

**ADDENDUM TO THE SECOND AMENDED AND RESTATED
FACILITY OPERATION AND MANAGEMENT AGREEMENT**

This Addendum to the parties Second Amended and Restated Facility Operation and Management Agreement (hereinafter "Addendum") is entered into by and between **KINNEY COUNTY, TEXAS** (hereinafter "County") and **COMMUNITY EDUCATION CENTERS, INC.**, (hereinafter called "Operator") to become effective on December 1, 2013.

WHEREAS, the County is the Owner or equitable owner of that certain Facility known as the "Kinney County Detention Center" (hereinafter "Facility") and;

WHEREAS, on or about April 1, 2012, parties executed a Second Amended and Restated Facility Operation Agreement ("Agreement"), governing the operation and management of the Facility, which specified the financial terms and conditions of the parties' relationship;

WHEREAS, on or about August 28, 2013, the United States Marshals Service ("Marshals") issued a new Intergovernmental Agreement ("IGA") governing its housing of its inmates at the Facility, which included new terms, most notably increasing the inmate per diem rate the Marshals pays for inmates from Fifty-One and 20/100 (\$51.20) Dollars to a new inmate per diem rate of Fifty-Five (\$55.00) Dollars ("IGA Increase").

WHEREAS, in light of the IGA Increase, the parties agree to enter into this Addendum governing the distribution of the proceeds from the Three and 80/100 (\$3.80) Dollar increased inmate per diem rate.

NOW, THEREFORE, in consideration of the mutual rights, benefits and obligations herein exchanged, the parties do covenant, agree and bind themselves as follows:

The parties agree that the proceeds from the IGA Increase, in their entirety and retroactive to September 1, 2013, will be paid to the Operator. The Operator will allocate all of the proceeds from the IGA Increase to employee wage increases.

The parties agree that the allocation of the entire IGA Increase to employee wage increases applies only to the IGA Increase in inmate per diem rates. Should the parties obtain any future increases to the inmate per diem rate from the Marshals or any other municipal, state or federal entity, the proceeds from those increases will be divided evenly between the County and Operator.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed below.

SIGNED this 11 day of FEB, 2013. 2014

KINNEY COUNTY, TEXAS

ATTEST:

By W. W. Massy, Jr.
County Judge

Dora Elia Sandwal
County Clerk

APPROVED:

[Signature]
Kinney County Sheriff

COMMUNITY EDUCATION CENTERS, INC.
Operator

By: _____

John J. Clancy, Chairman/CEO

ATTEST:



Corporate Secretary