

MINUTES APPROVED BY MEMBERS

JANUARY 22, 2025

MINUTE TAKER /s/ J.TAYLOR

MINUTES
SAN LUIS FACILITY DEVELOPMENT CORPORATION
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
September 19, 2024
5:00 p.m.

- 1. CALL TO ORDER / ROLL CALL** President Jenny Torres called the meeting to order at approximately 5:02 p.m.

THOSE PRESENT:

Director Joe Harper
Director Eulogio Vera
President Jenny Torres

THOSE NOT PRESENT:

Director Marco Pinzon
Director Maria Gonzalez

OTHERS PRESENT:

Kay Marion Macuil, City Attorney, Attorney for the Corporation
Janet Taylor, Legal Assistant, Clerk of the Board
Jose Antonio Maldonado, Multi-media Productions & Operations Specialist.
Albert Moreno, IT Technician
James Allen Jr., San Luis Resident

- 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 September 3, 2024

MOTION: Director Joe Harper and Director Eulogio Vera to approve the minutes of the meeting held September 3, 2024. **Motion passed unanimously.**

The vote was as follows:

Director 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 extending the Operating and Management Agreement with LaSalle Corrections. (Kay Marion Macuil, General Counsel)

Ms. Macuil stated that this is the second amendment to the operating agreement. LaSalle never signed the one that you approved on September 3rd. LaSalle has suggested that we don't have an ending period. The first one was to end in eight (8) months, and this extension has an indefinite extension that allows for termination with a 75-day notice. Ms. Macuil said that they were working on a request for proposals to increase the amount of money received from ICE for the detainees, that negotiations have begun with the bank and the bonds, and that it looks like things might turn out fine.

Director Joe Harper asked for a summary of events.

President Jenny Torres explained that they were working on some potential solutions with the forbearance, which Mr. Harper has been a part of in the past, and what they are trying to accomplish is to keep the facility open. She stated that US Bank is willing to come in and provide assistance. LaSalle is working with their stakeholders to increase the number of detainees.

Mr. Harper stated he was for helping them, and whatever we need to do to get over this hump, we need to do it.

President Torres stated that is exactly what we are trying to do to keep the facility in operation and that everything is looking favorably so far. She noted that this is an election year, which always happens during this time. We have to go through the whole process, but we will see where we are by next year. Everything looks positive so far.

MOTION: President Jenny Torres and Director Eulogio Vera approve the Second Amendment extending the contract with 75 days' notice for termination. **Motion passed unanimously.**

The vote was as follows:

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

3.B. Discussion and possible action on any and all matters regarding a non-binding forbearance term sheet. (Kay Marion Macuil, General Counsel)

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Ms. Macuil stated that this is a nonbinding term sheet for the trustees to go to the bondholders and say this is the direction we want to go. They left it non-binding in case the bondholders wish to have some input or if other developments come around.

It stops the need to use the revenue for the detention center for debt service for eight (8) months, ending April 30, 2025. To make these arrangements to stop the debt service and let the revenue go to the operations. First, we would need to extend the agreement, which your motion today did because LaSalle did sign this one. With this agreement, LaSalle is rescinding its non-renewal notice.

Next, the bondholders would be notified. That process has already started. The trustee US Bank would file a Trust Instruction Petition in a specialized court in Minnesota. They are drafting that document as well. Once the court order issues allowing for the forbearance, we will be in the forbearance process. The bank attorneys said they have never had a court denial. Courts typically go with that. The only wildcard is what the bondholders will do.

Ms. Torres stated to Mr. Vera that, in the past, we had gone through a forbearance agreement with another provider. The only difference this time is that we are not paying the principal or the interest. For the last forbearance, we were paying interest but not the principal. The last time was for a year, and this time is for eight (8) months. This timeframe is to try to assist with the operations.

MOTION: Director Joe Harper and Director Eulogio Vera approve moving forward with the concepts of the "Term Sheet for Temporary Forbearance with respect to San Luis Facility Development Corporation Bonds" as presented. **Motion passed unanimously.**

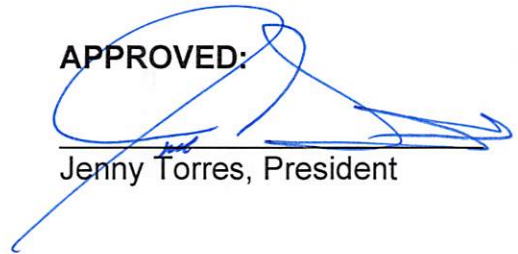
The vote was as follows:

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

4. Adjournment

President Jenny Torres adjourned the meeting at approximately 5:11 p.m.

APPROVED:



Jenny Torres, President

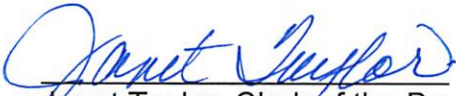
ATTEST:



Janet Taylor, Clerk of the Board

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the San Luis Facility Development Corporation, held on September 19, 2024. I further certify that the meeting was duly called and held and that a quorum was present.



Janet Taylor, Clerk of the Board