Notice of Material Event
For Continuing Disclosure Requirements of SEC Rule 15c2-12

This Notice is being provided pursuant to the requirement of Rule 15c2-12 (the "Rule") of the Securities Exchange Act of 1934, as notification of occurrence of the following material event as defined in paragraph (b)(5)(i)(C) of the Rule.

Since moving all federal inmates from its County Tom Bowles facility in December 2013 to the Maverick County Detention Center (MCDC) in an attempt to support MCDC operations after the private operator left on October 31, 2013, Maverick County incurred over $2.5M in losses to related General Fund revenue budgeted during FYE 9/30/14 (~ 18% of the ~$13.7M Total General Fund Budget). While efforts were made to reduce expenses at the Tom Bowles facility during the year, it is estimated that ~$1.2M+ was still ultimately lost as a result of the takeover alone. Although other General Fund revenue did come in above budget and other General Fund expenses did come in below budget in FYE 9/30/14, the Maverick County Auditor's Office is still in the process of determining what the final amount of losses in FYE 9/30/14 were to Maverick County. The Trustee for the Public Facility Corporation (PFC) bond issue that financed the MCDC has been unresponsive to multiple proposals submitted on behalf of the PFC (***See Attached***) to begin recovering some of the County's FYE 9/30/14 losses resulting from the MCDC takeover and to ensure the County is not held responsible for the ~$690,000 owed to the former operator that was appropriated for bond payments from funds reserved for this purpose.

Maverick County budgeted ~$2.780M in General Fund revenue to be produced by the Tom Bowles facility in FYE 9/30/15 composed of approximately 146 federal inmates (~21% of the ~$13.3M Total General Fund Budget), yet because the facility has not started accepting federal inmates again at 6 months - it is estimated that only ~$250,000 has been generated where if unchanged would result in revenue losses to the County of ~$2.280M for the year. Attempts to ensure the Tom Bowles facility started accepting federal inmates again immediately to stem losses to the County of over $100,000 a month have been ignored. Efforts have also been made by our firm as the County's Financial Advisor to secure updated financial information from the County in order to provide a financial outlook for the final 6 months of FYE 9/30/15, however our firm has been told that this information would not be provided and subsequent attempts to secure this information have been ignored (including a Texas Public Information Request). The gravity of the financial challenges facing the County over the last 6 months of FYE 9/30/15 is unknown at the moment, but it is estimated that in the first 6 months more than 95% of ~$5.2M in budgeted General Fund tax revenue has been collected and that the I&S Fund should contain sufficient dollars to meet the County's Debt Service obligations in September 2015 (assuming the funds are not used for other purposes before then).

We have also become aware in our role as Financial Advisor that the County's FYE 9/30/13 Audit was recently approved at the Commissioners Court meeting on April 7, 2015 despite our firm and others repeatedly identifying how multiple sections of the Audit contained materially inaccurate and/or incomplete information prior to being submitted for approval to Commissioners Court.

February 9, 2015

Lorna Gleason
Senior Vice President, Special Accounts
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Re: Maverick County Public Facility Corporation $42,255,000 Project Revenue Bonds, Series 2007A-1 (the "Bonds")

Dear Ms. Gleason & Ms. Roberson,

Southwestern Capital Markets, Inc. serves as Financial Advisor to the Maverick County Public Facility Corporation and started the formal process of working with the Bondholders and Trustee towards establishing a framework and facilitating a consensus on agreements relating to the above-referenced Bonds in July 2014.

Since this time, the full 8/1/14 Interest payment was made on the Bonds (without accessing the Debt Service Reserve Fund); more than 66 2/3 rds of the holders in aggregate principal amount of the bonds voted to reimburse Maverick County $805,794 on 9/12/14 for advances made from the County's own funds for operating costs and expenses related to the Maverick County Detention Center in order to allow the County to function until tax revenue started arriving again (without accessing the Debt Service Reserve Fund); and the full 2/1/15 Interest payment was made on the Bonds (without accessing the Debt Service Reserve Fund).

Though U.S. Bank and UMB Bank as Trustees collected the scheduled Rental Payment Deposits over the six month period covering July-December 2014 operations for a combined $1,874,358 total, the Rental Fund ended up short by ~$707,467 against the 2/1/15 Principal amount of $1,415,000 once the $1,166,853 Interest payment was satisfied on 2/1/15. The Bondholders and Trustee will note that this shortfall in the Rental Fund on 2/1/15 is a direct result of $707,524 being removed from the Rental Fund on 9/12/14 to pay the majority of the $805,794 reimbursement to Maverick County and as such the only way this $707,524 amount could have been replaced by 2/1/15 is if operations revenue from the Maverick County Detention Center had produced $707,524 more in revenue than projected over the last six months, which did not occur.

The next month of Rental Payment Deposits and operations funding will be covered with revenue received later this month from January 2015 operations billing, however there are still two financial priorities identified in our July 14, 2014 letter which have yet to be addressed. The unfortunate fact that the 2/1/15 Principal payment was not fully satisfied also provides a unique opportunity for the Bondholders to consider approving the use of ~$707,540 currently available in the Rental Fund to address one of these unfinished financial priorities immediately and the other over a period of time in such a way that would benefit the Detention Center and County in the future.

REQUEST

Maverick County Public Facility Corporation seeks to enter into an agreement regarding protective advances and/or forbearance whereby, subject to certain financial concessions by the Trustee and Bondholders, the Maverick County Sheriff's Office will continue to operate the Maverick County Detention Center under certain conditions going forward.

One of the unaddressed financial priorities identified in our July 14, 2014 letter was to ensure GEO received payment for amounts owed to it as the old operator which were estimated at $690,385. Another unaddressed financial priority identified in our July 14, 2014 letter is the remaining ~$1,125,000 (after the $805,794 reimbursement on 9/12/14) of the original $1,930,000 amount requested by the County to replace funding diverted from County operations since taking over the project.

Any plan to address these priorities while continuing to generate sufficient Detention Center revenue to support operations and debt service during the remainder of this fiscal year must necessarily incorporate the County requirement that it be accomplished without any further advances of County funds and with the Tom Bowles County Jail starting to accept inmates again. The County's FYE 9/30/15 approved budget did not allocate any funds to support the Detention Center, but it did schedule revenue from about 146 inmates per month for 12 months at the Tom Bowles County Jail. Various sections of the Maverick County Public Facility Corporation Series 2007 Bonds' Official Statement titled "Assumptions Regarding Feasibility", "Future Need for Project", "Performance by the Operator" and "Insufficiency of Project Revenues" also made clear to investors at the time of the bond issue in 2007 that there were no contracts or commitments from any state or federal agencies to incarcerate inmates at the Detention Center, that the County already had a contract with the USMS for the Tom Bowles County Jail, that there could be no assurances that contracts with agencies for the Detention Center could be secured or if secured would continue, that there were no assurances about the number of inmates to be housed at the Detention Center in the future, that there were no assurances about the future supply of beds or demand for beds, that there were no assurances as to the existence and success of future operators if GEO left and that purchasers of the bonds were ultimately assuming the risk of insufficient revenue in the future and that if this occurred then the only recourse against the Issuer and County would be to take possession of the project for lease or sale (**See <u>Exhibit 1</u>**).

To the extent Bondholders' priority continues to be preserving the full year of ~$3.7M currently held in Debt Service Reserves, it's conceivable that terms of a plan with the County could be worked out to cover the remainder of the fiscal year where the County would receive 90%-100% of all revenue remaining after the monthly Rental Payment Deposit and Operation and Maintenance Costs are satisfied (due to Bondholders' decision to not advance dollars from the Debt Service Fund). This arrangement would provide ample incentive to the County and Sheriff's Office to maximize Detention Center revenue and could be re-evaluated before the start of FYE 9/30/16 to determine if the plan should be continued, adjusted or if the County would prefer to once again receive a guaranteed annual amount like the ~$400,000 Impact Fee it previously received since 2008 when GEO served as operator.

A procedural issue that needs to be corrected immediately regardless of any new plan though is that the County cannot be expected to ensure all future revenue is sent to the Trustee if the County has no assurance that the Trustee will consistently adhere to its obligations under the same documents to release any remaining Project Revenue available (after satisfying the monthly Rental Payment Deposit of 1/6 Interest & 1/12 of Principal) for Operation and Maintenance Costs due then or within the next month - as described in the "Flow of Funds" section of the Official Statement - where the County risks having to advance unbudgeted dollars to cover Detention Center operations (**See Exhibit 2**). A recent example of this issue is shown where ~$100,000 of the $385,000 requested from the Trustee by the Sheriff's Office for Operation and Maintenance Costs (due then or within the next few weeks) has been withheld since 1/26/15 despite that it's been made clear the County can no longer advance its own funds to satisfy these or any other Operation and Maintenance Costs.

After admirable efforts to supplement revenue and keep costs down, the Tom Bowles County Jail is still losing about $100,000 per month on average by continuing to accept no federal inmates so there is only a small window to forge a sensible agreement going forward and it is accordingly requested for the Trustee to organize a Bondholder call within the next week to discuss this request and make Bondholders aware that a formal agreement will need to be reached before the end of February on a possible forbearance of the full $1,415,000 2/1/15 Principal payment (to allow for the release of ~$707,540 currently in the Rental Fund) together with any terms of future revenue sharing.

We look forward to working with you to develop a realistic plan that will balance the needs of the Detention Center along with those of Maverick County over the remainder of FYE 9/30/15.

Regards,

Robert G. Rodriguez
President & CEO

EXHIBIT 1

("ACA") standards ("National Detention Standards"). If the Facility is at any time unable to meet National Detention standards or TCJS standards, the ability of the County to generate Project Revenues sufficient to pay principal and interest on the Bonds and Operation and Maintenance Costs will be materially adversely affected.

Insufficiency of Project Revenues

The Series 2007 Bonds are payable by the Issuer solely from the Rentals, including the Rental Payments payable by the County pursuant to the Lease, and the County is obligated to make Rental Payments and pay Operation and Maintenance Costs solely from the Project Revenues without recourse to the Issuer or the County. Thus the Bondholders assume the risk in the event there are insufficient Project Revenues. The failure of the County to derive sufficient Project Revenues from incarceration fees, including amounts paid by the County with respect to its inmates, to pay the Rental Payments and to pay Operation and Maintenance Costs would materially impair the Issuer's ability to continue to pay principal and interest on the Series 2007 Bonds when due. If there is a shortfall in Project Revenues, the County will be unable to pay the Rental Payments in full and to pay the Operation and Maintenance Costs. The County has covenanted in the Lease to operate the Project as a detention facility and use its best efforts to produce Net Revenues sufficient to pay the Rental Payments. See "The Lease—Imposition of Charges." However, Project Revenues are not only affected by the rates charged, but also depend on the number of inmates actually housed at the Project and market factors may prevent the County from charging a rate that would offset volume decreases. The only recourse against the Issuer or the County other than from Project Revenues will be the Issuer's interest in the Project, pledged under the Deed of Trust, and the resulting ability to take possession of the Project upon default. In such event, the revenues derived from the leasing or the sale of the Project may be substantially less than the principal and interest due with respect to the Series 2007 Bonds.

In the event Project Revenues are insufficient to pay amounts due with respect to the Series 2007 Bonds, amounts in the Reserve Fund will be available to make such payments. Amounts in the Reserve Fund may not be sufficient to cover shortfalls in the Bond Fund where there is a prolonged period of Project Revenue shortfalls. The Reserve Requirement is equal to the maximum amount due with respect to the Series 2007 Bonds in any future bond year (other than the last bond year).

Ability to Sell or Lease the Project

In the event of a default in payment of principal of and interest on the Series 2007 Bonds, a remedy available to the Trustee or the holders of a majority in principal amount of the Bonds then Outstanding is to foreclose on the Deed of Trust and attempt to sell the Project or to lease the Project to another lessee. There can be no assurances that the Trustee or the Issuer will be able to find a willing purchaser or lessee for the Project or that there will be a continued demand for the Project in the future. The failure to sell or re-lease the Project for a sale price or Rentals that would generate amounts, after payment of certain costs and expenses, sufficient to pay principal and interest on the Series 2007 Bonds then Outstanding will materially adversely affect the ability of the Trustee to pay the Series 2007 Bonds in full. Any sale or lease of the Project may require compliance with the laws of the State applicable thereto. Such compliance may be difficult, time-consuming and/or expensive.

The Project is specifically constructed for jail purposes and is not readily adaptable to other, non-jail, revenue generating uses. As a result, in the event of a sale of the Project pursuant to the Deed of Trust, the number of uses that could be made of the property and the number of entities that would be interested in purchasing the Project would be limited, and the sale price would thus be affected. Even if the Trustee should acquire title to the Project pursuant to its remedies under the Deed of Trust, the ability of the Trustee to lease or resell the Project to third parties, thereby liquidating the investment, would be limited as a result of the nature of the Project. For these reasons no assurance can be made that the amount realized upon any forced sale of the Project will be fully sufficient to pay and discharge the Series 2007 Bonds. In particular, there can be no representation that the cost of the property included in the Project constitutes a realizable amount upon any forced sale thereof.

Assumptions Regarding Feasibility

The County has retained GSA, Limited, Fairview, Texas to prepare "An Analysis of the Feasibility of Constructing a Contract Detention Center" dated July 2007 (the "Feasibility Analysis"), a copy of which is reproduced herein as Appendix A. The Feasibility Analysis contains information material to a decision to purchase the Series 2007 Bonds and should be read in its entirety. The Feasibility Analysis contains, among other things, (a) historical secure bed occupancy rates in the State and the region where the Project will be located, (b) projected utilization of the Project, and (c) projected debt service coverage of revenues of the Project. Prospective investors should carefully evaluate the information in the Feasibility Analysis. The Feasibility Analysis has been included herein in reliance upon the knowledge and experience of GSA, Limited, Fairview, Texas. The actual financial results achieved during the period will vary from historical results and those differences may be material. See Appendix A—"Feasibility Analysis." Neither the Issuer, the County, nor either of the Underwriters has independently verified the financial data included therein and none of such parties makes any representations or gives any assurances that such data is complete or correct. The ability of the County to achieve financially sustaining levels of occupancy at the Project is subject to a number of factors. The fact that other governmental entities may have overcrowded detention facilities does not necessarily mean that any of their inmates will be sent to the Project for incarceration. While the County anticipates that contracts with Transferring Entities for the incarceration of their inmates will be in effect during the entire period the Series 2007 Bonds are Outstanding, there can be no assurances that such contract will be in effect, and if they are, there can be no assurances as to the number of inmates covered by, or the length of, those contracts. The ability of the County to enter into such contracts on a continuing basis will be dependent, among other things, on the physical condition of the Project, the per prisoner cost charged by the County for incarcerating prisoners, and the supply of other incarceration and detention facility beds elsewhere. See "Risk Factors—Future Need for Project" below.

Further, neither the Issuer, the County, the Trustee nor either of the Underwriters makes any representations or gives any assurance that the assumptions incorporated in the Feasibility Analysis are valid. The ability of the County to achieve financially sustaining levels of occupancy at the Project is subject to a number of factors. While the County has an existing agreement with the USMS for the use of beds in its existing county jail, and anticipates entering into a new or re-negotiated intergovernmental agreement with the USMS for the incarceration of inmates in the Project, there can be no assurances that it will be able to do so, and if it does, there can be no assurance as to the number of inmates covered by, or the length of, those contracts. The ability of the County to enter into such contracts initially and on a continuing basis will be dependent, among other things, on the physical condition of the Project, the per inmate cost charged by the County for incarcerating inmates, and the supply of other incarceration and detention facility beds elsewhere. Currently, the County does not have any commitment or binding contract with any state or federal agency to incarcerate its inmates in the Project.

Restrictions on Eligible Inmates

Counsel to the County, will issue their opinion that State law presently permits the incarceration in the Project of inmates from the County, the State, any other governmental entity of the State and federal inmates arrested in the State under the control of federal agencies in Texas who are awaiting transfer to other facilities or other disposition under applicable federal law. If State law should be amended so as to prohibit bed space in the Project from being occupied by inmates from such governmental entities, if other states are not permitted under applicable law to transfer their inmates out-of-state to the Project, if federal laws are changed to prohibit the transfer of inmates to the Project or to the extent that the exemption from gross income of interest on the Series 2007A-1 Bonds may be adversely affected pursuant to applicable federal tax law by the housing of federal inmates in the Project, the Project may not be able to generate sufficient Project Revenues to pay the Rental Payments (and therefore the principal and interest on the Series 2007 Bonds) by housing only legally available inmates.

Future Need for Project

The continuing demand for the beds in the Project is predicated on the assumption that demand for jail space, in the aggregate, will continue to exceed the supply of available space. However, due to economic, social, and political factors, it is impossible to predict whether this assumption will hold true. In general, the closer the supply of bed space comes to meeting or exceeding the demand therefor, the more difficult it will be for the County to house inmates at an occupancy level and at per diem rates that will generate Project Revenues sufficient to pay the Rental Payments and to pay Operation and Maintenance Costs.

Alternative Sentencing Programs

In addition to the traditional methods of incarcerating convicted criminals in state prisons and local jails, or probating or deferring the adjudication of their sentences, new alternative sentencing programs are being developed at the state and local level to help reduce the overcrowding in the prisons and jails. Alternatives include work release programs and allowing convicted persons to perform community service or submit themselves to confinement and electronic monitoring in lieu of incarceration. The implementation of these various sentencing alternatives could negatively impact the supply of inmates which could be incarcerated in the Project.

Performance by the Operator

The Operator is in the business of operating detention and jail facilities. However, the initial term of the Operating Agreement is for only three years from the date inmates are first housed in the Project and may be terminated at the option of the County at the end of the initial two-year period. No assurances can be given that the Operator will continue to operate the Project thereafter, or that the Operator will remain financially able to perform its obligations under the Operating Agreement. In such event the County's ability to continue to lease the Project and house inmates would in large part be dependent upon the County's ability to operate, manage, and maintain the Project itself or to contract with another company competent to operate, manage, and maintain the Project. The failure of the County to operate the Project, either itself or by contracting with another company to operate the Project, would materially adversely affect the County's ability to generate Project Revenues sufficient to make the Rental Payments and to pay Operation and Maintenance Costs.

Resale of Series 2007 Bonds

In the secondary market for securities similar to the Series 2007 Bonds, the difference between the bid and asked price may be greater than the bid and asked spread for more traditional types of municipal securities.

Remedies may be Unenforceable

Purchasers of the Series 2007 Bonds should understand that in the event of a default or other termination of the Lease, or in the event of a default under the Indenture or the Deed of Trust, the remedies provided in the Lease, the Indenture and the Deed of Trust may be unenforceable as a result of the application of principles of equity or of state and federal laws relating to bankruptcy, other forms of debtor relief and creditors' rights generally. Furthermore, it is not certain whether a court would permit the exercise of the remedies of repossession and sale or leasing with respect thereto.

The enforcement of any remedies provided in the Lease, the Indenture and the Deed of Trust could prove both expensive and time consuming. The Lease provides that the Issuer may take possession of the Project and sell or lease it in total if there is a default by the County. The Lease also provides that the Issuer and the Trustee may have such rights of access to the Project as may be necessary to exercise any remedies. See "The Lease—Defaults and Remedies." The Deed of Trust provides that the Trustee, through the deed of trust trustee or otherwise, may lease, operate or foreclose and sell the Project if an event of default occurs under the Lease, the Indenture or the Deed of Trust. See "The Deed of Trust—Defaults and Remedies."

Prepayment Risk

Early prepayment of the Series 2007 Bonds may occur (i) in the case of the Series 2007 Bonds, if the County, on and after August 1, 2017, exercises its right to direct the Issuer to redeem Series 2007 Bonds, in whole on any date, or in part on any Interest Payment Date; (ii) in whole, on the next succeeding Interest Payment Date for which notice can be given, if the Project is destroyed, condemned or damaged and the County exercises its purchase option; or (iii) in whole, at the option of the County, upon a Determination of Taxability. In such case, the Outstanding Series 2007 Bonds will be paid prior to the scheduled maturity date.

("ACA") standards ("National Detention Standards"). If the Facility is at any time unable to meet National Detention standards or TCJS standards, the ability of the County to generate Project Revenues sufficient to pay principal and interest on the Bonds and Operation and Maintenance Costs will be materially adversely affected.

Insufficiency of Project Revenues

The Series 2007 Bonds are payable by the Issuer solely from the Rentals, including the Rental Payments payable by the County pursuant to the Lease, and the County is obligated to make Rental Payments and pay Operation and Maintenance Costs solely from the Project Revenues without recourse to the Issuer or the County. Thus the Bondholders assume the risk in the event there are insufficient Project Revenues. The failure of the County to derive sufficient Project Revenues from incarceration fees, including amounts paid by the County with respect to its inmates, to pay the Rental Payments and to pay Operation and Maintenance Costs would materially impair the Issuer's ability to continue to pay principal and interest on the Series 2007 Bonds when due. If there is a shortfall in Project Revenues, the County will be unable to pay the Rental Payments in full and to pay the Operation and Maintenance Costs. The County has covenanted in the Lease to operate the Project as a detention facility and use its best efforts to produce Net Revenues sufficient to pay the Rental Payments. See "The Lease—Imposition of Charges." However, Project Revenues are not only affected by the rates charged, but also depend on the number of inmates actually housed at the Project and market factors may prevent the County from charging a rate that would offset volume decreases. The only recourse against the Issuer or the County other than from Project Revenues will be the Issuer's interest in the Project, pledged under the Deed of Trust, and the resulting ability to take possession of the Project upon default. In such event, the revenues derived from the leasing or the sale of the Project may be substantially less than the principal and interest due with respect to the Series 2007 Bonds.

In the event Project Revenues are insufficient to pay amounts due with respect to the Series 2007 Bonds, amounts in the Reserve Fund will be available to make such payments. Amounts in the Reserve Fund may not be sufficient to cover shortfalls in the Bond Fund where there is a prolonged period of Project Revenue shortfalls. The Reserve Requirement is equal to the maximum amount due with respect to the Series 2007 Bonds in any future bond year (other than the last bond year).

Ability to Sell or Lease the Project

In the event of a default in payment of principal of and interest on the Series 2007 Bonds, a remedy available to the Trustee or the holders of a majority in principal amount of the Bonds then Outstanding is to foreclose on the Deed of Trust and attempt to sell the Project or to lease the Project to another lessee. There can be no assurances that the Trustee or the Issuer will be able to find a willing purchaser or lessee for the Project or that there will be a continued demand for the Project in the future. The failure to sell or re-lease the Project for a sale price or Rentals that would generate amounts, after payment of certain costs and expenses, sufficient to pay principal and interest on the Series 2007 Bonds then Outstanding will materially adversely affect the ability of the Trustee to pay the Series 2007 Bonds in full. Any sale or lease of the Project may require compliance with the laws of the State applicable thereto. Such compliance may be difficult, time-consuming and/or expensive.

The Project is specifically constructed for jail purposes and is not readily adaptable to other, non-jail, revenue generating uses. As a result, in the event of a sale of the Project pursuant to the Deed of Trust, the number of uses that could be made of the property and the number of entities that would be interested in purchasing the Project would be limited, and the sale price would thus be affected. Even if the Trustee should acquire title to the Project pursuant to its remedies under the Deed of Trust, the ability of the Trustee to lease or resell the Project to *third parties, thereby liquidating the investment*, would be limited as a result of the nature of the Project. For these reasons no assurance can be made that the amount realized upon any forced sale of the Project will be fully sufficient to pay and discharge the Series 2007 Bonds. In particular, there can be no representation that the cost of the property included in the Project constitutes a realizable amount upon any forced sale thereof.

Assumptions Regarding Feasibility

The County has retained GSA, Limited, Fairview, Texas to prepare "An Analysis of the Feasibility of Constructing a Contract Detention Center" dated July 2007 (the "Feasibility Analysis"), a copy of which is reproduced herein as Appendix A. The Feasibility Analysis contains information material to a decision to purchase

EXHIBIT 2

apply to or affect all Outstanding Bonds ratably and the Trustee and the Issuer shall have received an opinion to the effect that such supplemental indenture is permitted by applicable law and will not adversely affect the legality or validity of the Bonds. See "The Indenture—Supplemental Indentures."

Insurance

The Project is insured to the extent set forth in the section herein entitled "The Lease—Insurance." The County will provide such insurance as an Operation and Maintenance Cost. Net Proceeds of casualty insurance will be used to replace or repair the Project or, if the County so elects, such Net Proceeds will be applied to pay the Purchase Price and redeem the Bonds in whole, on the next succeeding Interest Payment Date for which notice of redemption can be given, at a redemption price equal to the principal amount thereof, together with accrued interest. See "The Series 2007 Bonds—Extraordinary Redemption." Net Proceeds of business interruption insurance will be used to pay Operation and Maintenance Costs and Rental Payments for a period of one year when Project Revenues are insufficient to pay such amounts due to damage or destruction of the Project.

Reserve Fund

The Reserve Fund is established by the Indenture and is required to be funded from the proceeds of the Series 2007 Bonds in an amount equal to $3,754,331.25, representing the Reserve Requirement upon the issuance of the Series 2007 Bonds. Amounts in the Reserve Fund are to be used only to make payments of debt service of the Series 2007 Bonds to the extent amounts in the Bond Fund are insufficient; and on the final Interest Payment Date or any date on which the Bonds are to be redeemed in whole, to pay the principal of and interest on, or the redemption price of, the Bonds, as the case may be. To the extent that the amounts in the Reserve Fund exceed the Reserve Requirement, all interest or income received on the investment of the Reserve Fund will be transferred to the Bond Fund. See "The Indenture—Reserve Fund."

Rental Payments

The County has agreed to pay Rental Payments, solely from Project Revenues and other funds available in the Trust Estate, continuing through February 1, 2029 in amounts equal to the principal and interest due, or subject to mandatory sinking fund redemption on such dates, on the Series 2007 Bonds. In order to ensure that there will be sufficient money available in the Bond Fund to pay the interest and principal payable on the Series 2007 Bonds when due, the County has agreed to pay the Rental Payment Deposits on or before the tenth day of each month during the Lease Term. Each Rental Payment Deposit is in an amount equal to one-sixth of the interest on the Series 2007 Bonds due on the next Interest Payment Date and one-twelfth of the principal amount of Series 2007 Bonds due or subject to mandatory sinking fund redemption on the next February 1. A portion of the proceeds of the Series 2007 Bonds will be deposited into the Bond Fund and, together with interest income thereon and on the moneys in the Reserve Fund, applied as a credit against the Rental Payment Deposits due with respect to the Series 2007 Bonds on or before January 10, 2009, the date which is five months beyond the expected completion and acceptance of the Improvements. The Rental Payments and Rental Payment Deposits will be assigned and are to be transmitted directly to the Trustee. The Indenture requires that the Rental Payment and Rental Payment Deposits be deposited in the Bond Fund and applied to make principal and interest payments when due with respect to the Series 2007 Bonds. The County will receive a credit against the Rental Payment Deposits equal to interest income on money in the Reserve Fund transferred semiannually to the Bond Fund, and, with respect to the final twelve Rental Payment Deposits, from amounts transferred from the Reserve Fund to the Bond Fund. The County will receive a credit against the Rental Payment due equal to amounts transferred by the Trustee from the Rental Account in the Project Fund established and held by the Trustee as Rental Payment Deposits, interest income on moneys in the Bond Fund and interest income on moneys in the Reserve Fund transferred semiannually to the Bond Fund.

Flow of Funds

Pursuant to the Lease, the County has agreed to deposit all Project Revenues to the Project Fund established and held by the Trustee. Each month after the Trustee has set aside sufficient money from Project Revenues to pay the Rental Payment Deposit next coming due in the Rental Account of the Project Fund, the Trustee will deposit or distribute any remaining Project Revenues to the following accounts in the Project Fund in the following priority: (i) to the Operating Account, an amount which, together with any amount then on deposit therein, equals Operation and Maintenance Costs then due and payable or due and payable within the next month, including, without limitation, the Operator Fee (All-Inclusive), if applicable, (ii) to the Operator Fee Account the amount of any Operator Fee (Cost-Plus), if that is the type of fee which will be paid to the Operator pursuant to the Operating Agreement, to be used to pay the Operator, (iii) to the Operating Reserve/Repair/Contingency Account an amount equal to $20,000 or such lesser amount as is necessary to cause the balance therein to equal $400,000, and (iv) to the Surplus Account any remaining Project Revenues. See "The Lease—Project Fund." Pursuant to the terms of the Indenture, all Rental Payments and Rental Payment Deposits received by the Trustee pursuant to the Lease and any other money required to be deposited therein pursuant to the Lease or the Indenture will be deposited in the Bond Fund, except that payments of additional rentals made by the County to replenish the Reserve Fund will be deposited in the Reserve Fund. See "The Lease—Project Fund" and "Security for the Bonds—Reserve Fund."

The Trustee will withdraw from the Bond Fund on or before each Interest Payment Date, an amount sufficient to pay the interest on the Series 2007 Bonds due and payable on such date, and will cause the same to be applied to the payment of interest due with respect to the Series 2007 Bonds on such dates. The Trustee will withdraw from the Bond Fund on or before each February 1, commencing February 1, 2010, an amount sufficient to pay the principal of the Series 2007 Bonds due and payable or subject to mandatory sinking fund redemption on such date, and will cause the same to be applied to the payment of principal of the Series 2007 Bonds.

Payments of the Purchase Price, and any other amounts directed to be applied to the permitted optional redemption of Bonds, received by the Trustee, and in certain cases Net Proceeds of insurance or condemnation, will be deposited in the Bond Fund and applied to redemption of Bonds.

THE SERIES 2007 BONDS

General Provisions

The Series 2007 Bonds will be dated, as originally issued, as of their date of delivery, will mature on the dates and in the amounts, and will bear interest at the annual rates, as shown on the inside cover page hereof. Interest on the Series 2007 Bonds, which accrues commencing on their date of delivery, will be payable semiannually on February 1 and August 1 of each year to the date of maturity or redemption, whichever is earlier, commencing on February 1, 2008. The principal of the Series 2007 Bonds will be payable upon presentation and surrender thereof at the operations center of the Trustee in St. Paul, Minnesota. Interest on the Series 2007 Bonds will be payable by check or draft of the Trustee mailed to the persons appearing as registered owners at the addresses shown on the registration records maintained by the Trustee as of the close of business on the fifteenth day of the month, whether or not a business day, immediately preceding each Interest Payment Date, or by wire transfer to owners of at least $1,000,000 in aggregate principal amount of Series 2007 Bonds, pursuant to a written agreement between such owner and the Trustee, such request to be made at least five business days prior to the Interest Payment Date.

The Series 2007 Bonds are issued in fully registered form in the denomination of $5,000 or any integral multiple of $5,000. The Series 2007 Bonds may be transferred at the principal corporate trust office of the Trustee. The Series 2007 Bonds may be exchanged for an equal aggregate principal amount of registered Series 2007 Bonds of the same maturity of other authorized denominations in accordance with the terms of the Indenture. For every such exchange or transfer of Series 2007 Bonds, the Trustee will make a charge sufficient to reimburse it for any tax, fee or other governmental charges required to be paid with respect to such exchange or transfer. The Trustee is not required to transfer or exchange Series 2007 Bonds during the fifteen days next preceding the date of first publication or notice (if there is no publication) of redemption or of any Series 2007 Bonds selected for redemption.

However, the Series 2007 Bonds are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company, as securities depository for such Series 2007 Bonds. Purchases by Beneficial Owners are to be made in book-entry form in the principal amount of $5,000 or any integral multiple thereof. Payments to Beneficial Owners are to be made as described below in "Book-Entry Only System" herein.

February 25, 2015

Lorna Gleason
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UMB Bank
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Re: Maverick County Public Facility Corporation $42,255,000 Project Revenue Bonds, Series 2007A-1 (the "Bonds")

Dear Ms. Gleason & Ms. Roberson,

Southwestern Capital Markets, Inc. serves as Financial Advisor to the Maverick County Public Facility Corporation (the Issuer) and started the formal process of working with the Bondholders and Trustee towards establishing a framework and facilitating a consensus on agreements relating to the above-referenced Bonds in July 2014.

In order to make up for valuable lost time since the 2/9/15 Request, please immediately send the most recent draft of all agreements currently being proposed on behalf of the Bondholders containing terms Bondholders have initially provided to the Trustee for inclusion so that these terms can be reviewed by our firm as the Issuer's Financial Advisor in conjunction with the Issuer's Legal Counsel.

Because the Trustee to date has provided no feedback from the Bondholders in response to the two sets of terms outlined in the 2/9/15 Request on behalf of the Issuer and has provided no terms proposed by the Bondholders to be reviewed on behalf of the Issuer, then this letter should be distributed to all Bondholders by the Trustee to provide the most recent updates to the general terms being proposed by the Issuer and facilitate arriving at a consensus on final terms quickly.

The Sheriff's Office would consider continuing to operate the Project through September 30, 2015 under the following general conditions:

Starting 3/1/15, the Tom Bowles County Jail will begin accepting federal and other inmates again as it was doing before, during and after the bond issue in 2007 (up to a maximum of 150 inmates after allocating the space required for housing of Maverick County prisoners - though an internal limit can be set voluntarily by the County in exchange for agreement by the Trustee and Bondholders to certain conditions and financial concessions contained in the list below). The County will advance no additional funds to the Project through 9/30/15 and will be reimbursed any outstanding amounts owed to it upon verification within seven days.

1) To ensure the County will not be required to advance any further funds, it is proposed that a new account be set up at an independent bank to receive all future Project Revenues with information access only by the Trustee from which the new bank will be required to deduct the monthly Rental Payment Deposit on behalf of the Trustee once it is confirmed with the Sheriff's Office that there are sufficient funds to pay Operation and Maintenance Costs due within the next month;

2) Forbearance of the full $1,415,000 Principal amount due 2/1/15 and release of the full ~$707,600 from the Rental Fund to the County in order to repay a portion of the remaining $1,125,000 of the original $1,930,000 amount requested by the County to replace funding diverted from County operations since taking over the project (relating to FYE 9/30/14);

3) Accessing of up to the amount agreed to by GEO to pay for their last three months of work at the MCDC ($690,385 plus any interest) from the Debt Service Reserve Fund upon verification of the amounts appropriated for the monthly P&I payments from funds that were supposed to be reserved for payment to GEO; and

4) Split of Project Revenues over the next seven months (after the monthly Rental Payment Deposit plus Operation and Maintenance Costs due within the next month) where 90% will be distributed to the County to repay the ~$418,000 balance of the estimated FYE 9/30/14 liability in addition to the ~$500,000 FYE 9/30/15 liability through February caused by lost revenue budgeted from inmates at the Tom Bowles County Jail.

We look forward to expeditiously working through these terms to identify the appropriate balance between the needs of the Detention Center along with those of Maverick County over the remainder of FYE 9/30/15.

Regards,

Robert G. Rodriguez

Robert G. Rodriguez
President & CEO