



Corporate Trust Services
633 W. Fifth Street, 24th Floor
Los Angeles, CA 90071

NOTICE REGARDING STATUS OF PROJECT

**\$35,470,000 Texas Midwest Public Facility Corporation Project Revenue Bonds
(Secure Treatment Facility Project) Series 2009
*CUSIPs: 882256EAA3, 88256EAB1 & 88256EAC9
(the "Bonds")**

Please forward this notice to beneficial holders.

U.S. Bank National Association ("U.S. Bank") serves as trustee (in such capacity, the "Trustee") under that certain Trust Indenture dated as of May 1, 2009 (the "Indenture"), by and between Texas Midwest Public Facility Corporation (the "Issuer") and the Trustee, pursuant to which the above-referenced Bonds were issued. The Issuer used the proceeds of the Bonds to finance its acquisition, construction and equipping of a secure treatment or detention facility (the "Project"), located in Jones County, Texas. The Issuer leased the Project to the County pursuant to that certain Lease Agreement dated as of May 1, 2009 (the "Lease") between the Issuer, as lessor, and Jones County (the "County") as lessee. The Lease has been assigned to the Trustee. Rental Payments by the County as lessee together with amounts held by the Trustee under the Indenture support payments due on the Bonds. The County's obligation to make Rental Payments under the Lease is payable solely from Project Revenues derived from operation of the Project. The Bonds are further secured by that certain Deed of Trust and Security Agreement dated May 1, 2009, (the "Deed"), granted by the issuer for the benefit of the Trustee. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Indenture.

As previously advised, the Project has never been operated and has not generate any Project Revenues. The Trustee's rights are limited to Project Revenues and its collateral interests in the Project and funds held under the Indenture. There have been longstanding Events of Default under the Indenture including the failure to pay principal and interest payments on the Bonds. The Project assets have a specialized design as a treatment or detention facility, which, together with its location, has been an impediment to a sale in recent years.

This notice is intended to supplement the Trustee's notice dated February 15, 2017 indicating that the Trustee had received an indication of interest from a party to purchase the Project free and clear of the Trustee's interests. Please be advised that the Trustee is now in discussions with that potential purchaser of the Project in connection with a potential transaction in which the Trustee would receive \$30,000,000. in consideration for the Trustee's interests in the Project. The Trustee does not know whether the contemplated agreement or transaction will occur and reserves all rights under the Indenture, including the right to seek direction and indemnity from the requisite Bondholders before entering into any binding agreement.

Please contact the Trustee if you are interested in providing any direction to the Trustee with respect to enforcement actions. The Trustee is holding only limited funds under the Indenture at this time, and any direction for the Trustee to pursue enforcement actions may require an indemnity satisfactory to the Trustee.

Prior to any distribution of funds to holders of the Bonds, funds held or received by the Trustee under the Indenture are to be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. This includes, but is not limited to, compensation for Trustee time spent, and the fees and costs of counsel and other agents it employs, to pursue remedies or other actions to protect the security or other interests of holders of the Bonds.

Recent Notices to Holders, the Official Statement and other information concerning the Bonds can be found on the Municipal Securities Rulemaking Board (MSRB) website at www.emma.msrb.org. Holders with questions about this notice should direct them to Keith R. Marshall, Vice President, U.S. Bank National Association, 633 W. Fifth Street, 24th Floor, Los Angeles, CA 90071. Mr. Marshall's telephone number is (213) 615-6034 and his email address is Keith.Marshall@usbank.com. Holders with questions may also contact U.S. Bank at either (800) 934-6802, option 4; or: www.usbank.com/corp_trust/bondholder_contact.html.

The Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no legal or investment advice. Holders should consult with their own legal counsel regarding the Direction and Forbearance Agreement.

U.S. Bank National Association,
as Trustee

February 17, 2017

* Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.