

BECKHAM COUNTY
FILED

IN THE DISTRICT COURT IN AND FOR BECKHAM COUNTY
STATE OF OKLAHOMA

JAN 29 2018

DONNA HOWELL, COURT CLERK
BY [Signature] DEPUTY

SAYRE INDUSTRIAL AUTHORITY, :
 :
 Plaintiff, :
 :
 vs. :
 :
 CORECIVIC, INC., f/k/a Corrections :
 Corporation of America, :
 :
 Defendant. :

Case No. CJ-18-23

PETITION

Plaintiff, Sayre Industrial Authority (“SIA”), by and through counsel, brings this Petition against Defendant, CoreCivic, Inc., f/k/a Corrections Corporation of America (“CCA”). SIA and CCA will be referred to herein as “Parties.”

I. PRELIMINARY STATEMENT

The City of Sayre is a small community located in Beckham County, Oklahoma. In 1998, the City of Sayre, through SIA, developed the Northfork Correctional Facility (“Northfork”) to promote economic opportunity and provide employment prospects for its residents. The SIA contributed substantial economic resources to develop Northfork in concert with CCA, and has provided additional economic resources over the years to CCA as Northfork has expanded, including but not limited to agreements regarding utility service to the facility and the like.

CCA is the owner and operator of Northfork and beneficiary of SIA’s efforts to develop Northfork. CCA is a large, publically-owned company in the business of providing private correctional services to governmental bodies. Indeed, it is the largest such provider of these services in the United States. Over the years CCA has housed inmates from various States at Northfork, including California, Hawaii, Minnesota, and Wisconsin, through various agreements.

CCA reported approximately \$1.8 billion in revenue and \$219 million in net income in its 2016 Annual Report filed with the United States Securities and Exchange Commission.

In 2016, CCA began refusing to pay a monthly fee under its contractual arrangement with SIA (hereinafter, "Impact Fees"). CCA had regularly paid the Impact Fees since 2004, when the Parties executed an agreement whereby SIA relinquished its rights in the telephone equipment at Northfork and associated revenue to CCA in return for a monthly payment calculated by the number of prisoners housed at Northfork (hereinafter, "Telephone Relinquishment Agreement").

The Telephone Relinquishment Agreement requires payment of the Impact Fees so long as Northfork is operational and housing inmates. CCA has refused to pay the Impact Fees since August of 2016 on the basis that the State of Oklahoma *ex rel.* Oklahoma Department of Corrections prohibits such payments under a lease of Northfork with CCA. There is, however, no such prohibition in that lease.

As of December 2017, the amount of Impact Fees wrongfully refused to be paid by CCA to SIA is \$904,000, with fees that continue to accrue each successive month thereafter while Northfork is operational and housing inmates. The loss of the income attributable to the Impact Fees has been burdensome for the City of Sayre. The City of Sayre is one of a number of small communities in the State of Oklahoma still struggling with the economic downturn, in particular the downturn in the oil and gas industry, which has a heavy presence in Beckham County. Meanwhile, CCA is receiving \$37.5 million from its lease of Northfork with the State of Oklahoma.

CCA's repeated refusal to pay the Impact Fees has created an ongoing substantial controversy between the Parties over whether CCA is contractually obligated to pay the Impact Fees to SIA. The facts will show that CCA is in breach of contract and that CCA is obligated to

pay all unpaid Impact Fees due and owing to SIA as well as all such future fees incurred under the Parties' contractual arrangements.

II. THE PARTIES

1. SIA is a public trust formed pursuant to Okla. Stat. tit. 60, § 176 *et seq.* with its principal place of business located in the City of Sayre, Beckham County, Oklahoma. The City of Sayre is the beneficiary of SIA.

2. CCA is a Maryland corporation with its principal place of business located in Tennessee.

III. JURISDICTION AND VENUE

3. CCA conducts substantial business in Oklahoma, including Beckham County, through its ownership and use of Northfork.

4. The Parties entered into the Telephone Relinquishment Agreement in Beckham County, Oklahoma.

5. CCA's conduct giving rise to SIA's claims against CCA under the Telephone Relinquishment Agreement occurred in Beckham County, Oklahoma.

6. Section 11 of the Telephone Relinquishment Agreement provides that venue and jurisdiction of the agreement shall be the State of Oklahoma.

7. This Court has jurisdiction over this civil action pursuant to Okla. Stat. tit.12, § 2004(F) and Okla. Const. Art. 7, § 7(a).

8. Venue is proper in this district pursuant to Okla. Stat. tit. 12, §§ 139, 142.

IV. GENERAL FACTUAL ALLEGATIONS

9. In the late 1990s, the Sayre Industrial Authority ("SIA") sought to develop a correctional facility located in the City of Sayre in order to promote economic development and

provide additional employment opportunities to the resident of the City of Sayre and surrounding area.

10. To that end, SIA entered into an Acquisition and Construction Agreement with CCA, which was amended in its entirety on March 1, 1997. This Amended Acquisition and Construction Agreement generally provided for the Parties' rights and obligations associated with the development of the correctional facility, which required SIA to devote substantial economic resources to the same. A copy of the Amended Acquisition and Construction Agreement is attached hereto as Exhibit "A."

11. Section 3.06 of the Amended Acquisition and Construction Agreement provided that "[p]ursuant to previous agreements, [SIA] shall retain the rights to all income and revenues derived from the inmate telephone system and shall cause same to be duly installed at the [correctional facility]."

12. The correctional facility was completed in 1998 and was named the Northfork Correctional Facility ("Northfork"). Northfork was originally built as a medium security prison with 1,440 beds. It has increased in size over the years, and today has approximately 2,440 beds.

13. CCA is the owner of Northfork.

14. Upon the completion of Northfork, SIA and CCA entered into a Residential Services Contract dated May 19, 1998. This Residential Services Contract generally provided that CCA would provide correctional facility services to SIA through the use of Northfork to meet the terms of certain transferring entity agreements SIA had with governmental transferring entities to provide services for the custody and care of inmate at the facility. A copy of the Residential Services Contract is attached hereto as Exhibit "B."

15. Section B of the Residential Services Contract provided that SIA would “pay to CCA all funds received by [SIA] pursuant to the [transferring entity agreements] except that [SIA] will retain any profits generated by the inmate telephone system.” Section G(10)(a) of the Residential Services Contract further stated that “ CCA hereby agrees that [SIA] is entitled to revenues from the inmate telephone system under the existing contract with AT&T and any future inmate telephone system contracts.”

16. In other words, SIA was obligated to commit substantial financial resources to develop Northfork under the Amended Acquisition and Construction Agreement, which CCA ultimately obtained ownership of and was entitled to all revenue derived from operation of Northfork except the revenue generated by the inmate telephone system under the Residential Services Contract.

17. In 2004, SIA and CCA entered into an Agreement modifying SIA’s rights in the inmate telephone system at Northfork and associated revenue under the above-referenced contracts (hereinafter, “Telephone Relinquishment Agreement”). Pursuant to the Telephone Relinquishment Agreement, SIA agreed to relinquish its rights in the inmate telephone system at Northfork and all associated revenue for a monthly fee paid by CCA (hereinafter, “Impact Fees”). A copy of the Telephone Relinquishment Agreement is attached hereto as Exhibit “C.”

18. The relevant provision of the Telephone Relinquishment Agreement provides as follows:

At any time during which [Northfork] is operational and housing inmates, CCA shall pay [SIA the Impact Fees] in accordance with the daily average population of [Northfork] that month as set forth below:

Population	Payment
750-1,000	\$20,000
1,001-1,250	\$28,000

1,251-1,440 \$36,000

CCA shall not be required to pay the above-referenced fee if any federal, state, or local legislative, judicial, or regulatory entity determines that the collection of inmate phone commissions or any profits or revenue derived from the operation of inmate phone systems is illegal or otherwise restricted.

Telephone Relinquishment Agreement between SIA and CCA dated Nov. 1, 2004, at § 1 (emphasis added). Section 3 of the Telephone Relinquishment Agreement further provides that “CCA shall have full authority over the facility phone system, any phone services contract, and all phone commissions on or after November 1, 2004.”

19. The Telephone Relinquishment Agreement was amended in October of 2007 (hereinafter, “Amended Telephone Relinquishment Agreement”). The Amended Telephone Relinquishment Agreement was entered into by the Parties to take into account the expansion of Northfork from 1,440 to 2,440 beds. The Amended Telephone Relinquishment Agreement replaced Section 1 with the following:

At any time during which [Northfork] is operational and housing inmates, CCA shall pay [SIA the Impact Fees] in accordance with the daily average population of [Northfork] that month as set forth below:

Population	Payment
750-1,000	\$20,000
1,001-1,250	\$28,000
1,251-1,440	\$36,000
1,441-1,690	\$44,000
1,691-1,940	\$52,000
1,941-2,190	\$60,000
2,191-2,440	\$68,000

Notwithstanding any provision herein to the contrary, the monthly impact fee described above for a population above 1,440 to 2,440 inmates shall not be effective until eight months from the date the 1,441st inmate is housed in the general population beds of [Northfork].

CCA shall not be required to pay the above-referenced fee if any federal, state, or local legislative, judicial, or regulatory entity determines that the collection of

inmate phone commissions or any profits or revenue derived from the operation of inmate phone systems is illegal or otherwise restricted.

Amended Telephone Relinquishment Agreement dated October 2007 (emphasis added). A copy of the First Amendment to the Telephone Relinquishment Agreement is attached hereto as Exhibit "D."

20. CCA paid SIA all Impact Fees required under Telephone Relinquishment Agreement and Amended Telephone Relinquishment Agreement until approximately December 2015, when Northfork was closed by CCA due to the State of California's legislative actions to release the inmates housed at Northfork. In other words, CCA made Impact Fees to SIA without dispute for approximately 11 years or 132 months while Northfork housed inmates from various States, including California, Hawaii, Minnesota, and Wisconsin.

21. After approximately six months of dormancy Northfork became operational again and began housing inmates from the State of Oklahoma in July 2016.

22. In August 2016, SIA sent an invoice to CCA for the Impact Fees for July in the amount of \$36,000. This invoice was rejected by letter dated November 14, 2016 ("CCA Rejection Letter"), by Jean Shuttleworth, Assistant General Counsel of CCA, because "[t]he State of Oklahoma prohibits [CCA] from receiving any inmate phone commissions during the term of the State's lease of [Northfork]. Consequently, per the express terms of the Agreement, no [Impact Fees] are payable to [SIA.]" A copy of the CCA Rejection Letter is attached hereto as Exhibit "E."

23. Since that initial denial referenced above, CCA has denied each monthly invoice for Impact Fees presented by SIA to CCA on the same grounds set forth in the CCA Rejection Letter. A copy the latest rejection notice by CCA is attached hereto as Exhibit "F."

24. The total amount of the unpaid Impact Fees, as of December 2017, is \$904,000, and new fees accrue each successive month thereafter so long as Northfork remains operational and houses inmate by the State of Oklahoma (or any other State).

25. There are no provisions in the Lease Agreement between CCA and the State of Oklahoma, ex rel. Oklahoma Department of Corrections dated May 5, 2016 (hereafter, "ODOC Lease"), that prohibits the payment of the Impact Fees as asserted by CCA. The ODOC Lease generally provides that the State of Oklahoma will house inmates at Northfork for a period of five years at a cost of \$37.5 million. A copy of the ODOC Lease is attached hereto as Exhibit "G."

**FIRST CLAIM FOR RELIEF
(Declaratory Judgment)**

26. SIA incorporates the allegations contained in Paragraphs 1 through 25 above and further alleges as follows:

27. Pursuant to Okla. Stat. tit. 12, §§ 1651-1656, SIA requests that the Court determine the rights, status, and other legal relations of SIA and CCA under the Telephone Relinquishment Agreement and Amended Telephone Relinquishment Agreement, and requests that this Court enter judgment against CCA determining the following:

- A. That CCA is contractually obligated to pay the Impact Fees under the Telephone Relinquishment Agreement and Amended Telephone Relinquishment Agreement;
- B. That nothing in the ODOC Lease prohibits the payment of the Impact Fees under the Telephone Relinquishment Agreement and Amended Telephone Relinquishment Agreement;

- C. That CCA owes SIA \$904,000 for such unpaid Impact Fees through December 2017, and that such Impact Fees accrue each successive month under the Telephone Relinquishment Agreement and Amended Telephone Relinquishment Agreement so long as Northfork remains operational and houses inmate by the State of Oklahoma (or any other State); and
- D. Any other declaratory relief that is just and proper under the facts and circumstances of this civil action with respect to the damages suffered by SIA as alleged herein.

**SECOND CLAIM FOR RELIEF
(Breach of Contract)**

28. SIA incorporates by reference the general allegations set forth in paragraphs 1 through 27 of this Petition and further alleges:

29. CCA has failed to pay the Impact Fees as required by the Telephone Relinquishment Agreement and Amended Telephone Relinquishment Agreement.

30. CCA's failure to pay the Impact Fees to SIA constitutes a breach of the Telephone Relinquishment Agreement and Amended Telephone Relinquishment Agreement by CCA, and CCA is liable to SIA for \$904,000 as of December 2017, and for such other amounts accruing each month thereafter pursuant to the formula set forth in the Amended Telephone Relinquishment Agreement so long as Northfork is operational and housing inmates from the State of Oklahoma (or any other State).

WHEREFORE, SIA pray for the relief sought above, and any other relief that this Court finds reasonable and just under the facts and circumstances of this civil action.

Respectfully submitted,



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EXHIBIT “A”

AMENDED ACQUISITION AND CONSTRUCTION AGREEMENT

This AMENDED ACQUISITION AND CONSTRUCTION AGREEMENT (the "Agreement") for the convenience of the parties hereto dated as of March 1, 1997, but to become effective when approved, executed and delivered by both the parties hereto, by and between the SAYRE INDUSTRIAL AUTHORITY, an Oklahoma public trust (the "Authority") and CORRECTIONS CORPORATION OF AMERICA, a Delaware corporation (the "Operator" or "CCA") amends in its entirety the Acquisition and Construction Agreement dated as of November 1, 1996, between the Authority and CCA.

W I T N E S S E T H :

WHEREAS, the Authority has expended a great amount of time and money over the past year to develop a correctional facility to be located in or near the City of Sayre, Oklahoma (the "City") more particularly a 960 general population bed all cell medium security prison in order to promote economic development and provide additional employment to the residents of the City and surrounding area; and

WHEREAS, CCA has acquired the land and begun the construction of such facility in accordance with the terms of the Acquisition and Construction Agreement dated as of November 1, 1996, which is amended in its entirety hereby; and

WHEREAS, CCA is experienced in all aspects of financing, constructing, equipping and operating such a prison facility in accordance with ACA Standards; and

WHEREAS, CCA wants to own, operate and manage the prison facility when it is completed and is willing to complete construction of such facility in accordance with the terms of this Agreement and at the same time retain the option of sale of the facility to the Authority by issuance of municipal bonds.

NOW, THEREFORE, in consideration of ten dollars (\$10.00) in hand paid by CCA to the Authority and in further consideration of the mutual covenants contained herein, the amounts to be paid hereunder and for other good and valuable consideration, the Authority and CCA agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In each and every place in and throughout this Agreement, whenever the following terms, or any of them are used, unless the context shall clearly indicate another or different meaning or intent, they shall have the following meanings:

*Amended CCA
Agreement*

"Architect" means Rees Associates, Inc., Oklahoma City, Oklahoma, as architects for the construction of the Facility.

"Architect's Agreement" means the Standard Form of Agreement Between Owner and Architect dated as of November 1, 1996, and amended as of March 1, 1997, between the Architect and CCA, which may be assigned to the Authority by CCA upon issuance of the Bonds.

"Authority" shall mean the Sayre Industrial Authority, a public trust created and existing under the provisions of Title 60 Okla. Stats. 176 et seq., acting by and through its trustees, agents and all qualified and installed successors thereto inclusive of the present trustees and their successors in office.

"Bonds" shall mean correctional facility revenue bonds in the aggregate principal amount not to exceed \$50,000,000 which may be issued by the Authority to finance the acquisition of the Facility.

"Construction Agreement" means the Standard Form of Agreement Between Owner and Contractor dated as of November 1, 1996, between the Contractor and CCA, as amended as of March 1, 1997, including any supplements or amendments thereto.

"Construction Manager" or "Contractor" means Flintco, Inc., an Oklahoma corporation, with principal offices located in Tulsa, Oklahoma, its successors and assigns.

"Marketing Agreement" means the Marketing Agreement dated as of October 24, 1996, between the Authority and Capitol Consultants.

"Monitoring Agreement" means the Contract Monitoring Agreement dated as of October 24, 1996, between the Authority and the Monitor, including any amendments or supplements thereto.

"Developer" means PEC Enterprises, Inc., an Oklahoma corporation, with its principal office located in Oklahoma City, Oklahoma, its successors and assigns.

"Development Agreement" means that Development Agreement dated as of August 8, 1996, between the Authority and the Developer, including any amendments or supplements thereto.

"Facility" means the real property, easements, fixtures, personal property and incorporeal hereditaments located on the land described on Exhibit A attached hereto, including the Project to be constructed and placed thereon including any additions or improvements thereto.

"Land" shall mean the real property comprising approximately 75 acres and located in the City of Sayre, Oklahoma, which is described in Exhibit A to this Agreement and upon which the Facility is to be constructed.

"Monitor" means Norris and Associates, Inc., a Tennessee corporation, with its principal office located in Mount Juliet, Tennessee, its successors and assigns.

"Project" means the development, marketing, acquisition of the land described on Exhibit A and the construction and equipping of a 1,440 general population bed all cell medium security correctional facility thereon.

"Project Costs" shall mean, but shall not be limited to, in connection with a designated project together with any other proper cost items not specifically mentioned herein all costs of developing, financing, acquiring, constructing, equipping and furnishing the Project, including but not limited to: the cost of land or interest in land; obligations incurred for labor and materials; obligations to contractors, builders and materialmen; the restoration or relocation of property damaged or destroyed in connection with such construction; monies required for working capital and operating reserves (inclusive of construction interest); the cost of acquiring by purchasing land, property rights, rights-of-way, franchises, easements or other interest in land; premiums on contractors' performance, payment and completion bonds if required; the cost of machinery, equipment or supplies purchased by CCA for inclusion as part of the Facility; the costs of establishing utility services at the Facility sit but not the cost extending gas, electric, water and sewer lines off site to those origin points of services by local providers such "off-site" costs are costs of the provider or City; any reasonable fees, compensation and expenses of the Authority, fees of the Developer, the Monitor, Contractor or any contractor for services rendered; taxes, fees, charges, and expenses due and payable in connection with the Project, including the development and financing thereof, startup costs and initial consulting fees, feasibility and special consultant fees and expenses, the training of personnel, the promotion and marketing of the Facility, or the issuance of and security for the bonds; premiums on insurance in connection with the Project, the financing thereof, or the issuance of and security for the bonds; costs of architects and engineers' services; all costs related to interim financing loans; all costs incident to and properly allocable to the development, acquisition, equipping and construction of the Project and placing of the same in operation; all amounts, fees and expenses payable under the terms of the Development Agreement, the Training Services Agreement, the management Agreement, the Architect's Agreement, the Construction Management Agreement, the Construction Agreement, the Marketing Agreement or the Monitoring Agreement; capitalizing interest requirements and any reserve funds for any bonds or notes issued pursuant to this Agreement or a supplement hereto; any amounts capitalized as working capital or other amounts needed to cause the Project to become economically viable; legal, financing, financial, administrative, accounting, printing and recording and fees; and the reasonable fees and expenses of legal counsel.

"Training Services Agreement" shall mean the Training Services Agreement between the Authority and CCA.

Section 1.02. Interpretation. For all purposes of this Agreement, unless the context shall otherwise indicate, (1) words used in the singular number shall include the plural, and vice versa; (2) the word "person" shall include all legally cognizable entities; (3) the words "hereof" and "herein" shall be construed to refer to the entirety of this Agreement and not restricted to the particular article, section, subsection or paragraph in which they occur; and (4) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

ARTICLE II

CONTRACT OBLIGATIONS

Section 2.01. Continuing Consideration. The Authority has incurred several contractual obligations during the course of planning and developing the Facility and to assure the orderly development, construction and transition of the Project, in consideration thereof CCA agrees to pay those parties in the amounts and at the time listed below:

(A) Developer's Fee. (i) The Authority and the Developer have entered into the Development Agreement, pursuant to which CCA shall pay to the Developer, in addition to the amounts previously paid and which includes an initial Construction Consultant fee of \$10,000, a continuing Construction Consultant fee of \$10,000 will be paid on the first day of each month beginning December 1, 1996 and each month thereafter, until the earlier of the total of \$90,000 has been paid or the date on which the Authority issues its Bonds and acquires the Project; and (ii) at the time the bonds are issued, or April 1, 1997, whichever is earlier, the Developer shall receive an additional Development Fee of \$250,000 and continuation of the monthly Construction Consultant fee then unpaid from the previous period total, if any, and onward for five months (for a total of fourteen \$10,000 payments); and (iii) on the date the Facility is completed and qualified for occupancy but not before January 1, 1998, the Developer shall receive the unpaid balance of the Construction Consulting Fee due under the Development Agreement and \$360,000 for a total Construction Consultant fee of \$500,000.

(B) Monitor's Fee. The Authority and the Monitor have entered into the Monitor Agreement dated October 24, 1996, pursuant to which CCA will pay to the Monitor during construction, in addition to the certain sum amount previously paid, a fee of \$8,000 on the first day of each month that began December 1, 1996, and continues at \$8,000, or any remaining portion thereof on the first day of each month thereafter until the total construction monitoring sum of \$125,000 has been paid.

After completion of construction and operations begin on approximately January 1, 1998, the Authority has a continuing contract payment due to the Monitor of a fixed based monthly fee of \$5,000 due on the first day of each month and each month thereafter ending December 31, 2000, pursuant to the Monitor Agreement dated October 24, 1996. CCA agrees to continue required payments thereunder until maturity of the Agreement on December 31, 2000. CCA agrees that it will continue to cooperate with the Monitor and allow him full access to the Facility so that the Monitor can assure compliance with State law, report periodically to the Authority and the warden of the Facility and act as a liaison between the Authority and CCA.

(C) Authority's Fee. CCA will pay to the Authority, in addition to the amounts heretofore paid a fee of \$2,000 on the first day of each month which began December 1, 1996, until the earlier of the total payment of \$20,000 or the date on which the Authority issues its Bonds and acquires the Project. Thereafter, a marketing fee will be paid to the Marketer in accordance with the Marketing Agreement.

(D) Promotional Agreement. CCA will pay the Authority's obligations under Promotional Plan Agreement dated January 23, 1997, between the Authority and Gooden & Associates, Oklahoma City, Oklahoma and previously budgeted for (\$45,000 over time) pertaining to the promotion of the Facility, relationship to the Community and the fostering of goodwill relating to same.

(E) Authority's Expenses. CCA agrees to pay all fees and expenses of the Authority incurred in connection with the drafting, review, approval and execution of this Agreement, including bond counsel and Authority counsel fees.

(F) Utility Agreements. Additionally the Authority has entered into a Utility Services Agreement with REC to provide electric service to the Facility and a Gas Services Agreement with ARKLA to provide natural gas services to the Facility. CCA agrees to assume the Authority's obligations under said agreements to provide such utility services to the Facility.

ARTICLE III

CONSTRUCTION OF PROJECT


Section 3.01. Architect. CCA has entered into the Architect's Agreement which has been approved by the Authority and the Developer. Such Architect's Agreement provides for the assignment thereof to the Authority if, and when the Authority issues its Bonds and acquires the Project. The plans and specifications, including any changes thereto, have been prepared by the Architect and approved by the Authority and the Developer.

Section 3.02. Construction of Project. CCA has begun and will proceed with dispatch and diligence to construct and equip the Project in accordance with the plans and specifications prepared by the Architect. CCA has entered into the Construction Agreement. Such Construction Agreement has been approved by the Authority and the Developer and any change orders from the plans and specifications shall be subject to prior approval by the Authority and the Developer.

Section 3.03. Construction Management Agreement. If the Authority determines to issue its Bonds pursuant to the request of CCA prior to completion of construction of the Project, the Authority will enter into the Construction Management Agreement with the Construction Manager to assist the Authority with compliance of the public bidding laws and the orderly transition and completion of the Project.

Section 3.04. Cooperation by CCA. In order to assure full and open understanding of the progress of the Project in contemplation that the Project may be acquired by the Authority through the issuance of its Bonds, CCA agrees to cooperate with the Authority, the Developer and the Monitor by making all information available to each of them regarding the construction and acquisition of the Project. If at any time the Authority or the Developer refuse to approve any actions by CCA involving the construction or acquisition of the Project or the ordering of equipment to be included therein, the original plans and specifications prepared by the Architect shall control.

Section 3.05. Acquisition of Furnishings. The Authority agrees to cooperate with the Contractor in the purchase of furnishings for the Facility and acquire same pursuant to a lease purchase agreement with CCA.

Section 3.06. Inmate Telephone System. Pursuant to previous agreements, the Authority shall retain the rights to all income and revenues derived from the inmate telephone system and shall cause same to be duly installed at the Facility. 

ARTICLE IV

ISSUANCE OF BONDS

Section 4.01. Issuance of Bonds. If requested by CCA, the Authority shall use its best efforts to issue the Bonds for the purpose of, among other things, acquiring the Project from CCA. To that end the Authority has adopted a Resolution on February 26, 1997, authorizing the issuance of the Bonds and approving the various agreements pertaining to the Facility including this Agreement. If required by CCA, the Authority will utilize its resources and influence to try to assure that an appropriation is made by the Oklahoma State Legislature to utilize the facility by

the Oklahoma Department of Corrections upon completion. If CCA determines to complete the Project directly or through an agreement with a third party, all fees and expenses agreed to hereunder, and those of continuing contracts involving the Facility, including legal, development, monitoring, marketing, promotion, architectural, construction, gas and electric utilities, and any trustee required expenses of the Authority shall be paid by CCA.

Section 4.02. Conveyance of Project. If the Authority issues its Bonds in an amount sufficient to purchase the Project, CCA unconditionally agrees to convey the Project, in its then current stage of development to the Authority. Such conveyance shall be by Warranty Deed free and clear of all encumbrances not acceptable to the Authority excepting those received upon initial conveyance to CCA. CCA shall insure that Flintco, Inc., as general contractor pursuant to its construction contract with CCA, will obtain lien waivers from all contractors, subcontractors or suppliers who have provided work or supplies to the Project and that Flintco, Inc. shall indemnify the Authority against all mechanics', workmen or suppliers liens. CCA shall provide an Owners Title Policy to the Authority subject only to normal and reasonable exceptions. The Authority shall pay for such title policy and all other fees and expenses incurred in connection with the closing of the transaction and the conveyance of the Project to the Authority.

Section 4.03. Marketing. If requested by CCA, the Developer will coordinate certain marketing activities with the Marketer to secure an appropriation from the Oklahoma State Legislature to seek the use of the Facility by the Oklahoma Department of Corrections upon completion; provided that neither the Authority or the Developer on its behalf will obligate the payment of any monies in connection with the marketing of the Facility or such Oklahoma use without prior approval by CCA, except CCA agrees to pay marketing expenses and CCA will reimburse the Authority for any sums so expended upon invoicing.

ARTICLE V

REPRESENTATIONS

Section 5.01. Representations by the Authority. The Authority has been duly created and is existing under the laws of the State of Oklahoma and under the Trust Indenture creating the Authority, has the power to enter into the transactions contemplated by, and to carry out its obligations under this Agreement and will do or cause to be done all things necessary for the purposes thereof. The Authority is not in default under any of the provisions contained in its Trust Indenture or in the laws of Oklahoma or in any other instrument by which it is bound. By proper action of its Trustees, the Authority has been duly authorized to execute and deliver this Agreement.

Section 5.02. Representations and Covenants by CCA. CCA makes the following representations as the basis for the undertakings on its part herein contained and hereby covenants and agrees:

(a) CCA is a corporation duly incorporated under the laws of Delaware and is qualified to do business in and is in good standing in Oklahoma.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which CCA is now a party or by which it is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of CCA under the terms of any instrument or agreement.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Change in Operator. CCA intends to directly operate and maintain the Facility. Should CCA determine in the future to cause the Facility to be operated by other than CCA or an affiliate, CCA shall provide sufficient written documentation and proof to the Authority that such proposed operator is experienced and has a good national reputation for the operation of medium security incarceration facilities similar to the Facility. Such proposed operator shall be acceptable to the Authority, whose acceptance will not be unreasonably withheld by the Authority.

Section 6.02. Lift Station. CCA acknowledges that a sewage lift station is a part of the Facility and that the Authority through its affiliates has the knowledge and experience necessary to repair and maintain same. CCA will allow the Authority to maintain and repair said lift station and will reimburse the Authority its actual costs for providing such service.

Section 6.03. Maintenance of Perimeter Grounds. CCA agrees to maintain the perimeter grounds of the Facility in a first class condition and to maintain the good outside appearance of the Facility and the grounds. To that end, CCA agrees to hire the Authority to mow and keep the grounds outside the outer secure razor wire fence perimeter free of weeds and trash and to reimburse the Authority for its actual costs of maintaining same, or in the alternative, hire an independent contractor to maintain said grounds in a first class condition.

Section 6.04. Successors and Assigns. All terms, provisions, conditions, covenants, warranties and agreements contained herein shall be binding upon the successors and assigns of both the Authority and CCA and all such terms, provisions, conditions, covenants, warranties and agreements shall likewise inure to the benefit of everyone who may at any time be a beneficiary hereunder. The illegality or invalidity of any provisions or part of this Agreement shall in no way affect any of the other provisions and parts hereof.

Section 6.05. Preservation and Inspection of Documents. All documents received by CCA or the Authority under the provisions of this Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of CCA and the Authority and their agents and their representatives, any of whom may make copies thereof under such reasonable terms and regulations as the holder of such documents may set out.

Section 6.06. Parties Interested Herein. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, CCA, the Architect, the Construction Contractor, the Monitor, Marketer or the Developer any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereon.

Section 6.07. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the Authority or CCA to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Agreement.

Section 6.08. Successors. Whenever in this Agreement the Authority is named or referred to, it shall be deemed to include any public trust or other entity organized and existing for the benefit of and on behalf of the City, which succeeds to the principal functions and powers of the Authority, and all the covenants and agreements contained in the Authority by or in behalf of the Authority shall bind and inure to the benefit of said successor whether so expressed or not.

Section 6.09. Consents and Approvals. Whenever the written consent or approval of the Authority or CCA shall be required under the provisions of this Agreement, such consent or approval shall not be unreasonably withheld or delayed.

Section 6.10. Notices, Demands and Requests. All notices demands and requests to be given or made hereunder to or by the Authority or CCA shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows:

(a) AUTHORITY: Sayre Industrial Authority
City Hall
100 West Main Street
Sayre, Oklahoma 73662
Attn: Chairman

(b) CCA: Corrections Corporation of America
102 Woodmont Boulevard
Nashville, Tennessee 37205
Attn: Vice President/Legal Affairs

The above addresses may be changed at any time upon written notice of such change sent by United States mail, postage prepaid, to the other parties by the party effecting the change.

Section 6.11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.12. Applicable Law. This Agreement shall be governed exclusively by the applicable laws of the State of Oklahoma. The venue for any disputes of this Agreement shall be within Oklahoma County, State of Oklahoma.

Section 6.13. Table of Contents and Section Headings Not Controlling. The Table of Contents and the Headings of the several Sections of this Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agreement.

Section 6.14. Amendments. This Agreement may be amended by mutual agreement in writing signed between the parties.

Section 6.15. Entire Agreement. The foregoing represents the entire agreement between the parties.

IN WITNESS WHEREOF, the Sayre Industrial Authority has caused this Agreement to be executed by its Chairman and attested by its Secretary and has caused the Seal of the Authority to be affixed hereto and the Corrections Corporation of America, for itself, its successors or assigns has caused this Agreement to be executed by its Chairman/CEO and attested by its Secretary and has caused its corporate seal to be affixed hereto, all as of this 3rd day of April, 1997.

SAYRE INDUSTRIAL AUTHORITY


Chairman

(SEAL)

ATTEST:


Secretary Assistant

CORRECTIONS CORPORATION OF AMERICA


Doctor R. Crants, Chairman/CEO

(SEAL)

ATTEST:


Secretary

DEVELOPER'S APPROVAL

The terms of this Agreement have been reviewed and accepted by PEC Enterprises, Inc.

PEC ENTERPRISES, INC.


D. Patrick McCoy, President

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this 3rd
day of April, 1997, by Kent Williams, Chairman of Sayre
Industrial Authority, a public trust, on behalf of said Authority.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

Ann Cowan
Notary Public

My commission expires March 23, 1999.

STATE OF TENNESSEE)
) SS
COUNTY OF DAVIDSON)

The foregoing instrument was acknowledged before me this 2nd
day of April, 1997, by Doctor R. Crants and DARRELL K. MASSENGALE
the Chairman/CEO and CEO/Secretary, respectively, of
Corrections Corporation of America, on behalf of said Corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

Rosemary K. McAlle
Notary Public

My commission expires 2-9-98.

EXHIBIT A

(Real Estate Description)

A tract to land in the SE 1/4 of Section 34 and in the SW 1/4 of Section 35, all in Township 10 North, Range 23 West of the Indian Meridian, Beckham County, Oklahoma, being described by metes and bounds as follows: Beginning at a point on the East line and 175.00 feet North of the SE corner of said SE 1/4 of Section 34, thence N 00°12'34" W a distance of 10.00 feet, thence S 89°48'59" W along the North right-of-way line of State Highway 152 a distance of 738.56 feet, thence Westerly on a curve to the right with a radius of 17078.74 feet for a distance of 361.93 feet, thence N 77°29'49" W a distance of 50.66 feet, thence Westerly on a curve to the right with a radius of 17068.74 feet for a distance of 164.85 feet, thence N 00°09'00" W along the West line of the E 1/2 of said SE 1/4 of Section 34 a distance of 1290.56 feet to the Southerly right-of-way line of the Farmrail (Formerly CRI&P) Railroad, thence Northeasterly on a curve to the left with a radius of 1960.08 feet and along the Southerly right-of-way line a distance of 346.03 feet, thence N 43°56'16" E a distance of 1288.41 feet to a point on the North line of said SE 1/4, thence N 89°31'12" E along the North line of said SE 1/4 a distance of 154.07 feet to the NE corner of said SE 1/4 and being the NW corner of said SW 1/4 of Section 35, thence S 00°12'34" W along the West line of said SW 1/4 of Section 35 a distance of 1.00 feet, thence N 89°52'30" E a distance of 79.93 feet, thence S 04°15'50" W a distance of 413.85 feet, thence S 44°37'08" E a distance of 458.7 feet, thence S 12°43'22" W a distance of 376.22 feet, thence S 56°37'45" E a distance of 117.4 feet, thence S 00°12'34" E a distance of 1299.00 feet, to the North right-of-way of State Highway 152, thence S 89°47'55" W along said North right-of-way line a distance of 382.26 feet to the point of beginning.

EXHIBIT “B”

RESIDENTIAL SERVICES CONTRACT
BETWEEN
SAYRE INDUSTRIAL AUTHORITY
AND
CORRECTIONS CORPORATION OF AMERICA

THIS CONTRACT is entered into by and between **SAYRE INDUSTRIAL AUTHORITY**, 100 West Main Street, Sayre, Oklahoma 73662 (hereinafter "**AUTHORITY**"), an Oklahoma public trust, and **CORRECTIONS CORPORATION OF AMERICA** (hereinafter "**CCA**"), a Tennessee Corporation with its principal offices located at 10 Burton Hills Boulevard, Nashville, Tennessee 37215.

WITNESSETH:

WHEREAS, CCA has available the Northfork Correctional Facility, a secure correctional facility located at 1605 E. Main, Sayre, Oklahoma 73662 (hereinafter "**Facility**"), and the capability of providing management services for the housing, detention, custody, programming and care of adult male pre-trial or convicted misdemeanants and felons (hereinafter "**Inmates**");

WHEREAS, the Authority, consistent with the provisions of the Amended Acquisition and Construction Contract dated March 1, 1997 between CCA and the Authority, in furtherance of its purpose, intends to use its best efforts to enter into certain transferring entity agreements (hereinafter "**Agreements**") with governmental transferring entities to provide services for the custody and care of Inmates, at the Facility under terms and conditions agreeable to the Authority and CCA;

WHEREAS, CCA is desirous of entering into a contract with the Authority to provide services required pursuant to said Agreements;

WHEREAS, the Authority is desirous of entering into this Contract with CCA to provide services which may be required pursuant to said Agreements;

NOW, in consideration of the mutual promises and covenants contained herein, the Authority and CCA hereby agree as follows:

A. Services. CCA will provide services at the Facility as required to meet the terms of the Agreements. The terms and conditions of each and every such Agreement are hereby

*Residential
Svcs. Contract*

Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

incorporated by reference into this Contract to include but not be limited to the obligation to provide insurance, the responsibility of such to be assumed by CCA. CCA shall provide said services in accordance with applicable laws of the transferring entity, laws of the State of Oklahoma, the American Correctional Association Standards and any supplements or additions thereto. The American Correctional Association Standards (hereinafter "ACA Standards"). In providing such services, CCA will provide staff and training for such in compliance with ACA Standards and all applicable law. CCA shall also negotiate the terms and conditions of said Agreements, subject to approval by the Authority.

B. Payment. The Authority will pay to CCA all funds received by the Authority pursuant to the Agreements except that the Authority will retain any profits generated by the Inmate Telephone System. CCA agrees to comply with the billing procedures and submit the proper documentation for payment pursuant to the Agreements. The Authority will pay amounts due to CCA within fifteen (15) working days after receipt of funds pursuant to the Agreements.

If a dispute arises regarding the amount to be paid to CCA, then the Authority, on or before the date the invoice is payable, shall notify CCA of the basis for the dispute and, in the manner provided above, pay the amount of such invoice which is not in dispute. If the parties cannot resolve the dispute within thirty (30) days of such notice either party may initiate dispute proceedings as provided herein.

C. Term. The term of this Contract shall be for a period of twenty (20) years beginning on May 19, 1998 and expiring on April 30, 2018.

D. Agreements, Amendments, Termination or Change. The Authority will not amend, terminate or otherwise change the Agreements without consent of CCA. CCA will not change or amend the Agreements without the consent of the Authority. The Authority will not enter into any Agreements to provide services for the custody and care of Inmates in the Facility without the consent of CCA.

E. Indemnification/Insurance

1) **Indemnification.** CCA will indemnify and hold the Authority, its officers, agents and employees harmless from and against:

a) Any and all claims and liability arising from the provision of services pursuant to any Agreement, including, without limitation, any and all claims arising from:

i) any breach or default on the part of CCA in the performance of the services required under any Agreement;

ii) any claims or losses for service rendered by CCA, person or firm performing or supplying services, materials or supplies in connection with the performance of the services required under any Agreement;

iii) any claims or losses to any person injured or property damage resulting from the negligent acts or omissions or willful misconduct of CCA, its officers, agents, or employees in the performance of the services required under any Agreement;

Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

iv) any claims or losses resulting to any person or firm injured or damaged by CCA, its officers, agents, or employees by the publication, translation, reproduction, delivery, performance, use, or disposition of any data processed in a manner not authorized by any Agreement, or by federal state, local, or city regulations or statutes;

v) any failure of CCA, its officers, agents, or employees to observe Oklahoma laws including but not limited to labor laws, minimum wage laws and laws governing the operations of Private Prisons in Oklahoma;

vi) any claim or losses resulting from an act of an Inmate while under CCA's authority;

vii) any claim enumerated in Agreements made by the Authority with governmental transferring entities regarding the use of the Facility.

b) Any action filed against the Authority by an inmate which challenges conditions of confinement, operational policies, treatment by staff or other matters related to the provision of services.

c) All costs, reasonable attorney's fees, expenses, and liabilities incurred in or about any such claim, action, or proceeding brought thereon and required regulatory cost of the Authority pertaining to the Facility or Authority such as but not limited to compliance with Oklahoma law.

Said indemnification shall not be applicable to injury, death or damage to property arising out of the negligence or misconduct of the Authority, its officers, agents, servants or independent contractors (other than CCA) who are directly responsible to the Authority. CCA shall not waive, release, or otherwise forfeit any possible defense the Authority may have regarding claims arising from or made in connection with the provision of services at the Facility by CCA without the consent of the Authority. CCA shall preserve all such available defenses and cooperate with the Authority to make such defenses available to the maximum extent allowed by law.

In case any action or proceeding is brought against the Authority by reason of any such claim, CCA, upon notice from the Authority, shall defend against such action by counsel satisfactory to the Authority, unless such action or proceeding is defended by any carrier of liability insurance provided by CCA or the Authority. Said counsel will not enter into any settlement contract with respect to any claim without first obtaining approval of CCA.

2) **Insurance:** During the performance of the management services hereunder, CCA shall maintain a plan of insurance to cover claims that may arise out of or result from CCA's operation and management services hereunder, whether same be by CCA or a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone of whose acts any of them may be liable. Such coverage shall be in a minimum face amount of no less than \$15,000,000.00 with \$5,000,000.00 per occurrence and \$5,000,000.00 in the aggregate or as otherwise required to meet the terms of the Agreement. The Authority shall be named as an Additional Insured on insurance policies

Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

pertaining to the Facility. CCA shall provide the Authority annually documentation of the plan of insurance.

F. Default/Termination.

1) Authority Default. An Event of Default on the part of the Authority will be failure by the Authority to make payments to CCA under this Contract within thirty (30) days after such payment is due, except for such payments as may be the subject of a valid dispute between the parties and said dispute is being actively negotiated or attempted to be resolved or the persistent or repeated failure or refusal by the Authority to substantially fulfill any of its obligations under this Contract, unless justified by Force Majeure, as such term is defined herein or by CCA's breach.

2) CCA Default. An Event of Default on the part of CCA is the persistent or repeated failure or refusal by CCA to substantially fulfill its obligations under this Contract; or failure to meet the terms of this Contract when such failure seriously effects the operation of the Facility, unless excused or justified by Force Majeure, as such term is defined herein, or the Authority's default.

3) Notice of Breach. No breach of this Contract on the part of either party shall constitute an Event of Default and no action with regard to same may be instituted unless and until the party asserting a breach specifies that a default or defaults exist(s) which, unless corrected or timely cured, will constitute a material breach of this Contract on the part of the party against which a breach is asserted.

4) Time to Cure. If any material breach of this Contract by either party remains uncured more than thirty (30) days after written notice thereof by the party asserting the breach to the party against which the breach is asserted, such condition shall be an Event of Default; provided, however, if, within thirty (30) days after such notice, a substantial good faith effort to cure said breach has been undertaken by the party against which the breach has been asserted, said breach shall not be an Event of Default if it is cured within a reasonable time thereafter.

If the breach cannot be cured within thirty (30) days after notice and such breach can be cured through an on-going effort on the part of the breaching party, the breaching party may, within the thirty (30) day period following notice of the breach, submit a plan for curing the breach within a reasonable period of time, not to exceed six (6) months, unless extended by the non-breaching party. If the plan is approved by the non-breaching party, such approval is not to be unreasonably withheld, the non-breaching party will not pursue remedies hereunder as long as the breaching party timely undertakes to cure the breach in accordance with the approved plan.

5) Force Majeure. The failure of performance of any of the terms and conditions of this Contract resulting from acts of God, war, civil insurrection or riot.

Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

6) Termination. This Contract may be terminated at any time upon mutual agreement of the parties or upon an Event of Default, the non-defaulting party may pursue remedies set forth herein or terminate this Contract upon ninety (90) days written notice to the other party.

G. Miscellaneous:

1) Authority's Expenses.

a) CCA agrees to reimburse the Authority within thirty (30) days of receipt of an invoice for fees and costs incurred by the Authority's attorney for representation of the Authority in reviewing and revising this contract and any subsequent amendments to this contract or any other contracts between CCA and the Authority or any other contracts or agreements provided herein.

b) CCA agrees to reimburse the Authority within thirty (30) day of receipt of an invoice for documented out of pocket expenses incurred in the administration of this contract and any other contracts or agreements between CCA and the Authority for up to \$10,000.00 per calendar year and for any additional expenses incurred by the Authority provided the Authority obtains from CCA prior written approval. Said approval will not be unreasonably withheld.

2) Waiver. No waiver of any breach of any of the terms or conditions of this Contract shall be held to be a waiver of any other or subsequent breach; nor shall any waiver be valid or binding unless the same shall be in writing and signed by the party alleged to have granted the waiver.

3) Disputes. Any dispute between the parties concerning any and all matters related to this Contract will be resolved as follows:

a) Step 1: Each Party will appoint a person who shall be responsible for administering the resolution procedures regarding claims. Those appointed persons shall attempt to settle such claim. If they are unable to resolve the claim within thirty (30) days after either Party notifies the other that the claim has been referred for resolution, either Party may declare that an impasse has been reached and proceed to Step 2.

b) Step 2: Upon the declaration of an impasse, the parties will seek mediation by a certified civil mediator who will be agreed to by the parties or, if the parties cannot agree to a mediator within thirty (30) days of the decision to seek mediation, said mediator will be chosen by the party seeking mediation. The cost of the mediation will be split equally between the Parties.

In the absence of an agreement to the contrary by the Parties, the mediation process shall be conducted in accordance with the Center for Public Resources Model Mediation Procedures of Business Disputes and shall be non-binding. The mediator shall conduct all hearings and meetings at a location mutually agreed to by the parties and, within thirty (30) days of appointment, shall notify the Parties in writing of the decision

Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

stating separately findings of fact and determinations of law. If mediation does not resolve the dispute, parties may proceed to Step 3 set out herein.

- c) **Step 3:** Either party may seek any remedy available under Oklahoma law.
- 4) **Third Party Rights.** The provisions of this Contract are for the sole benefit of the parties hereto and shall not be construed as conferring any rights on any other person.
- 5) **Non-discrimination.** No person will be subjected to discrimination in the performance of this Contract on the grounds of handicap, race, color, religion, sex, age or national origin. Upon request, CCA shall provide proof of such nondiscrimination, and shall post in conspicuous places, available to all employees and applicants, notice of such non-discrimination.
- 6) **Binding Nature.** This Contract shall be binding upon all Parties, their successors and assigns.
- 7) **Invalidity and Severability.** In the event that any provision of this Contract shall be held to be invalid, such provision shall be null and void, the validity of the remaining provisions of the contract shall not in any way be affected thereby.
- 8) **Counterparts.** This Contract may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which shall constitute one Contract, notwithstanding that all parties are not signatories to the original or the same counterpart, or that signature pages from different counterparts are combined, and the signature of any party to any counterpart shall be deemed to be a signature too and may be appended to any other counterpart.
- 9) **Interpretation.** The headings contained in this Contract are for reference purposes only and shall not affect the meaning or interpretation of this Contract. This Contract shall be interpreted by the laws of the State of Oklahoma.
- 10) **Additional Consideration.** As additional consideration for the Authority to enter into this Contract, CCA hereby agrees to:
 - a) **Inmate Telephone System.** CCA hereby agrees that the Authority is entitled to revenues from the Inmate Telephone System under the existing contract with AT&T and any future Inmate Telephone System contracts. The Authority has the right to negotiate the terms and provisions of any future contracts with the Inmate Telephone System provider, during the term of this contract, subject to the approval of CCA. Said approval will not be unreasonably withheld.
 - b) **Hospital Services.** CCA will use its best efforts to utilize the services of the Sayre Memorial Hospital, when out of Facility medical services are required for Inmates,



Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

provided appropriate services are available and the cost of such service is comparable with that at other hospitals.

c) Electrical Services Contract. CCA hereby agrees to the assumption of the electrical service contract entered into between the Authority and Northfork Electric Cooperative (the local electric energy provider); which term is for approximately 5 years. At its maturity, CCA agrees to grant Northfork Electric Cooperative a last right of refusal to meet any offer for electric service to the Facility.

d) Gas Services Contract. CCA hereby formally agrees to the assumption of the gas service contract entered into between the Authority and Arkla Natural Gas (the natural gas energy provider) which term is for approximately 5 years. At its maturity, CCA agrees to grant Arkla Natural Gas a last right of refusal to meet any offer for gas service to the Facility.

e) Refuse Services. CCA hereby agrees to negotiate in good faith with the Sayre Public Works Authority a contract to use the City of Sayre landfill providing such service is reasonable and the rates are competitive.

f) Authority Monitor Reports. CCA agrees to authorize Norris and Associates, Inc. to additionally deliver monthly reports to the Executive Committee of the Authority (presently these reports are going to the Warden and Vice President of Operation).

g) Survival of Contract. CCA agrees that any surviving parent affiliate firm resulting from any merger of CCA and any new subordinated subsidiary responsible for the Facility will be subject to the requirements of this Contract.

11) Terminology and Definitions. All personal pronouns used in this Contract, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural and the plural shall include the singular.

12) Release. CCA, upon final payment of the amount due under this Contract, releases the Authority, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Contract. CCA agrees not to purport to bind the Authority to any obligation not assumed herein by the Authority unless CCA has express written authority to do so, and then only within the strict limits of this authority.

13) Amendment. This Contract shall not be altered, changed or amended except by instrument in writing executed by the parties hereto.

14) Scope of Contract. This Contract incorporates all the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Contract, except (a) the Amended Acquisition and Construction Contract, dated March 1.

Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

1997 and (b) the Inmate Telephone System Contract. No prior agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied or excluded in this Contract.

15) Notices. All notices shall be sent certified mail, return receipt requested to:

Authority: Chairman
Sayre Industrial Authority
City Hall
100 West Main Street
Sayre, Oklahoma 73662

CCA: Linda G. Cooper, Vice President/Legal Affairs
Corrections Corporation of America
10 Burton Hills Boulevard
Nashville, Tennessee 37215

16) Independent Contractor. CCA is and shall be an independent contractor and, subject to the terms of this Contract, shall have the sole right to supervise, manage, operate, control and direct the performance of its duties hereunder. Nothing herein shall be deemed or constructed to create a partnership, employee/employer or other type of relationship other than that of independent contractor.

17) Assignment. This Contract cannot be assigned without the written consent of the parties hereto.

18) Date. Dated this 19th day of May, 1998.

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Residential Services Contract between Sayre Industrial Authority and Corrections Corporation of America

IN WITNESS WHEREOF, intending to be legally bound, the parties have caused their authorized representative to execute this Contract.

FOR THE AUTHORITY:



R. KENT WHINERY, CHAIRMAN

Date: May 19, 1998

SEAL


CARLETTA SNIDER, SECRETARY

CORRECTIONS CORPORATION OF AMERICA

BY: 
CHARLES A. BLANCHETTE
VICE PRESIDENT, OPERATIONS

Date: _____

REVIEWED BY:


LINDA G. COOPER
VICE PRESIDENT, LEGAL AFFAIRS

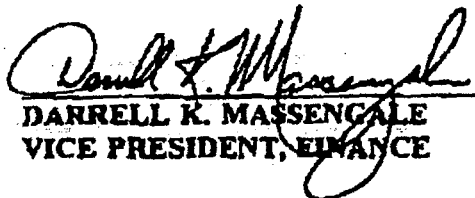

DARRELL K. MASSENGALE
VICE PRESIDENT, FINANCE

EXHIBIT “C”

AGREEMENT
BETWEEN
SAYRE INDUSTRIAL AUTHORITY
AND
CORRECTIONS CORPORATION OF AMERICA

This Agreement is hereby entered into by and between SAYRE INDUSTRIAL AUTHORITY, Sayre, Oklahoma (hereinafter "AUTHORITY"), an Oklahoma public trust, and CORRECTIONS CORPORATION OF AMERICA (hereinafter "CCA"), a Tennessee Corporation with its principal offices located at 10 Burton Hills Boulevard, Nashville, Tennessee 37215:

WITNESSETH:

WHEREAS, CCA owns the Northfork Correctional Facility (Facility) in Sayre, Oklahoma;

WHEREAS, the parties entered into an Amended Acquisition and Construction Agreement dated March 1, 1997 and a Residential Services Agreement dated May 19, 1998 ("Amended Acquisition and Construction Agreement and Residential Services Agreement") in which they agreed to certain provisions regarding the Facility's inmate telephone system;

WHEREAS, the parties desire to terminate the Authority's rights in the Facility's Inmate telephone system;

WHEREAS, the parties desire to partner together to seek inmate populations and keep the Facility operational and, subject to the exceptions below, to reserve any claims and disputes related to the Facility's Inmate phone system that may exist prior to the effective date of this Agreement;

NOW THEREFORE, the parties agree as follows:

- 1. At any time during which the Facility is operational and housing inmates, CCA shall pay the Authority a monthly impact fee in accordance with the daily average population of the Facility that month as set forth below:**

Population	Payment
750-1,000	\$20,000.00
1,001-1,250	\$28,000.00
1,251-1,440	\$36,000.00

CCA shall not be required to pay the above referenced fee if any federal, state or

local legislative, judicial or regulatory entity determines that the collection of inmate phone commissions or any profits or revenue derived from the operation of inmate phone systems is illegal or otherwise restricted. Payment of the fee shall not be required after the effective date of the determination.

2. CCA shall indemnify, defend and save harmless the City, its agents, employees, and representatives from and against any and all suits, actions, claims, demands, damages or losses arising from CCA's operation of the Facility except for those claims, demands, damages or losses arising from the acts or omissions of the City, its agents, employees or representatives.

3. CCA shall have full authority over the Facility phone system, any phone services contract and all phone commissions on or after November 1, 2004. The Authority hereby relinquishes any claims related to the Facility phone system after October 31, 2004.

4. The Amended Acquisition and Construction Agreement and the Residential Services Agreement shall remain in full force and effect except to the extent that such agreements are modified herein as it relates to the Facility inmate phone system.

5. The parties agree that any claims related to the Facility phone system either party may have against the other party which may exist prior to November 1, 2004 survive the execution of this Agreement, are reserved and are not released. Either party shall have the right to pursue such a claim, but neither party shall conduct such pursuit in a way that impairs the marketing of the Facility.

6. The Authority shall provide its full support and cooperation to CCA's marketing efforts to obtain customers for the Facility.

7. If CCA desires the City to enter into an inter-governmental agreement (IGA) on its behalf for housing of inmates at the Facility, the City will provide its full cooperation in the negotiation and execution of the IGA. The City will not enter into such IGA without CCA's advance written permission, nor will the City amend, terminate or otherwise change the terms of the IGA without CCA's advance written permission.

8. If the City enters into an IGA pursuant to this Agreement, the City will pay CCA all funds received pursuant to the IGA less the impact fee due under this Agreement and shall receive no additional consideration for entering into the IGA. CCA agrees to submit the necessary documentation for payment to the City as set forth in the IGA. The City will pay amounts due to the CCA within seven (7) working days after receipt of funds. To the extent allowed under the IGA, CCA will be designated Payee and funds due pursuant to the IGA will be paid directly to CCA. In that instance, CCA will deduct the impact fee and forward that amount to the City within seven (7) working days of receipt of funds.

9. This Agreement shall commence on November 1, 2004 and, except as otherwise specified herein, shall terminate upon CCA's transfer of ownership of the Facility. Upon CCA's transfer of ownership of the Facility, the provisions of the Amended Acquisition and Construction Agreement and the Residential Services Agreement regarding the

Facility inmate phone system shall become effective.

10. The provisions of this Agreement are for the sole benefit of the parties hereto and shall not be construed as conferring any rights on any other person or entity.

11. The venue and jurisdiction for this Agreement shall be the State of Oklahoma.

12. This Agreement shall not be altered, changed or amended except in writing executed by both parties.

13. This Agreement incorporates all the agreements, covenants and understandings between the parties. No prior contract or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

14. All notices sent pursuant to this Agreement shall be sent certified mail, return receipt requested to:

Authority: City of Sayre
102 West Main
Sayre, OK 73662

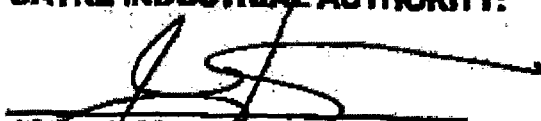
CCA: G. A. Puryear IV, General Counsel
Corrections Corporation of America
10 Burton Hills Boulevard
Nashville, TN 37215

15. No waiver of any breach of any of the terms or conditions of this Agreement shall be a waiver of any other or subsequent breach; nor shall any waiver be valid or binding unless the same shall be in writing and signed by the party alleged to have granted the waiver.

16. This Agreement cannot be assigned without the written consent of the parties hereto.

IN WITNESS WHEREOF, intending to be legally bound, the parties have caused their authorized representative to execute this Contract November 1, 2004.

SAYRE INDUSTRIAL AUTHORITY:



JACK WESTER, CHAIRMAN
CORRECTIONS CORPORATION OF AMERICA

DAMON HININGER
VICE PRESIDENT, FEDERAL CUSTOMER RELATIONS

EXHIBIT “D”

**FIRST AMENDMENT
TO
AGREEMENT BETWEEN
SAYRE INDUSTRIAL AUTHORITY
AND
CORRECTIONS CORPORATION OF AMERICA**

This Amendment is hereby entered into by and between the SAYRE INDUSTRIAL AUTHORITY, Sayre, Oklahoma (hereinafter "Authority"), an Oklahoma Public Trust, and CORRECTIONS CORPORATION OF AMERICA, (hereinafter "CCA"), a Maryland corporation with its principal offices located at 10 Burton Hills Boulevard, Nashville, Tennessee 37215.

WITNESSETH:

WHEREAS, on the 1st day of November 2004, CCA and the Authority entered into an agreement ("Agreement") to establish an impact fee payable by CCA to the Authority based on the daily average inmate population located at the Northfork Correctional Facility in Sayre Oklahoma ("Facility"); and

WHEREAS, the impact fee in the Agreement applies to the Facility's present maximum inmate capacity of 1,440 inmates; and

WHEREAS, CCA anticipates expanding the Facility to increase the maximum inmate capacity from 1440 to 2,440; and

WHEREAS, the parties desire to modify the impact fee schedule in the Agreement incrementally to apply to the expanded inmate capacity of up to 2,440 inmates.

NOW, THEREFORE, the parties agree as follows:

1. Section 1 of the Agreement shall be deleted in its entirety and replaced with the following language:

At any time during which the Facility is operational and housing inmates, CCA shall pay the Authority a monthly impact fee in accordance with the daily average population of the Facility that month as set forth below:

<u>Population</u>	<u>Payment</u>
750-1000	\$20,000.00
1001-1250	\$28,000.00
1251-1440	\$36,000.00
1441-1690	\$44,000.00
1691-1940	\$52,000.00

1941-2190	\$60,000.00
2191-2440	\$68,000.00

Notwithstanding any provision herein to the contrary, the monthly impact fee described above for a population of 1441 to 2440 inmates shall not be effective until eight months from the date the 1441st inmate is housed in the general population beds of the Facility.

CCA shall not be required to pay the above referenced fee if any federal, state or local legislative, judicial or regulatory entity determines that the collection of inmate phone commissions or any profits or revenue derived from the operation of inmate phone systems is illegal or otherwise restricted. Payment of the fee shall not be required after the effective date of the determination.

The Facility will provide the Authority the daily average population count for each month by the 15th day of the following month.

In the event the Facility is expanded beyond a capacity of 2440 beds, the parties agree to engage in good faith negotiations regarding an amendment to apply a mutually agreeable monthly impact fee to the expanded Facility capacity. Negotiations shall take into consideration relevant factors including the cost of the Facility expansion and any necessary sewer or water system upgrades.

2. The following language shall be added as a new Section 17:

17. If a breach by the Authority of this Agreement or a breach by the Sayre Public Works Authority ("PWA") or the City of Sayre ("City") of the Development Agreement entered into October __, 2007 between CCA, PWA and the City is not cured upon thirty (30) days written notice from CCA, CCA shall have the right to withhold and retain as liquidated damages, not as a penalty, any monthly impact fee due and owing to the Authority as provided herein. CCA may withhold the monthly impact fee as long as the breach continues. The thirty (30) day cure period and withholding of any monthly impact fee shall be stayed pending resolution of any dispute as provided below.

The Authority shall have fourteen (14) days from receipt of the default notice to notify CCA in writing of any valid objection to withholding of the impact fee. Within fourteen (14) days of receipt of the objection, CCA shall notify the Authority in writing of its agreement or disagreement. If CCA disagrees with the Authority's objection, the parties shall attempt to resolve the dispute in good faith by each designating a senior representative to engage in informal discussions. If the party's representatives are unable to resolve the dispute through informal discussions within fourteen (14) days, either party may file a request for mediation in accordance with the rules and procedures of the American Arbitration Association currently in effect. The parties shall select a mutually agreeable mediator. If the dispute is not resolved through mediation, either party may submit the dispute to binding arbitration for resolution by a mutually agreeable arbitrator in accordance with the rules and procedures of the American Arbitration Association currently in effect. The parties shall share equally the fees of the mediator and arbitrator.

3. The following language shall be added as a new Section 18:

18. If any provision of this Agreement or the application thereof to any entity or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to any other entity or circumstance shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

4. All other terms of the Agreement not amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, intending to be legally bound, the parties have caused their authorized representatives to execute this Amendment on this _____ day of October 2007.

SAYRE INDUSTRIAL AUTHORITY

Signature

Print Name/Title

CORRECTIONS CORPORATION OF AMERICA

Lucibeth Mayberry

Signature

Lucibeth Mayberry Vice President

Print Name/Title

**CCA CONTRACT
AMT PER COUNT**

750-1000 \$20000

1001-1250 \$28000

1251-1440 \$36000

1441-1690 \$44000

1691-1940 \$52000

1941-2190 \$60000

2191-2440 \$68000

EXHIBIT “E”



Jean Shuttleworth
Assistant General Counsel
Contract Management

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

91 7199 9991 7033 6405 6750

November 14, 2016

Kent Whinery, Esq.
215 E. Main St.
Sayre, Oklahoma 73662

RE: North Fork Correctional Facility (Facility)
Impact Fee Agreement with City of Sayre (Agreement)

Dear Mr. Whinery:

By way of introduction, I am an Assistant General Counsel at CoreCivic (f/k/a Corrections Corporation of America). We have reviewed your letter to Brian Hammonds dated October 17, 2016 relating to the above-referenced Agreement. CoreCivic is well aware of the history of the Facility and the facts and circumstances that gave rise to the Agreement.

You state in your letter that the City's invoice has "no connection with the inmate telephone system and is not contingent on who controls the inmates at Northfork." However, your contention that CoreCivic's payment obligation has no connection to the inmate telephone system is contrary to the express provisions of the Agreement. I call your attention to Section 1, third paragraph, which subjects our obligation to pay impact fees to the condition precedent that CoreCivic have an unrestricted right to receive inmate phone commissions.¹

The State of Oklahoma prohibits CoreCivic from receiving any inmate phone commissions during the term of the State's lease of the Facility. Consequently, per the express terms of the Agreement, no impact fees are payable to the City.

Please direct further correspondence or inquiries regarding this matter to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Shuttleworth", written over a horizontal line.

Jean Shuttleworth
Assistant General Counsel, Contract Management

cc: Brian Hammonds

¹ "CCA shall not be required to pay the above-referenced [impact] fee if any federal, state or local legislative, judicial or regulatory entity determines that the collection of inmate phone commissions ... is illegal or otherwise restricted."

EXHIBIT "F"



Jean Shuttleworth
Assistant General Counsel
Corporate Contracts

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

December 27, 2017

City of Sayre
102 West Main Street
Sayre, Oklahoma 73662
Attn: City Clerk

RE: **Customer No. 30-3020; REJECTION OF INVOICES**

Dear Sir/Madam:

Reference is made to the following invoices submitted by the City of Sayre to CoreCivic, Inc. prior to the date of this letter:

Invoice Date	Invoice Amount
08/11/2016 (previously rejected)	\$36,000.00
09/06/2016 (previously rejected)	\$36,000.00
10/15/2016 (previously rejected)	\$36,000.00
11/15/2016 (previously rejected)	\$44,000.00
12/15/2016 (previously rejected)	\$52,000.00
01/15/2017 (previously rejected)	\$52,000.00
02/15/2017 (previously rejected)	\$52,000.00
03/15/2017 (previously rejected)	\$60,000.00
04/15/2017 (previously rejected)	\$60,000.00
05/31/2017 (previously rejected)	\$68,000.00
06/30/2017 (previously rejected)	\$68,000.00
07/31/2017 (previously rejected)	\$68,000.00
08/31/2017 (previously rejected)	\$68,000.00
09/30/2017 (previously rejected)	\$68,000.00
10/31/2017 (previously rejected)	\$68,000.00
11/30/2017	\$68,000.00

For the reasons set forth in our letter to Kent Winery dated November 14, 2016 (copy enclosed), each of the foregoing invoices was improperly submitted and has been rejected.

Sincerely,

Jean Shuttleworth

cc: Brian Hammonds
Kent Winery, Esq.
Attachment (1)



Jean Shuttleworth
Assistant General Counsel
Contract Management

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

91 7199 9991 7033 6405 6750

November 14, 2016

Kent Whinery, Esq.
215 E. Main St.
Sayre, Oklahoma 73662

RE: North Fork Correctional Facility (Facility)
Impact Fee Agreement with City of Sayre (Agreement)

Dear Mr. Whinery:

By way of introduction, I am an Assistant General Counsel at CoreCivic (f/k/a Corrections Corporation of America). We have reviewed your letter to Brian Hammonds dated October 17, 2016 relating to the above-referenced Agreement. CoreCivic is well aware of the history of the Facility and the facts and circumstances that gave rise to the Agreement.

You state in your letter that the City's invoice has "no connection with the inmate telephone system and is not contingent on who controls the inmates at Northfork." However, your contention that CoreCivic's payment obligation has no connection to the inmate telephone system is contrary to the express provisions of the Agreement. I call your attention to Section 1, third paragraph, which subjects our obligation to pay impact fees to the condition precedent that CoreCivic have an unrestricted right to receive inmate phone commissions.¹

The State of Oklahoma prohibits CoreCivic from receiving any inmate phone commissions during the term of the State's lease of the Facility. Consequently, per the express terms of the Agreement, no impact fees are payable to the City.

Please direct further correspondence or inquiries regarding this matter to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "JS", written over a horizontal line.

Jean Shuttleworth
Assistant General Counsel, Contract Management

cc: Brian Hammonds

¹ "CCA shall not be required to pay the above-referenced [impact] fee if any federal, state or local legislative, judicial or regulatory entity determines that the collection of inmate phone commissions . . . is illegal or otherwise restricted."

EXHIBIT “G”

LEASE AGREEMENT

by and between

CORRECTIONS CORPORATION OF AMERICA as LANDLORD

and

OKLAHOMA DEPARTMENT OF CORRECTIONS as TENANT

North Fork Correctional Facility

LEASE AGREEMENT

This LEASE AGREEMENT (this "Lease") is dated as of the 5th day of May, 2016 (the "Effective Date"); between CORRECTIONS CORPORATION OF AMERICA, a Maryland corporation ("Landlord"), and OKLAHOMA DEPARTMENT OF CORRECTIONS, an agency of the State of Oklahoma ("Tenant").

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

ARTICLE I

DEFINITIONS

1. The following terms shall have the meanings set forth below for all purposes in this Lease:

Additional Term: Each successive period of two (2) years, by which the Lease Term may be extended pursuant to the provisions and conditions of Article III, Section 2 below.

Address for Notices to Landlord: Corrections Corporation of America, 10 Burton Hills Boulevard, Nashville, Tennessee 37215-6105, Attn: General Counsel, facsimile (615) 263-3020.

Address for Notices to Tenant: Oklahoma Department of Corrections, 3400 Martin Luther King Avenue, Oklahoma City, OK 73111-4298 Attn: Greg Williams, facsimile (405) 425-3654.

Alterations: Any additions to, alterations or renovations of the Premises or the Improvements, excluding decorations, signage and movable fixtures that can be installed and removed without causing damage to the structure, systems, or integrity of the Premises or the Improvements.

CPI: The Consumer Price Index for All Items, U.S. City Average, issued by the Bureau of Labor Statistics of the United States Department of Labor or any revision to this index or successor index that tracks the same data. If the CPI ceases to be published, with no successor index, then Landlord and Tenant shall reasonably agree upon a reasonable substitute index.

CPI Increase: The CPI Increase for the first Additional Term shall be the percentage increase in the CPI between the first day of the first Additional Term and the first day of the prior Lease Year. The CPI Increase for each subsequent Additional Term shall be the percentage increase in the CPI between the first day of the Additional Term for which Rent is being adjusted and the first day of the prior Additional Term. The CPI for any date means the CPI last published before the calendar month that includes such date.

Default Rate: The annualized rate based on an average of the interest rate for thirty-day time deposits of state funds during the last calendar quarter of the last preceding fiscal year, as reported by the State Treasurer. (62 O.S. § 34.72).

Facility Maintenance Plan: The preventive maintenance program concerning the Premises, the Improvements, and the FF&E, which program shall comply with the minimum requirements of the maintenance plan attached hereto as Exhibit B.

FF&E: Those certain items of furniture, fixtures, and equipment used in the normal operation of the Premises and listed on Exhibit C attached to this Lease.

Force Majeure Event: any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Lease but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the party seeking to have its performance obligation(s) excused thereby, (ii) the party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event and mitigate the effect of such event on such party's ability to perform its obligations under this Lease and which by the exercise of due diligence such party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence of or the failure to perform under this Lease by, or caused by, the party seeking to have its performance obligations excused thereby; provided further, that such event is within or similar to one or more of the following categories: condemnation; expropriation; invasion; plague; drought; landslide; tornado; hurricane; unusually severe weather; tsunami; volcano; flood; lightning; earthquake; fire; explosion; epidemic; quarantine; war (declared or undeclared); terrorism or other armed conflict; strikes and other labor disputes; riot or similar civil disturbance or commotion; other acts of God; acts of the public enemy; blockade; insurrection, sabotage or vandalism; embargoes; and actions of a governmental authority.

Generate: To use, collect, generate, store, transport, treat, or dispose.

Generation: The use, collection, generation, storage, transportation, treatment, or disposal of a material.

Hazardous Substance: Excluding inventory, medical, cleaning supplies and other materials in normal quantities ordinarily used in the operation of Tenant's business, (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (U.S.C. § 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) any oil, petroleum products, and their by-products; (iv) any substance the presence of which on the Premises is prohibited, regulated or restricted by any law or regulation; and/or (v) any other substance which by law or regulation requires special handling in its Generation.

Improvements: The buildings, structures, and other improvements now or hereafter located on the Premises.

Lease Term: Five (5) Lease Years. To the extent Tenant elects to extend the Lease Term pursuant to the provisions and conditions of Article III, Section 2 below, the term "Lease Term" as used herein shall include the Additional Term(s).

Lease Year: Each period of twelve (12) consecutive calendar months commencing on the Term Commencement Date.

Permitted Uses: The Premises may be used as a correctional facility.

Proper Invoice: An invoice that is complete in all requirements necessary for processing it for payment in accordance with the terms of this lease and applicable state or federal statutes.

Premises: That certain lot, tract, and parcel of land located at 1605 East Main Street, Sayre, Oklahoma, as more particularly described on Exhibit A attached to this Lease, together with all plants, shrubs and trees located thereon, and together with all rights, ways and easements appurtenant thereto, and together with all Improvements and fixtures now or hereafter attached thereto.

Rent: The rent amount as set forth in Article IV, Section 1.

Taxes: All present and future taxes, assessments, customs, charges, tariffs, imposts, duties, levies and other governmental charges, including without limitation, income taxes, gross receipts taxes, unincorporated business income taxes, payroll taxes, sales taxes, use taxes, privilege taxes, margin taxes, franchise taxes, personal property (tangible and intangible) taxes, real estate taxes, excise taxes, stamp taxes, withholding taxes, value added taxes, and all penalties, fines, and interest thereon, in all cases imposed by an government unit having taxing power.

Term Commencement Date: The date on which Landlord delivers possession of the Premises to Tenant, which date is estimated to be July 1, 2016.

2. This Lease includes and incorporates all Exhibits attached to this Lease.

ARTICLE II

PREMISES

1. Landlord hereby demises and leases unto Tenant, and Tenant hereby leases and takes from Landlord, subject to and in accordance with the covenants, terms and conditions set forth below, the Premises, and all other rights, easements and privileges appurtenant to the Premises. Landlord shall, as part of this Lease, also demise and lease unto Tenant those certain items of furniture, fixture, and equipment included in the FF&E listed on Exhibit C.

2. Tenant agrees to accept the Premises, the Improvements, and the FF&E on the Term Commencement Date in their existing "as is" condition and acknowledges that the Premises, the Improvements, and the FF&E will be suitable for Tenant's specific use of the Premises.

3. Subject to the provisions of Article IX, Landlord shall be responsible for maintaining the Premises and the FF&E in accordance with the Facility Maintenance Plan attached to this Lease as Exhibit B. Tenant shall be responsible to pay for any additional Improvements or Alterations to the Premises or additional items of FF&E. Such additional Improvements, Alterations, and items of FF&E will be subject to the terms and conditions of Article X below.

ARTICLE III

TERM

1. The Lease Term shall commence on the Term Commencement Date and shall continue for the Lease Term (as may be extended as herein provided). The Term Commencement Date shall be the date set forth in Article I.

2. Provided that Tenant has not committed an uncured default (or if Tenant would be in default but for the passage of time, the giving of notice or both), Tenant shall have the right to extend the Lease Term for the Additional Terms upon written notice to Landlord at least one hundred eighty (180) days prior to the expiration of the then applicable Lease Term. If Tenant exercises its option to extend the term of this Lease, Tenant shall lease the Premises during the applicable Additional Term upon all of the terms and conditions of this Lease. Notwithstanding the foregoing, Tenant shall have no right to extend the Lease Term beyond the ninety-ninth (99th) anniversary of the Lease Term Commencement Date.

3. The term of this Lease is contingent upon the availability of funds appropriated annually in sufficient amounts to pay the rent pursuant to this Lease. If the Oklahoma State Legislature, at any time during its duly convened legislative process, fails, neglects, or refuses to appropriate or continue appropriation of sufficient funds as may be required for the Tenant to continue the payments required hereunder, Tenant and Landlord shall each have the right to terminate this Lease without penalty on the date funds are no longer available, upon written notice to the other party. Tenant shall notify Landlord of the possibility of termination due to insufficient or unavailability of funds at the earliest possible time. Tenant and Landlord shall do all things lawfully within their power to obtain and maintain funding for this Lease during its term.

4. At any time following the Effective Date of this Lease but prior to the Term Commencement Date, Tenant, its agents, contractors or other representatives shall have the right to enter all areas of the Premises for the purpose of commencing certain activities it deems necessary prior to occupancy by Tenant. Tenant shall inform Landlord prior to entering the Premises and shall include a general description of the activities to be performed. This right of entry shall not create any obligation on the part of Tenant to pay Rent prior to the Term Commencement Date.

ARTICLE IV

RENT

1. (a) The Rent payable by Tenant to Landlord during the initial Lease Term shall be as follows:

<u>Lease Year</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
1	\$0	\$0
2	\$4,500,000.00	\$375,000.00
3	\$10,000,000.00	\$833,333.33
4	\$11,000,000.00	\$916,666.67
5	\$12,000,000.00	\$1,000,000.00

(b) The Rent payable by Tenant to Landlord during each Additional Term (if exercised by Tenant as provided in this Lease) shall be equal to the Rent due during the Lease Year prior to the Additional Term in question, adjusted by the CPI Increase.

2. During each Lease Year of the Lease Term, Tenant shall pay the Rent to Landlord in equal monthly installments, without setoff or deduction, unless otherwise provided in this Lease. Landlord shall invoice Tenant for the monthly rent in an electronic form acceptable to Tenant by the fifth of each calendar month. Tenant shall normally pay such invoices within thirty (30) days of receipt of Landlord's invoice by Tenant. Any proper invoice unpaid more than forty-five (45) days after receipt of a proper invoice shall accrue interest at the Default Rate beginning on the thirtieth (30th) date after receipt by Tenant of the proper invoice. The payment of such interest shall not excuse or cure any default or modify any obligation of Tenant under this Lease.

3. All sums payable by Tenant under this Lease shall be deemed Rent and shall be paid to Landlord in legal tender of the United States at the Address for Notices to Landlord. If Landlord shall at any time accept Rent after it shall have become due and payable, such acceptance shall not excuse a delay upon subsequent occasions, or constitute a waiver of any of Landlord's rights hereunder.

ARTICLE V

TAXES

1. Landlord shall pay before delinquency and without reimbursement from Tenant all Taxes assessed upon it by any governmental unit against the Premises, the Improvements, and the FF&E and any Taxes levied, assessed, or imposed upon the conduct of Landlord's business at the Premises. Taxes due by Landlord under this Article V, Section 1 shall be the amount of Taxes determined by Landlord after taking into account in good faith reliance on any exemption certificates or exemption representation provided to it by Tenant, and based on the understanding that the Lease shall be treated as a lease of real property, with Landlord's leasing of the FF&E to Tenant as incidental to Landlord's leasing of the Premises to Tenant.

2. Tenant represents that it is exempt from the assessment of State personal property, sales, use, occupancy and excise taxes. Further, Tenant represents that it is exempt from Federal Excise Taxes pursuant to Title 26 of the United States Code. The parties agree if that any new sales, use, occupancy, or excise Taxes are imposed in the future by any taxing authority on Tenant, to the extent that Tenant is not exempt, Tenant shall be responsible for such Taxes. The parties

further agree that if that any new sales, use, occupancy, or excise Taxes are imposed in the future by any taxing authority on Landlord, Landlord and Tenant shall cooperate and negotiate in good faith to minimize Landlord's burden of any such future Taxes.

3. Each party, at its sole expense and in its sole discretion, shall have the right to contest assessments pertaining to Taxes for which they are responsible. The other party shall reasonably cooperate as necessary to the extent legally permissible and commercially reasonable in any such contest.

ARTICLE VI

UTILITIES AND SERVICES

1. Landlord shall cooperate with Tenant in transferring all utility services accounts to Tenant, including trash removal and recycling services, water and sewer, electricity and/or gas, telephone, cable and fiber optic services, to be furnished to the Premises at Tenant's expense. Tenant shall be obligated to ensure the constant provision of electricity, gas, water and sewer service to the Premises throughout the Term so as to maintain the security, condition, and operation of the Premises. Such obligations shall include timely paying all bills.

2. Without Landlord's prior written consent, Tenant shall not connect equipment in the Premises that consumes more electricity than permitted by the building standard specifications.

3. Tenant shall work directly with the utility service provider in the event of any disruption of service. In no event shall Landlord be liable to Tenant for any interruption or failure in the supply of any utilities to the Premises, except that if such interruption or failure: (a) is the result of Landlord's negligent or willful act or omission or failure to satisfy its obligations under the Facility Maintenance Plan attached to this Lease as Exhibit B, (b) is not cured within one (1) day of notice to Landlord, and (c) materially interferes with Tenant's use of the Premises, then Tenant shall be entitled to rent abatement in proportion to Tenant's diminished use of the Premises beginning on the second (2nd) consecutive day of such interruption or failure and continuing until the supply of utilities is restored. Landlord shall have no responsibility or liability for any interruption or failure in the supply of any utilities to the Premises caused by strikes, accidents or by any other causes beyond Landlord's control, or by orders or regulations of any federal, state, county, or municipal authority; and Tenant agrees that Tenant shall have no claim for damages nor shall there be any abatement of Rent in the event that any of such services shall be discontinued or shall fail to function for any such reason.

ARTICLE VII

USE OF PREMISES; HAZARDOUS SUBSTANCES

1. Tenant shall use and occupy the Premises solely for the Permitted Uses. Tenant, at its sole cost and expense, will observe and comply promptly with all present and future laws, ordinances, regulations, orders or other legal requirements of the United States of America, the State of Oklahoma, and any other public or quasi-public authority having jurisdiction over the

Premises and the requirements of Landlord's insurance relating to or affecting the Premises, the condition thereof, all machinery, equipment and furnishings therein, or incident to Tenant's occupancy and use of the Premises. Tenant shall not remove the FF&E from the Premises.

2. Tenant shall not Generate in, on, under or about the Premises, any Hazardous Substance, nor shall Tenant permit or allow any third party to do so, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant shall pay or reimburse Landlord for any costs or expenses incurred by Landlord, including attorneys', engineers', consultants' and other experts' fees and disbursements incurred or payable to determine, review, approve, consent to or monitor activities by Tenant involving Hazardous Substances, including, without limitation, above and below ground testing. Landlord is hereby authorized to enter upon the Premises for such purposes. Tenant shall supply Landlord with historical and operational information regarding the Premises, including without limitation, all reports required to be filed with governmental agencies, as may be requested by Landlord to facilitate site assessment, and shall make available for meetings with Landlord, appropriate personnel having knowledge of such matters. Tenant shall notify Landlord in writing, immediately upon the discovery, notice (from a governmental authority or other entity) or reasonable grounds to suspect, by Tenant, its agents, its successors or assigns, the presence in the Premises or the Improvements of any Hazardous Substance or conditions that result in a violation of or could reasonably be expected to violate this Article VII, Section 2, together with a full description thereof. Tenant shall store, remove and dispose of all medical or bio-hazardous waste and material in accordance with all applicable laws, rules and regulations.

ARTICLE VIII

ASSIGNMENT AND SUBLETTING

Tenant shall not assign this Lease or sublet all or any portion of the Premises without the prior written consent of Landlord, which may be given or withheld in Landlord's sole discretion.

ARTICLE IX

MAINTENANCE AND REPAIRS

1. Landlord shall implement a Facility Maintenance Plan concerning the Premises, the Improvements, and the FF&E, which program shall comply with the minimum requirements attached hereto as Exhibit B. The Facility Maintenance Plan may be amended by agreement of the parties at any time to reflect reasonable changes. Tenant shall permit Landlord reasonable access at all times for the purpose of providing the foregoing services and performing maintenance and repairs to the Premises.

2. Tenant shall promptly notify Landlord of any required maintenance or repair. In the event Tenant discovers the need for maintenance or repair and fails to notify Landlord in a timely manner and such failure causes otherwise avoidable damage, Tenant shall be responsible for all costs and expenses arising out of any such avoidable damage and incurred by the Landlord in conducting such maintenance of such avoidable damage and shall pay such costs within thirty (30) days of receipt of an invoice from Landlord.

3. Tenant shall be solely responsible for the cost of maintenance, repairs and replacements that are over and above the maintenance program set forth in the Facility Maintenance Plan attached hereto as Exhibit B or not covered by a commercially reasonable warranty and necessitated due to Tenant's or its agents', employees', contractors', invitees', or visitors' negligent or willful acts or omissions or violations of this Lease.

4. It is agreed and understood that the Premises shall be equipped in accordance with the mandatory physical plant American Correctional Association Standards, to include necessary window treatments, fixtures for adequate lighting, electrical wiring and outlets, plumbing facilities to include hot and cold water, and central vented heat and refrigerated air-conditioning adequate to maintain air temperature between 68 and 74 degrees on a twenty-four hour basis, unless otherwise determined by the Tenant. Tenant acknowledges that it has had the opportunity to inspect the Premises and has determined that the Premises meet the standards of the American Correctional Association as of the term commencement date, and Landlord agrees to make any repairs or improvements that become necessary due to changes in standards of the American Correctional Association at no cost to the Tenant.

5. Tenant may, with Landlord's written authorization, install data and telephone cabling/services and modular panels; if applicable, prior to occupancy of the Premises, at no cost to Landlord, with the understanding that it must not interfere with Landlord's preparation of said space for occupancy by Tenant.

6. Landlord shall provide Tenant with adequate advance written notification of any need to shut down any utility serving the Premises for the purpose of performing repairs or maintenance

ARTICLE X

ALTERATIONS

1. Tenant shall not have the right to make any Alterations to the Premises or the Improvements without the prior written consent of Landlord. If during the Lease Term, Tenant desires Landlord to make, at Tenant's sole cost, any Alterations to the Premises or the Improvements, then Tenant shall provide Landlord with a written request regarding such Alterations with sufficient detail for Landlord to design and bid the requested Alterations. The parties will then work in good faith to reach mutual agreement regarding the costs and manner in which the requested Alterations will be performed, including the schedule of work and terms of Tenant's repayment of Landlord's costs in connections with the Alterations. Tenant shall be responsible for Landlord's hard costs of performing the Alterations; engineering, design and permitting fees; and a reasonable management fee to pay Landlord's overhead. If the parties are unable to reach mutual agreement regarding the requested Alterations, Landlord shall have no obligation to perform the same.

ARTICLE XI

SIGNS

Tenant shall have the right to erect at its sole cost and expense the signage it typically uses at facilities similar to the one on the Premises, replacements thereof and any other signage Tenant desires, so long as Tenant complies with all applicable laws. Such signage shall be removed by Tenant upon the expiration of the Lease and Tenant shall restore the Premises to the condition existing upon Tenant's initial installation of such signage.

ARTICLE XII

ACCESS BY LANDLORD

Tenant shall permit Landlord, its agents and representatives, to enter the Premises at all times to perform its obligations under this Lease and shall provide Landlord's maintenance personnel with all appropriate keys to allow such access. During the twelve (12) month period prior to the expiration of the Lease Term or earlier termination of this Lease, Landlord may access the Premises to exhibit the same to prospective tenants. In connection with any access of the Premises by Landlord, Landlord shall minimize the disruption to Tenant's use of the Premises and comply with all security procedures and policies established from time to time by Tenant.

ARTICLE XIII

INSURANCE; INDEMNIFICATION

1. Landlord, at its sole cost and expense, shall at all times keep the FF&E; the Improvements and all personal property and equipment of Landlord located on the Premises insured at replacement cost with "all-risk" coverage as is or then shall be commonly included in policies insuring similar property against loss by fire and other casualties. Landlord shall furnish to Tenant an original Certificate of Insurance naming the Certificate Holder as follows: State of Oklahoma, Department of Corrections. The Certificate of Insurance shall be attached to this Lease as "Exhibit D". A valid Certificate of Insurance shall be provided to Tenant as changes occur or on an annual basis throughout the lease term.

2. Throughout the Lease Term, each party shall obtain and maintain workers' compensation insurance in the amount required by the state in which the Premises is located for the benefit of their respective employees.

3. Each policy described in Article XIII, Sections 1 and 2 shall: (i) be issued by a company licensed to do business in the jurisdiction in which the Premises is located; (ii) contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured may have waived its right of action against any party prior to the occurrence of a loss, and shall provide that the insurer thereunder waives all right of recovery by way of subrogation against the other party (even if the loss or damage is caused by the fault or negligence of the other party), its partners, agents, employees, and representatives, in connection with any loss or damage covered by such policy; and (iii) be primary and non-contributory.

4. Tenant shall maintain insurance covering Tenant's contents through the Risk Management Program established by 74 O.S. § 85.34 et seq. and administered by the Office of Management and Enterprise Services Division of Capital Assets Management. Tenant shall provide Landlord with a Certificate of Self Insurance upon request. Without waiving any defense or immunity, and subject to and in accordance with the provisions of the Governmental Tort Claims Act, 51 O.S. § 151 et seq., Tenant agrees to bear responsibility for all expenses, fines, judgments, costs and damages caused by Tenant or Tenant's officials, employees, invitees, representatives, or agents or for acts or omissions of its employees, invitees, representatives, or agents.

5. Tenant shall be responsible for damage or loss of personal property, equipment, or fixtures placed in or on the Premises by Tenant, or its agents, employees, invitees, or inmates unless the damage or loss was caused as a result of a failure of the building systems or Landlord's negligence. Said personal property, equipment, or fixtures shall remain the property of Tenant and may be removed by the Tenant without penalty.

6. Landlord and Tenant mutually release and discharge each other (as well as the officers, directors, shareholders, members, partners, agents and employees of each party) from responsibility and liability for loss or damage to any building, structure or other property (real or personal) of the other party at the Premises that may arise from a fire or other casualty covered by insurance carried by the releasing party (or required to be carried pursuant to the terms of this Lease), unless caused by the negligence or willful misconduct of the other party or its agents, employees, contractors, or invitees.

ARTICLE XIV

DAMAGE OR DESTRUCTION

Except as hereinafter provided, if any of the Improvements or FF&E shall be damaged by fire or other casualty, the damage shall be promptly and fully repaired by Landlord at its sole cost and expense and this Lease shall not terminate but shall remain in full force and effect. During the time of repair, if the space cannot be fully utilized by Tenant, payments required under this Lease shall either be reduced or withheld on a pro rata basis in accordance with the amount of space available for use by the Tenant. If the Premises are unfit for occupancy by the Tenant as a result of damage by fire or any other cause or causes, this Lease may be terminated and the Tenant may vacate the Premises with no further obligation to the Tenant under this Lease from the date that the Premises were damaged. If, however, any of the Improvements are damaged by fire or other casualty and there are fewer than twelve (12) months remaining in the Lease Term at the time of the fire or other casualty, Landlord shall either repair the damage as provided above or terminate this Lease upon thirty (30) days' prior written notice to Tenant. Tenant shall be responsible for damage to or loss of any of the Improvements or FF&E to the extent caused by the negligence or willful misconduct of Tenant or its agents, employees, contractors, inmates or invitees.

ARTICLE XV

CONDEMNATION

1. If the entire Premises is condemned or taken by any governmental authority, whether by court proceeding or legislative act, then, and in that event, the term of this Lease shall cease and terminate on the date possession is to be given to the condemning governmental authority. If less than twenty percent (20%) of the Premises is so condemned or taken, and if the remainder of the Premises can be used by Tenant for the conduct of its business in a manner reasonably acceptable to Tenant, then this Lease shall continue in full force and effect without change with respect to the remaining portion of the Premises. The foregoing notwithstanding, (i) if twenty percent (20%) or more of the Premises is condemned or taken, or (ii) if any portion of the Premises is condemned or taken and the remainder of the Premises cannot reasonably be used for the Permitted Uses, then Tenant shall have the option to terminate this Lease upon thirty (30) days' prior written notice to Landlord, in which event all rights and obligations of Landlord and Tenant hereunder shall terminate. If this Lease shall continue, Landlord shall with reasonable promptness, repair and/or rebuild the remaining portion of the Premises. In the event of any termination of this Lease under this Article XV, Section 1, all amounts payable by Tenant under this Lease shall be prorated as of the date Tenant vacates the Premises.

2. All awards, damages and compensation paid on account of such condemnation shall belong to Landlord. Tenant assigns to Landlord all rights thereto. Tenant shall not make any claim against Landlord or the condemnor for any portion thereof attributable to damage to the Premises, value of the unexpired portion of the Lease Term, loss of profits or goodwill, leasehold improvements or severance damages. The foregoing shall not prevent Tenant from pursuing a separate claim against the condemnor for the value of movable furnishings and movable trade fixtures installed in the Premises solely at Tenant's expense and relocation expenses, provided that such claim in no way diminishes any award, damages or compensation payable to Landlord.

ARTICLE XVI

DEFAULT

Each of the following shall constitute an Event of Default on the part of a party:

- A. The failure of a party to make any payment required under this Lease that is not cured by payment within thirty (30) days after receiving notice from the other party that payment is past due.
- B. Failure of a party to keep, observe, perform, meet or comply with any covenant, agreement, term, or provision of this Lease required to be kept, observed, met, performed, or complied with by a party hereunder, which such failure continues for a period of thirty (30) days after the allegedly offending party has received a written notice of deficiency from the allegedly aggrieved party.
- C. If a party (a) admits in writing its inability to pay its debts; (b) makes a general assignment for the benefit of creditors; (c) suffers a decree or order appointing a

receiver or trustee for it or substantially all of its property to be entered and, if entered without its consent, not to be stayed or discharged within sixty (60) days; (d) suffers a proceedings under any law relating to bankruptcy, insolvency, or the reorganization or relief of debtors to be instituted by or against it and if contested by it, not to be dismissed or stayed within sixty (60) days; or (e) suffers any judgment, writ of attachment or execution, or any similar process to be issued or levied against a substantial part of its property.

No breach of this Lease by either party shall constitute an Event of Default and no action with regard to same may be instituted unless and until the party asserting a breach specifies that a deficiency or deficiencies exist(s) that, unless corrected or timely cured, will constitute a material breach of this Lease on the part of the party against which a breach is asserted. Nothing in this section is intended to prevent any party from terminating this Lease as provided in any other section of this Lease.

If a material breach of this Lease by either party remains uncured more than thirty (30) days after written notice thereof by the party asserting this breach, this shall be an Event of Default, provided, however, a substantial good faith effort to cure the breach shall not be an Event of Default if it is cured within a reasonable time thereafter.

Upon the occurrence of an Event of Default, either party shall have the right to pursue any remedy it may have at law or equity, including but not limited to: reducing its claim to judgment, including seeking an award of attorney's fees and costs, taking action to cure the Event of Default, and termination of the Lease.

No waiver of any breach of any terms or conditions of this Lease shall be held to be a waiver of any other or subsequent breach; nor shall any waiver be valid or binding unless the same shall be in writing and signed by the party alleged to have granted the waiver.

Neither party shall be liable for failure to perform under this Lease in the event of a Force Majeure event. This provision shall become effective only if the party failing to perform immediately notifies the other party of the extent and nature of the event resulting in the delay.

ARTICLE XVII

SURRENDER; HOLDING OVER

1. Upon the expiration of the Lease Term or earlier termination of this Lease, Tenant shall quit and surrender the Premises to Landlord, in good order, condition and repair, ordinary wear and tear excepted, free and clear of all subtenancies created hereunder and free and clear of all liens and encumbrances other than such exceptions as Landlord shall have previously consented to in writing.

2. Any and all trade fixtures, furniture, equipment and other personal property (whether or not affixed to the Premises or Improvements) furnished or installed by or at the expense of Tenant, which does not constitute part of the Improvements or FF&E, shall be removed by Tenant prior to the expiration of the Lease Term. The cost of repairing any damage to the Premises or the Improvements arising from such removal shall be borne by Tenant.

3. Whenever Landlord shall reenter the Premises as provided in this Lease, any property of Tenant not removed by Tenant upon the expiration of the Term of this Lease or within thirty (30) days after a termination shall be considered abandoned, and Landlord may remove any or all such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Tenant, all in accordance with applicable law.

4. Any holding over after the expiration or termination of the Lease Term shall be construed to be a tenancy from month-to-month for an amount of Rent which shall be equal to one hundred fifty percent (150%) of the Rent payable during the last month of the Lease Term.

ARTICLE XVIII

QUIET ENJOYMENT

Landlord covenants that it has the right to enter into this Lease for the Lease Term, and that, so long as Tenant is not in default under this Lease beyond any applicable cure period expressly granted herein, Tenant shall freely, peaceably and quietly occupy and enjoy the full possession of the Premises.

ARTICLE XIX

GENERAL PROVISIONS

1. Neither Tenant's obligations to pay Rent, nor anything else contained in this Lease, shall be construed as creating a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between the parties hereto other than that of landlord and tenant.

2. At any time and from time to time, upon not less than ten (10) business days' prior written notice from either party hereto ("Requesting Party"), the other party ("Responding Party") shall execute and deliver to Requesting Party a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect, as modified, and stating the applicable modifications); (b) the dates to which Rent and any other charges hereunder have been paid by Tenant; (c) whether or not, to the best knowledge of Responding Party (without independent inquiry or investigation), Requesting Party is in default in the performance of any covenant, agreement or condition contained in this Lease, and if so, specifying the nature of such default; (d) the address to which notices to Responding Party are to be sent; (e) the Effective Date and the date the Lease Term will expire subject to the right of Tenant to extend the Lease Term for one or more Additional Terms; and (f) certifying any other terms or conditions regarding this Lease or the Premises which Requesting Party may reasonably request, it being intended that any such statement delivered hereunder may be relied upon by any third party not a party to this Lease to the extent such statement is not inconsistent with the terms of this Lease.

3. To the extent permissible under applicable law, Tenant and Landlord hereby waive trial by jury in any action, proceeding, claim or counterclaim brought by either party and against the other party in connection with any matter arising out of or in any way connected with this

Lease, the relationship of Landlord and Tenant hereunder, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage. Tenant and Landlord hereby consent to service of process and any pleading relating to any such action, proceeding, claim or counterclaim at the place for notices hereunder; provided, however, that nothing herein shall be construed as requiring such service at the Premises. Landlord and Tenant each hereby waives any objection to the venue of any action filed by either party in any court situated in Oklahoma County, Oklahoma, and each party further waives any right, claim or power, under the doctrine of forum non conveniens or otherwise, to transfer any such action filed by any party in any such court to any other court.

4. All notices or other communications required hereunder shall be in writing and addressed to the Address for Notices to Landlord or the Address for Notices to Tenant (as the case may be) as set forth in Article I, Section 1, and shall be deemed received (i) if hand delivered, when delivered in person (with receipt therefor), or (ii) if given by commercial overnight delivery service, the first business day after being sent prepaid by such overnight delivery service, or (iii) if given by facsimile, when transmitted to the applicable facsimile number specified in Article I, Section 1 above for Landlord or Tenant (as the case may be) during normal business hours and confirmation of completed receipt is received during normal business hours (provided a copy of the same is sent by overnight delivery service on the same day), or (iv) if given by certified mail, return receipt requested, postage prepaid, two (2) days after posting with the United States Postal Service. Either party may change its address for the giving of notices by written notice given in accordance with this Section.

5. Each provision of this Lease shall be valid and enforced to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby.

6. Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural shall be substituted for the singular number, in any place or places herein in which the context may require such substitution.

7. The provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective heirs, personal representatives, successors and assigns.

8. This Lease contains the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, letters of interest, proposals, representations, warranties, understandings and discussions between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not contained in this Lease shall be void and of no force or effect. This Lease may not be modified or changed in whole or in part in any manner other than by an instrument in writing duly signed by both parties hereto.

9. This Lease shall be governed by, and construed in accordance with, the laws of the State of Oklahoma.

10. All information received by Tenant from the Landlord or any source concerning this lease, including the Lease itself, may be treated by the Tenant as public information subject to disclosure under any applicable laws relating to public records (the "Public Records Law") in the

State of Oklahoma. Landlord understands that although all materials received by Tenant in connection with this Lease are intended for exclusive use of the Tenant, they are potentially subject to disclosure pursuant to any such Public Records Law. Tenant shall notify Landlord of any request for disclosure of information that Landlord has reasonably requested Tenant hold in confidence. Tenant shall thereafter disclose the requested information pursuant to Public Records Law unless Landlord, within five (5) days of receiving notice of the discloser request, requests nondisclosure, provides Tenant with a legally sound basis for the nondisclosure request, and agrees to indemnify, defend and hold the Tenant harmless in any and all actions brought to require disclosure.

11. Landlord is required to retain records relative to the Lease for the duration of the Lease and for a period of seven (7) years following completion or termination of the Lease. If a claim, audit, litigation or other action involving records is started before the end of the seven-year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

12. If Landlord sells the Premises, the new owner shall take possession subject to the terms of this Lease.

13. Landlord and Tenant, as applicable and subject to any limitations set forth in this Lease, shall be responsible for compliance with all applicable federal, state and local laws, codes, ordinances, rules, and regulations pertaining to health, safety, fire, and public welfare. Furthermore, the State Fire Marshal must inspect the Premises prior to the initial occupancy, or renovation of existing space, and/or approve building plans for new construction, for compliance with the Life Safety Code, Fire Prevention Code, National Fire Protection Association Standards, and American Correctional Association Standards, and shall provide a written report of said inspection or signed floor plan to Tenant prior to the initial lease term.

14. Except as otherwise provided in this Lease, Tenant may not terminate this Lease during the initial Lease Term. During any Additional Term, Tenant may terminate the Lease whenever, for any reason, it determines that it is in the best interest to do so. Tenant shall provide Landlord at least 180 days' notice of termination. The Lease shall remain in effect during the notice period. Upon such notice of termination, neither party shall have any right to any general, special, incidental or any other damages whatsoever of any description or amount. The notice of termination may be withdrawn or revoked at any time.

15. Landlord shall allow Tenant to install, setup, and operate on the Premises inmate services similar or the same as what is provided at other prisons operated by Tenant at Tenant's expense; including but not limited to the following: inmate telephone service, video visitation service.

16. Prior to initial occupancy, the Premises shall be inspected by the appropriate State of Oklahoma regulatory agency for the presence of friable asbestos as defined in 40 O.S. § 451-457. Reinspection of the Premises will not be necessary after initial occupancy unless it is so determined by the appropriate State of Oklahoma regulatory agency or Tenant.

17. The Landlord and Tenant, as applicable, shall be responsible for compliance with the Americans with Disabilities Act of 1990 (Public Law 101-336) and all amendments and

requirements imposed by the regulations issued pursuant to that act, as mutually agreed upon between the Landlord and Tenant so as to adequately meet the Tenant's A.D.A. requirements.

18. The Landlord and Tenant, as applicable, shall adhere to the requirements of the Oklahoma Occupational and Safety Standards Act of 1970, as defined in 40 O.S. § 401-424.

19. Prior to entering the Premises, all employees, agents, contractors, invitees, or licensees of Landlord who will be working at the Premises on a regular basis shall be subject to a criminal background investigation conducted by Tenant and shall be subject to approval by Tenant through the warden at the Premises. Upon entering the Premises, all employees, agents, contractors, invitees, or licensees of Landlord shall comply with all of Tenant's policies and operating procedures applicable to correctional centers.

20. All employees, agents, contractors, invitees, or licensees of Landlord who will be working at the Premises on a regular basis shall be required to complete Tenant's pre-service training, in-service training, and other safety training in accordance with Tenant's operating procedures. Said training will be provided by Tenant at no charge to Landlord.

21. The Landlord attests that neither Landlord nor anyone subject to Landlord's direction or control has paid, given, or donated or agreed to pay, give, or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein. Additionally, Landlord agrees to complete and execute the Certification for Competitive Bid and/or Contract (Non-Collusion Certification) attached to this Lease as Exhibit "E."

22. Landlord certifies that Landlord and its principals: a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state, or local department or agency; b) have not within a three-year period preceding the Lease been convicted of or had a civil judgment rendered against them for commission of, or a criminal offense in connection with, obtaining, attempting to obtain, or performing a public contract, for violation of federal or state antitrust statutes, commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, or making false statements or receiving stolen property; c) are not presently indicted for commission of any of the above-mentioned offenses; and d) have not within a three-year period preceding this contract had one or more public contracts terminated for cause or default.

23. Article and section headings are used herein for the convenience of reference and shall not be considered when construing or interpreting this Lease.

24. TIME IS OF THE ESSENCE with respect to each of Tenant's and Landlord's obligations under this Lease.

25. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. This Lease may be delivered by facsimile transmission.

26. Tenant may not record this Lease or a memorandum thereof without Landlord's prior written consent, which may be withheld in Landlord's sole discretion.

27. The deletion of any printed portion of this Lease shall not be deemed to reflect an intention of the parties to contradict the portion so deleted. Such deleted portion shall be deemed not to have been inserted in this Lease.

28. At the expiration of the Lease Term or earlier termination of this Lease, Tenant shall deliver to Landlord all keys to the Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant.

29. In the event of a breach by Landlord of any of its obligations under this Lease and, as a result thereof, if Tenant recovers a monetary judgment against Landlord or any affiliate, agent, or partner of Landlord, such judgment shall be limited to an amount equal to the fair market value of the Premises, including all rents and issues, insurance proceeds, condemnation awards and proceeds of the sale of the Premises.

30. Tenant agrees that, upon receiving written notice of any termination of Landlord's interest in the Premises, Tenant shall, upon written request, attorn to the person or entity then holding title to the reversion of the Premises and/or to any assignee of Landlord's interest in the Lease (the "Successor") and to all subsequent Successors provided the Successor agrees to recognize the rights of Tenant under this Lease, and shall pay to the Successor all rents and other monies required to be paid by Tenant hereunder, and perform all of the other covenants, agreements, provisions, conditions, obligations and/or duties of Tenant contained in this Lease. Tenant shall, at any time hereafter, on ten (10) business days' written notice, confirm to Landlord, Landlord's lenders, or any other party designated by Landlord or its successors or assigns, Tenant's obligations under the provisions of this section.

31. Each party to this Lease represents and warrants that this Lease has been duly authorized, executed and delivered by all necessary action on behalf of such party, constitutes the valid and binding agreement of such party and is enforceable in accordance with its terms.

32. If either party institutes any action or proceeding in court to enforce any provision(s) hereof, or any action for damages by reason of any alleged breach of any of the provisions hereof, then the prevailing party in any such action or proceeding shall be entitled to receive from the losing party such amount as the court may adjudge to be reasonable attorneys' fees for the services rendered to the prevailing party, together with its other reasonable litigation costs and expenses.

33. Landlord reserves the right to convey, assign or transfer its interest in and to the Premises to a subsidiary, parent or other affiliate of Landlord at any time, and in such event Tenant shall look solely to such affiliate of Landlord for the satisfaction of all obligations of Landlord under this Lease. In addition, Landlord (including any affiliate of Landlord succeeding to the interest of Landlord under this Lease) may, without transferring its interest in the Premises, delegate or assign any obligations of Landlord to provide services under this Lease to one or more affiliates of Landlord. In such event, however, Landlord shall remain obligated to ensure performance of any such obligations so assigned in accordance with the terms of this Lease.

34. At the commencement of the Lease, Landlord shall furnish, at no cost to Tenant, the soft assets included on Exhibit F attached hereto (the "Inventory"). Landlord shall have no obligation to repair, maintain or replace any item of Inventory during the Lease term. Any item

of Inventory remaining at the Premises upon expiration or termination of this Lease shall be deemed the property of Landlord.

ARTICLE XX

BROKERAGE COMMISSION

Landlord and Tenant represent and warrant that neither party has employed a real estate broker with respect to the transaction described in this Lease.

ARTICLE XXI

AUTOMATIC TERMINATION


This Lease shall automatically terminate and become null and void if it has not been executed on behalf of Landlord and delivered to Tenant by 5:00 p.m. (local Nashville, Tennessee time) on May 10, 2016, TIME BEING OF THE ESSENCE.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed and delivered on their behalf by their duly authorized representatives as of the date set forth on the first page hereof.

[SIGNATURE PAGE FOLLOWS]

LANDLORD:

CORRECTIONS CORPORATION OF AMERICA, a Maryland corporation

By: 
Name: Natasha K. Metcalf
Title: Vice President, Partnership Development

TENANT:

OKLAHOMA DEPARTMENT OF CORRECTIONS,
an agency of the State of Oklahoma

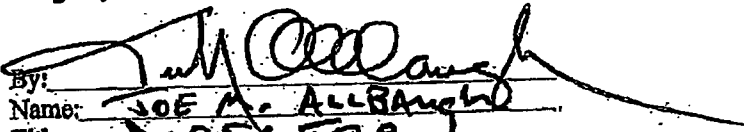
By: 
Name: JOE M. ALLBAUGH
Title: DIRECTOR

EXHIBIT A

Description of Premises

A tract of land in the Southeast Quarter (SE/4) of Section 34 and the Southwest Quarter (SW/4) of Section 35, all in Township 10 North, Range 23 West of the Indian Meridian, Beckham County, Oklahoma, being more particularly described by metes and bounds as follows: Beginning at a point on the East line and 175.0 feet North of the Southeast corner of said Southeast Quarter of Section 34; thence N 0°12'34" W for 10.0 feet; thence S 89°48'59" W and along the North Right of Way of State Highway No. 152 for 738.56 feet; thence Westerly on a curve to the right with a radius of 17078.74 feet for a distance of 361.93 feet; thence N 77°29'49" W for a distance of 50.66 feet; thence Westerly on a curve to the right with a radius of 17068.74 feet for a distance of 164.85 feet; thence N 0°09' W and along the West line of the East Half of the Southeast Quarter of Section 34 a distance of 1290.56 feet to the Southerly Right of Way line of the Farmrail Railroad (formerly C.R. & P); thence Northeasterly on a curve to the left with a radius of 1960.08 feet and along said Southerly Right of Way line a distance of 346.03 feet; thence N 43°56'16" E a distance of 1288.41 feet; thence N 89°31'12" E and along the North line of said Southeast Quarter for 154.07 feet to the Northeast corner of said Southeast Quarter and being the Northwest corner of said Southwest Quarter of Section 35; thence S 00°12'34" E along the West line of said Southwest Quarter of Section 35 a distance of 1 foot; thence N 89°52'30" E a distance of 79.93 feet; thence S 4°15'50" W for 413.85 feet; thence S 44°37'08" E for 458.7 feet; thence S 12°43'22" W for 376.22 feet; thence S 56°37'45" E for 117.4 feet; thence S 0°12'34" E for 1299.0 feet to said North Right of Way line of State Highway No. 152; thence S 89°47'55" W and along said North Right of Way line a distance of 382.26 feet to the point of beginning.

EXHIBIT B

FACILITY MAINTENANCE PLAN

1.0 Routine/Preventative Maintenance

1.1 General

A. From the Effective Date and thereafter, the Landlord will maintain and repair the Premises, including the maintenance of all systems on or about the Premises (i.e., conveyance systems; electrical, mechanical, heating, ventilation and plumbing distribution systems, roofing, telecommunication systems, fire alarm systems, including notification and suppression; landscaping and parking), as well as its Furnishings, Fixtures and Equipment (FF&E) noted in the FF&E Schedule (Exhibit C), in accordance with the Maintenance Plan so as to minimize breakdowns and loss of the Tenant's use of the Premises caused by deferred or inadequate maintenance. Such maintenance and repair shall include but not be limited to:

1. Generally maintaining the Premises in good, vermin-free, operating condition and appearance.
2. Furnishing prompt, good quality repair of the Premises.
3. Furnishing prompt, good quality repair or replacement of damaged or worn infrastructure systems and the FF&E.
4. Maintaining the requisite amount of supplies on hand to promptly repair and or replace damaged or worn infrastructure systems and FF&E.
5. Furnishing preventative maintenance through a Computer Maintenance Management System (CMMS), including, but not limited to, manufacturer's recommended servicing of infrastructure systems and the FF&E.
6. Furnishing ongoing maintenance and prompt repair of any and all special equipment and systems including but not limited to, fire suppression systems, special HVAC systems for computer rooms, and Uninterrupted Power Supply (UPS) systems.
7. Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required utilizing a preventative maintenance program.
8. Furnishing remedial painting as necessary to maintain the Premises in a neat, clean and orderly condition.
9. Annual testing and maintenance of all fire extinguishers, fire suppression and fire/smoke detection in or adjacent to the Premises.

10. Repairing and replacing as necessary building network cable and inside wire cable used for voice and data transmission.
11. Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.
12. Keeping parking areas and sidewalks free of debris, maintaining landscaped areas, including sprinklers, drainage, etc., in a growing, litter-free, weed-free, and neatly mowed and/or trimmed condition.
13. Repairing and replacing floor covering as necessary. Landlord, at Landlord's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
14. Promptly removing snow, water, oil spills, debris, or other materials which may be hazardous to users of the building from walkways, parking lots, entrances, and auxiliary areas.
15. Landlord will be responsible for repairing and maintaining any locks (mechanical locks, electro-mechanical locks and associated indication switches) at doors and gates, sliding doors, gate devices and door position switches; it shall also, be responsible for maintaining electro-mechanical locking control systems on the Premises. Landlord will provide on staff a subject matter expert in locking systems to conduct the preventative maintenance of locking devices. Tenant shall report to Landlord daily any deficiencies in any locking device or locking control system. Landlord shall be responsible for repairs and maintenance of locksets and Tenant will be responsible for administration of keys. Landlord shall provide a complete inventory of all keys to the Premises upon Term Commencement Date and shall ensure that all keys are in possession of the Tenant at that point, with no unaccounted keys previously issued for the Facility. Tenant shall ensure that it provides the appropriate keys to Landlord's maintenance personnel during the Term.

Landlord shall provide prompt repair or correction for any damage at its sole cost and expense as part of its repair and maintenance obligations herein, except Tenant shall be responsible for damage arising from a willful or negligent act of the Tenant, its agents, employees or inmates. In this event, Tenant agrees to reimburse Landlord's actual costs for such repairs which Landlord shall promptly perform.

Except in emergency situations, the Landlord shall give not less than 48 hour prior notice to Tenant when any pest control, remodeling, renovation, or repair work affecting the Tenant occupied space may result in employee health concerns in the work environment.

- B. The Landlord shall perform those routine inspections, maintenance and minor repairs as necessary to achieve and sustain all local, State and Federal operating permits, licenses and other regulatory compliance for all systems subject thereto.

- C. The Landlord agrees to schedule such work in such a manner as to pose the least disruption to Tenant's ongoing operations.
- D. Landlord shall provide all maintenance activities at a standard of quality and frequency not less than industry practice and/or manufacturer's recommendations in each instance.
- E. Within fifteen (15) days from the Effective Date of the Lease, Landlord shall provide to Tenant a copy of its Annual Maintenance Work Schedule for Routine Maintenance to comply with this provision. Such information should include a listing of each element to be maintained by Landlord. Any deviation from this Schedule shall be submitted to Tenant in advance for its approval which Tenant may withhold in its reasonable discretion. Tenant's failure to respond to a request for a Schedule deviation within five (5) Days shall be deemed an approval.
- F. Landlord shall ensure that it maintains the appropriate level of maintenance staff, supplies and services contracts as necessary at all times during the term of this Lease to perform its required obligations hereunder.
- G. Tenant agrees that to the extent feasible and where practicable in each instance, as determined by Tenant in its sole discretion, it will provide an available labor force of inmates to augment Landlord's required maintenance staff. Nothing in this section is intended to guarantee to Landlord the availability of inmate staff for these purposes. Landlord shall be obligated to pay the per diem rate to any inmate used for this purpose.

2.0 Automated Maintenance System/Work Order Processing

2.1 General

- A. Landlord shall ensure the establishment and ongoing maintenance of an automated maintenance tracking system on behalf of Tenant, which system shall be utilized in accordance with Landlord's Policy 7-2 ("Landlord Policy"), a copy of which shall be provided to Tenant. In the event of a conflict between Landlord Policy, and the policies, procedures, rules and regulations to be established by Tenant for the Facility, Tenant's policies, procedures, rules and regulations will govern. Landlord shall provide an initial training to key personnel designated by Tenant to understand how Landlord will initiate, track and complete all maintenance and repair activities contemplated hereunder. A monthly report shall be issued by Landlord to Tenant showing the month's activities, or more frequently if requested by Tenant.
- B. In addition to work initiated by Landlord to maintain and repair the Premises, Landlord's automated system shall provide for the ability to initiate maintenance and repair activities at Tenant's request ("Tenant Work Requests") in a timely

manner and according to required response and resolution time-frames as further outlined in this plan.

2.2 Work Request / Work Order Tracking and Reporting

- A. The Landlord shall input, track, record and report all Tenant Work Requests in its automated system.
- B. The Tenant will designate one or more Work Request Coordinators ("WRC(s)") and Tenant will submit all work requests except for emergencies to the Landlord through the WRC(s).
- C. The Tenant will submit all Tenant Work Requests except emergencies to the Landlord utilizing Landlord's standard work request form.
- D. The Tenant shall communicate Tenant Work Requests to the Landlord in accordance with Landlord Policy priority definitions; which are as follows:

1. EMERGENCY

Conditions that demand immediate response to protect and save property and/or preserve health, life and safety. Immediate response and implementation of measures to alleviate the situation is required. Permanent repair will follow as necessary. Personnel are dispatched immediately by radio in advance of system generated work request / work order creation. The Landlord must have a written plan, approved by the Tenant, to provide alternative provisions provided by Landlord in cases of utility outages (including but not limited to electrical, potable and waste water, and HVAC outages), which ensures tenant is capable of providing continuous delivery of critical services to the population such as food, water, heat, and air.

EMERGENCY items include but are not limited to the following conditions:

- a. Security fences and alarm failures
- b. Fire alarms
- c. Electrical sparks, smoke
- d. Downed electrical lines
- e. Electrical outage (entire building)
- f. Water outage
- g. Ruptured steam, water, sewer or gas lines
- h. HVAC outages
- i. Overflowing toilet

- j. Storm water flooding into a building
- k. Sewage system failure causing back up.
- l. Broken, gushing or misdirected irrigation device
- m. Sprinkler head causing flooding.
- n. Gas leaks or smell of gas
- o. Food service related deficiencies that have an immediate impact on sanitation
- p. Loss of refrigerated storage space

2. URGENT

Urgent situations pose the potential threat of personal injury, equipment damage or a serious disruption to normal operations. Whenever possible, urgent work requests / work orders shall be completed within 24 hours to alleviate the situation before injury occurs, equipment or property is damaged or the condition worsens. Personnel are dispatched as soon as practical and may be dispatched in advance of a system generated work request / work order but will respond within the same shift or within 24 hours maximum based on type of issue and time remaining in shift.

URGENT items include but are not limited to the following conditions:

- a. Broken window/door glazing
- b. Inoperable doors (non-cell or security)
- c. HVAC temperature adjustments (i.e. hot/cold calls)
- d. Toilets/urinals running constantly
- e. Loss of refrigerated storage space
- f. Toilets stopped up (non-inmate toilets)
- g. Inoperable lighting and power switches
- h. Roof or plumbing pipe leaks
- i. Loss of domestic hot/cold water
- j. Pest issue in food preparation/serving area

3. ROUTINE

Maintenance, minor repair or services that do not pose an immediate risk to facilities, systems, equipment or personnel and that can be handled on a routine planned and scheduled basis. Advanced coordination with the requestor is typically required to allow scheduling of personnel and receipt of materials. Immediate dispatching of personnel is not required. ROUTINE items include but are not limited to the following conditions:

- a. Cracked glass replacement
- b. Grounds maintenance request
- c. Dripping faucets/showers

4. SCHEDULED

Maintenance, minor repair or services that do not pose an immediate risk to facilities, systems, equipment or personnel and that can be handled on a scheduled basis. Advanced coordination with the requestor is typically required to allow scheduling of personnel and receipt of materials. Immediate dispatching of personnel is not required. Personnel respond as scheduled and based on system generated work requests / work orders. Response is typically greater than 5 business days.

Scheduled items include but are not limited to the following conditions:

- a. Painting
- b. Floor finish repair
- c. Light bulb change
- d. Inoperative switches, outlets or lighting (where lighting is sufficient and other power outlets are available)
- e. Grounds maintenance
- f. Preventative maintenance
- g. Predictive testing and inspection
- h. Minor projects (shelf, cabinet, bulletin board install, etc.)

E. Landlord's system shall provide for the accurate and efficient status tracking, retrieval and reporting of all requested, scheduled and completed work required, including work required by Tenant.

2.3 Regular Monthly Reporting

A. The Landlord's maintenance organization shall prepare and submit a record of all work requested, completed and outstanding no later than the tenth day of each month to an assigned representative of Tenant. A meeting will be held monthly no later than the 15th of each month to review the following Facility Management activities.

- Tenant Work Request Report
- Preventative Work Order Report
- Review any requested work by the Tenant.
- Provide Tenant with upcoming scheduled inspections and results of previous inspections with plan of actions if applicable.

B. The Landlord shall provide the report in Adobe portable document format (pdf) and transmit the same via email to the address designated by Tenant.

2.4 Major Repairs and Replacements

- A. Landlord shall, in addition to any routine/preventative maintenance it is obligated to perform, perform any major repairs or replacements with respect to the Premises that may be required from time to time due to unplanned breakages/failures or system obsolescence.
- B. Landlord agrees to initiate the work within a reasonable time upon receipt of notice of the circumstances and in consultation with Tenant.
- C. Landlord will meet with Tenant in the first quarter of each calendar year to review Capital Expenditure requests from Tenant to be assessed and submitted for approval for the next year's funding.

EXHIBIT C

FF&E

[ATTACHED]

R550091
PHINTON

CCA0010
JPD900

Exhibit C - FF&E
Corrections Corp. of America
Asset Balances
FACILITY ASSET VERIFICATION - JP
As of 9/31/2016

Verification	notes	Description	Serial Number	Asset Number	Date Acquired	Current Quantity
FIRE SYSTEM	FIXED ASSET	SPRINKLER RECALL OMEGA		41369	4/1/2002	1
FIRE SYSTEM	FIXED ASSET	FIRE ALARM UPGRADE		42588	1/1/2003	1
FIRE SYSTEM	FIXED ASSET	PHASE ONE - FIRE ALARM		63417	9/1/2008	1
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		57845	5/1/2007	144
HOUSEHOLD	FIXED ASSET	DESK WALL MOUNTED		57846	5/1/2007	144
HOUSEHOLD	FIXED ASSET	TV SHELF WALL MOUNTED		57849	5/1/2007	30
HOUSEHOLD	FIXED ASSET	SEAT WALL MOUNTED		57851	5/1/2007	144
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		57853	5/1/2007	90
HOUSEHOLD	FIXED ASSET	DESK WALL MOUNTED		57855	5/1/2007	126
HOUSEHOLD	FIXED ASSET	TV SHELF WALL MOUNTED		57857	5/1/2007	240
HOUSEHOLD	FIXED ASSET	SEAT WALL MOUNTED		57859	5/1/2007	126
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		57861	5/1/2007	162
HOUSEHOLD	FIXED ASSET	DESK WALL MOUNTED		57863	5/1/2007	168
HOUSEHOLD	FIXED ASSET	SEAT WALL MOUNTED		57864	5/1/2007	270
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		57865	5/1/2007	144
HOUSEHOLD	FIXED ASSET	DESK WALL MOUNTED		57866	5/1/2007	102
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		57867	5/1/2007	144
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		57868	5/1/2007	126
HOUSEHOLD	FIXED ASSET	SEAT WALL MOUNTED		57869	5/1/2007	270
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		57870	5/1/2007	234
HOUSEHOLD	FIXED ASSET	DESK WALL MOUNTED		58103	6/1/2007	420
HOUSEHOLD	FIXED ASSET	SEAT WALL MOUNTED		58104	6/1/2007	540
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		58105	6/1/2007	36
HOUSEHOLD	FIXED ASSET	SEAT WALL MOUNTED		58106	6/1/2007	252
HOUSEHOLD	FIXED ASSET	30 - TABLE 4 SEAT DAYROOM		58958	9/1/2007	30
HOUSEHOLD	FIXED ASSET	6 - TABLE 3 SEAT DAYROOM		58959	9/1/2007	6
HOUSEHOLD	FIXED ASSET	TABLE 4 SEAT DAYROOM		59431	11/1/2007	30
HOUSEHOLD	FIXED ASSET	TABLE SEAT DAYROOM		59432	11/1/2007	6
HOUSEHOLD	FIXED ASSET	TABLE 4 SEAT DAYROOM		59433	11/1/2007	12
HOUSEHOLD	FIXED ASSET	TABLE 3 SEAT DAYROOM		59434	11/1/2007	6
HOUSEHOLD	FIXED ASSET	TABLE 4 SEAT DAYROOM		59435	11/1/2007	42
HOUSEHOLD	FIXED ASSET	TABLE 4 SEAT DAYROOM		59436	11/1/2007	4
HOUSEHOLD	FIXED ASSET	DESK WALL MOUNTED		61515	2/1/2008	120
HOUSEHOLD	FIXED ASSET	TABLE 4 SEAT DAYROOM		61516	2/1/2008	30
HOUSEHOLD	FIXED ASSET	BUNK BED WALL MOUNTED		62566	6/1/2008	3
HOUSEHOLD	FIXED ASSET	TABLE 4 SEAT		70341	1/1/2010	34
HOUSEHOLD	FIXED ASSET	ICE MAKER W/BIN PRODIGY 107		75214	5/1/2011	3
HOUSEHOLD	FIXED ASSET	ICE MAKER CUBE W/BIN 145LB		76030	9/1/2011	6
HOUSEHOLD	FIXED ASSET	ICE MAKER CUBE W/BIN 145LB		76143	9/1/2011	6
HOUSEHOLD	FIXED ASSET	BARBER CHAIR ALL PURPOSE		61034	12/1/2007	3
HOUSEHOLD	FIXED ASSET	WEIGHT MACHINE P812		17773	3/1/1998	1
HOUSEHOLD	FIXED ASSET	TREADMILL TR4500		57137	2/1/2007	1
HOUSEHOLD	FIXED ASSET	WEIGHT MACHINE MULTI STATION		57332	3/1/2007	1
HOUSEHOLD	FIXED ASSET	WEIGHT MACHINE 13 STATION		61040	12/1/2007	5
KITCHEN	FIXED ASSET	GAS KETTLE 100 GAL		55025	9/1/2006	1
KITCHEN	FIXED ASSET	BOWL CUTTER 18 INCH		61688	3/1/2008	1
KITCHEN	FIXED ASSET	BOWL CUTTER, 18 INCH		61821	3/1/2008	1
KITCHEN	FIXED ASSET	MIXER UNIVEX 80 QUART		62274	5/1/2008	1
KITCHEN	FIXED ASSET	DBL CONVECTION OVEN		62367	5/1/2008	1
KITCHEN	FIXED ASSET	BRAISING PAN, GAS, 40 GALLO		62368	5/1/2008	1
KITCHEN	FIXED ASSET	BRAISING PAN GAS 40 GAL VUL		66245	3/1/2009	1
KITCHEN	FIXED ASSET	DISHWASHER INSINGER CONVEYO		66246	3/1/2009	1
KITCHEN	FIXED ASSET	CONVECTION OVEN GAS DBL VUL		70592	3/1/2010	3

Verification	notes	Description	Serial Number	Asset Number	Date Acquired	Current Quantity
KITCHEN	FIXED ASSET	STEAMTABLE 4 WELL MOBILE		70598	3/1/2010	1
KITCHEN	FIXED ASSET	MIXER UNIVEX 80 QUART		70990	5/1/2010	2
KITCHEN	FIXED ASSET	STEEL TABLE 96IN		74342	12/1/2010	1
KITCHEN	FIXED ASSET	ICE MAKER W/BIN 562LB		74343	12/1/2010	1
KITCHEN	FIXED ASSET	REFRIGERATOR HD DOUBLE		74344	12/1/2010	1
KITCHEN	FIXED ASSET	GRIDDLE GAS 72IN VULCAN		75124	4/1/2011	1
KITCHEN	FIXED ASSET	KETTLE GAS STATIONARY 100GA		75521	6/1/2011	1
KITCHEN	FIXED ASSET	CONVECTION OVEN GAS DBL VUL		78407	12/1/2011	2
KITCHEN	FIXED ASSET	KETTLE GAS STATIONARY 100GA		78408	12/1/2011	2
KITCHEN	FIXED ASSET	DISHWASHER INSINGER SUPER		80108	9/1/2012	1
KITCHEN	FIXED ASSET	HEATED CABINET DOUBLE VICTO		87825	2/1/2015	3
KITCHEN	FIXED ASSET	KETTLE GAS STATIONARY 806AL		87990	3/1/2015	1
KITCHEN	FIXED ASSET	HEATED CABINET DOUBLE VICTO		74637	1/1/2011	2
KITCHEN	FIXED ASSET	DROP IN HOT FOOD WELL		74638	1/1/2011	2
KITCHEN	FIXED ASSET	DROP IN COLD FOOD WELL		74639	1/1/2011	2
KITCHEN	FIXED ASSET	TRAY DELIVERY CART ALUMINUM		74744	2/1/2011	1
KITCHEN	FIXED ASSET	HEATED CABINET DOUBLE VICTO		75213	5/1/2011	3
KITCHEN	FIXED ASSET	WORK TABLE 144IN 3 COMPART		75783	8/1/2011	1
KITCHEN	FIXED ASSET	WALK-IN COOLER/FREEZER		76331	10/1/2011	1
KITCHEN	FIXED ASSET	CAMCART ULTRA CAMBRO NO HEA		78081	12/1/2011	10
KITCHEN	FIXED ASSET	X-TRAY DELIVERY CART		80303	10/1/2012	13
KITCHEN	FIXED ASSET	TRAY DELIVERY CART ENCLOSED		82125	4/1/2013	2
KITCHEN	FIXED ASSET	TRAY DELIVERY CART		82659	8/1/2013	4
KITCHEN	FIXED ASSET	REEL OPEN HOSE		82765	8/1/2013	2
KITCHEN	FIXED ASSET	TRAY DELIVERY CART		83256	11/1/2013	5
KITCHEN	FIXED ASSET	ENCLOSED CABINET MOBILE		88103	4/1/2015	3
LAUNDRY	FIXED ASSET	HEAT PRESS DIGITAL KNIGHT 1		76146	9/1/2011	1
LAUNDRY	FIXED ASSET	SCALE RECEIVING DIGITAL PLP		79480	5/1/2012	1
LAUNDRY	FIXED ASSET	DRYER UNIMAC 170LB	1404009374	85496	5/1/2014	5
LAUNDRY	FIXED ASSET	WASHER UNIMAC 125LB	1404029531	85497	5/1/2014	3
MAINTENANCE	FIXED ASSET	TRACTOR JOHN DEERE 5105	LV5105C512541	47337	7/1/2004	1
MAINTENANCE	FIXED ASSET	TRUCK 2006 FORD F-150	1FTRF12W96NA7	53361	2/1/2006	1
MAINTENANCE	FIXED ASSET	KEY MACHINE		61693	3/1/2008	1
MAINTENANCE	FIXED ASSET	CART HEAVY DUTY SECURITY		26093	5/1/2000	1
MAINTENANCE	FIXED ASSET	ELECTRIC BLOWER		42904	3/1/2003	1
MAINTENANCE	FIXED ASSET	STORAGE CABINET		55264	10/1/2006	1
MAINTENANCE	FIXED ASSET	WELDER MIG		55486	11/1/2006	1
MAINTENANCE	FIXED ASSET	PRESSURE WASHER		58107	6/1/2007	1
MAINTENANCE	FIXED ASSET	POWER WASHER 3000 PSI		61041	12/1/2007	1
MAINTENANCE	FIXED ASSET	WELDER MIG WIRE FEED		61460	2/1/2008	1
MAINTENANCE	FIXED ASSET	SCISSOR LIFT ELECTRIC GENIE		65644	12/1/2008	1
MAINTENANCE	FIXED ASSET	ZERO TURN MOWER G5035		70605	3/1/2010	2
MAINTENANCE	FIXED ASSET	RETRIEVAL SYSTEM		71253	6/1/2010	1
MAINTENANCE	FIXED ASSET	TRACTOR BRANSON 5530 CAB W/		72471	11/1/2010	1
MAINTENANCE	FIXED ASSET	ROTARY CUTTER - PULL TYPE		72472	11/1/2010	1
MAINTENANCE	FIXED ASSET	TRAILER 18FT HAULER-WOOD FL		72473	11/1/2010	1
MAINTENANCE	FIXED ASSET	TOOL CABINET 10 DWR ROLLING		75046	4/1/2011	2
MAINTENANCE	FIXED ASSET	SAFETY CABINET FLAMMABLE		75596	7/1/2011	1
MAINTENANCE	FIXED ASSET	SAFETY CABINET CAN		75597	7/1/2011	1
MAINTENANCE	FIXED ASSET	DOCK LEVELER CM6625-20		82187	4/1/2013	1
MAINTENANCE	FIXED ASSET	REFRIGERANT RECOVERY MACHIN		82925	9/1/2013	1
MAINTENANCE	FIXED ASSET	LIFT REACH GEHL R56-34	RS634JZ0221402	85563	6/1/2014	1
MAINTENANCE	FIXED ASSET	DRAIN CLEANING MACHINE RIGI		88696	7/1/2015	1
MEDICAL	FIXED ASSET	MEDICAL VIDEO MODULE - AMD		78057	12/1/2011	1
MEDICAL	FIXED ASSET	GEN EXAM CAMERA - AMD		78059	12/1/2011	1
MEDICAL	FIXED ASSET	DIGITAL OTOSCOPE W/MACRO VI		78060	12/1/2011	1
MEDICAL	FIXED ASSET	TELEPHONIC STETHOSCOPE - AM		78061	12/1/2011	1
MEDICAL	FIXED ASSET	SCALER BOBCAT ULTRASONIC		41057	12/1/2001	1

Verification	notes	Description	Serial Number	Asset Number	Date Acquired	Current Quantity
MEDICAL	FIXED ASSET	COT MX-PRO R-3 AMBULANCE		42856	3/1/2003	1
MEDICAL	FIXED ASSET	EKG MACHINE ATRIA 3000		43460	7/1/2003	1
MEDICAL	FIXED ASSET	PC CARTS WALKAROO II		53356	2/1/2006	2
MEDICAL	FIXED ASSET	AUTOCALVE TUTTNAUER CLASSIC T2408605		53357	2/1/2006	1
MEDICAL	FIXED ASSET	PULSE OXIMETER NPB 40		53358	2/1/2006	1
MEDICAL	FIXED ASSET	EKG ATRIA 3000 INTERPRETIVE	A3000-008911	53423	2/1/2006	1
MEDICAL	FIXED ASSET	VITAL SIGN MONITOR		54338	6/1/2006	2
MEDICAL	FIXED ASSET	EXAM TABLE		57274	3/1/2007	1
MEDICAL	FIXED ASSET	FIBEROPTIC SURGICAL HANDPIE		58360	7/1/2007	1
MEDICAL	FIXED ASSET	DENTAL X-RAY MACHINE		58593	8/1/2007	1
MEDICAL	FIXED ASSET	VITAL SIGN MONITOR		61027	12/1/2007	1
MEDICAL	FIXED ASSET	EXAMINATION TABLE		61028	12/1/2007	1
MEDICAL	FIXED ASSET	OPTOMETRIST CHAIR		61190	12/1/2007	1
MEDICAL	FIXED ASSET	CURING LIGHT LED		61261	1/1/2008	1
MEDICAL	FIXED ASSET	CART, EMERGENCY 5 DWR		61263	1/1/2008	1
MEDICAL	FIXED ASSET	EKG MACHINE ATRIA 3100		61503	2/1/2008	1
MEDICAL	FIXED ASSET	EXAM TABLE		61504	2/1/2008	4
MEDICAL	FIXED ASSET	STORAGE CABINET		61505	2/1/2008	2
MEDICAL	FIXED ASSET	COT, STRYKER, MX-PRO R3		61506	2/1/2008	1
MEDICAL	FIXED ASSET	SPOT BITAL SIGNS UNIT		62032	4/1/2008	1
MEDICAL	FIXED ASSET	DEFIBRILLATOR POWERHEART AE		62111	4/1/2008	1
MEDICAL	FIXED ASSET	HOSPITAL BED MANUAL		62949	7/1/2008	1
MEDICAL	FIXED ASSET	TRANSPORT STRETCHER		63489	9/1/2008	1
MEDICAL	FIXED ASSET	DEFIBRILLATOR AED POWERHEAR	4188203	65985	1/1/2009	1
MEDICAL	FIXED ASSET	DEFIBRILLATOR AED		66677	5/1/2009	1
MEDICAL	FIXED ASSET	EXAM TABLE, RITTER 204		68290	12/1/2009	1
MEDICAL	FIXED ASSET	INTEGRA INTEGRATED SCALING		70284	1/1/2010	2
MEDICAL	FIXED ASSET	MOTOR, HANDPIECE LOWSPEED		70420	2/1/2010	1
MEDICAL	FIXED ASSET	POWER PLUS CLIN COMP 3 YR		70591	3/1/2010	1
MEDICAL	FIXED ASSET	FORCEP - GMX 100		71051	5/1/2010	1
MEDICAL	FIXED ASSET	VITAL SPOT MONITOR PULSE		72281	10/1/2010	1
MEDICAL	FIXED ASSET	VITAL SPOT MONITOR PULSE		72355	11/1/2010	1
MEDICAL	FIXED ASSET	OTOSCOPE/OPHTHALM W/WALL UN		72376	11/1/2010	1
MEDICAL	FIXED ASSET	AUTOCALVE MIDMARK M9 (#2143 (M9022) RR0309-		72469	11/1/2010	1
MEDICAL	FIXED ASSET	EXAM TABLE, RITTER 204		72470	11/1/2010	2
MEDICAL	FIXED ASSET	CRASH CART EMERG 30IN		82004	3/1/2013	1
MEDICAL	FIXED ASSET	X-RAY PREVA DC INTRAORAL	-30A1027	82923	9/1/2013	1
MEDICAL	FIXED ASSET	RESTRAINT BED DURAMAX		83201	10/1/2013	1
MEDICAL	FIXED ASSET	VACUUM DENTAL MIDMARK CV3	V1589227	87528	12/1/2014	1
MEDICAL	FIXED ASSET	DENTAL CHAIR E1702 W/ BACK	SP1752720 Peltor	88472	6/1/2015	2
MEDICAL	FIXED ASSET	DENTAL DELIVERY SYSTEM E172	SET1752401	88473	6/1/2015	2
MEDICAL	FIXED ASSET	SWING MOUNT REAR W/ASST INS	RM52521	88474	6/1/2015	2
MEDICAL	FIXED ASSET	ELLIPSE DENTAL LIGHT HELIOS	HLSE3901	88475	6/1/2015	2
MEDICAL	FIXED ASSET	NOVUS E DIGITAL PAN UNIT (Cran)	SO1400928	88476	6/1/2015	1
MEDICAL	FIXED ASSET	TELEHEALTH CAMERAS/ EQUIPM		75595	7/1/2011	1
Physical Plant	FIXED ASSET	BOOSTER HEATER HATCO ELECTR		74345	12/1/2010	1
PHYSICAL PLANT	FIXED ASSET	SECURITY CAGE MOBILE		88105	4/1/2015	1
PHYSICAL PLANT	FIXED ASSET	GENERATOR 5000WT 10HP		25775	12/1/1999	2
Physical Plant	FIXED ASSET	GRINDER MUFFIN MONSTER	14617	40871	10/1/2001	1
Physical Plant	FIXED ASSET	TOOL CAGE		50730	5/1/2005	1
Physical Plant	FIXED ASSET	A/C UNIT 12000 BTU		82481	6/1/2013	1
Physical Plant	FIXED ASSET	A/C UNIT 12000 BTU		84859	12/1/2013	1
Physical Plant	FIXED ASSET	GATES MANUAL LOCKED		82245	4/1/2013	5
Physical Plant	FIXED ASSET	HVAC		67440	8/1/2009	1
Physical Plant	FIXED ASSET	HVAC-RTU TRANE		72354	11/1/2010	6
physical plant	FIXED ASSET	ROOF - ADMIN BLDG		74529	12/1/2010	1
Physical Plant	FIXED ASSET	HVAC UNITS (13) TRANE		76168	9/1/2011	1
Physical Plant	FIXED ASSET	BOILERS/WATER SOFT/STORAGE		76392	10/1/2011	1

Verification	notes	Description	Serial Number	Asset Number	Date Acquired	Current Quantity
Physical Plant	FIXED ASSET	HVAC - 3-7.5 TON, 2-5 TON		79661	6/1/2012	1
Physical Plant	FIXED ASSET	CELL DOOR MONITORING SYSTEM		79662	6/1/2012	1
Physical Plant	FIXED ASSET	AUGER MONSTER		80154	9/1/2012	1
Physical Plant	FIXED ASSET	GATE SLAM LOCK S570A-2-RH24		81775	12/1/2012	16
Physical Plant	FIXED ASSET	SWING DOOR AIRLOCK 9500 SER		82379	5/1/2013	48
Physical Plant	FIXED ASSET	BOILER FUTERA CW1000 FUSION		82501	6/1/2013	1
Physical Plant	FIXED ASSET	EXPANSION TANKS		82502	6/1/2013	6
Physical Plant	FIXED ASSET	LOCK SHIELDS / DOOR GUARDS		82699	8/1/2013	1
Physical Plant	FIXED ASSET	HVAC TRANE FY13 RTU		82837	8/1/2013	5
Physical Plant	FIXED ASSET	BOILER FUTERA CW1000 FUSION		85145	2/1/2014	1
Physical Plant	FIXED ASSET	HVAC TRANE FY14 RTU		85624	6/1/2014	11
Physical Plant	FIXED ASSET	ROOF C&F UNITS		86079	10/1/2014	1
Physical Plant	FIXED ASSET	BOILER FUTERA CW1000 FUSION		86198	11/1/2014	1
Physical Plant	FIXED ASSET	HVAC TRANE FY15 RTU		88792	7/1/2015	11
physical plant	FIXED ASSET	ROOF - ALPHA UNIT		89230	9/1/2015	1
SECURITY	FIXED ASSET	TOUCH SCREEN COMPUTERS		53611	3/1/2006	2
SECURITY	FIXED ASSET	TOUCH SCREEN COMPUTER		74531	12/1/2010	1
SECURITY	FIXED ASSET	TOUCH SCREEN COMPUTER UPGRA		65797	12/1/2008	1
SECURITY	FIXED ASSET	TOUCH SCREEN COMPUTER UPGRA		66359	4/1/2009	1
SECURITY	FIXED ASSET	SECURITY MONITORING EQUIPME		53805	4/1/2006	1
SECURITY	FIXED ASSET	SECURITY CAMERAS		53873	5/1/2006	1
SECURITY	FIXED ASSET	PELCO DVR		53874	5/1/2006	1
SECURITY	FIXED ASSET	3 - VIDEO SYSTEM VSX 3000		58957	9/1/2007	3
SECURITY	FIXED ASSET	CCTV		61026	12/1/2007	1
SECURITY	FIXED ASSET	SECURITY CAMERA PTZ		61189	12/1/2007	1
SECURITY	FIXED ASSET	CCTV		62364	5/1/2008	1
SECURITY	FIXED ASSET	CCTV		68310	12/1/2009	1
SECURITY	FIXED ASSET	SECURITY CAMERA UPGRADE		71794	8/1/2010	1
SECURITY	FIXED ASSET	SECURITY CAMERA PELCO PTZ		75702	7/1/2011	6
SECURITY	FIXED ASSET	AUDIBLE ALARM & CAMERA INST		76642	11/1/2011	1
SECURITY	FIXED ASSET	SECURITY CAMERA PELCO PTZ		78215	12/1/2011	6
SECURITY	FIXED ASSET	MONITOR 22IN CCTV LCD VIEWI		81952	2/1/2013	5
SECURITY	FIXED ASSET	XRAY IMAGING SYSTEM DIGITAL		66793	6/1/2009	2
SECURITY	FIXED ASSET	KEYWATCHER SYSTEM		61096	12/1/2007	1
SECURITY	FIXED ASSET	KEYWATCHER ILLUMINATED SYST		57708	5/1/2007	1
SECURITY	FIXED ASSET	METAL DETECTOR		61343	1/1/2008	1
SECURITY	FIXED ASSET	METAL DETECTOR MULTIONE WAL		61344	1/1/2008	4
SECURITY	FIXED ASSET	X-RAY MACHINE PORTABLE HI-S	75939	62369	5/1/2008	1
SECURITY	FIXED ASSET	TOUCH SCREEN MONITOR		63718	10/1/2008	1
SECURITY	FIXED ASSET	METAL DETECTOR SMD600		70287	1/1/2010	2
SECURITY	FIXED ASSET	MAN DOWN SYSTEM PENDANTS		71681	8/1/2010	100
SECURITY	FIXED ASSET	MANDOWN SYSTEM		72081	9/1/2010	1
SECURITY	FIXED ASSET	PARCEL SCANNER 6040DS	88888	75318	5/1/2011	2
SECURITY	FIXED ASSET	TABLE ENTRY/EXIT 20IN		75319	5/1/2011	2
SECURITY	FIXED ASSET	TABLE ENTRY/EXIT 40IN		75320	5/1/2011	2
SECURITY	FIXED ASSET	MONITOR CCTV 22IN LCD		79377	5/1/2012	4
SECURITY	FIXED ASSET	METAL DETECTOR SMD601		79744	7/1/2012	1
SECURITY	FIXED ASSET	RAZOR RIBBON - 233 ROLLS		21193	11/1/1998	1
SECURITY	FIXED ASSET	SCISSOR WIRE - 6 ROLLS		42905	3/1/2003	1
SECURITY	FIXED ASSET	FENCING		57437	3/1/2007	1
SECURITY	FIXED ASSET	RAZOR WIRE		82093	3/1/2013	1
SECURITY	FIXED ASSET	X-RAY IMAGING SYSTEM		61823	3/1/2008	1
SECURITY	FIXED ASSET	STUN FENCE		88620	6/1/2015	1
SECURITY	FIXED ASSET	INTERCOM SYSTEM		65798	12/1/2008	1
SECURITY	FIXED ASSET	INTERCOM SYSTEM		66360	4/1/2009	1
SECURITY	FIXED ASSET	INTERCOM		67030	7/1/2009	1
SECURITY	FIXED ASSET	PA SYSTEM		81891	1/1/2013	1
SECURITY	FIXED ASSET	MASTER GUARD SYSTEM UPGRADE		84948	12/1/2013	1

EXHIBIT D
CERTIFICATE OF INSURANCE
[ATTACHED]



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
03/29/2016

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE SUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGY Marsh USA, Inc. 1601 West End Avenue, Suite 1500 Nashville, TN 37203 Attn: Connie Stewart connie.d.stewart@marsh.com	PHONE (City, No, Ext)	COMPANY (See Attached)
FAX (City, No)	EMAIL ADDRESS	POLICY NUMBER (See Attached)
CODE AGENCY CUSTOMER ID # INSURED Corrections Corporation of America 10 Burton Hills Blvd. Nashville, TN 37216	SUB CODE	LOAN NUMBER EFFECTIVE DATE EXPIRATION DATE CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Additional Named Insured: North Fork Correctional Facility
Evidence of Insurance/Coverage for 1605 East Main Street, Sayre, OK 73682

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

Location / Limit Sublimits	COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE 200,000,000 SEE ATTACHED	DEDUCTIBLE SEE ATTACHED SEE ATTACHED
Other deductibles may apply as per policy terms and conditions.			

REMARKS (including Special Conditions)

Blanket limit includes Business Interruption coverage.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

ATL-003184521 13

NAME AND ADDRESS Oklahoma Department of Corrections 3400 Martin Luther King Ave. Oklahoma City, OK 73111	AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Jimmy Evans	ADDITIONAL INSURED LOAN #
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ACORD 27 (2009/12)

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AGENCY CUSTOMER ID: 433677

LOC #: Nashville



ADDITIONAL REMARKS SCHEDULE

Page 2 of 3

VOT Marsh USA, Inc.		NAMED INSURED Corrections Corporation of America 10 Barton Hills Blvd. Nashville, TN 37216	
POLICY NUMBER		EFFECTIVE DATE	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 27 FORM TITLE: Evidence of Property Insurance

Carrier: Lexington Insurance Company
 Policy Number: 039703224
 Effective Date: 04/01/2016
 Expiration Date: 04/01/2017

Carrier: Zurich American Insurance Company
 Policy Number: GRP 5747392-03
 Effective Date: 04/01/2016
 Expiration Date: 04/01/2017

Carrier Split:
 Lexington - 60% (\$200M) pro \$400M
 Zurich - 40% (\$200M) pro \$400M

Earthquake Sublimit:
 \$100,000,000 annual aggregate, except:
 5,000,000 EQ - Zone 1
 30,000,000 EQ - Zone 2
 Excluded - EQ in Pacific Northwest EQ Zone

Flood sublimit:
 \$100,000,000 annual aggregate, except
 \$20,000,000 - Flood within 100-Year Flood Zone
 \$25,000,000 - Flood within 500-Year Flood Zone
 \$25,000,000 - Newly Acquired Locations

Named Windstorm sublimit:
 \$250,000,000 annual aggregate, except:
 \$50,000,000 - Named Windstorm for properties located in Zone 1
 \$100,000 - Named Windstorm for properties located in Zone 2

\$100,000,000 Equipment Breakdown

Deductibles:
 \$500,000 - All Other Perils
 \$500,000 - Earthquake except:
 CA Zone 1 - 6% of TIV at time of loss at each location involved in the loss or damage
 New Madrid Zone 1 - 3% of TIV at time of loss at each location involved in the loss or damage
 New Madrid Zone 2 - 1% of TIV at time of loss at each location involved in the loss or damage
 ** Subject to a \$500,000 minimum any one occurrence

\$500,000 Windstorm, except
 5% of TIV at time of loss at each location involved in the loss or damage out of a named windstorm in FL, subject to \$500,000 minimum, and
 2% of TIV at time of loss at each location involved in the loss or damage out of a named windstorm in the 1 counties except FL, subject to a \$500,000 minimum -

\$500,000 Flood, except
 \$500,000 per occurrence for Property Damage and Time Element combined for locations within a Special Flood Hazard Area (SFHA)
 \$500,000 per occurrence for Property Damage and Time Element for locations within a Special Flood Hazard Area (SFHA)

AGENCY CUSTOMER ID: 433577
Loc #: Nashville



ADDITIONAL REMARKS SCHEDULE

Page 3 of 3

AGENCY: Marsh USA, Inc.		NAMED INSURED: Corrections Corporation of America 10 Burton Hills Blvd. Nashville, TN 37215	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAID CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 27 FORM TITLE: Evidence of Property Insurance

[Empty area for additional remarks]

EXHIBIT E

CERTIFICATION FOR COMPETITIVE BID AND/OR CONTRACT

[ATTACHED]



**Certification for Competitive Bid
and/or Contract
(Non-Collusion Certification)**

NOTE: A certification shall be included with any competitive bid and/or contract exceeding \$5,000.00 submitted to the State for goods or services.

Solicitation or Purchase Order #:

Supplier Legal Name: Corrections Corporation of America

SECTION I [74 O.S. § 85.22]:

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
 - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
 - b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
 - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract, nor
 - d. to any collusion with any state agency or political subdivision official or employee as to create a sole-source acquisition in contradiction to Section 85.45.1 of this title.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

SECTION II [74 O.S. § 85.42]:

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

the competitive bid attached herewith and contract, if awarded to said supplier;

OR

the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

Natasha K. Metcalf
Supplier Authorized Signature

5/5/18
Certified This Date

Natasha K Metcalf
Printed Name

Vice President, Partnership Development
Title

615/263-3290
Phone Number

Natasha.Metcalf@cca.com
Email

615/263-3180
Fax Number

EXHIBIT F

INVENTORY

[ATTACHED]

Exhibit F - Inventory
North Fork Soft Goods

Category	Description
Armory	Bolt/Flex Cutters, Files, cleaning supplies, Rock Stone, Punches, Engraver, Fire Arm Bit sets
Clothing	Inmate Shirts (4,000) all colors/sizes, Pants (2,900) all colors/sizes, Shoes(600), Towels (150), Laundry Bags (850), Blankets (4,750) Wash Cloth (100) Socks (100), Jackets (2800)
Copiers	4 copiers
Green House Programs	Green house tools, rakes, shovels, hoses, etc.
Household	Inmate Plastic Chairs, Plastic Folding Tables, Trash Cans, TV's, Microwaves, Refridgerators, Coffee Machines, Dunnage Racks, Carts, Pallet Jacks
Janitorial	Buffers, Mop Buckets, Etc
Key Supplies	wrenches, engraver, bit set, punches, Misc tools
Kitchen Smallwares	Food Trays, Carts, Cambros, cooking utensils, sheet pans, baking racks, pans, tray drying racks
Music / Chapel	Piano, sound equipment, Items in Chapel
Office Supply	Office Supplies, small office Equipment (10-key)
Recreation	Rec equipment, nets, games, balls
VoTech Program	VoTech Tools
Bedding	Mattress (565), Pillows (730)
Computer equipment	Computers, printers, scanners, and other computer equipment
Telephone System	VOIP phone system and components
Radios	Hand held radios
Office Furniture	Desks, Credenzas, chairs, tables, file cabinets, white boards, etc.

Any Vehicles and all Maintenance Equipment that remain will be for the use of CCA Maintenance Staff and will be the responsibility of such staff to maintain and control.