



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

**NOTICE OF UPDATED FINANCIAL INFORMATION AND INMATE
POPULATION AT THE PROJECT**

To holders of:

**\$26,090,000 San Luis Facility Development Corporation
Senior Lien Taxable Refunding Revenue Bonds
(San Luis Regional Detention Center Project) Series 2014 (“Series 2014 Bonds”)**

*CUSIP Nos.: 79854SAL3, 79854SAM1, 79854SAN9, 79854SAP4, 79854SAQ2,
79854SAR0, 79854SAS8

**\$20,835,000 San Luis Facility Development Corporation
Senior Lien Taxable Refunding Revenue Bonds
(San Luis Regional Detention Center Project) Series 2014-A (“Series 2014A Bonds”)**

*CUSIP Nos.: 79854SAW9, 79854SAX7, 79854SAY5, 79854SAZ2, 79854SBA6,
79854SBB4

Please forward this notice to beneficial holders.

U.S. Bank National Association serves as trustee (in such capacity, the “Trustee”) under that certain Trust Indenture dated as of October 1, 2005, between San Luis Facility Development Corporation, as issuer (the “Issuer”), and the Trustee, as supplemented by that certain First Supplemental Indenture dated as of February 1, 2011, Second Supplemental Indenture dated as of March 27, 2014, Third Supplemental Indenture dated as of April 1, 2014, and Fourth Supplemental Indenture dated as of July 1, 2014 (as further amended or supplemented from time to time, the “Indenture”), pursuant to which the above-referenced Series 2014 Bonds and Series 2014A Bonds (collectively, the “Bonds”) have been issued and are outstanding. Capitalized terms used and not otherwise defined in this notice shall have the meanings given to such terms in the Indenture.

As indicated in prior notices, the Trustee, the Issuer and Emerald Correctional Management L.L.C. (the “Former Operator”) had entered into an Interim Agreement Regarding Forbearance, Operation of Project and Project Revenues, dated as of October 20, 2016 (“Forbearance Agreement”), to induce the Former Operator to enter into a Revised Management Agreement, dated October 20, 2016 (“Management Agreement”), with the Issuer to avoid the termination of the prior Management Agreement and potential closure of the San Luis Regional Detention Facility (the “Project”). The terms of the Forbearance Agreement and the Revised Management Agreement are described in prior notices and in the Trustee’s Petition, dated December 5, 2016, for approval of the foregoing agreements by a Minnesota state court, a copy of which was also provided to Bondholders. The Forbearance Agreement and Revised Management Agreement provided, among other things, for relief to the Former Operator by permitting certain operating

expenses to be reimbursed to the Former Operator prior to the payment of principal on the Bonds during an Interim Forbearance Period as defined therein.

On April 7, 2017, the Former Operator entered into an Assignment and Assumption Agreement with LaSalle Corrections, Inc. (“LaSalle”) assigning its rights and delegating its duties to LaSalle with respect to the Project. Following are the LaSalle Operating Results along with the Cash Flow Waterfall results.

LaSalle has done a nice job in rebuilding the Inmate Census as detailed below. The reconciliation of the Operator’s April 2018 Operations Reimbursement Request, shows that although the Inmate Census was pretty strong, the revenue collections for the period were lacking. Full Operator related expenses and Issuer Fees were not fully reimbursed this period. No Principal was collected for this period as well, towards the principal payment next Due on May 1, 2019. The Accounts Receivable Revenues shows a large increase this period as detailed in the table below. Inmate populations can fluctuate day to day and month over month and the ability to service the debt is dependent upon continuing high census counts that may or may not materialize.

The May 1, 2018 Interest Payment and Principal was paid timely. (Interest is next Due on the Bonds on November 1, 2018). The Series 2014 Debt Service Reserve Fund is fully funded at \$2,609,000 and the Series 2014-A Debt Service Reserve Fund is fully funded at \$2,083,500 and have not been drawn upon.

FINANCIAL UPDATE AND INMATE POPULATION AT THE PROJECT

<u>Monthly Ave. Inmate Population:</u>		<u>Gross Revenues</u>	<u>Operator Expenses</u>
April 2017	182	\$ 438,560.30	\$ 643,244.08
May 2017	307	\$ 808,675.73	\$ 694,326.11
June 2017	347	\$ 877,985.21	\$ 671,760.45
July 2017	440	\$1,133,807.77	\$ 841,235.94
August 2017	534	\$1,399,994.24	*\$1,078,109.26
September 2017	756	\$1,498,108.99	\$1,108,700.64
October 2017	763	\$1,458,194.02	\$1,101,619.41
November 2017	792	\$2,401,823.60	\$1,171,978.69
December 2017	790	\$1,453,718.86	\$1,140,364.87
January 2018	691	\$ 971,276.08	\$1,149,270.89
February 2018	701	\$3,521,965.35	\$1,120,322.52

March 2018	671	\$ 341,050.80	\$1,109,822.34
April 2018	682	(To Be Determined – Not Yet Submitted By Operator)	

***Revised for Disallowed Amortization Expense**

Accounts Receivable Information - See the Attached Accounts Receivable Report for Open Invoices Billed by the Operator that were not collected by April 30, 2018, in the aggregate amount of \$2,225,937.04. The Trustee's reimbursement to the Operator is based upon cash receipts actually received during the reimbursement period.

	<u>Debt Service</u>	<u>Debt Service</u>	<u>May 1, 2018</u>
	<u>Interest Collected</u>	<u>Principal Collected</u>	<u>Principal Deficit</u>
April 2017	\$238,560.21	\$ 160,416.67	N/A
May 2017	\$231,067.71	\$ 0.00	(\$ 167,916.66)
June 2017	\$231,067.71	\$ 0.00	(\$ 335,833.32)
July 2017	\$231,067.71	\$ 0.00	(\$ 503,749.98)
August 2017	\$231,067.71	\$ 0.00	(\$ 671,666.64)
September 2017	\$231,067.71	\$ 0.00	(\$ 839,583.30)
October 2017	\$231,067.71	\$ 0.00	(\$1,007,499.96)* (Revised)
November 2017	\$231,067.71	\$ 262,450.96	(\$ 912,965.66)* (Revised)
December 2018	\$231,067.71	\$ 0.00	(\$1,080,882.32)* (Revised)
January 2018	\$231,067.71	\$ 0.00	(\$1,248,798.98)* (Revised)
February 2018	\$231,067.71	\$ 0.00	(\$1,416,715.64)* (Revised)
March 2018	\$231,067.71	\$1,583,514.99	(\$ 1,117.31)
April 2018	\$222,553.17	\$ 0.00	(\$ 177,783.97)

	<u>Unreimbursed Operator Expenses</u>	<u>Unreimbursed Operator Costs (Aggregate)</u>
April 2017	(\$442,849.87)	(\$442,849.87)
May 2017	(\$116,249.87)	(\$559,099.74)
June 2017	(\$ 24,842.95)	(\$583,942.69)

July 2017	\$ 61,504.12	(\$522,438.57)	
August 2017	\$ 90,817.27	*(431,621.30)	
September 2017	\$158,340.64	(\$273,280.66)	
October 2017	\$111,612.90	(\$161,667.76)	
November 2017	\$161,667.76	\$ 0.00	(Paid Current This Period)
December 2017	\$ 0.00	\$ 0.00	(Paid Current This Period)
January 2018	\$413,748.92	(\$413,748.92)	
February 2018	\$413,748.92	\$ 0.00	(Paid Current This Period)
March 2018	(\$991,764.71)	(\$991,764.71)	
April 2018	(To Be Determined – Not Yet Submitted By Operator)		

***Revised for Disallowed Amortization Expense**

	<u>Unreimbursed Issuer Fees</u>	<u>Unreimbursed Issuer Fees (Aggregate)</u>
April 2017	(\$ 17,000.00)	(\$ 17,000.00)
May 2017	(\$ 17,000.00)	(\$ 34,000.00)
June 2017	(\$ 17,000.00)	(\$ 51,000.00)
July 2017	(\$ 17,000.00)	(\$ 68,000.00)
August 2017	(\$ 17,000.00)	(\$ 85,000.00)
September 2017	(\$ 17,000.00)	(\$ 102,000.00)
October 2017	(\$ 17,000.00)	(\$ 119,000.00)
November 2017	\$ 136,000.00	\$ 0.00 (Paid Current This Period)
December 2017	\$ 17,000.00	\$ 0.00 (Paid Current This Period)
January 2018	\$ 17,000.00	(\$ 17,000.00)
February 2018	\$ 34,000.00	\$ 0.00 (Paid Current This Period)
March 2018	(\$ 17,000.00)	(\$ 17,000.00)
April 2018	(To Be Determined – Not Yet Submitted By Operator)	

Unreimbursed Operator G&A Costs

Unreimbursed Operator G&A Costs (Aggregate)

April 2017	(\$ 38,594.64)	(\$ 38,594.64)
May 2017	(\$ 41,659.57)	(\$ 80,254.21)
June 2017	(\$ 40,305.63)	(\$120,559.84)
July 2017	(\$ 50,474.16)	(\$171,034.00)
August 2017	*(\$ 64,686.56)	*(\$235,720.56)
September 2017	(\$ 66,522.04)	(\$302,242.60)
October 2017	(\$ 66,097.16)	(\$368,339.76)
November 2017	\$ 438,658.48	\$ 0.00 (Paid Current This Period)
December 2017	\$ 68,421.89	(\$ 3,135.61)
January 2018	\$ 68,956.25	(\$ 72,091.86)
February 2018	\$ 139,311.21	\$ 0.00 (Paid Current This Period)
March 2018	(\$ 66,589.34)	(\$ 66,589.34)
April 2018	(To Be Determined – Not Yet Submitted By Operator)	

***Revised for Disallowed Amortization Expense**

Project Occupancy Report (April 2017 to April 2018), as Reported by the Operator

Inmate Population Count
Totals

SAN LUIS ARIZONA

	US Marshalls		BP		City		CBP		ICE		TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
April 2017	153	5	1	0	0	0	1	0	0	0	160
May 2017	288	7	5	0	0	0	0	0	1	1	304
June 2017	307	14	3	0	1	0	0	0	14	5	345
July 2017	396	18	2	0	2	0	0	0	20	2	440
August 2017	407	48	4	0	1	0	0	0	60	13	534
September 2017	481	86	3	1	1	0	0	0	156	27	756
October 2017	454	84	3	0	1	0	0	0	192	27	763
November 2017	435	81	3	1	1	0	0	1	229	24	790
December 2017	431	100	3	1	1	0	1	0	208	52	691
January 2018	339	85	4	1	1	0	1	0	124	40	701
February 2018	441	91	3	1	1	0	1	0	106	40	671
March 2018	450	72	1	0	1	0	1	0	150	24	682
April 2018	442	61	3	0	1	0	1	0	115	22	682
	387	58	3	0	1	0	0	0	115	22	587 ADP

	US Marshalls		BP		CBP		CBP		ICE		TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
2017	373	49	3	0	1	0	0	0	101	15	543
2018	418	77	3	0	1	0	1	0	147	39	686

Accounts Receivable Summary as of May 1, 2018

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**SAN LUIS REGIONAL DETENTION CENTER
A/R Aging Summary
As of May 1, 2018**

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Border Patrol - El Centro	0.00	0.00	2,157.00	0.00	0.00	2,157.00
Border Patrol - San Diego	0.00	0.00	0.00	258.84	56.32	315.16
Border Patrol - Yuma Sector	0.00	0.00	345.12	258.84	4,055.16	4,659.12
Bureau of Indina Affairs	0.00	0.00	0.00	0.00	24,480.00	24,480.00
Correct Commissary	0.00	0.00	5,093.93	0.00	0.00	5,093.93
Correctional Food Services	0.00	0.00	0.00	0.00	-5,033.78	-5,033.78
Customs & Border Protection - Calexico	0.00	0.00	0.00	172.56	170.00	342.56
Customs & Border Protection - San Ysidro	0.00	0.00	1,380.48	603.96	86.28	2,070.72
DHS, ICE	0.00	0.00	451,279.68	565,036.19	155,125.23	1,171,441.10
US BANK - INTEREST	0.00	0.00	0.00	0.00	-1,271.55	-1,271.55
USMS - AZ	0.00	2,009.91	3,099.86	0.00	5,780.82	10,890.59
USMS - CA	0.00	0.00	1,122,270.28	0.00	-111,478.09	1,010,792.19
TOTAL	0.00	2,009.91	1,585,626.35	566,330.39	71,970.39	2,225,937.04

Notices to Holders, the Official Statements 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 Marshall, Vice President, U.S. Bank National Association, Global Corporate Trust Services, 633 W. Fifth Street, 24th Floor, Los Angeles, CA 90071, or Keith.Marshall@usbank.com. Holders with questions may also contact U.S. Bank at either (800) 934-6802, option 4; or: www.usbank.com/cor_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, legal or tax advice.

U.S. Bank National Association,

May 8, 2018

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