \$1,000,000; and
 - (iv) City Business License Fee To the extent that there are sufficient available Project Revenue after satisfaction of the above priorities deposits the Trustee shall pay the City a fixed monthly City Business License Fee of \$40,000.00 ("City Business License Fee"), and will also include any prior unreimbursed City Business License Fees. Any unpaid amounts will be carried forward to the next month; and
 - (v) "Surplus Fund Deposits" To the extent that there are sufficient available Project Revenue after satisfaction of the above priorities deposits shall be made to the Surplus Account up to \$15,000 per month, in accordance with Section 5.06(f) of the indenture, not to exceed a Surplus Account balance of \$500,000;

- (vi) "Variable Incentive Fee" and City's "Variable Business License Fee" After paying the above costs and fees in subsection (i) through (v), if there is sufficient net Project Revenue in the Operator Fee Account, the MPC shall direct the Trustee to pay from the Operator Fee Account a Variable Fee when the average Inmate Days for a month is 638 or above. The Operator shall be paid an amount equal to \$20 per inmate per day in that month (the "Variable Incentive Fee"), and the City shall be paid a "Variable Business License Fee" equal to \$5 per inmate per day in that month. The amounts will be paid in a pro-rata share between the Operator and the City; provided, however, if there is not sufficient net Project Revenue to pay both variable fees, the Operator and the City shall only be paid to the extent of available net Project Revenue and any unpaid amounts will be carried forward to the next month, except as provided in Section 3.01(c) of this Agreement. See section 3.10 below for the calculation of those Inmate Day; and
- (vii) "Surplus Fund Amounts" Any funds remaining after paying the Variable Incentive Fee and the Variable Business License Fee including any carryover shall follow the requirements for the excess of the Operator Fee Account under the Indenture as it relates to Surplus Account defined in Section 5.06 (f) of the Indenture. In each case, nothing in this Section 3.01 of this Operating Agreement shall be construed in a manner inconsistent with the Indenture.

(c) Termination of Operator Fee Under this Operating Agreement.

(i) Termination *not* by Reason of Default.

If the termination is for a reason other than a default by the Operator, then Operator Fees (other than the Variable Incentive Fee) shall remain due and owing until 120 calendars have elapsed following the termination of this Operating Agreement.

(ii) Termination by Reason of Default.

If this Agreement is terminated due to a default by the Operator, then all obligations to pay any Operator Fee (including the Variable Incentive Fees) shall terminate upon the termination of this Operator Agreement due to a default by the Operator.

(iii) Payment from Project Revenue Generated by Operator.

The Operator shall only be paid its share of the Operator Fee billed under this Operating Agreement from Project Revenue generated by the services provided by the Operator in the operation, management and maintenance of the Facility. Project Revenue generated by any other operator of the Facility shall not be utilized to pay the Operator Fee of the Operator due and owing under this Operating Agreement.

(d) Termination of Fees Payable Under Prior Operating Agreement. The obligation to pay the following fees under the Prior Operating Agreement that are not paid as of the Effective Date of this Operating Agreement shall terminate as of the Effective Date of this Operating Agreement: (i) the "Variable Incentive Fee" payable under Section 3.01(b)(iii) of the Prior Operating Agreement and (ii) the "Accrued and Unpaid Incentive Interim Forbearance Period Amounts" payable under Section 3.01(b)(v) of the Prior Operating Agreement.

(e) Operator Acknowledgement of Risk. The Operator acknowledges that Project Revenue

during the term of the Operating Agreement may not be adequate to reimburse the Operator for all Operation and Maintenance Costs advanced by the Operation.

- 3.02 Source of Funds. Regardless of anything to the contrary in this Operating Agreement, all amounts due and payable by the MPC to Operator shall be a current obligation payable solely from the amounts held within accounts established under the Indenture (the Operating Account, the Operator Fee Account and the Surplus Account). Never shall the City or the MPC be liable for payment of these sums except from the Operating Account, Operator Fee Account, and the Surplus Account established under the Indenture.
- 3.03 Payment of Business License Fee and Variable Business License Fee. The obligation to pay the Business License Fee and Variable Business License Fee to the City shall be the responsibility of the Operator. The Operator shall direct the Trustee to make the Business License Fee and Variable Business License Fee payments directly to the City. The MPC and Operator agree to cooperate with each other to establish with the Trustee such procedures as needed or necessary for the City to be paid the Business License Fee and Variable Business License Fee directly by the Trustee from Project Revenue in the Operator Fee Account. The Business License Fee and the Variable Business License Fee (upon a monthly basis) to be paid to the City shall be as described in Section 3.01.
- 3.04 Documentation for Payment by the Trustee. The Operator shall, each month, promptly forward to the Trustee, such documentation as may be reasonably required to facilitate the payment of the Operator Fee and the Variable Business License Fee anticipated by Section 3.01 and 3.03 of this Operating Agreement. Such documentation shall include, but is not limited to, the monthly invoice prepared by Operator and forwarded to each User Agency assigning Inmates to the Facility, the monthly calculation of the amount due and owing to Operator, and such other matters as may be reasonably and prudently required by the Trustee to document the payment of Operator Fees under this Operating Agreement including but not limited to the certified actual monthly Operation and Maintenance Costs which are to be reported to the MPC in addition to the Trustee. The Operator shall also prepare and submit to the MPC a monthly statement setting forth any amounts due and owing by Operator to the City as the City Business License Fee and the Variable Business License Fee.
- 3.05 Adjustment to Operator Fees. The amount described as the Operator Fee to be paid to Operator, set forth in Section 3.01 above, is subject to renegotiation and adjustment at the option of the Parties when the scope of services required to be provided by Operator has materially changed, so Operator is not over-compensated or under-compensated for the goods and services provided.
- 3.07 Project Revenue. The term "Project Revenue" shall have the meaning set forth in the Indenture.
- 3.08 Extraordinary Costs. The Operator shall be entitled to seek reimbursement for extraordinary costs associated with the housing agreements with Sending Jurisdictions. Said extraordinary expenses may include but are not limited to, outside hospital coverage, transportation, extraordinary medical expenses, pharmaceuticals, and Facility enhancements. Said reimbursement for such costs shall not be the burden of the MPC, but only that of the User Agencies or Sending Jurisdictions, and shall be in addition to the Operator's compensation payable under this Operating Agreement.

- 3.09 City as Sending Jurisdiction. If a shortage of space in the City's jail occurs, the City, at the request of the Police Chief may house at the Facility, up to five (5) inmates at no cost to the City, for not more than seventy-two (72) consecutive hours. Should the need to exceed five (5) inmates arise for more than seventy-two (72) consecutive hours, both Parties agree to negotiate, in good faith, a rate per inmate per day acceptable to both Parties applicable to each such occurrence. Said rate shall only apply to those instances where more than five (5) inmates are housed at Facility for more than seventy-two (72) consecutive hours for any inmate. The City may not contract with other jurisdictions for the beds identified in this section. The Operator's Warden for the Facility or his designee shall contact the Police Chief and the MPC's Attorney to negotiate compensation under this Section 3.09.
- 3.10 Inmate Day. For this Operating Agreement, the term "Inmate Day" shall mean each calendar day or part thereof, during which an inmate is assigned to the Facility, which, for each calendar day, shall be determined by the Midnight Count Report. The term "Midnight Count Report" shall mean the official numerical count of the number of inmates present at the Facility at the end of each day, which for this Operating Agreement shall be determinative of the number of inmates present at the Facility for the day just ended. If an inmate is processed into and out of the Facility in less than twenty-four (24) hours and is not in the Facility at midnight, such inmate's presence shall be made part of the official numerical count for the day such inmate arrived at the Facility. In the event a Sending Jurisdiction commits to send a guaranteed number of inmates to the Facility, such Sending Jurisdiction referred to herein as the "Guaranteeing Agency." The computation for determining the average number of Inmate Days per month pursuant to Section 3.01(b)(v) shall be adjusted as follows: the number of inmates sent by the Guaranteeing Agency and present at the Facility at the end of each day shall equal the greater of (i) the number of inmates guaranteed by the Guaranteeing Agency or (ii) the actual number of inmates sent to the Facility by the Guaranteeing Agency.

IV. DUTIES OF OPERATOR

- 4.01 Effective December 1, 2019, Operator shall manage, operate and provide at its sole cost and expense:
- (a) replacement of all necessary furniture, fixtures and equipment required at the Facility, including, but not limited to, computers, fax and copy equipment, radios, televisions, uniforms and linens and basic office furniture and administrative phone systems, which are necessary or prudent for operation and management of the Facility and housing inmates;
 - (b) intake facilities and inmate accounting which shall encompass booking, record keeping, billing, system of controls, identification systems and records, computerized communication interface with law enforcement agencies, and such statistical records as may be required by law, Sending Jurisdictions, or as generally accepted inmate-locator practices;
 - (c) the Operator shall have a staffing plan that shall include attendants to control ingress and egress at the Facility, in addition to attendants necessary for the requisite level of security internally within the Facility and those required to monitor the activities of inmates confined within the Facility;

- (d) food and beverage services;
- (e) clothing and uniforms;
- (f) engineering and maintenance;
- (g) procurement and purchasing;
- (h) recreational, vocational, counseling, education and exercise programs, and other program requirements required by law or inmate housing contracts;
- (i) bookkeeping and financial accounting;
- (j) basic medical care, over-the-counter medications, and miscellaneous medical supplies as required by Sending Jurisdictions;
- (k) training of jailers to be employed at the Facility;
- (l) repair, upkeep, and maintenance for the Facility. This shall include (without limitation) establishment of a periodic maintenance program with applicable equipment maintenance records and extraordinary repairs;
- (m) necessary utilities and refuse services; and
- (n) all other services necessary or proper for the efficient and safe operation of the Facility, and secure custody, care and housing of inmates, in compliance with all applicable federal, state and local laws and regulations and in compliance with all signed housing agreements including but not limited to payment of costs in Section 5.06(e) of the Indenture.

Regarding 4.01(l) above, the MPC agrees to assign to Operator, when necessary and appropriate, any warranties or guarantees it might have or be entitled to regarding the Facility, Furniture, Fixtures, and Equipment ("FF&E") to effect repairs on the Facility, and FF&E, or to give Operator the right to pursue the manufacturer, builder, or other supplier who gave such warranties or guarantees, to seek reimbursement for monies expended by the Operator to meet its repair, upkeep and maintenance obligations under this Operating Agreement to the extent that those expenditures relate specifically to work covered by the warranty or guarantee. Regarding any warranties, the MPC agrees to cooperate and use its best efforts to assist Operator to recover under such warranties. Extraordinary repairs shall generally be paid or reimbursed out of the Operating Account or the Operating Reserve/Repair/Contingency Fund established under the Indenture where funds are available in any of those accounts. Therefore, unless extraordinary repair is due to the negligence or intentional acts of Operator's employees, or by an inmate or inmates or is covered by insurance or warranty; Operator's responsibility for extraordinary repairs, where funds are not available in a sufficient amount in the Operator Account, the Operator Fee Account or Operating Reserve/Repair/Contingency Fund to pay for the same, is limited to the proceeds of applicable insurance or the funds available in the Operating Account the Operating Reserve/Repair/Contingency Fund (Sections 5.06(c) and (e) of the Indenture), unless the need for such repairs was created by the negligence or intentional act of its employees, or by an inmate or inmates, in which case the Operator shall pay for such repairs from its independent funds.

- 4.02 Operator shall prepare and furnish such reports as may be required by law to be submitted to the City and the Police Chief regarding the operation of the Facility or the inmates detained and, in addition, such other reports as may be required by an Arizona state agency or any agency of the United States Government, or by any state or political subdivision thereof from which inmates have been assigned to the Facility.
- 4.03 Operator shall obtain, and thereafter maintain, the proper certification(s) necessary for the Facility to incarcerate federal, state and local inmates, and shall maintain such certification(s) at all times. Not limited to but included among the Operator's duties is to require that all jailers are certified by the appropriate State of Arizona Standards or the Sending Jurisdiction's requirements prior to undertaking permanent jailer duties. After such certifications have been obtained, if required by the laws of the State of Arizona, the Operator shall provide copies to the MPC.
- 4.04 Operator shall properly incarcerate all inmates assigned to the Facility for whom space is available at the Facility within the statutory and regulatory limits of the Sending Jurisdiction and under all federal, state, and local laws, ordinances, regulations, and other legal requirements.
- 4.05 Regardless of anything to the contrary in this Operating Agreement, the MPC and/or the City and/or the Trustee shall have no liability for any employees of Operator. Operator agrees to indemnify, defend and hold the MPC and/or the City and/or the Trustee harmless from all costs, claims, expenses, and liabilities (including attorneys' fees) whatsoever which may be incurred by the MPC and/or the City and/or the Trustee arising from any and all acts done or omitted to be done by Operator, or the employees, agents and assigns of Operator, in connection with services performed or to be performed under this Operating Agreement. All representations and warranties of Operator, Operator's indemnity, hold harmless and defense obligations shall survive the expiration or earlier termination of this Operating Agreement
- 4.06 The interviewing, hiring, training, assignment, control, management, compensation, promotion and termination of all members of the Facility's administration and staff including without limitation all guards and jailers shall be the responsibility and obligation of the Operator. The Operator shall use its best efforts to hire and train residents of San Luis, Arizona, and shall report on the status of hiring San Luis, Arizona residents upon request of the MPC.
- 4.07 Operator shall use its best efforts to purchase goods and services locally when economically feasible.
- 4.08 Operator shall establish and maintain a reasonable accounting system that enables MPC to readily identify Operator's assets, expenses, cost of goods, and use of funds, including (without limitation) any Extraordinary Costs for which the Operator requests reimbursement pursuant to Section 3.08 of this Operating Agreement. MPC and its authorized representatives shall have the right to audit, to examine, and to request financial information, as necessary to carry out MPC and/or the Trustee's continuing disclosure obligations under the Indenture and this Operating Agreement and to furnish information to MPC's certified audit firm. Costs of any audits conducted under the authority of Section 6.11 of the Indenture shall be paid from Project Revenue. Costs of any audit not conducted under the authority of Section 6.11 of the Indenture and at the direction of the MPC shall be borne by the MPC.

4.09 For the Term Operator shall furnish to MPC the following documents on a monthly basis within fifteen (15) days after the end of each calendar month:

- (a) unaudited Profit and Loss statements for the month ended. The financial information provided pursuant to this Section 4.09 shall be (i) complete, in accordance with the books and records of the Operator, (ii) accurately reflect the revenues, expenses and results of operations at the respective dates and for the respective periods indicated, except as otherwise noted and (iii) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied; and
- (b) summary report listing Project Revenue available for distribution, and the detailed disbursements of such revenue, as required by the Indenture and this Operating Agreement. This report should be submitted with the following supporting documents: inmate population report, Accounts Receivable (AR) aging summary, and total receipts for such period.

4.09 The Operator will provide to the Trustee, the underwriters, and each holder of at least \$1,000,000 in principal amount of Bonds Outstanding who has given notice to the Issuer and the Trustee of its interest in receiving the same, within 60 days after the end of each fiscal quarter of each Fiscal Year of the Issuer, an unaudited statement of income and expenditures regarding the operation of the project for such fiscal quarter, and average inmate census information for each calendar month in each such fiscal quarter.

V. MEDICAL CARE OF INMATES

5.01 The Operator shall provide inmates access to medical, optical, and emergency health care under those standards of the Sending Jurisdictions. The Operator shall provide on-site nurses and medical technicians to handle sick calls and medical assessments and care that does not require a physician or specialist. The Operator shall also contract with a medical doctor to serve as a medical consultant for the Facility.

5.02 Health care needs in excess of basic triage shall be performed off-site of the Facility. The agency having jurisdiction over the inmates bears the costs associated with care in excess of basic triage. The MPC and the City shall have no obligation for the medical care of inmates.

VI. COMPLIANCE WITH STANDARDS

6.01 Operator shall prepare and adopt a Procedures Manual for operating the Facility to assure that the Facility is operated fully under applicable correctional practices and under the requirements of the User Agencies.

6.02 Operator shall assure that all employees at the Facility are adequately trained to perform at standards required by law.

6.03 Operator shall comply with all standards and requirements of the inmate housing contracts entered into with each Sending Jurisdiction by the MPC and provide all services to be provided by the MPC under such contracts and under such contracts.

6.04 The Operator shall conform to all regulations and requirements, and seek any necessary accreditations set forth in specific housing agreements for the Facility.

VII. DUTIES OF THE CITY

These terms are set forth in that certain "Law Enforcement Agreement and Understanding Memorandum of Understanding between LaSalle Corrections West, LLC., San Luis Regional Detention and Support Center and the San Luis Police Department, San Luis, Arizona," dated January 30, 2018 (the "City – LaSalle Agreement")

VIII. DUTIES OF THE MPC

- 8.01 The MPC and the Operator agree it shall be to their mutual benefit and interest that the Facility be fully utilized by maintaining the maximum inmate population within statutory or regulatory limits. To this end, and throughout the term of this Operating Agreement, the MPC and the Operator agree to cooperate in efforts to obtain maximum inmate population from the sources set forth in Section 1.01 of this Operating Agreement (such as the Operator actively seeking potential additional inmate sources and the MPC entering into additional inmate housing contracts, etc.). It shall be the responsibility of Operator to assist the MPC in seeking sources of inmates for incarceration at the Facility and to assist in negotiation and presentation for acceptance by the MPC contracts for the incarceration of inmates from sources listed in Section 1.01 of this Operating Agreement.

IX. LIABILITY AND INDEMNITY

- 9.01 Operator agrees to defend, hold harmless and indemnify the MPC and/or the City representatives including but not limited to the MPC's Board of Directors and the City's Mayor and Council, City's Officials and Employees from and against any and all claims, damages, demands, losses, costs and expenses, including attorney's fees, incurred or suffered by the MPC and/or the Trustee, their officials, officers, directors, employees, agents, or representatives, arising out of or resulting from any acts done or omitted to be done by Operator or the employees, agents or assigns of Operator under this Operating Agreement. All representations and warranties of Operator, Operator's indemnity, hold harmless and defense obligations shall survive the expiration or earlier termination of this Operating Agreement.

X. INSURANCE

- 10.01 Operator shall obtain and maintain in force, at its sole cost, risk and expense during the term of this Operating Agreement, a policy or policies of liability insurance in an amount of no less than Five Million Dollars (\$5,000,000.00) in coverage per occurrence, and Five Million Dollars (\$5,000,000.00) aggregate. Such insurance shall insure against all claims inclusive of defense, including but not limited to claims based on violations of civil rights arising from services performed by Operator under this Operating Agreement.
- 10.02 Said policy or policies of insurance shall name the MPC, the City and the Trustee as "additional named insureds."
- 10.03 Operator shall provide and continue in force property insurance coverage in the name of the MPC, and the Trustee as loss payees in amounts equal to the cost of replacement of all of the Facility, and shall maintain and continue fire, boiler and machinery coverage on the Facility. Operator agrees that its negotiated per diem, per inmate fee with each Sending Jurisdiction and has taken this operational expense into account.

- 10.04 Operator shall provide to the MPC insurance certificates as proof of the insurance policies obtained under this Article X. All policies shall provide that coverage shall not be canceled without thirty (30) days prior written notice to the certificate holder and all additional named insureds and loss payees. The Operator shall obtain, as soon as possible (and before cancellation) and at its sole cost, replacement insurance policies.
- 10.05 Operator shall provide workers compensation insurance for its employees at the Facility, which provides the statutorily required coverage, except that employer's liability coverage shall not be in an amount of less than \$1,000,000.
- 10.06 Operator shall carry auto liability insurance coverage for at least \$1,000,000 per single limit for bodily injury and property damage, with umbrella coverage in an amount not less than \$3,000,000, covering any vehicles used in its operations.
- 10.07 Regardless of anything to the contrary in this Operating Agreement, Operator shall provide all insurance required of the MPC under the Indenture or this Operating Agreement in the form and naming the insureds and loss payees as required in the Indenture. Operator agrees that the negotiated per diem, per inmate fee with each Sending Jurisdiction has taken this operational expense into account. This includes business interruption insurance under Section 6.16 of the Indenture. Section 6.16 of the Indenture provides:

“Property Insurance. As the Operation and Maintenance Costs, from and after the Completion Date, the Issuer shall procure and maintain continuously in effect with respect to the Project, to the extent of the amount of Bonds Outstanding, all-risk insurance, including coverage for riots, subject only to the standard exclusions contained in the policy. Issuer also shall obtain business interruption insurance protecting Issuer against the loss of Project Revenue sufficient to pay the average Operation and Maintenance Costs and annual debt service payments due hereunder for a period of one year. The proceeds of such business interruption insurance shall be paid to the Project Fund and applied as provided herein if and to the extent that other monies (other than monies held in the Reserve Fund) are not available to pay Operation and Maintenance Costs and make the annual debt service payment. All policies (or endorsements or riders) evidencing insurance required by this Section 6.16 shall be carried in the names of the Issuer and the Trustee as their respective interests may appear and shall name the Trustee as mortgagee and loss payee. The Net Proceeds of insurance required by this Section 6.16 shall be applied as in Section 6.24 hereof.”

XI. APPROVAL AND MONITORING BY THE CITY POLICE CHIEF

These terms are set forth in that certain “Law Enforcement Agreement and Understanding Memorandum of Understanding between LaSalle Corrections West, LLC., San Luis Regional Detention and Support Center and the San Luis Police Department, San Luis, Arizona, dated January 30, 2018 (the “City – LaSalle Agreement”).

XII. MAINTENANCE, UPKEEP AND REPAIR

- 12.01 All ordinary and extraordinary maintenance, upkeep and repair costs for the Facility shall be paid by Operator under subsection 4.01(l) of this Operating Agreement except as otherwise provided. Operator agrees that the negotiated per diem, per inmate fee with each Sending Jurisdiction has taken this operational expense into account.

XIII TAXES AND GOVERNMENTAL CHARGES

13.01 The Operator shall be responsible for any taxes or governmental charges of any kind assessed or incurred after the Effective Date of this Operating Agreement which are levied or imposed on the Facility and related property. If such taxes are chargeable against the Facility and found by a final non-appealable judgment of a court of competent jurisdiction to be due and owing, the Operator shall pay them and seek reimbursement to the extent funds are available from the Operating Account or any reserve accounts available for payment thereof as amounts due or payable under the Indenture of this Operating Agreement. Such amounts are not a responsibility or debt of the MPC or the City. This Facility is, and under current law, should be exempt from property taxation based on current interpretations and decisions.

XIV ADDITIONAL PROVISIONS

- 14.01 Regardless of anything to the contrary in this Operating Agreement, if any bankruptcy, reorganization debt arrangement, moratorium, proceeding under any bankruptcy or insolvency law or dissolution or liquidation proceeding is instituted by Operator, or if instituted against Operator, is consented to or acquiesced in by Operator and is not dismissed within sixty (60) days, this Operating Agreement shall be immediately terminated and canceled, and the MPC shall immediately assume responsibility for the operation, management and supervision of the Facility.
- 14.02 If either Party is found in material breach of this Operating Agreement, said Party shall have ninety (90) days, from notification of the breach, to correct or rectify said matter. If the breaching Party makes a good faith effort to correct said breach and more time is required due to unforeseen or uncontrollable circumstances, then both Parties shall negotiate in good faith on an appropriate time frame to correct the breach. If the material breach is not corrected as described above in this section, then this Operating Agreement shall terminate in thirty (30) days.
- 14.03 If a dispute arises out of or relates to this Operating Agreement or the breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute resolution procedure. If the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the presiding judge of the Superior Court of Yuma County to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool, an Arizona nonprofit corporation. Mediation, arbitration or another form of dispute resolution proceeding must be commenced within the time for bringing claims against public entities as permitted by A.R.S. § 12-821.01 and the Operator shall file a notice of claim against the MPC within the A.R.S. § 12-821.01 allowable time after the claim accrues. Failing to commence such mediation, arbitration or another form of dispute resolution proceeding shall not bar the accrual of any such claim. However, if mediation, arbitration or another form of dispute resolution proceeding is commenced before the expiration of the A.R.S. § 12-821.01 allowable time period, then such period shall abate during the pendency of such mediation, arbitration or another form of dispute resolution proceeding.
- 14.04 The Operator shall use sound and acceptable business and accounting practices to procure commissary and inmate phone services. The Operator controls commissary and inmate phone services proceeds. The Operator shall use said proceeds only for inmate welfare or costs associated with operating the commissary and inmate phone services at the Facility if the law or a contract or contracts require it.

- 14.05 The City is a third-party beneficiary of the Operator's obligations under Section 3.01 Section 3.02, Section 3.03, Section 3.09, Section 4.05, Section 5.02, Section 15.04, Section 9.01 and Section 10.02 of this Operating Agreement.
- 14.06 Upon a significant event that may not be reasonably foreseeable at the time of the execution of this agreement which creates conditions that either make the profitable operation of the Jail unduly burdensome for the Operator or makes the project economically unfeasible for the MPC the Parties may mutually agree to Amend this Agreement. Notwithstanding the provision herein, if a mutual agreement cannot be met, the Operator or MPS may terminate this Agreement with one hundred and eighty (180) day-notice.

XV. APPLICABLE LAW AND VENUE; LEGAL CONSTRUCTION; MISCELLANEOUS

- 15.01 Applicable Law and Venue. This Operating Agreement shall be construed under the laws of the State of Arizona, and all obligations of the Parties created in this Operating Agreement are performable in San Luis, Arizona. Any legal action relating to this Operating Agreement shall be brought in either the Yuma County Superior Court or in the United States District Court for the District of Arizona at the election of the plaintiff in such legal action, provided, however, that nothing in this Section 15.01 shall be deemed to have authorized the bringing of any legal action in a court which does not otherwise have jurisdiction to adjudicate the legal action. This Operating Agreement is subject to termination under A.R.S. § 38 - 511.
- 15.02 Severability. Every provision of this Operating Agreement is and shall be construed to be a separate and independent covenant. If any provision of this Operating Agreement or the application of the same is, to any extent, found to be invalid or unenforceable, then the remainder of this Operating Agreement or the application of that provision to circumstances other than those to which it is invalid or unenforceable, will not be affected by that invalidity or unenforceability, and each provision of this Operating Agreement will be valid and shall be enforced to the extent permitted by the law, and the Parties shall negotiate in good faith for such amendments of this Operating Agreement which may be necessary to achieve its intent, notwithstanding such invalidity or unenforceability.
- 15.03 Assignment. This Operating Agreement is not assignable unless both Parties mutually consent to assignment in writing. The Operator shall not assign the benefits of this Operating Agreement nor delegate the obligations arising under this Operating Agreement to any person or entity without the consent of the MPC. The requirements of this Operating Agreement are binding upon the heirs, executors, administrators, successors and assigns of all Parties.
- 15.04 Void/Voidable. If this Operating Agreement shall be held void or voidable, or otherwise be held unlawful, this Operating Agreement shall immediately terminate, and the Operator shall have no claim or right of action against the MPC, its Board Members or the City, its Mayor or City Council Members, or the MCP or the City's officers, officials, employees, agents or its attorneys for any such termination or alleged act or omission related to the same.
- 15.05 Employment Eligibility. The Operator warrants and shall require that it and its subcontractors to warrant, that all comply with all federal immigration laws and regulations that relate to its employees and with A.R.S. §23-214 relating to verification of employment

(E-Verify). A breach of this warranty shall be deemed a material breach of this Operating Agreement and is subject to penalties up to and including termination of this Operating Agreement. The City and the MPC retain the legal right to inspect the papers of the Operator or any subcontractor employee who works to service the obligations of the Operator to ensure that the Operator or its subcontractors are complying with this warranty.

- 15.06 Boycott. The Operator certifies by executing this Operating Agreement that it does not participate in and agrees not to participate in during the term of this Operating Agreement a boycott under A.R.S. § 35-93.01.
- 15.07 Counterparts. This Operating Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signature of all Parties may be physically attached to a single document. Electronically scanned original signatures will be the same as original ink signatures.
- 15.08 Headings. The descriptive headings of the Sections of this Operating Agreement are inserted for convenience only and shall not control or affect the meaning or construction of the provisions.
- 15.09 Further Acts. Each of the Parties shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Operating Agreement.
- 15.10 Time is of the essence of this Operating Agreement. Time is of the essence of this Operating Agreement.
- 15.11 No Partnership and No Third-Parties Except as Stipulated. It is not intended by this Operating Agreement to, and nothing in this Operating Agreement shall create any partnership, joint venture or other similar arrangement between the City, the MPC or the Operator. No term or provision of this Operating Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation, not a Party to this Operating Agreement and no such other person, firm, organization or corporation shall have any right or cause of action under this Agreement. Except as stipulated in Section 14.05 of this Operating Agreement, the City is a third-party beneficiary of the Operator's obligations under Section 3.01, Section 3.02, Section 3.03, Section 3.09, Section 4.05, Section 5.02, Section 15.04, Section 9.01 and Section 10.02 of this Operating Agreement.
- 15.12 No Personal Liability. No member, official or employee of the City including but not limited to the Mayor and City Council or the MPC including but not limited to the MPC's Board of Directors shall be personally liable to Operator, or any successor or assignee, (a) if any default occurs or breach by MPC or the City, (b) for any amount which may become due to the Operator or its successor or assign, or (c) pursuant any obligation of the MPC or the City under the terms of this Operating Agreement.
- 15.13 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Parties of the breach of any provision of this Operating Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Operating Agreement.

- 15.14 Attorneys' Fees and Costs. If any Party finds it necessary to bring any action at law or other proceeding, including arbitration, against the other Party to enforce any of the terms, covenants or conditions under this Operating Agreement, or for any breach or default, the Party prevailing in any such action or other proceeding shall be paid all reasonable costs and reasonable attorney's fees by the other Party, and if the prevailing Party secures any judgment, all such costs and attorney's fees shall be included and set by the court and not by jury.
- 15.15 Survival. All representations and warranties of Operator, Operator's indemnity, hold harmless and defense obligations shall survive the expiration or earlier termination of this Operating Agreement.
- 15.16 Force Majeure. If the Operator or the MPC are prevented or materially restricted from performing any of their obligations under this Operating Agreement by an event of force majeure, then the obligations of each Party shall be suspended or reduced to the extent made necessary by the event. As used in this section, "Force Majeure" means any act or cause not reasonably within the control of the Party whose ability to perform is impaired and which that Party could not have prevented by exercising reasonable diligence. This includes, but is not limited to, acts of God, fire, flood, earthquakes, explosions, strikes or labor disputes over which the affected Party has no control, riots over which the affected Party has no control, sabotage, civil commotion, acts of civil or military authority, wars or material changes in applicable business laws or regulations.

XVI. NOTICES

16.01 Notices required to be given by any Party to the other shall be in writing and shall be valid if actually received or refused by the Party to whom such notice is given or if deposited in the United States Mail, postage prepaid and addressed to the Party as herein below specified. The effective date for noticing shall be the date actually received or refused by the Party to whom notice is being given.

Notices to the MPC shall be delivered or sent to:

San Luis Facility Development Corporation
 1090 E. Union Street (Delivery)
 P.O. Box 1170 (By U.S. Postal Service)
 San Luis, Arizona 85349
 Attention: Board President Jenny Torres

Copy to: Board General Counsel Kay Marion Macuil
 Copy to: Board Finance Adviser Monica Castro

Notices to the Operator shall be delivered or sent to:

LaSalle Corrections, L.L.C.
 192 Bastille Lane, Suite 200
 Ruston, Louisiana 71270
 Attention: William K. "Billy" McConnell (Managing Director)

Copy to: Tim Kurpiewski, Chief Financial Officer
 LaSalle Corrections
 26228 Ranch Road 12
 Dripping Springs, TX 78620

Notice to the Trustee
Shall be delivered or
sent to:

U. S. BANK NATIONAL ASSOCIATION
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Keith R. Marshall, Vice President

XVII. EXECUTION AUTHORITY

17.01 By his or her signature below, each signatory individual certifies that he or she is the duly authorized agent or officer of the applicable Party and has the authority to execute this Operating Agreement on behalf of such Party, and each Party certifies to the other that any resolutions necessary to create such authority have been duly passed and are now in full force and effect.

XVIII. AMENDMENT

18.01 This Operating Agreement may be amended only by a written instrument specifically purporting to amend this Operating Agreement and executed by all Parties.

XIX. ENTIRE AGREEMENT

19.01 This Operating Agreement supersedes any prior understandings or written or oral agreements between the Parties, except that the City-LaSalle Agreement, as defined in Article VII, which remains valid in addition to the terms of this Operating Agreement.

XX. ADDITIONAL TERMINATION PROVISIONS

[Intentionally left blank.]

XXI. DEFINITIONS

21.01 All capitalized terms not otherwise defined, shall have the meanings given to those capitalized terms in the Indenture

“ADOC” has the meaning ascribed to it in Section 1.01(c).

“Bond Fund” has the meaning ascribed to it in the *Indenture*.

“City” has the meaning ascribed to it in Section 1.01(a).

“City – LaSalle Agreement” has the meaning ascribed to it in Sections VII and XI.

“City Business License Fee” has the meaning ascribed to it in Section 3.01(b)(iv).

“Effective Date” has the meaning ascribed to it in the opening paragraph.

“Facility” has the meaning ascribed to it in the opening paragraph.

“**FF&E**” has the usual meaning Furniture Fixtures and Equipment as noted in the last paragraph of Section 4.01.

“**Force Majeure**” has the meaning ascribed to it in Section 15.16.

“**General and Administrative Expenses**” has the meaning ascribed to it in Section 3.01(b)(ii).

“**Guaranteed Minimum**” represents a minimum inmate population which is guaranteed by a contracting agency.

“**Indenture**” has the meaning ascribed to it in the ninth (9th) whereas clause.

“**inmate or inmates**” have their common meaning which includes detainee(s), jailee(s), and prisoner(s). The words prisoner or prisoners are the terms sometimes used in the **Indenture** to mean the same as inmate or inmates as used in this Operating Agreement.

“**Inmate Day**” has the meaning ascribed to it in Section 3.10.

“**Issuer**” and “**MPC**” are the same. “**Issuer**” has the meaning ascribed to it in the third “whereas” clause.

“**Midnight Count Report**” has the meaning ascribed to it in Section 3.10.

“**MPC**” has the meaning ascribed to it in the opening paragraph.

“**Operating Agreement**” has the meaning ascribed to it in the opening paragraph.

“**Operating Account**” has the meaning ascribed to it in the **Indenture**.

“**Operating Reserve/Repair/Contingency Account**” has the meaning ascribed to it in the **Indenture**.

“**Operation and Maintenance Costs**” has the meaning ascribed to it in Section 3.01(b)(i) and the **Indenture**.

“**Operator**” has the meaning ascribed to it in the opening paragraph.

“**Operator Fee**” has the meaning ascribed to it in Section 3.01(a) and is the collective term for the fees paid to the **Operator** consisting of the **Operation and Maintenance Costs**, the **General Administrative Expenses** and the **Variable Incentive Fee**.

“**Operator Fee Account**” has the meaning ascribed to it in the **Indenture**.

“**Parties**” has the meaning ascribed to it in the opening paragraph.

"Party" has the meaning ascribed to it in the opening paragraph.

"Police Chief" has the meaning ascribed to it in Section 1.01(a).

"Project Revenue" has the meaning ascribed to it in the **Indenture**.

"Reserve Fund" has the meaning ascribed to it in the **Indenture**.

"Sending Jurisdiction" has the meaning ascribed to it in Section 1.02.

"Surplus Account" has the meaning ascribed to it in the **Indenture**.

"Trustee" has the meaning ascribed to it in the first (1st) whereas clause titled "Background."

"Users" has the meaning ascribed to it in Section 1.01.

"User Agencies" has the meaning ascribed to it in Section 1.01.

"Variable Business License Fee" has the meaning ascribed to it in Section 3.01(b)(v).

"Variable Incentive Fee" has the meaning ascribed to it in Section 3.01(b)(v).

San Luis Facility Development Corporation

By: 
Signature

Name: _____


Its: _____

Date: _____

ATTEST:


Maria Gonzalez, Secretary

APPROVED AS TO FORM:


Kay Marion Macuil, Attorney for Corporation

LaSalle Corrections West, L.L.C

By: _____
Signature

Name: _____

Its: _____

Date: _____

"Party" has the meaning ascribed to it in the opening paragraph.

"Police Chief" has the meaning ascribed to it in Section 1.01(a).

"Project Revenue" has the meaning ascribed to it in the *Indenture*.

"Reserve Fund" has the meaning ascribed to it in the *Indenture*.

"Sending Jurisdiction" has the meaning ascribed to it in Section 1.02.

"Surplus Account" has the meaning ascribed to it in the *Indenture*.

"Trustee" has the meaning ascribed to it in the first (1st) whereas clause titled "Background."

"Users" has the meaning ascribed to it in Section 1.01.

"User Agencies" has the meaning ascribed to it in Section 1.01.

"Variable Business License Fee" has the meaning ascribed to it in Section 3.01(b)(v).

"Variable Incentive Fee" has the meaning ascribed to it in Section 3.01(b)(v).

San Luis Facility Development Corporation

By: 
Signature

Name: _____

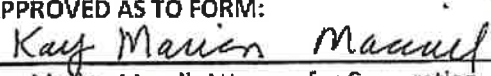
Its: _____

Date: _____

ATTEST:

Maria Gonzalez, Secretary

APPROVED AS TO FORM:



Kay Marion Macuil, Attorney for Corporation

LaSalle Corrections West, L.L.C

By: 
Signature

Name: Tim Kurepew

Its: CFO

Date: 3-2-20

Acknowledged by:

**U.S. BANK NATIONAL ASSOCIATION,
Not individually but solely in its capacity as Trustee**

By: Keith R. Marshall
Signature

Name: KEITH R. MARSHALL
Its: VICE PRESIDENT
Date: 3/2/2020

Dated Nov 4, 2024

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT

In the Matter of Trusteeship created by San Luis Project Development Corporation Pursuant to the Trust Indenture Dated as of October 1, 2005, as Amended, Relating to the Issuance of San Luis Project Development Corporation Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 and Series 2014-A

Case Type: Other
File No. 62-TR-CV-24-31

FINDINGS OF FACT, CONCLUSIONS OF LAW, DIRECTIONS AND ORDER FOR JUDGMENT

The above matter was heard by the Court using remote technology on November 4, 2024, on the Petition (the "**Petition**")¹ of U.S. Bank Trust Company, National Association in its capacity as successor trustee (in such capacity, the "**Trustee**") for the above-captioned trust (the "**Trust**") created pursuant to the Trust Indenture dated as of October 1, 2005, between San Luis Project Development Corporation, as issuer (the "**Issuer**"), and the Trustee, as supplemented by that certain First Supplemental Indenture dated as of February 1, 2011, Second Supplemental Indenture dated as of March 27, 2014, Third Supplemental Indenture dated as of April 1, 2014, and Fourth Supplemental Indenture dated as of July 1, 2014 (as further amended or supplemented from time to time, the "**Indenture**").²

In the Petition, the Trustee sought an instruction pursuant to Minn. Stat. § 501C.0201(c) primarily to: (a) approve and authorize the Trustee's entrance into and performance under the

¹ Capitalized terms used herein but not defined shall have the meanings given to them in the Petition.

² A true and correct copy of the Indenture, including all supplemental indentures, was entered into evidence as **Exhibit 1**.

terms of the Forbearance Agreement; and (b) approve and authorize the Trustee's consent to and acknowledgement of the Revised Management Agreement.

Jason M. Reed of Maslon LLP appeared on behalf of the Trustee. Mr. Charles S. Hodges, Vice President, of U.S. Bank testified in support of the Petition.

This Court, being fully advised of the facts and issues involved herein, makes the following Findings of Fact, Conclusions of Law, Directions and Order for Judgment.

FINDINGS OF FACT

Issuance of the Bonds, Existing Management Agreement And Underperforming Project Operations

1. Pursuant to the Indenture, specifically the Third Supplemental Trust Indenture dated as of April 1, 2014, the Issuer issued its Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 in the original aggregate principal amount of \$26,090,000.00 (the "**Series 2014 Bonds**"). Subsequently, pursuant to the Fourth Supplemental Trust Indenture dated as of July 1, 2014, the Issuer issued its Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014-A in the original aggregate principal amount of \$20,835,000.00 (the "**Series 2014-A Bonds**") and together with the Series 2014 Bonds, the "**Bonds**"). The aggregate principal amount of the Bonds outstanding is \$24,655,000.00, of which \$16,870,000.00 is Series 2014 Bonds, and \$7,730,000.00 is Series 2014-A Bonds.

2. Proceeds of the Bonds were used primarily to refund all of the tax-exempt bonds that had been previously issued under the Indenture in connection with the Issuer's acquisition and construction of the Project (as defined in the Indenture). The indebtedness evidenced by the Bonds is non-recourse indebtedness that is repayable solely from and primarily secured by the

Issuer's pledge of Project Revenues generated through the operation of the Project and a deed of trust lien and security interest on all real and personal property comprising the Project.

3. The Project is located in a remote location near the small border town of San Luis, Arizona. It was designed and constructed solely as a secure detention facility and the Project would have little economic value relative to the size of the Bond indebtedness other than as an operating detention facility. Closure of the Project under prevailing industry conditions could significantly impair the prospects for Bondholder recovery due to the loss of Project Revenues and the absence of any clear way to replace such revenue or monetize the Project.

4. Since 2018, the Project has been operated by LaSalle Corrections West, L.L.C. ("**LaSalle**" or the "**Operator**") under an Operation and Management Agreement, executed by LaSalle and the Issuer (the "**Existing Management Agreement**"). Under the terms of Existing Management Agreement, the Operator is required to operate and manage the Project in accordance with specified industry standards until the agreed upon termination date, which is currently November 30, 2024, and in exchange, the Operator's direct costs would be reimbursed and the Operator would receive a base management fee of 6% of such operating costs (the "**Base Operator Fee**"), plus certain additional incentive fees tied to the generation of specific excess Project Revenues (the "**Variable Incentive Fees**"). The Existing Management Agreement provides that it automatically renews for a successive five-year term, unless either LaSalle or the Issuer notifies the other party of its election to cancel the forthcoming renewal term not less than 120 days prior to the existing term's expiration, i.e., in this case, August 2, 2024.

5. All Project Revenues generated from the operation of the Project are pledged to the Trustee under the Indenture and are delivered directly to the Trustee each month to fund debt service accruals on the Bonds and certain other charges, including payments or reimbursements to the Operator for operating costs and expenses, subject to the priorities set forth in the Indenture. In the Existing Management Agreement, the Operator agreed to advance the costs of operating and managing the Project and to be reimbursed and paid solely from the Project Revenues that the Trustee has remaining each month *after* first making deposits to cover accruals for scheduled principal and interest payments on the Bonds (and certain other prior transfers, such as replenishment of the Reserve Funds when required) under the Indenture. As a consequence, the Operator has been taking the risk under the Existing Management Agreement that inmate populations and Project Revenues might be insufficient to reimburse and pay it for its services and operating cost advances. The Operator has provided the Trustee a summary of cash flow at the Project demonstrating that for over the past 18 months, the Project has not generated sufficient Project Revenues (after funding the Bond debt service accruals) to pay the accrued fees and expenses of the Operator.

Event of Default under the Indenture and Prior Project Accommodations.

6. An Event of Default occurred under Section 7.01(d) of the Indenture in April 2016 due to the failure of the Issuer to provide, or to cause the then-current Operator³ to provide (after notice and an opportunity to cure), certain Project financial and census information in accordance with the Indenture (the “**Existing Event of Default**”). Pursuant to Section 8.01 of

³ In 2016, the Project was operated and managed by Emerald Correctional Management L.L.C., which operator was subsequently replaced by the Issuer with LaSalle in 2018.

the Indenture, the Trustee is required to exercise the rights and powers vested in it by the Indenture to the same extent and in the same manner as a prudent person would exercise under the circumstances with respect to its own affairs.

7. At the same time of the occurrence of the Existing Event of Default, the prior operator of the Project had informed the Issuer and Trustee that the Project was generating insufficient Project Revenues to pay its operating costs and fees and it threatened to stop operation of the Project upon expiration of its management agreement unless the risks of nonpayment of the operator were addressed. As a result the Trustee, the prior operator, and the Issuer previously entered into a temporary forbearance agreement in 2016 (the “**2016 Forbearance Agreement**”) that provide for the temporary subordination of certain monthly debt service deposits on the Bonds to the prior payment of the operator’s costs and fees subject to, among other things, the Trustee’s right to terminate the 2016 Forbearance Agreement if the Project performance materially improved so as to provide sufficient Project Revenues in an amount sufficient to pay both the required debt service accrual on the Bonds and the operator’s costs and fees. In connection with the 2016 Forbearance Agreement the Trustee sought approval from this Court of the transactions therein and provided notice to all Bondholders. No Bondholder objected to the prior relief sought by the Trustee.

8. In April 2017, Lasalle consensually agreed with the then-current operator to assume and take over operation and control of the Project. Within a little over a year thereafter, Lasalle was able to substantially improve the operational and financial performance of the Project to a level that allowed the Trustee to terminate the 2016 Forbearance Agreement, which occurred effective as of December 1, 2018, and thereafter restored the normal payment priorities for the application of Project Revenues first to debt service accruals on the Bonds and thereafter

to the payment of Operator costs and fees. However, such termination did not result in a waiver of the Existing Event of Default nor have the requisite Bondholders authorized the waiver thereof. As a result, the Existing Event of Default and the Trustee's prudent person standard of care remains continuing as of the date of the Petition.

Operator's Request for Assistance, Interim Forbearance Agreement and Extended Management Agreement

9. On August 1, 2024, the Operator sent the Issuer a notice of its intention not to renew the Existing Management Agreement when the term of such agreement expires on November 30, 2024.⁴ As described in the Notice of Non-Renewal, due to low population rates at the Project, the Operator has been losing approximately \$400,000 per month and has incurred \$4,400,000 of unreimbursed costs to the Operator since 2023. The Operator further stated that under the current arrangements, it cannot continue to sustain such losses and maintain operations at the Project.

10. Section 5.06 of the Indenture provides that after setting aside funds for the required accruals and payment of interest and scheduled principal payments on the Bonds, and after replenishing any existing deficiencies in the Reserve Funds, the Trustee is to transfer the remaining Project Revenues on a monthly basis to the Operating Account to pay or reimburse the Operator for Operation and Maintenance Costs (as defined in the Indenture) and, thereafter, to the extent there are remaining Project Revenues available, such remaining funds get allocated between several other trust accounts pursuant to the priorities set forth in Section 5.06 of the Indenture. As indicated earlier, however, lower than expected inmate occupancy has generated insufficient Project Revenues, which has resulted in moneys not being available in

⁴ A true and correct copy of the Notice of Non-Renewal was entered into evidence as Exhibit 2.

the Operating Account to fully pay or reimburse all operating fees, costs and expenses incurred or advanced by the Operator.

11. In order to substantiate its claims in the Notice of Non-Renewal the Operator has provided the Trustee with a cash flow summary dating back to January of 2023 demonstrating that significant portions of the Operator's direct operating costs for operating the Project and the Operator's Fee have not been reimbursed.

12. In an effort to avoid the loss of services of the Operator and a potential shutdown of the Project on November 30, 2024, and in order to give the Operator and the Issuer a period of time to seek improved long-term contractual arrangements for use of the Project (and thereby, improved Project Revenues), the Issuer, the Operator and the Trustee have negotiated a temporary forbearance arrangement with respect to the Project and the Project Revenues. After several weeks of discussions and negotiations, on September 25, 2024, the Trustee, the Issuer and the Operator entered into that certain Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues (the "**Forbearance Agreement**").⁵

13. The Forbearance Agreement generally provides that during the "**Forbearance Period**," which is defined in the Forbearance Agreement as the period starting as of September 1, 2024 and continuing until the termination of the Forbearance Agreement, any Project Revenues generated by the Operator's operation of the Project that are actually received by the Trustee after September 1, 2024 (the "**Subject Project Revenues**") are to be applied using a new priority which is designed to give greater protection to the Operator. Under the terms of the Forbearance Agreement, each calendar month during the Forbearance Period is referred to as a "**Revenue Deposit Month**." Rather than using the Project Revenues to first

⁵ A true and correct copy of the Forbearance Agreement was entered into evidence as Exhibit 3.

set aside installments of Bond principal and interest amounts next coming due, as required by Section 5.06(b) of the Indenture, the Forbearance Agreement provides that Project Revenues attributable to each Revenue Deposit Month will continue to be paid to the Trustee and after payment of any outstanding Trustee's fees and expenses (as currently permitted by the Indenture), all such remaining revenues shall be held by the Trustee and made available as protective advances for the benefit of the Project (the "**Protective Advances**") to pay for the Operation and Maintenance Costs incurred by the Operator during each Revenue Deposit Month, including any Base Operator Fee (collectively, the "**Operator Payments**"). If in any Revenue Deposit Month there shall be excess Subject Project Revenues remaining after funding the then applicable Operator Payments, such amounts shall remain held by the Trustee and made available, if necessary, to make permitted Operator Payments in subsequent months (i) that became due but not paid in a prior Revenue Deposit Month due to a lack of sufficient Subject Project Revenues, and (ii) due in a subsequent Revenue Deposit Month occurring during the Forbearance Period.

14. The Issuer and Operator have also agreed that the Operator Payments to be made under the Forbearance Agreement are (1) to be made solely from the Subject Project Revenues deposited with the Trustee during the Forbearance Period, and (2) that the Trustee is not obligated to advance monies from any other funds or source for payment of the Operator Payments. In addition, all Protective Advances made by the Trustee pursuant to the Forbearance Agreement shall be repaid from all Project Revenues (including any excess Subject Project Revenues) remaining or becoming available after the end of the Forbearance Period.

15. In addition, any Subject Project Revenues held by the Trustee at the end of the Forbearance Period not used to pay either Operator Payments or amounts owing to the Trustee

shall be applied to catch up any amounts to be credited to the Bond Fund under the Indenture pursuant to Section 5.06(b)(i) and 5.06(b)(ii).

16. In consideration of the foregoing the Operator has rescinded its Notice of Non-Renewal and agreed to an extension of the Management Agreement through November 30, 2029 (as amended, the “**Revised Management Agreement**”).⁶ Notwithstanding the foregoing, the Revised Management Agreement provides that either the Operator or the Issuer can terminate the agreement at any time with 75-days written notice rather than being forced to wait until the end of the term of the agreement as was previously the requirement. Additionally, the Operator has committed to using reasonable efforts during the Forbearance Period to negotiate and secure modified contracts with the principal users of the Project at either improved per diem rates and/or improved minimum populations at the Project to allow for increased Project Revenues. The Operator has agreed to provide the Trustee and Issuer with updates regarding the foregoing at least every other week.

17. The Forbearance Agreement will run through the earlier of (a) April 30, 2025; or (b) 75 days after the Trustee sends the Operator a notice that a “Termination Event” has occurred; or (c) the cessation or suspension of operations at the Project by the Operator or the termination date of the Revised Management Agreement.

Bondholder Meeting and Trustee’s Notice

18. After an Event of Default pursuant to Section 8.01 of the Indenture, the Trustee is to exercise the rights and powers vested in it with the same degree of care and skill as a prudent person would exercise under similar circumstances. Additionally, Bondholders holding at least

⁶ A copy of the Revised Management Agreement was entered into evidence as Exhibit 4.

66 2/3% of the Outstanding Bonds (the “Supermajority Bondholders”) may direct the actions of the Trustee after an Event of Default.

19. The Bonds are believed to be held by numerous separate Bondholders through the Depository Trust Company’s indirect holding system. As a result, the Trustee expects to encounter significant obstacles and delays in soliciting, and ultimately obtaining, the affirmative consent of the holders of at least 66 2/3% of the outstanding principal amount of the Bonds with respect to the Forbearance Agreement. Exigencies of a potential closure of the Project, including the loss of Project Revenues and the short time period available to address the November 30, 2024 termination date support the request made by the Trustee in the Petition for authority to enter into and perform under the Forbearance Agreement.

20. Despite uncertainty about obtaining direction from a group of Supermajority Bondholders the Trustee has been in contact with as many Bondholders as possible during the process of negotiating the Forbearance Agreement and the filing of its Petition. By notice dated August 21, 2024 the Trustee notified Bondholders of the Operator’s Notice of Non-Renewal and invited all Bondholders to a call to discuss the status of the Project and whether the Bondholders desire to direct the Trustee’s actions with respect thereto. A Bondholder call was held on September 4, 2024, and the Bondholders who expressed their opinions on the call indicated a desire for the Trustee to pursue solutions that would avoid the closure of the Project. In addition, on September 23, 2024, the Trustee provided all Bondholders a pre-hearing notice regarding its entrance into the Forbearance Agreement.⁷

21. As further described in the Trustee’s September 23, 2024 notice the Trustee held another telephonic meeting with Bondholders on October 1, 2024. The Trustee listened to input

⁷ The notices described in this paragraph were entered into evidence as Exhibits 5 and 6 respectively.

from Bondholders regarding the Forbearance Agreement and sought affirmative Bondholder consent to the agreement. The Trustee received affirmative consent of Bondholders holding approximately 42% of the Bonds. Additionally, the Trustee served the Petition on all Bondholders and has not received any opposition to the relief being sought.

22. The Trustee entered into the Forbearance Agreement in order to avoid the loss of the Operator and potential shutdown of the Project in November 2024 and in order to provide the Operator additional time to secure improved contracts for the long-term success of the Project. Though the Trustee has sought Bondholder direction with respect to the forbearance arrangement, it has been unable to solicit input from the requisite percentage of Bondholders on the compressed timeline it is facing.

CONCLUSIONS OF LAW

1. The Trustee is a national banking association and has its principal corporate trust office in St. Paul, Minnesota. There is jurisdiction over the Petition under Minn. Stat. § 501C.0202(1) and (24) in that the Trustee is seeking an instruction from the Court confirming the actions taken by the Trustee, authorizing the Trustee to enter into and perform under the Forbearance Agreement as well as authorizing the Trustee's acknowledgment of the Revised Management Agreement.

2. The assets of the trust that is the subject of the Petition are administered through the Trustee's corporate trust office in St. Paul, Minnesota.

3. The Petition is properly venued in this Court pursuant to Minn. Stat. § 501C.0207(a)(2)(i) and § 501C.0207(b) because the Trustee has a corporate trust office in St. Paul, Minnesota and this Court has previously heard matters regarding this Trust.

4. The Trustee complied with all of the notice and publication requirements set forth in Minn. Stat. § 501C.0203, subd.1 and this Court's Order for Hearing dated October 4, 2024. (See Exhibits 7 and 8 admitted into evidence.)

5. Pursuant to this Court's Order for Hearing, any party in interest wishing to object to the Petition was required to file a memorandum not later than five (5) calendar days before the November 4, 2024 hearing. No objections to the Petition were filed.

6. Pursuant to Minn. Stat. § 501C.0204, subd. 1, this Order is final as to all matters determined by it and binding *in rem* upon the Trustee, the Trust, all parties involved in the administration of the Trust, and all persons or entities claiming a beneficial ownership interest in the Trust including, without limitation, all past, present or future holders of the Bonds, and their respective successors or assigns, as well as any other parties-in-interest, if any.

7. All actions taken (or omissions) by the Trustee in accordance with the Order of this Court, including, without limitation, the Trustee's evaluation, acceptance, execution and implementation of the Forbearance Agreement, comply with all applicable duties under, and be fully authorized and protected by, the Indenture, and shall not subject U.S. Bank Trust Company, National Association, individually or as Trustee, to liability.

DIRECTIONS AND ORDER FOR JUDGMENT

The relief sought by the Trustee in the Petition is hereby **GRANTED**, and the Court further specifically orders and directs as follows:

A. The Trustee is authorized to enter into and perform, and such entrance into and performance under are hereby approved, the terms of the Forbearance Agreement including, without limitation, allocation of Project Revenues pursuant to the terms thereof;

B. The Trustee's consent to and acknowledgement of the Revised Management Agreement is authorized and approved;

C. The Trustee is authorized to take such further or additional actions as may be necessary or appropriate in connection with the Forbearance Agreement and the Revised Management Agreement;


D. The Trustee’s execution and acknowledgement of the Forbearance Agreement and Revised Management Agreement, and any and all actions taken by the Trustee thereunder or in connection therewith, are prudent and reasonable and satisfy any and all duties of the Trustee under the Indenture and any other Trust documents, and the Trustee shall not be liable to any holders of the Bonds or other party for complying with this Court’s Order;

E. The Trust and the Trustee shall not be subject to the continuing supervision of the Court for the purposes of Minn. Stat. § 501C.0205 or General Rule of Practice 417.02.

LET JUDGMENT BE ENTERED ACCORDINGLY.

Dated: _____

BY THE COURT



Ireland, Mark (Judge)
Nov 4, 2024 3:23 PM

The Honorable Mark Ireland
Judge of the District Court

AMENDED AND RESTATED AGREEMENT REGARDING TEMPORARY FORBEARANCE, OPERATION OF PROJECT AND PROJECT REVENUES

This Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues (this “**Agreement**”) is entered into on this 31st day of July 2025, but made effective as of May 1, 2025, by and among **U.S. Bank Trust Company, National Association**, solely in its capacity as successor trustee (in such capacity, the “**Trustee**”) under that certain Trust Indenture dated as of October 1, 2005 (as amended from time to time, the “**Indenture**”), **San Luis Facility Development Corporation** (the “**Issuer**”), which entity was organized under the laws of the State of Arizona and its board members are appointed by the City of San Luis, Arizona, as the issuer of the Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 issued as of April 1, 2014 in the original aggregate principal amount of \$26,090,000 and the Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014-A issued as of July 1, 2014 in the original aggregate principal amount of \$20,835,000 (collectively, the “**Bonds**”), and **LaSalle Corrections West, L.L.C.**, a limited liability company organized under the laws of the State of Louisiana, as the operator (the “**Operator**”) of the San Luis Detention Facility (the “**Project**”) under the terms of that certain Facility Operation and Management Agreement entered into by the Operator and the Issuer in 2024 (as amended from time to time prior to the date hereof, the “**Management Agreement**”). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture. The Issuer, Trustee and Operator shall each be described herein as a “**Party**” and collectively, the “**Parties**”.

WHEREAS, the Project consists of an approximate 869-bed secure detention facility located in San Luis, Arizona (the “**City**”), and certain related property rights, and is currently being managed and operated by the Operator under the terms of the Management Agreement;

WHEREAS, all Project Revenues from the Project are pledged to the Trustee as security for payment of the Bonds and are required to be delivered directly to the Trustee for application pursuant to the terms of the Indenture;

WHEREAS, Events of Default under the Indenture have occurred and are continuing at this time, including certain Events of Default that occurred in 2016 which have never been waived by the Trustee or the Bondholders;

WHEREAS, under the terms of the Indenture, including Section 5.06 thereof, Project Revenues are to be used first to make provision for the payment of Bond interest and principal (and certain other charges, including all Trustee fees and expenses) and, thereafter, to the extent there are remaining available Project Revenues, to pay or reimburse, as applicable, the Operation and Maintenance Costs (including Operator Fees payable to

the Operator and certain administrative fees payable to the City) pursuant to the Management Agreement;

WHEREAS, in light of the foregoing priority provisions under the Indenture and as a result of insufficient Project Revenues resulting from ongoing Project operations, the Operator had previously sustained substantial operating losses which resulted in it previously sending a Notice of Non-Renewal to the Issuer dated October 1, 2024, informing the Issuer that it was not renewing a prior version of the Management Agreement;

WHEREAS, the Trustee and Issuer desired to prevent the loss of the Operator and the related risk of discontinued operation of the Project, which could have resulted in a cessation of Project Revenues, which is the primary source of payment for the Bonds, and accordingly entered into negotiations to prevent the Operators departure; and in connection therewith the Trustee, Issuer and Operator, entered into that certain Agreement Regarding Forbearance, Operation of Project and Project Revenues effective as of September 1, 2024 (as heretofore amended, the “**2024 Forbearance Agreement**”) whereby the Project Revenues received by and deposited with the Trustee during the Forbearance Period (as defined in the Prior Forbearance Agreement and scheduled to run from September 1, 2024 to April 30, 2025) were first paid to the Operator for the payment of Operation and Maintenance Costs prior to the allocation of such Project Revenues towards the accrual of interest and principal payments;

WHEREAS the Trustee’s entrance into the 2024 Forbearance Agreement was approved by the Ramsey County District Court for the State of Minnesota in a trust instruction proceedings;

WHEREAS, the Forbearance Period as it pertains to the 2024 Forbearance Agreement was extended from April 30, 2025, through July 31, 2025, by agreement between the parties in order to facilitate, among other things, negotiation of the current Agreement;

WHEREAS, during the term of the 2024 Forbearance Agreement the Operator negotiated with and secured increased per diem rates with ICE and the U.S. Marshals Service through new and amended contracts effective as of March 1, 2025, that will aid in increase revenue and profitability of the Project according to the projections prepared by the Operator and shared with the Trustee and Issuer;

WHEREAS, as a result of the elevation of payments to the Operator during the Prior Forbearance Agreement, the operating costs incurred by the Operator during the Forbearance Period thereunder were paid in full by application of Project Revenue to such amounts, with a small amount of excess Revenue, but nonetheless the Operator is still owed \$4,408,781.00 in unreimbursed Operating and Maintenance Costs incurred prior to September 1, 2024 (the “**Operator Loss Carryforward**”);

WHEREAS, the Forbearance Period under the 2024 Forbearance Agreement will expire on July 31, 2025, and the Operator has informed the Issuer and the Trustee that it is

willing to continue operating the Project for an extended period of time if it is provided an ability to recover its Operator Loss Carryforward from Project Revenues on a basis preferential to certain debt service collections otherwise payable to the Trustee for the benefit of Holders of the Bonds;

WHEREAS, and the Issuer, the Operator and Trustee desire (a) for the Operator to remain as the operator of the Project; (b) to extend the term of the Forbearance period to April 30, 2027; (c) have negotiated for certain modified terms for the application of Project Revenues during the extended forbearance period, (d) create a mechanism for the Issuer to hold an election and run an auction process for the sale of the Project and to use the net proceeds thereof to pay the Bonds; and (d) to otherwise amend and restate the 2024 Forbearance Agreement, each pursuant to the terms and conditions set forth in this Agreement; and

WHEREAS, the Trustee's actions hereunder are being taken pursuant to its powers to protect the interests of Bondholders under Article VII of the Indenture.

NOW, THEREFORE, the Parties for the consideration set forth herein, the sufficiency and delivery of which is acknowledged, hereby agree as follows:

1. ***Payment of Operation and Maintenance Costs during Forbearance Period.***

The Parties hereby agree that during the period beginning and made effective as of May 1, 2025 and ending on the Termination Date, each such term as defined below (such period, the "**Forbearance Period**"), all Project Revenues actually received by and deposited with the Trustee each month from the operation of the Project by the Operator (the "**Subject Project Revenues**") and attributable to any calendar month in the Forbearance Period (each such month, the "**Revenue Deposit Month**"), shall be applied, for each Revenue Deposit Month during the Forbearance Period, as follows:

a. First, to pay any outstanding Trustee's fees and expenses (including, without limitation, reasonable attorneys' fees), which fees and expenses shall continue to be a first charge on Project Revenues as provided in the Indenture;

b. Second, to the Trustee (i) commencing from August 1, 2025, through April 30, 2026 (but subject to modification as provided in the succeeding clause (ii), an amount equal to ninety thousand dollars (\$90,000.00) each month on account of accrued interest on the Bonds; and (ii) from the earlier of the date the Operator Loss Carryforward has been paid in full or May 1, 2026, such monthly payment shall be increased to \$146,467.29;

c. Third, to the Trustee an amount up to but not greater than fifteen thousand dollars (\$15,000.00) solely to the extent necessary each month to replenish the minimum balance of the Operating Reserve/Repair/Contingency Account to an amount not less than three hundred thousand (\$300,000).

d. Fourth, as and when due and required to pay the Operator for such costs, to make transfers to the Operating Account for further payment to the Operator in the amount equal to the following (collectively, the “**Operator Payments**”): (i) the Operation and Maintenance Costs incurred by the Operator (which for the avoidance of doubt shall not include any Operator Fee or any amounts owing to the Issuer or the City) and billed for such Revenue Month, as certified pursuant to Section 7 below, plus (ii) an Operator Fee amount equal to 6% of the total amount of such costs payable under Section (d)(i) above with respect to the Operation and Maintenance Costs for that Revenue Month only;

e. Fifth, applied to the Operator Loss Carryforward, in the agreed amount of \$4,408,781, until paid in full; and

f. Sixth, after making the requisite payments under Section 1(a) through (e) hereof, excess Subject Project Revenues for any Revenue Deposit Month shall be (i) first be used to pay the Issuer a one-time payment of \$20,000.00 for its accrued expenses, and (ii) thereafter all remaining amounts shall be shared and paid each month in equal amounts of one-third (1/3rd) each to the Trustee, the Issuer and the Operator until each of the Operator and the Issuer has recouped its respective accrued Additional Operator Fee and City Fee (each as defined below) for such month (or any prior month for which it remains unpaid), and thereafter all remaining Subject Project Revenues in such month shall be paid to the Trustee, with all such amounts payable to Trustee for application to debt service on the Bonds or other amounts owed to the Trustee but in each case subject to and in accordance with the terms of the Indenture (including the post Event of Default rights and powers of the Trustee for the application of monies received under Article VII of the Indenture. The parties further agree that (Y) the Operator shall be entitled to receive an additional Operator fee equal to 5% of direct Operation and Maintenance Costs (and for avoidance of doubt, excluding the Operators 6% Fee) each month (the “**Additional Operator Fee**”), and (Z) the Issuer shall be entitled to receive and pay to the City a monthly administrative fee equal to \$20,000.00 (the “**City Fee**”), each commencing on the earlier of (i) May 1, 2026 or (ii) the date that the Operator Loss Carryforward has been paid in full.

To the extent that there are insufficient Subject Project Revenues to cover the payments in full as described in Sections 1(a) and (d) above in any Revenue Deposit Month, such amounts shall be carried forward and paid in a future Revenue Deposit Month in accordance with the payment priorities set forth above. The Operator and Issuer further agree that it shall continue to cause all Project Revenues to be directly paid to the Trustee each month for application in accordance with the payment priorities set forth in this Section 1.

.All monies used during the Forbearance Period to make payments towards the Operator Payments, the Additional Operator Fee or the Loss Carryforward herein are being made as protective advances (the “**Protective Advances**”) by the trust created under the

Indenture in order to preserve the Trust Estate. The Issuer and Operator hereby specifically acknowledge and agree that the Operator Payments to be made under this Agreement shall be made solely from the Subject Project Revenues deposited with the Trustee during the Forbearance Period under this Agreement and the Trustee is not obligated to advance monies from any other funds on deposit with the Trustee or any other source for payment of the Operator Payments.

The above priorities for the deposit and application of Project Revenues by the Trustee shall apply only for the Revenue Deposit Months occurring during the Forbearance Period, and the provisions of the Indenture with respect thereto shall apply fully to all calendar months before and after the Revenue Deposit Months occurring during the Forbearance Period (except as otherwise provided in Sections 2, 3 and 4 hereof), *provided, however*, that the Protective Advances made hereunder shall constitute additional obligations owing to the trust created by the Indenture for the benefit of the Holders of the Bonds, and such Protective Advances, less any portion of the excess Subject Project Revenues remaining at the end of the Forbearance Period and not used to make Operator Payments, shall be repaid from the first Project Revenues, net of fees and expenses or other amounts owing to the Trustee, becoming available after the Forbearance Period.

At the end of the Forbearance Period any excess or remaining Subject Project Revenues not used to make Operator Payments or pay amounts owing to the Trustee shall be applied to catch up any amounts to be credited to the Bond Fund under Section 5.06(b)(i) and 5.06(b)(ii) of the Indenture that were not made during the Forbearance Period, subject to the Trustee’s rights and powers with respect to the application of funds under Article VII of the Indenture.

2. ***Establishment of Trust Reserve.*** In order to assist the Trustee with its duties to preserve the Trust Estate under the Indenture, the parties agree that funds from the following accounts are to be withdrawn either to the amount shown, or in their entirety, and all such funds shall be transferred to a new subaccount of the Project Fund established under the Trust Agreement named the “**Trustee Administration Fund**”. The sole purpose of the Trustee Administration Fund (subject to the terms of Section 4 hereof) shall be to primarily enable the Trustee to preserve and protect the Trust Estate and to pay any indemnification or other amounts owing to the Trustee under the Indenture consistent with its duties under the Indenture and in the best interest of the Bondholders, and secondarily as additional collateral for the repayment of the Bonds. It shall be one of the Funds established under the Indenture and funds held therein shall be invested in accordance with the terms of the Indenture.

<u>Account</u>	<u>Balance to be Transferred</u>
Project Fund	\$468,681
Operating Account	\$671,952
Operator Fee Account	\$112,627
Operating Reserve/Repair	\$146,740

For the avoidance of doubt, after funding in accordance with this Section, the Trustee Administration Fund shall have \$1,400,000. The Trustee Administration Fund is not subject to the Disposition of Pledged Revenues established under Article V of the Indenture.

3. ***Sale of Project.*** The Issuer hereby agrees to promptly continue the election process with the assistance of the City of San Luis for the sale of the Project's real and personal property conforming to A.R.S. § 9-403. On the condition that the results of said election authorize the sale, then the Issuer shall expeditiously give legal notice and hold a public auction, which shall be commercially reasonable and appropriate under Arizona law, including, but not limited to A.R.S. § 9-403, to the highest bidder for cash at no less than the appraised value, reserving the right to reject any and all bids. (the "**Project Sale**"). The net proceeds thereof to repay the Bonds. If the proposed net sale proceeds are insufficient to pay the then Outstanding Principal amount of the Bonds plus all interest accrued through such date, then the Issuer agrees that the Trustee's consent to any such sale and release of its lien on the Project would be expressly conditioned upon obtaining either (i) the requisite consent and direction of Bondholders holding not less than two thirds of the then Outstanding Principal amount of the Bonds; or (ii) a court order satisfactory to the Trustee in a trust instruction proceeding approving of the Trustee's release of its liens in exchange for the net proceeds of such sale in partial repayment of the Bonds. Notwithstanding the foregoing, the parties acknowledge and understand that certain governmental approvals (including in certain circumstances, approval of the residents of San Luis, Arizona) is required to complete such sale and the Issuer cannot provide an assurance that all such approvals will be granted. In addition, the Issuer cannot provide assurance that the auction will result in the highest bid being for the appraised value or exceed it. Under Arizona law, the Issuer cannot accept bids less than the appraised value. However, the Issuer will follow the legal processes to sell the Project with the goal of selling it by March 1, 2026.

4. ***Limited Funding from Trustee Administration Fund.*** Notwithstanding the terms of Section 4 hereof, the Trustee agrees that it shall use amounts initially deposited into the Trustee Administration Fund to (i) pay to the Issuer the actual and reasonable costs as and when incurred for (a) any appraisal of the Project, and (b) seeking an election from the residents of the City of San Luis as may be necessary under applicable law, in each case related to the Project Sale, ***provided*** that all such payments shall not exceed one hundred thousand dollars (\$100,000.00) in the aggregate; and (b) pay for the unpaid costs and fees of Trustee counsel for such amounts incurred up to and including July 18, 2025 in an amount not to exceed one hundred thousand dollars (\$100,000.00) in the aggregate. The use of monies in the Trustee Administration Fund to pay fees and expenses of counsel as set forth above shall not otherwise be construed as a modification of the right of the Trustee to be reimbursed for its fees and expenses first from the Project Revenue waterfall as set forth in Section 1 hereof.

5. ***Application of Monies in the Bond and Reserve Funds.*** The Operator and Issuer both hereby acknowledged and agree that amounts on deposit in accounts of the Bond Fund as well as the 2014 Reserve Fund and the 2014-A Reserve Fund are specifically held for the repayment of the Bonds and funds in such accounts or Funds are not available for use at the Project, payment of Operator Fee, or otherwise. On or before the November 1, 2025, Interest Payment Date, the Trustee may withdraw some or all of the amounts in such accounts and Funds in order to make payments on account of principal which shall have become due in the order of their due dates. To the extent monies are withdrawn and applied in accordance with this Section during the Forbearance Period, the Issuer's failure to replenish the Reserve Requirement shall not be an additional Event of Default under the Indenture or a default hereunder. Notwithstanding the foregoing, upon the expiration or termination of the Forbearance Period the Issuer shall be required to fund the Reserve Requirement within twelve months of such date, as required by the Indenture.

6. ***Acceleration of Bonds.*** During the Forbearance Period the Trustee reserves the right and may upon ten (10) days prior written notices to the Issuer (with a copy to the Operator) declare the principal of the Bonds immediately due and payable, solely for the purpose of making distributions upon the Bonds pursuant to Section 7.03(b) of the Indenture. The Issuer and the Operator acknowledge and agree that any such declaration made by the Trustee is specifically permitted by this Agreement and does not constitute an exercise or remedies or a failure by the Trustee to forbear from the same. For the avoidance of doubt, any acceleration of the Bonds made under the Indenture pursuant to this Section of Agreement during the Forbearance Period (a) shall be for the purpose of making distributions pursuant to the provisions of Section 7.03(b) of the Indenture and is not intended to, and shall not, interfere with the Operator's continued management of the Project, and (b) shall not act to end the Forbearance Period or otherwise terminate this Agreement, each of which are subject to the terms of Sections 9 and 10 hereof.

7. ***Certification of Monthly Operation and Maintenance Costs.*** The Operator hereby agrees that during the Forbearance Period, it shall submit to the Trustee and, if requested, to the Issuer, a monthly summary of all costs and expenses incurred in connection with the operation of the Project during each Revenue Deposit Month (the "**Monthly O&M Summary**"), beginning with June 1, 2025. Each Monthly O&M Summary shall include a certification by the Operator certifying that all amounts listed therein represent the actual costs and expenses (excluding any Operator Fee or Issuer and City fees) incurred in the operation of the Project during the relevant Revenue Deposit Month. Monthly O&M Summary for each Revenue Deposit Month shall be provided to the Trustee no later than the last business day of the calendar month immediately following such Revenue Deposit Month. The Operator hereby agrees that if requested by the Trustee or the Issuer, the Operator shall provide copies of all invoices and other commercially reasonable documentation with respect to the costs and expenses included in each Monthly O&M Summary. During the Forbearance Period each Monthly O&M Summary shall state

the Operator Loss Carryforward outstanding at the beginning of the subject Revenue Deposit Month, and shall indicate the amount by which the Operator Loss Carryforward was decreased (or increased) through the application of Project Revenue during the subject Revenue Deposit Month. In addition the Operator hereby specifically acknowledges and agrees that the sole amounts payable to it during the Forbearance Period are the Operator Payments which are to be paid through Protective Advances, and that while other amounts owed under the Management Agreement may accrue during the Forbearance Period, such amounts are not payable from the Protective Advances made by the Trustee pursuant to this Agreement.

8. ***Acknowledgement of Events of Default and Forbearance of Remedies.*** The Issuer agrees that Events of Default exist under the Indenture and are continuing at this time and that the Trustee has all of the rights and remedies set forth in the Indenture, the Deed of Trust, and other Bond documents with respect to the Project and Project Revenues including the right of foreclosure, and the appointment of a receiver, at the Project. The Parties acknowledge and agree that the principal amount of the indebtedness evidenced by the Bonds as of the date hereof is \$24,655,000, and that interest is accruing in accordance with the terms of the Bonds and the Indenture, each without any defense or right of set off, but subject to limited recourse to the Project Revenues and other assets held in trust as set forth in the Indenture and the Deed of Trust. In consideration of this Agreement and subject to the terms and conditions thereof, during the Forbearance Period the Trustee agrees that it shall not seek the appointment of a receiver nor exercise any other similar enforcement remedies with respect to the Project based upon any Events of Default in existence on the date hereof or that result solely by reason of the application of Project Revenues during the Forbearance Period in accordance herewith (together, the “**Permitted Events of Default**”). For the avoidance of doubt, nothing herein shall constitute a waiver of any right or remedy of the Trustee or any Bondholder or of any present or future Event of Default, or a modification of the duties and obligations of the Issuer under the Indenture.

9. ***The Forbearance Period.*** The effectiveness of this Agreement and the Forbearance Period shall be as of May 1, 2025 (the “**Effective Date**”) and shall terminate on the Termination Date, and the first Revenue Deposit Month in the Forbearance Period shall be deemed to be May 1, 2025. The Parties acknowledge and agree that nothing in this Agreement is intended to apply to Project Revenues received prior to May 1, 2025, other than as expressly set forth in this Agreement.

10. ***The Termination Date.*** The “Termination Date” shall be a date that is the earlier of (i) April 30, 2027, (ii) 75 days after the Trustee sends a notice to the Operator (with a copy to the Issuer) in writing that a Termination Event has occurred, and (iii) the cessation or suspension of operations at the Project by the Operator or the termination date of the Management Agreement.

A “Termination Event” would mean the occurrence of any of following events as determined by the Trustee: (a) the Trustee receives Bondholder directions to terminate or objections to the forbearance arrangement in an amount that the Trustee deems sufficient under the Bond Documents or for which it exposes the Trustee to unacceptable risks or liability in its sole and absolute discretion, or (b) the Trustee did not receive the TIP Court Order (hereinafter defined) approving the proposed forbearance; (c) the Operator or the Issuer shall be in breach, for a period of 30 days after the Trustee shall send written notice thereof, of its obligations under this Agreement to cause all Project Revenues to be directly paid to the Trustee each month; and/or (d) other events mutually agreed to by the Parties. Upon the occurrence of a Termination Event, the Trustee may send written notice to the Operator and the Issuer of such occurrence and its intention to terminate the Forbearance Period, and such termination shall be effective (i) 75 days after the date such notice is sent, or (ii) immediately if the such termination is the result of a breach by the Operator under the terms of this Agreement. To extent of available Subject Project Revenues, the Operator would be entitled to Protective Advances for all permitted Operating and Maintenance Costs incurred during the term of the Forbearance Period to the extent set forth above. If the Forbearance Period ends on a day other than on the last day of a Revenue Deposit Month, the Operating and Maintenance Costs and Operator Payments payable to the Operator would be prorated through the last day of the Forbearance Period.

11. ***Trust Instruction Proceeding.*** The Trustee will use reasonable efforts to file a trust instruction petition within ten (10) calendar days of the execution of the this Agreement seeking a court order in form acceptable to the Trustee (the “**TIP Court Order**”) approving the Trustee’s entrance into and performance under this Agreement. During the pendency of the court proceeding, the Trustee will nonetheless perform its obligations under this Agreement during the Forbearance Period, subject to the termination rights set forth herein.

12. ***Existing Funds and Obligations Unaffected.*** Nothing in this Agreement shall be construed to modify or amend any of the terms of the Indenture, the Deed of Trust, the Management Agreement, or any of the other Bond Documents, all of which shall remain in full force and effect, subject to the rights of the Parties hereunder. The Parties hereby acknowledge that nothing herein is intended to or shall be construed as modifying or limiting the Issuer’s legal obligation to pay all principal and interest as and when due on the Bonds from Project Revenues in accordance with the terms of the Indenture, *provided, however*, that the failure to pay Bond interest or principal by reason of the priorities set forth herein shall be a Permitted Event of Default within the meaning set forth in this Agreement.

13. ***Amendment and Restatement.*** This Agreement completely amends and restates the 2024 Forbearance Agreement in its entirety as of the Effective Date.

14. ***Miscellaneous.***

(a) The captions or headings contained herein are for convenience only and in no way define, limit or describe the scope or intent of any provision or section of this Agreement.

(b) This Agreement is intended to provide benefits to the Parties hereto, and shall not be deemed to give, grant or bestow any right, defense or benefit upon any third Party, except that the holders of the Bonds shall have the rights of the Trustee to the extent contemplated by the Indenture.

(c) No waiver of any breach of any of the terms or conditions of this Agreement shall be held to be a waiver of any other or subsequent breach, nor shall any waiver be valid or binding unless the same shall be in writing and signed by the Party alleged to have granted the waiver.

(d) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Facsimile signatures and signature pages provided in the form of a “.pdf” or similar imaged document transmitted by electronic mail shall be deemed original signatures for all purposes hereunder.

(e) This Agreement may only be amended in writing, and such amendment shall only become effective upon the execution by all Parties to this Agreement.

(f) By his or her signature below, each signatory individual certifies that he or she is the properly authorized agent or officer of the applicable Party hereto and has the requisite authority necessary to execute this Agreement on behalf of such Party, and each Party hereby certifies to the other that any resolutions necessary to create such authority have been duly passed and are now in full force and effect.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

SAN LUIS FACILITY DEVELOPMENT CORPORATION, as Issuer

By:  _____

Its: Jenny Torres _____

LASALLE CORRECTIONS WEST, LLC, as Operator

By: _____

Its: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

not individually but solely in its capacity as successor Trustee

By: _____

Its: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

SAN LUIS FACILITY DEVELOPMENT CORPORATION, as Issuer

By: _____
Its: _____

LASALLE CORRECTIONS WEST, LLC, as Operator

By: _____
Its: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
not individually but solely in its capacity as successor Trustee

By: _____
Its: Charles S. Hodges

San Luis Facility Development Corporation

4. A.

Meeting Date: 10/29/2025

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

ITEM:

Discussion and possible action to hold an executive session pursuant to A.R.S. §38-431.03(A) (3), (4) and (7) on any and all matters regarding the possibility of leasing land for a cell tower for discussion or consultation for legal advice with the San Luis Facility Development Corporation's legal counsel in order to consider the Corporation's position and instruct its legal counsel. **(Kay Marion Macuil, General Counsel)**

SUMMARY:

The Board can be properly advised by holding an executive session for the purposes described in the agenda item.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO HOLD AN EXECUTIVE SESSION AS DESCRIBED IN THIS AGENDA ITEM.
