



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

Notice of Non-Payment of Interest Payment

**Newton County Public Facility Corporation
Lease Revenue Bonds, Series 2002
(\$9,490,000 Bonds Outstanding)**

***CUSIP Number: 652704AC1**

Please forward this notice to beneficial holders.

U.S. Bank National Association is the Trustee (the "Trustee"), under the Trust Indenture dated as of February 1, 2002 (the "Indenture"), by and between Newton County Public Facility Corporation (the "Issuer") and the Trustee, which governs the above-referenced bonds (the "Bonds"). Capitalized terms used herein but otherwise not specifically defined shall have the meanings for such terms set forth in the Indenture.

Rental Payments by Newton County, Texas (the "County") as lessee under that certain Lease Agreement dated as of February 1, 2002 (the "Lease"), 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 revenues derived from operation of the Project, which is located in the County and described more fully in Official Statement relating to the Bonds dated February 26, 2002 (the "Official Statement"). Reference should be made to the Official Statement for further information concerning the Bonds, the Indenture, the Lease, the Project and related matters.

NO PAYMENT OF THE MARCH 1, 2017 INTEREST PAYMENT

Project Status

The Project is presently being held in "Non-Active", but not closed status. There are no inmates and no Operator, but the property is being maintained such that it can receive inspections and be available for usage once a new inmate population is identified.

The Trustee is having discussions with the Issuer and the County with respect to the Project. The Trustee intends to send further notices to holders of Bonds if and as material developments occur with respect to the Project or 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.

Under the Indenture, holders of at least two-thirds of the aggregate principal amount of outstanding Bonds have the right to direct certain of the Trustee's actions under and subject to

the conditions contained in the Indenture, which include (among other things) providing the Trustee with an indemnity against liability 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. Additionally, it is possible that the Trustee may have to pay for certain preservation of collateral costs (such as for utilities or insurance at the Project) from funds held by the Trustee under the Indenture.

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. 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 investment advice.

**U.S. Bank National Association,
as Trustee**

March 20, 2017

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