

**FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED FACILITY
OPERATION AND MANAGEMENT AGREEMENT**

WHEREAS, on or about April 1, 2012, **KINNEY COUNTY, TEXAS** (hereafter "County") and **COMMUNITY EDUCATION CENTERS, INC.**, a Delaware Corporation d/b/a **CEC Intl.**, in the State of Texas (hereafter "Operator") entered into a Second Amended and Restated Facility Operation and Management Agreement (hereafter "Agreement") for the operation and management of the Kinney County Detention Center, (hereafter "Facility") located at 1501 Ranch Road 131, Brackettville, Texas 78832, effective April 1, 2012 for a three year primary term ending on March 31, 2015; and

WHEREAS, Section 2.10 of the Agreement states that at the expiration of the three (3) year Primary Term, the parties may mutually agree to a one (1) year renewal of the Agreement on mutually acceptable terms; and

WHEREAS, the parties mutually agreed to extend the Primary Term for an additional one-year term commencing on April 1, 2015; and

WHEREAS, the County and the Operator desire to memorialize the parties' mutual desire to extend the parties' Agreement for an additional three-year term commencing on April 1, 2016; and

FURTHER, by way of this Amendment, the parties desire to revise and clarify certain terms and conditions contained in the Agreement.

NOW, THEREFORE, the parties which are signatory hereto, as of the signing of this Amendment, acknowledge and agree to the following:

1. Except as hereinafter amended, the Operator shall continue to provide services to the County pursuant to the terms and conditions of the Agreement and Addendums.
2. **ARTICLE II, Term**, shall be amended, at sentence three (3) of **Section 2.01**, to state "At the expiration of said agreed renewal period, the parties may agree to extend the Agreement for an additional three (3) period on mutually acceptable terms."

3. The County and the Operator mutually agree to extend the Agreement for an additional three-year period commencing at 12:01 am on April 1, 2016 through March 31, 2019.

4. **ARTICLE XIII. Additional Provisions**, shall be amended to include two additional sections as follows:

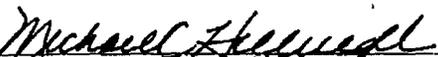
Section 13.04. Operator agrees to reimburse the County up to an aggregate of \$52,000 for the replacement of specific detention equipment as previously identified and outlined in Attachment A.

Section 13.05. Commencing in April, 2016, Operator agrees to establish an annual \$10,000 Scholarship Fund to benefit deserving students of Kinney County.

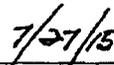
IN WITNESS WHEREOF, the parties, intending to be legally bound, have executed this Amendment and acceptance of all other terms of the current Agreement and Addendums in place between the County and the Operator, as attached hereto on the date set forth below.

COMMUNITY EDUCATION CENTERS, INC.

DATE:



MICHAEL C. HEURSEGEL
EVP + CFO

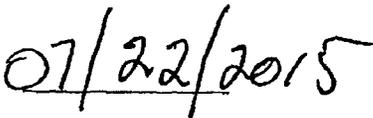


KINNEY COUNTY

DATE:



County Judge
Kinney County, TEXAS





ATTACHMENT A

County Owned Equipment Replacement List

1. Vollrath 40760 60 qt. Floor Model Vertical Mixer	\$8,089.00
2. Convection Oven Double Deck-120,000 BTU	\$5,473.49
3. Salvajor Disposer 200 Garbage Disposer	\$1,414.00
4. Cleveland KGL-40 Steam Jacketed Kettle Gas Stationary 40 Gallons	\$15,680.00
5. 2 Penal-Ware 1485 Series 15" Econo Lav-toilet Comby	\$1,730.00 ea
6. Unimac 80 lb. Cabinet Style Washer	\$14,212.00
7. Unimac 75 lb. LP Gas Dyer	\$4,420.00
.....Last Item.....	



July 8, 2015

Hon. Judge Tully Shahan

P.O. Box 348
Brackettville, TX. 78832

Dear Judge Shahan:

This correspondence serves as a formal request to extend the Second Amended and Restated Facility Operation and Management Agreement (hereafter "Agreement") between Kinney County, Texas (hereafter the "County") and Community Education Centers, Inc. (hereafter "CEC") for a new three (3) year term commencing April 1, 2016 through March 31, 2019. During the term of the proposed three-year extension, CEC agrees to reimburse the County up to an aggregate of \$52,000 for the replacement of specific detention equipment as previously identified and outlined in the enclosed attachment. In addition, commencing in April, 2016, CEC agrees to establish an annual \$10,000 scholarship fund to benefit deserving students of Kinney County.

Should this request be granted, a First Amendment to the Second Amended and Restated Facility Operation and Management Agreement is attached for review and signature.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. L. Caltabiano", is written over a horizontal line.

Michael L. Caltabiano
Senior Vice President, CEC Corrections

ATTACHEMENT

11767 Katy Freeway, Suite 520 • Houston, TX 77079 • Tel: (832) 325-5800 • Fax: (713) 425-0562
www.cecintl.com