

No. 2026-02

**A RESOLUTION OF THE SAN LUIS FACILITY DEVELOPMENT CORPORATION BOARD OF DIRECTORS IN SUPPORT OF THE SAN LUIS REGIONAL DETENTION AND SUPPORT CENTER APPROVING THE FIRST AMENDMENT TO THE AMENDED AND REINSTATED 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 San Luis Facility Development Corporation Board of Directors as follows:

**Section 1:** It is deemed in the best interest of the San Luis Regional Detention and Support Center that the San Luis Facility Development Corporation approve the First Amendment to Amended and Reinstated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues (“Agreement”), attached and incorporated herein as 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and any other formal action of the Board or the City of San Luis, Arizona, the conflicting provisions are amended, superseded, and replaced, and this Resolution shall govern.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.

**Section 4:** The Board hereby authorizes and approves said Agreement and orders that the appropriate officers and officials of the Board execute and take any other measures necessary to put this agreement into effect.

**PASSED, ADOPTED, and APPROVED** by the Board of Directors of the City of San Luis Facility Development Corporation, of the City of San Luis, Yuma County, Arizona, this \_\_\_ day of June, 2026.

\_\_\_\_\_  
Jenny Torres, President

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Joseph Estes, General Counsel

# **EXHIBIT “A”**

**FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT  
REGARDING TEMPORARY FORBEARANCE, OPERATION OF PROJECT AND  
PROJECT REVENUES**

This First Amendment Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues (this “**First Amendment**”) is entered into on this 16th of June, 2026, 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 as a non-profit corporation under the laws of the State of 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 dated December 1, 2019 (as amended by amendments dated September 23, 2024 the “**Management Agreement**”). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture, the Forbearance Agreement (defined below) or this First Amendment. 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**, in connection with the Events of Default, the Trustee, Issuer and Operator previously entered into that certain Amended and Restated Agreement Regarding Forbearance, Operation of Project and Project Revenues effective as of May 1, 2025 (the “**Forbearance Agreement**”);

**WHEREAS**, the Forbearance Agreement contemplates that the Issuer would commence and engage in a process to seek the sale of the Project, subject to obtaining the requisite authority from voters;

**WHEREAS**, the Issuer has been unable under its governance structure to timely move forward with a sale of the Project;

**WHEREAS**, pursuant to Section 7.10 of the Indenture and Section 8.02 of the Deed of Trust, following the occurrence of an Event of Default under such documents, the Trustee may exercise general enforcement rights and remedies, including the right to seek the appointment of a receiver over the Project;

**WHEREAS**, pursuant and subject to the terms of the Forbearance Agreement, the Trustee agreed during the Forbearance Period not to seek the appointment of a receiver nor exercise any other general collection or sale remedies with respect to the Project;

**WHEREAS**, the Issuer, Operator and the Trustee desire to amend the Forbearance Agreement to, among other things, (a) permit the Trustee to seek appointment of a receiver pursuant to applicable Arizona law (including A.R.S. §33-2615) to facilitate the sale of the Project subject to the terms and conditions set forth herein, (b) provide for certain terms pertaining to the application of proceeds from a potential sale of the Project by a receiver, (c) make an increase to the minimum balance of the Operating Reserve/Repair/Contingency Account during the Forbearance Period, and (d) confirm the Operator's continued operation of the Project during the Forbearance Period and proposed receivership sale process.

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

1. ***Sale of Project and Consent to Appointment of Receiver.*** The Parties agree that Section 3 of the Forbearance Agreement is deleted in its entirety and replaced with the following provision:

2. ***Sale of Project and Consent to Receiver.***

(a) It is the intent of the Parties to allow the Trustee to move forward with the exercise of its legal remedies under the Deed of Trust and related Bond documents to provide a mechanism for the sale of the Project, including through the appointment of a receiver over the Project, subject to the Operator continuing to operate the Project, as more fully set forth in Section 3(c) below. The Issuer and the Operator hereby specifically consent to the Trustee exercising such remedies and seeking appointment of a receiver over the Project for the purpose of proceeding forward with a sale of the Project's real and personal property under applicable law at the election of the receiver or Trustee and not at the direction of the Issuer or the City, notwithstanding any contrary provisions set forth in Section 8 of the Forbearance Agreement. In

addition, each of the Issuer and Operator hereby acknowledge and consent to the Trustee and its agents, including without limitation R.O.I. Properties, LLC, can market the Project and solicit bids for the sale of the Project prior to the appointment of any receiver over the Project. Such efforts are in anticipation of the appointment of a receiver by the Trustee for the sale of the Project, which sale shall be at the direction of the receiver. Each of the Issuer and Operator hereby agrees that it will cooperate with the Trustee and any receiver in such sales process, including without limitation by providing or making available Project-related financial and operational information, as well as physical access to the Project, to the Trustee, receiver and/or any prospective bidders (and their consultants) as may be requested from time to time. For the benefit of all parties, and in order to maximize the value in any sale of the Project and preserve the confidentiality of the sale process authorized by the receiver, the Issuer and Operator further agree that the Trustee may, but is not required to, retain one or more consultant(s) to market the Project for sale in anticipation of the appointment of a receiver. The Issuer and Operator further agree that, as part of such pre-receivership marketing efforts, the consultant(s) may, among other things, provide Project-related financial and operational information to prospective bidders, may solicit bids or offers for the sale of the Project, and may enter into contracts for the sale of the Project, subject to future approval by the receiver and Court-approval in a future receivership action. The Issuer and Operator further consent and do not object to or direct the appointment of any previously-retained consultant, who was retained in connection with the pre-receivership sale process, as the proposed receiver over the Project in any action by the Trustee seeking a receiver over the Project.

(b) The Trustee agrees that in connection with the sale of the Project by a receiver, it will seek to have the proceeds of such sale applied as follows, subject to any applicable receiver court approvals:

(i) first, to all costs of sale, including without limitation, all brokerage, receiver and Trustee fees and expenses (including legal fees) related to the receivership, the sale of the Project and Trustee's administration thereof;

(ii) if at the time of closing, the Operator remains in operation of the Project, then second to (A) any then unreimbursed Operator Payments (as defined in Section 1(d) of the Forbearance Agreement (which for the avoidance of doubt, includes the required 6% Operator fee)) due to the Operator that were incurred in the ordinary course consistent with past operation practices and outstanding in excess of the Subject Project Revenues (as defined in the Forbearance Agreement) collected and received by the Trustee in the immediately preceding 45 day period prior to closing (which collected revenues shall be used to reimburse such Operator Payments in accordance with ordinary procedures and payment priorities under the Indenture and Section 1 of the Forbearance Agreement), plus (B) to the extent Operator is not the buyer of

the Project, reasonable costs incurred in connection with the transition of ongoing operations, including staffing, to the buyer (clauses (A) and (B) above collectively referred to herein as the “**Subject Operator Costs**”); *provided, however*, that (Y) the Subject Operator Costs shall further be reduced and offset by the aggregate amount of then unpaid accounts receivable owing with respect to the operation of the Project as of the date of closing, plus all then unbilled services as of the month and date of closing to be billed by the Operator (such amounts collectively referred to as the “**Subject A/R**”), which Subject A/R shall be collected by the Operator and applied to amounts owing as further provided in Section 3(c) below, and (Z) except with the Trustee’s prior written consent (1) the aggregate amount of any such unreimbursed Subject Operator Costs payable under this Section 2(b)(ii) shall not exceed one million five hundred thousand dollars (\$1,500,000.00), and (2) the Operator shall not incur any capital improvement costs with respect to the Project in excess of one hundred thousand (\$100,000) in the aggregate during the Forbearance Period after the date of the First Amendment;

(iii) third, to pay all other outstanding amounts owing under the Indenture and other Bond documents, including without limitation to the repayment of principal and interest owing on the Bonds;

(iv) next, to the extent not previously paid, any other unreimbursed Subject Operator Costs owing to the Operator; and

(v) lastly, any remaining net proceeds shall be paid to the Issuer.

(c) If at the time of closing, the Operator remains in operation of the Project, it shall be tasked with and accepts the duty to use reasonable and customary efforts to promptly collect the Subject A/R. The Parties agree that upon receipt of actual collected funds related to the Subject A/R, the proceeds shall be applied in the following order of priority: (i) first to the Operator to repay (A) any reasonable costs of collection of the Subject A/R, and (B) any unpaid Subject Operator Costs, each until paid in full, then (ii) to the Trustee for the payment of any then remaining unpaid amounts owing under the Indenture, the Bonds and all other documents related thereto until paid in full, and then (iii) all remaining funds shall be paid to the Issuer.

(d) The Parties acknowledge and agree that during any sale proceedings as contemplated in this Section 3, the Operator shall continue to manage and operate the Project, and be reimbursed for its Operation and Maintenance Costs and Operator Fees, in accordance with the terms set forth under the existing terms of the Management Agreement and Indenture, as supplemented by the Forbearance Agreement (including payment of Operation and Management Costs and Operator Fees in accordance with the payment priorities set forth in Section 1 of the Forbearance Agreement as amended by this First Amendment; provided that in

consideration for the additional accommodations to the Operator set forth herein, the Operator and Issuer agree that (i) the Operator shall continue to manage and operate the Project after the date hereof pursuant to the Management Agreement and neither party shall terminate such Management Agreement for any reason (other than for material breach) prior to the earlier of (A) the date of closing of the sale of the Project, and (B) January 31, 2027, and (ii) if the Operator is not the successful purchaser in any sale, it will cooperate and assist with the orderly transfer and transition of Project related operations, employees, contracts and institutional knowledge to the purchaser. For the avoidance of doubt, nothing in this First Amendment is intended to preclude the Operator from participating in the sale process as a prospective bidder and buyer..

(e) Notwithstanding the foregoing, nothing herein shall require or obligate the Trustee to seek the appointment of a receiver or to pursue any remedies available to it under the Bond documents, including without limitation sale of the Project, and the Trustee reserves the right to seek termination of any receivership over the Project or to terminate or object to the sale of the Project (including as to the amount of the proposed sale price) at any time in its sole discretion, including without limitation, if the Trustee does not obtain Requisite Bondholder Approval or TIP Court Approval in connection with a proposed sale of the Project or if the sale of the Project does not occur on or before December 31, 2026, unless such date is extended by the Trustee in its sole discretion. The Parties further acknowledge, as previously set forth in the Forbearance Agreement, that the Trustee's consent to any sale and release of its liens on the Project is expressly conditioned upon obtaining either (i) the requisite consent and direction of Bondholders owning not less than two thirds of the then Outstanding Principal amount of the Bonds ("**Requisite Bondholder Approval**"), 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 whole or partial repayment of the Bonds ("**TIP Court Approval**").

3. *Amendment to Application of Subject Project Revenues during Forbearance Period / Use of Operating Reserve Account Funds.* The Parties hereby agree to amend and restate Subsection (c) of Section (1) of the Forbearance Agreement in order to increase the minimum balance of the Operating Reserve/Repair/Contingency Account and accordingly, Section 1(c) of the Forbearance Agreement is hereby amended and restated in its entirety as follows:

- c. Third, 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 seven hundred fifty thousand dollars (\$750,000.00).

The Parties hereby further acknowledge and agree that, if the Operator has incurred Operation and Maintenance Costs during the Forbearance Period in the ordinary course of business consistent with past operation practices and such Operation and Maintenance

Costs remain unreimbursed after applying collected Subject Project Revenues, then upon the written request of the Operator, the Trustee shall (i) prior to the occurrence of any sale of the Project, apply funds on deposit in the Operating Reserve/Repair/Contingency Account in excess of three hundred thousand dollars (\$300,000.00) to the payment of any such unreimbursed Operation and Maintenance Costs, with the balance remaining available for other permitted uses of such funds in accordance with the Indenture, and (ii) upon the occurrence and closing of any sale and provided the Operator remains in operation of the Project at the time of sale, the Trustee shall use any and all funds then remaining on deposit in the Operating Reserve/Repair/Contingency Account for the payment of any then unreimbursed Operation and Maintenance Costs or other Subject Operator Costs owing to the Operator.

4. ***No Further Amendments.*** Except for the express changes set forth in this First Amendment, all other terms and conditions set forth in the Forbearance Agreement shall remain unmodified and continue in full force and effect.

5. ***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 First Amendment.

(b) This First Amendment 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 First Amendment or the Forbearance 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 First 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) The Forbearance Agreement, as amended by this First Amendment, may only be further amended in writing, and such amendment shall only become effective upon the execution by all Parties such amendment.

(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 First Amendment 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.

(g) U.S. Bank Trust Company, National Association is party to the Forbearance Agreement and this First Amendment solely in its capacity as Trustee under the Indenture, and not individually.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment 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: \_\_\_\_\_

*[Signature Page to First Amendment to Amended and Restated Agreement Regarding Temporary Forbearance, Operation of Project and Project Revenues dated as of June 16, 2026]*