

RESOLUTION OF THE COMMISSIONERS COURT OF POLK COUNTY, TEXAS AUTHORIZING AND APPROVING THE RESTRUCTURING OF IAH PUBLIC FACILITY CORPORATION PROJECT REVENUE BONDS, TAXABLE SERIES 2004 AND TAXABLE SERIES 2006 EFFECTIVE AS OF JUNE 1, 2017; APPROVING SECOND AMENDED AND RESTATED LEASE AGREEMENT (WITH OPTION TO PURCHASE), 2017 AMENDED AND RESTATED OPERATION AND MANAGEMENT SERVICES AGREEMENT, AND OTHER MATTERS RELATED THERETO

WHEREAS, Polk County, Texas (the "County") has the authority to issue "sponsor obligations" as defined in Chapter 303, Texas Local Government Code, as amended (the "Act"), to acquire and construct a multi-classification correctional facility in the County (the "Project") pursuant to Section 361.053, Texas Local Government Code; and

WHEREAS, the IAH Public Facility Corporation (the "Corporation") is a public facility corporation created and existing under the Act pursuant to a resolution adopted by the Commissions Court of the County on September 7, 2004; and

WHEREAS, in order to finance the acquisition of the Project, the County requested that the Corporation issue its Project Revenue Bonds, Series 2004 and 2006 (the "Original Bonds"), the proceeds of which were used to finance the design and building of the Project, and other costs associated therewith; and

WHEREAS, the Corporation issued the Original Bonds pursuant to that certain Trust Indenture dated as of November 1, 2004, between the Corporation and U.S. Bank National Association, as trustee (in such capacity, the "Trustee"), as amended and supplemented by that certain First Supplemental Indenture dated as of December 1, 2006 (collectively, the "Original Indenture"); and

WHEREAS, the Corporation leased the Project to the County pursuant to that certain Lease Agreement (With Option to Purchase) dated as of November 1, 2004, as amended by that certain First Amendment to Lease Agreement dated as of December 1, 2006 (collectively, the "Original Lease"); and

WHEREAS, pursuant to a closing agreement relating to the Original Bonds entered into with the Internal Revenue Service, interest on the Bonds was converted from tax-exempt to taxable effective as of November 1, 2015; and

WHEREAS, in connection therewith, (i) the name of the Original Bonds was changed to the "IAH Public Facility Corporation Project Revenue Bonds, Taxable Series 2004 and Taxable Series 2006" (collectively, the "Restated Bonds"), (ii) the Original Indenture was amended and restated pursuant to that certain Amended and Restated Trust Indenture dated as of November 1, 2015 (the "Restated Indenture"), between the Corporation and the Trustee, and (iii) the Original Lease was amended and restated pursuant to that certain Amended and Restated Lease Agreement (With Option to Purchase) dated as of November 1, 2015 (the "Restated Lease"), between the Corporation and the County; and

WHEREAS, as a result of certain defaults affecting the Restated Bonds, the owners thereof, the Corporation and the County have determined to restructure the Restated Bonds (the "Restructuring"); and

WHEREAS, pursuant to the Restructuring, (i) the Restated Bonds will be combined into a single series of bonds designated as the "IAH Public Facility Corporation Project Revenue Bonds, Taxable Series 2017" (the "Series 2017 Bonds"), (ii) the Restated Indenture will be amended and restated pursuant to a Second Amended and Restated Indenture dated as of June 1, 2017 (the "Indenture"), between the

Corporation and the Trustee, (iii) the Restated Lease will be amended and restated pursuant to a Second Amended and Restated Lease (With Option to Purchase) dated as of June 1, 2017 (the "Lease"), between the Corporation and the County, and (iv) the Project will be operated pursuant to a 2017 Amended and Restated Facility Operation and Management Services Agreement dated as of June 1, 2017 (the "Operating Agreement"), between the County and Management & Training Corporation; and

WHEREAS, the Restructuring has been fully examined and discussed, copies of the above-described proposed instruments previously have been made available to each member of this Commissioners Court and presented for its consideration at this meeting, and the material provisions of such documents have been described to this Commissioners Court and fully discussed at this meeting; and

WHEREAS, the Corporation has heretofore met in a duly called meeting and authorized the Restructuring and presented its authorizing Resolution to the Commissioners Court for consideration and approval; and

WHEREAS, this meeting is open to the public as required by law, and public notice of the time, place and purpose of this meeting was given as required by Chapter 551, Texas Government Code;

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF POLK COUNTY, TEXAS:

RESOLVED, that all of the facts recited in the preamble hereto are found and declared to be true and correct and the preamble is incorporated into, and made a part of, this Resolution;

RESOLVED, that the resolution of the Corporation (the "Corporate Resolution") attached hereto as **Exhibit A** has been adopted by the Corporation. The adoption of such Corporate Resolution by the Corporation is hereby approved and recorded;

RESOLVED, that the Commissioners Court hereby approves the terms of the Lease and the Operating Agreement (collectively, the "Agreements") in substantially the forms and substantially to the effect presented to the Commissioners Court with such changes therein as shall be approved by the officers executing same, their execution thereof being conclusive evidence of such approval;

RESOLVED, that the County Judge is authorized to execute and deliver the Agreements and any and all certificates and other instruments described therein and to consent to the Corporation's execution and delivery of the Indenture and the Series 2017 Bonds;

RESOLVED, that the County Judge is authorized to take any and all actions, including but not limited to the execution and delivery of such additional documents, certificates and instruments, as such officer deems necessary to carry out and consummate the transactions described in or contemplated by the instruments approved thereby or otherwise to give effect to the actions authorized hereby and the intent hereof including but not limited to the execution and delivery of any certificates and representations;

RESOLVED, that all action (not inconsistent with this Resolution) heretofore taken by the Commissioners Court or the agents of the County directed toward the Restructuring shall be and the same hereby is ratified, approved, and confirmed in all respects;

RESOLVED, that the Series 2017 Bonds shall never constitute a debt or pledge of the faith and credit or the taxing power of the State of Texas, the County or the Corporation, but shall be payable solely from the sources described in the Indenture;

RESOLVED, that if any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution; and

RESOLVED, that this Resolution shall take effect immediately from and after its adoption.

EXHIBIT A

SUBSTANTIALLY FINAL FORM OF RESOLUTION
OF IAH PUBLIC FACILITY CORPORATION

[to come when finalized]