



MAVERICK COUNTY PUBLIC FACILITY CORPORATION
\$42,255,000 Project Revenue Bonds, Series 2007A-1
***CUSIPs: 577688 AA2, AB0**

**NOTICE OF INTENTION TO SELL THE MAVERICK COUNTY
DETENTION CENTER FOR A PURCHASE PRICE LESS THAN THE
OUTSTANDING BONDS**

Please forward this notice to beneficial holders.

UMB Bank, N.A. serves as Successor Trustee (in such capacity, the “Trustee”) under that certain Trust Indenture dated as of July 1, 2007 (as amended or supplemented, the “Indenture”), by and between U.S. Bank National Association (the original Trustee), and Maverick County Public Facility Corporation, as issuer (the “Issuer”), pursuant to which the above-referenced bonds (the “Bonds”) were issued. The Issuer used the proceeds of the Bonds to finance its acquisition, construction and equipping of a detention facility (the “Project”) located in Maverick 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 July 1, 2007 (the “Lease”), between the Issuer, as lessor, and the County, as lessee. The Lease was assigned to the Trustee. Rental Payments and Rental Payment Deposits made by the County under the Lease support debt service payments on the Bonds. Payments on the Bonds are further secured by a mortgage on and a security interest in the Project pursuant to that certain Deed of Trust and Security Agreement dated July 1, 2007 (the “Deed of Trust”), granted by the Issuer for the benefit of the Trustee. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture or the Lease.

**The Maverick County Sheriff’s Office Ceased Operating the Project and turned the
Maintenance of the Project over to the Trustee**

As detailed in previous notices, on July 17, 2015 the Trustee received notice of the Maverick County Sheriff’s Office decision to cease operating the Project. Days after this announcement, the United States Marshal Service transferred all detainees in the Project to other facilities. On or about July 24, 2015, the Project generated no revenues and has not generated revenues since that date.

The Trustee received notice in August, 2015 from the Issuer that it would no longer pay for utilities, insurance or other expenses to keep the Project in appropriate working order. Commencing on or about September 1, 2015, the Trustee began paying for the utilities, insurance and retained third party firms to monitor the Project and to do necessary repairs and maintenance. From September 1, 2015 until February 20, 2017, the Trustee made the following payments from Trust Accounts in order to preserve, protect and maintain the Project:

1. \$84,015.00 to Detain Inc. for periodic inspections and coordination of repairs.

2. \$42,189.57 to Maverick County for water
3. \$141,184.52 for insurance
4. \$127,673.92 for electric service
5. \$189,600.00 for repairs and replacements to the physical plant
6. \$262,035.97 to the Trustee for its fees and expenses, including legal counsel

Change in Public Policy Resulting In interest to Own and Operate the Project

Upon information and belief, the United State Department of Homeland Security (“DHS”) issued on or about January 4, 2017 a memorandum to operators of detention facilities housing Immigration and Custom Enforcement detainees requesting such operators submit to DHS the total number of empty beds that could be ready for utilization in 120 days. The issuance of this request caused some such operators to contact the Trustee and the holders of a Majority of the Bonds (the “Majority Holders”) expressing their interest in the Project. Once receiving this interest, the Trustee and the Majority Holders contacted other such operators to let them know that the Project may be available for sale or lease.

In early February 2017, the Trustee permitted a number of tours of the Project and held discussions about possible transactions. In addition, employees of DHS toured the Project. From those tours and discussions the Trustee received 3 offers and one indication of no interest. The Trustee and the Majority Holders believe that all parties who have the capacity and capabilities to operate the Project for DHS had an opportunity to submit an offer to buy the Project. Accordingly, the offer received is the highest and best bid for the Project. The Majority Holders directed the Trustee to accept the bid.

Process and timing of the Sale of the Project

As of the date of this notice, all parties involved in the transfer of the Project from the Issuer to the successful bidder are working toward a closing on or before March 6, 2017 under which the Issuer will transfer title to the Project to the Trustee which will simultaneously transfer title to the successful bidder. Definitive agreements to this effect are still in being drafted. Therefore, there can be no assurances given at this time that this transaction will be completed on or before March 6, 2017 or at all.

If the transaction is completed as currently discussed, the total amount (the purchase price plus Trust held funds, less expenses of the Trustee) distributed on the Bonds will be in excess of \$19,000,000. The outstanding principal balance of the Bonds is \$36,975,000. Accrued and unpaid interest as of March 6, 2017 will be \$4,524,550.61. Once the proceeds from this sale are

received by the Trustee, the Trustee will seek an instruction from a Hennepin County, Minnesota Probate Court to distribute the net proceeds, terminate the Trust Estate and cancel the Bonds.

Any Holder of the Bonds with questions or concerns about the proposed transaction should immediately contact the Trustee at the phone number or email address listed below.

Miscellaneous

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 Lorna Gleason, Senior Vice President, UMB Bank, Corporate Trust & Escrow Services, 120 South Sixth Street, Minneapolis, MN 55402. Ms. Gleason's telephone number is (816) 213-4547 and her email address is lorna.gleason@umb.com. 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.

UMB Bank, N.A.

February 23, 2017