

**ISSUER NOTICE
OF
PROPOSED RESTRUCTURING OF PROJECT REVENUE BONDS**

**LASALLE COUNTY FACILITY DETENTION CORPORATION
\$11,860,000 TAXABLE PROJECT REVENUE BOND SERIES 2010
(*CUSIP:504698AG6) (“TAXABLE BONDS”)**

**\$11,100,000 TAX EXEMPT PROJECT REVENUE BONDS SERIES 2010
(*CUSIP:504698AH4) (“TAX EXEMPT BONDS”)**

The Tax Exempt and Taxable bonds together, the “BONDS”.

Please forward this notice to beneficial holders.

The Issuer has requested that U.S. Bank National Association, in its capacity as dissemination agent under the Continuing Disclosure Undertaking dated August 1, 2010, post the following notice and information on behalf of the Issuer pursuant to Section 4 of such Undertaking with respect to the Issuer’s negotiations with certain Directing Holders (defined below). It should be further noted that U.S. Bank National Association, in its capacity as the Trustee has not yet considered such proposal and neither the Trustee or the Dissemination Agent makes any representations or recommendations with respect to the same.

**ISSUER NOTICE OF AGREEMENT IN PRINCIPAL TO RESTRUCTURE
BONDS**

LaSalle County Public Facility Detention Corporation, as issuer (the “Issuer”), and U.S. Bank National Association, as trustee (the “Trustee”) previously entered into that certain Trust Indenture dated as of August 1, 2010 (as amended or supplemented, the “Indenture”), pursuant to which the above-referenced bonds were issued. The Issuer used proceeds of the bonds to refund and redeem certain prior bonds issued in connection with the acquisition and construction of detention facilities (the “Project”) located in LaSalle County, Texas (the “County”). The Issuer leased the Project to the County pursuant to that certain Lease Agreement (with option to purchase) dated as of August 1, 2010 (the “Lease”), between the insurer, as lessor, and the County as lessee. The Lease has been assigned to the Trustee. Capitalized terms used and not otherwise defined in this notice shall have the meanings given to such terms in the Indenture or the Lease.

The purpose of this notice is to advise you that the Issuer, the County, and Holders of more than the requisite percentage of the Bonds outstanding (the "Directing Holders") have agreed in principle to the terms of a restructuring of the Bonds. The proposed restructuring terms include: (1) the retirement of \$1,550,000 of Bonds at 44.00 cents (\$682,000) from Trustee held funds; (2) the remaining balance of Bonds (\$18,245,300) will be reduced to \$14,413,550; (3) \$1,000,000 of funds held by the Trustee shall be specifically earmarked for a capital expenditure related to the facility's roof; (4) Bondholders will receive 2% annual interest (1% semiannually) on outstanding principal. All interest will be taxable going forward (5) Semiannually \$651,750 from cash flow will be used to retire debt; (6) The waterfall will change to the following:

- a. Operational costs including \$15,000 per month to County for its operating management fee
- b. Interest and principal
- c. Replenishment of Trustee held funds to \$3,300,000
- d. 50/50 split of excess cash flow to County and bondholders

7. Upon implementation of the above any additional funds that were not allocated per the steps above will be used towards the replenishment of the Trustee held funds