

**NOTICE TO TRUSTEE OF ELECTION TO CONDITIONALLY REDEEM
THE SERIES 2014 AND SERIES 2014A BONDS**

\$26,090,000

San Luis Facility Development Corporation
Senior Lien Taxable Refunding Revenue Bonds
(San Luis Regional Detention Center Project)
Series 2014

\$20,835,000

San Luis Facility Development Corporation
Senior Lien Taxable Refunding Revenue Bonds
(San Luis Regional Detention Center Project)
Series 2014A

The San Luis Facility Development Corporation (the “Issuer”), as issuer under the Trust Indenture dated as of October 1, 2005 (the “2005 Indenture”), as supplemented by the First Supplemental Trust Indenture dated as of February 1, 2011 (the “First Supplemental Indenture”), the Second Supplemental Indenture dated as of March 27, 2014 (the “Second Supplemental Indenture”), the Third Supplemental Indenture dated as of April 1, 2014 (the “Third Supplemental Indenture”) and the Fourth Supplemental Indenture dated as of July 1, 2014 (the “Fourth Supplemental Indenture,” and together with the 2005 Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the “Indenture”) by and between the Issuer and U.S. Bank National Association as trustee (the “Trustee”), hereby notifies the Trustee of its election to conditionally redeem its \$26,090,000 Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014 and its \$20,835,000 Senior Lien Taxable Refunding Revenue Bonds (San Luis Regional Detention Center Project) Series 2014A (the “Series 2014A Bonds,” and together with the Series 2014 Bonds, the “Redeemed Bonds”) on [REDACTED] and hereby directs the Trustee as follows:

1. The Issuer previously issued the 2014 Bonds under the Third Supplemental Indenture and the 2014A Bonds under the Fourth Supplemental Indenture.

2. The Issuer hereby notified the Trustee of its intent to optionally redeem the Series 2014 Bonds under Section 2.02(b) of the Third Supplemental Indenture and the Series 2014A Bonds under Section 2.02(b) of the Fourth Supplemental Indenture on [REDACTED] (the “Redemption Date”) at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to, but excluding, such date of redemption (the “Redemption Price”).

3. The Trustee shall give any and all required notices of this redemption, including notice pursuant to Section 2.02(e) of the Third Supplemental Indenture and Section 2.02(e) of the Fourth Supplemental Indenture.

4. The redemption of the Series 2014 Bonds and the Series 2014A Bonds is conditioned upon, and subject to, the Issuer’s satisfaction of all conditions precedent under the

Indenture as may be required to effectuate the redemption, including the deposit with the Trustee of monies sufficient to pay the Redemption Price of the Series 2014 Bonds and the Series 2014A Bonds on the Redemption Date, and this notice shall be of no effect unless such conditions are timely satisfied. If such conditions are not met, then the Series 2014 Bonds and the Series 2014A Bonds will remain Outstanding under the Indenture.

5. The Issuer agrees to reimburse the Trustee for all out-of-pocket costs and expenses incurred by the Trustee related to or arising from the rescission or cancellation of the notice of redemption. The Issuer further agrees to indemnify and hold the Trustee, its officers, directors, employees and agents harmless from and against all claims, costs, expenses, losses and liabilities of any kind whatsoever, including, without limitation, fees and expenses of legal counsel incurred by the Trustee related to or arising from the cancellation or rescission of the notice of redemption.

Dated:

SAN LUIS FACILITY DEVELOPMENT CORPORATION,
as Issuer

By: _____
_____, President