

**FACILITY OPERATION AND
MANAGEMENT SERVICES AGREEMENT
BETWEEN
JOHNSON COUNTY, TEXAS
AND
LASALLE CORRECTIONS, L.L.C.**

This Facility Operation and Management Services Agreement Between Johnson County, Texas and LaSalle Corrections L.L.C. (hereinafter referred to as the "Agreement") is made and entered by and between Johnson County, Texas, a political subdivision of the State of Texas (hereinafter referred to as "County"), and LaSalle Corrections L.L.C. (hereinafter referred to as "Operator") with its principal offices located in Drippings Springs, Texas, individually referred to as a "Party" and collectively referred to as the "Parties" to be effective on the date signed, but all obligations of County and LaSalle shall begin at 12:01 a.m. on September 1, 2015 (hereinafter referred to as the "Effective Date").

WHEREAS, the County is a political subdivision of the State of Texas governed by a duly elected Commissioners Court; and

WHEREAS, the County currently owns a jail (hereinafter referred to as the "Jail Facilities") located at 1800 Ridgemar Drive, Cleburne, Johnson County, Texas 76031, used for the detention of adult male and female inmates and said Jail Facilities consist of the original jail (hereinafter referred to as "C1"), a 311 bed facility designated for maximum to medium inmates; a 176 bed facility (hereinafter to as "C2"); a 288 bed facility (hereinafter referred to as "C3"); a 96 bed facility (hereinafter referred to as "C4"); and a new proposed building for the holding of 200 maximum security inmates (hereinafter referred to as "C5"); and

WHEREAS, Subchapter F of Chapter 351 of the Texas Local Government Code authorizes County, with the written approval of the sheriff of the county, to enter into an agreement with private vendors to provide the financing, design, construction, leasing, operation, purchase, maintenance, or management of a jail, detention center, work camp or related facility; and

WHEREAS, the County approved a request for proposals for the operation, management, and maintenance for the Jail Facilities in RFP 2015-515; and

WHEREAS, the Operator submitted a timely response to RFP 2015-515; and

WHEREAS, the Commissioners Court voted to approve Operator's response to RFP 2015-515 and proceed with negotiating an agreement with Operator for the operation, management, and maintenance for the Jail Facilities; and

WHEREAS, the County and Operator have negotiated the terms and conditions for Operator to operate, manage, and maintain the Jail Facilities.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, County and Operator hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01: **Agreement Monitor** means the Sheriff of Johnson County, Texas who will be the official monitor and liaison between the County and Operator on all matters pertaining to the operation and management of the Jail Facilities and this Agreement.

Section 1.02: **County Inmate** shall mean all inmates assigned and transferred to the Jail Facilities by the Sheriff, other than those inmates received and incarcerated at the Jail Facilities pursuant to agreements between the County and Prisoner Transfer Services.

Section 1.03: **Over Nighter** shall mean a County Inmate as described in Section 1.02 above who is incarcerated in the Jail Facilities for less than 24 per day for a number of days and is generally a County Inmate incarcerated during the night time hours and released from the Jail Facilities during the day time hours so the County Inmate may work.

Section 1.04 **Jail Facilities** shall mean the County's existing buildings and facilities located at 1800 Ridgemar Drive, Cleburne, Texas 76031 for the housing of adult male and female inmates which buildings and facilities are commonly known as C1, C2, C3, C4 and shall include the proposed new facility to be constructed and known as C5 when C5 is completed and occupied for use.

Section 1.05: **For Cause** means failure by either Party to meet the provisions of this Agreement when such failure materially affects the operation and management of the Jail Facilities, including but not limited to, failure of Operator to meet the minimum standards of incarceration as specified herein.

Section 1.06: **Force Majeure** means the failure of performance of any of the terms and conditions of this Agreement resulting from acts of God, acts of public enemies, orders of any kind of the government of the United States of America or the State of Texas or any of their departments, agencies or officials, or any civil or military authority.

Section 1.07: **Inmate** means any person arrested by any law enforcement agency or formally charged with a criminal violation of state, municipal, county or federal law or ordinance; any person committed to the Jail Facilities by any court or committing magistrate, whether under criminal or civil authority; all persons required to be committed by the County pursuant to applicable laws, rules, regulations, and all persons presented to the Jail Facilities by other governmental agencies for incarceration therein pursuant to an agreement for such incarceration.

Section 1.08: **Prisoner Transfer Source** means a governmental entity which contracts to send Inmates to the County to be incarcerated in the Jail Facilities.

Section 1.09: **Service Commencement Date** means the date on which Operator will begin operation, management, and maintenance services at the Jail Facilities pursuant to this Agreement, which will be September 1, 2015 beginning at 12:01 a.m.

Section 1.10: **Service Terminate Date** means the date on which Operator will cease to operate and manage the Jail Facilities pursuant to this Agreement, which will be August 31, 2020 unless extended pursuant to the Renewal Option in Section 4.2.

Section 1.11: **Renewal Option Termination Date** means the date on which the Operator will cease to operate and manage the Jail Facilities pursuant to this Agreement if extended pursuant to Section 4.2, which will be August 31, 2021 if extended for one (1) year and August 31, 2022 if extended for a second one (1) year term.

Section 1.12: **Standards** means applicable laws, standards of any Prisoner Transfer Source from which Inmates are placed in the Jail Facilities, Standards of the Texas Commission on Jail Standards, Chapter 351 of the Texas Local Governmental Code and Title 37, Part 9 of the Texas Administrative Code. In the event of a conflict in the Standards, the provisions of Chapter 351 of the Texas Local Government Code, the provisions of Title 37, Part 9 of the Texas Administrative Code; the Standards adopted by the Texas Commission of Jail Standards shall control.

Section 1.13: **Routine Medical Care** means acute and chronic care of the treatment of non-life threatening conditions within seven (7) days, which is not classified as emergency care. Routine Medical Care (including psychiatric services) is Primary Medical Care and includes health care provided by a licensed medical professional (general practitioner, family practitioner, internist, or other facility provider including physician extenders) responsible for the Inmate care in the Jail Facilities and by whom the patient may be referred to a specialist for further treatment. Care related to the treatment of an acute condition (rapid onset or severe episode of illness or the treatment of injuries related to an accident or trauma) that can be treated on-site by a primary care provide or the treatment of chronic conditions (long standing, persistent diseases or conditions). Chronic care is a pattern of care that is specific to the problem (diabetes, asthma, hypertension, etc. and also focuses on measures to encourage self-care, promotion of health prevention of loss of function.

Section 1.14: **Specialty Medical Care** (excluding psychiatric services) means medical care provided by a medical professional (e.g. orthopedists, neurologist, etc.) who has specialized or advanced training in a particular field of medicine to care for a particular class of patient diseases, maintains a particular technical expertise (e.g. surgery, Ob-Gyn), and maintains a certification by a specialty examining board to so limit his or her practice, also called a Specialty or Specialist Health Care.

Section 1.15: **Tertiary Care** means specialized consultative care, usually on referral from a primary or secondary medical care personnel, by specialists working in a center that has personnel and facilities for special investigations and treatment. (Secondary medical care is the medical care provided is a physician who acts as a consultant at the request of the primary physician).

Section 1.16: **Emergency Care** means the immediate care (medical or surgical) necessity to treat the sudden or unexpected onset of a life or limb threatening condition or symptoms. This includes any condition or evaluation, treatment or therapy as determined by a healthcare provider that is immediately necessary to prevent death, severe or permanent disability, uncontrolled bleeding, or to maintain an airway and respiration. To qualify as a medical emergency, the care must be initiated within twelve (12) hours of the onset symptoms. Heart attacks, strokes, poisoning, loss of consciousness or respiration, and convulsions are examples of medical emergencies.

Section 1.17: **Medical Transportation** means a one-time trip to convey a person by ground via an ambulance or van to the nearest hospital for medical care.

Section 1.18 **Services**. Services means all services performed by Operator that relate to the operation, management, and maintenance of the Jail Facilities, including all services related to the housing and transportation of Inmates, and any modifications, or improvements to the Jail Facilities.

ARTICLE II PURPOSES

Section 2.1: **Purpose**. The Operator agrees to operate and supervise the Jail Facilities for the County, and to receive, detain and care for all properly classified inmates for which the Jail Facilities are approved that may be assigned to the Jail Facilities.

Section 2.2: **Use of Jail Facilities**. The Jail Facilities are intended by the County to house Inmates detained or incarcerated by County or political subdivisions thereof or Inmates under the control of Federal agencies who are awaiting transfer to other facilities or other disposition under applicable Federal law and is designed for and intended to be operated to incarcerate only such Inmates.

Section 2.3 **Inmate Housing Contracts**. All Inmate housing contracts must be between the County and the jurisdiction or agency seeking the services. Only Inmates under such contracts shall be housed at the Jail Facilities.

Section 2.4: Section 2.4: **Texas Commission on Jail Standards**. Operation and management of the Jail Facilities must be in accordance with the applicable standards of the Texas Commission on Jail Standards, and applicable requirements of the inmate housing contracts. Operator shall immediately notify the County of any event of non-compliance therewith.

Section 2.5: **Revenue**. The County and Operator agree that save and except for the per diem charges and charges for additional or special services to be provided by the Operator to any Inmate(s) pursuant to a separate written agreement between the Operator and the jurisdiction placing the Inmate(s) in the Jail Facilities to which the County gives written consent, all revenues generated by the Jail Facilities shall be the property of the County. The Operator shall provide the

County with all billing services to assure that jurisdictions contracting with the County shall be billed in accordance with the housing contracts, however; all payments must be made directly to the County by any contracting jurisdictions.

**ARTICLE III
REPRESENTATIONS, COVENANTS AND WARRANTIES**

Section 3.1: Representations, Covenants, and Warranties of the County. The County represents, covenants and warrants as follows:

- (a) The County is a duly formed and validly existing political subdivision of the State of Texas, and is governed by the laws of the State of Texas.
- (b) To the best of its knowledge, the laws of the State of Texas authorize the County to establish, acquire, construct, operate and maintain the Jail Facilities; to enter into this Agreement and the transactions contemplated hereby; and to carry out its obligations under this Agreement.
- (c) The officers of the County executing this Agreement have been duly authorized to execute and deliver this Agreement under the terms and provisions of a resolution of the County's Commissioners Court or by other appropriate official action.
- (d) To the best of its knowledge, the County has complied with all open meeting laws, all public contract laws and all other state and federal laws applicable to this Agreement.
- (e) The Jail Facilities are required to be used by the County solely for a public purpose and public use to house Inmates detained or incarcerated by the County or State of Texas, the political subdivisions thereof, or any other governmental entity. Preference will be given to requests from the Texas Commission on Jail Standards (hereinafter referred to as the "Commission") for the housing of Inmates from Texas to the greatest extent possible. In no event, however, shall this provision be interpreted to limit the housing on Inmates from other governmental entities including, but not limited to, other states.
- (f) No member of the governing body of the County is now, or will be an owner, employee, officer, or director of Operator. No officer, member or employee of County and no member or other public official of County who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this Agreement shall participate in any decision relating to this Agreement which affects his/her personal interest, have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
- (g) The County agrees to transfer to the Jail Facilities all inmates under the jurisdiction of the County from eligible third party transfer sources. The County covenants and will insure that all incarceration agreements between the County and the third party sources set forth in Section 2.1 of this Agreement will permit such transfer to the Jail Facilities. Transportation of all outside inmates will be the responsibility of the Operator.
- (h) The County and the Sheriff shall cooperate with Operator in all matters of law enforcement, security and communications.
- (i) The County and the Sheriff shall assist Operator in the training, at Operator's expense, of Operator's employees to operate the Jail Facilities.

- (j) The County and the Sheriff shall assist and cooperate with Operator in providing information needed by Operator in the screening of candidates for employment.
- (k) The County and Operator agree it shall be to their mutual benefit and interest that the Jail Facilities be fully utilized by maintaining the maximum inmate population within statutory or regulatory limits. To this end, and throughout the term of this Agreement, the County and the Operator agree to cooperate in efforts to obtain maximum inmate population from the sources set forth in Section 2.1 of this Agreement (i.e. County will enter into reasonable and advisable inmate housing contracts or related agreements. Operator will actively seek to identify potential inmate sources, etc.).

Section 3.2: Representations, Covenants, and Warranties of Operator. Operator represents, covenants and warrants as follows:

- (a) Operator is a corporation duly organized, validly existing, and in good standing under the laws of the State of Texas; is duly qualified to transact business and hold property in the State of Texas and in every jurisdiction in which the nature of its activities requires it to be so qualified, has full and complete power to enter into this Agreement and to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Agreement, and has duly authorized the execution and delivery of this Agreement.
- (b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby conflict with or result in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which Operator is now a party or by which Operator or its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance whatsoever upon any of the property or assets of Operator.
- (c) No officer or member of the Board of Directors (or governing body) of Operator is now or will be an employee or member of the governing body of County.
- (d) Operator shall manage, operate and provide at its sole cost and expense:
 - 1. all necessary furniture, fixtures and equipment not currently provided at the Jail Facilities including but not limited to computers, fax and copy equipment, radios, televisions, uniforms and linens and basic office furniture and administrative phone systems, which are necessary or prudent for operation and management of the Jail Facilities and the housing of inmates;
 - 2. intake facilities and inmate accounting which shall encompass booking, record-keeping, billing, system of controls, identification systems and records, computerized communication interface with law enforcement agencies, and such statistical records as may be required by law or are generally accepted prisoner-locator practices.
 - 3. attendants to control ingress and egress at the Jail Facilities, in addition to attendants necessary for the requisite level of security internally within the Jail Facilities and those required to monitor the activities of inmates confined within the Jail Facilities;
 - 4. utilities including but not limited to water, sewer, waste disposal, electricity and gas necessary to operate the "Jail Facilities";

5. food and beverage services;
 6. clothing and uniforms;
 7. engineering and maintenance as more fully described below;
 8. procurement and purchasing;
 9. chaplain service, maintenance industry programs, recreational, counseling, education and exercise programs, and other program requirements required by law or inmate housing contracts;
 10. bookkeeping and financial accounting;
 11. in-house medical care as more fully described below;
 12. training of jailers to be employed at the Jail Facilities as all jailers must be certified by TCOLE prior to undertaking jailer duties;
 13. all start-up costs of operations;
 14. all routine repair, upkeep and maintenance as more fully described below;
 15. any approved modifications or additions to the building or grounds necessary to house the inmates from a contracting jurisdiction. All such modifications must be approved in advance by the County Commissioners Court and the County Sheriff; and
 16. all other services necessary or proper for the efficient and safe operation of the Jail Facilities, and secure custody, care and housing of inmates, in compliance with all applicable federal, state and local laws and regulations, including the applicable standards of the Texas Commission on Jail Standards.
- f. Operator shall prepare and furnish such reports as may be required by law to be submitted to the County and the Sheriff with respect to the operation of the Jail Facilities or the inmates detained therein and, in addition, such other reports as may be required by a Texas state agency or any agency of the United States Government, or by any state or political subdivision thereof from which inmates have been assigned to the Jail Facilities.
 - g. Operator shall obtain, and thereafter maintain, the proper certification(s) necessary for the current contracts at the Jail Facilities to incarcerate federal, state and local inmates, and shall maintain such certification(s) at all times.
 - h. Operator will properly incarcerate all inmates assigned to the Jail Facilities for whom there is space available at the Jail Facilities within the statutory and regulatory limits of the Jail Facilities.
 - i. The Operator shall provide all services reasonably necessary for the marketing of the Jail Facilities beds to third party contracting entities including but not limited to solicitation and development of programs and relationships with the eligible user governmental entities. This includes the development, on behalf of Johnson County, of intergovernmental relationships, maintenance of those relationships and the development of eligible long term contracts, including the negotiation of user contracts for and on behalf of Johnson County. It shall be the Operator's responsibility to use its best efforts to maintain on behalf of Johnson County the Jail Facilities at a maximum and efficient operational capacity.
 - j. The interviewing, hiring, training, assignment, control, management, compensation, promotion and termination of all members of the Jail Facilities' administration and staff shall be the responsibility and obligation of Operator. Operator will use its best efforts to hire and train local personnel. The Operator shall give preferential consideration to and employ or offer to employ at the Operator's standard pay and benefit rates the current Jail Facilities staff subject to and provided the employees listed generally qualify for such

employment. The Operator will in the initial transition of operations consult with the Sheriff in the event it determines that a prospective employee is not qualified, and does not meet or exceed the Operator's basic qualifications and standards for employment, prior to any resulting termination.

- k. Operator shall use its best efforts to purchase goods and professional services locally when economically feasible.
- l. Operator shall make available to its employees health care benefits that, at a minimum, are comparable to those currently provided to the employees.
- m. Operator shall provide all balance sheets, income statements, inmate rolls, accounting records or reports, audits and other such matters required of the County for the Jail Facilities.

ARTICLE IV TERM OF THE AGREEMENT

Section 4.1: Initial Term. The initial Term of this Agreement shall be for a period of five (5) years commencing on September 1, 2015 at 12:01 a.m. and terminating on August 31, 2020 at 12:00 a.m.

Section 4.2: Renewal Options. Upon the expiration of this Agreement's Initial Term (as defined in Section 4.1 above), the parties may mutually agree to up to two (2) one-year renewals of this Agreement on mutually acceptable terms ("Renewal Terms"). Either party may provide written notice of its intention not to renew this Agreement beyond the Initial Term, and in such event, such Party shall provide written notice to such intent not to renew to the other Party at least one hundred eighty (180) calendar days prior to the end of the Agreement's Initial Term. In any event, this Agreement shall terminate upon the expiration of the second Renewal Term.

ARTICLE V MAINTENANCE OF JAIL FACILITIES

Section 5.1: Maintenance and Improvement of the Jail Facilities. Operator shall keep the Jail Facilities in good order, repair and condition subject to ordinary wear and tear. Operator shall make all repairs to, and renewals and replacements necessary to keep the Jail Facilities in good order, so long as the cost does not exceed \$5,000.00 per occurrence. The Operator is not required to replace the heating, air conditioning and ventilating system, physical structure (i.e. roof), boiler systems, hot water heaters, food service equipment, but shall keep said systems in good working order and repair and condition. Operator agrees to make every effort to use vendors recommended and approved by the County for the repairs and maintenance work performed at the Jail Facilities and agrees to consult with the Johnson County Public Works Department prior to any repairs or replacements to the heating, air conditioning and ventilation system (excluding changes of filters). In the event the repairs are considered an emergency and a vendor recommended and approved by the County is not available, the Parties agree that Operator may proceed with the necessary repairs using a vendor of Operator's choice. The Parties further agree and understand that when the proposed building C5 is completed and when the renovations to existing building C1 are completed by County, certain warranties may apply and be in effect for C5 and C1 and Operator agrees to contact the Johnson County Public Works

Department prior to any repairs or replacements in building C5 and C1 to determine if any warranties may be applicable. If a warranty is applicable, County will be responsible for contacting the appropriate vendor for repairs or replacement or County may agree to assign to Operator, when necessary and appropriate, any warranties or guarantees it might have or be entitled to with regard to the Jail Facilities in order to effect repairs on the Jail facilities, or to give Operator the right to pursue the manufacturer, builder, or other supplier who gave such warranties or guaranties, to seek reimbursement for monies expended by Operator to meet its repair, upkeep and maintenance obligations under this Agreement to the extent that those expenditures relate specifically to work covered by the subject warranty or guaranty. Operator may also make any additions, modifications or improvements to the Jail Facilities as Operator and the County may agree in writing. Title to any such additions or modifications shall vest in the County.

Section 5.2: Maintenance of FF&E. All replacements of furnishings, fixtures, and equipment (hereinafter referred to as "FF&E") shall be at Operator's expense. Upon the County's request, Operator will cooperate in an annual joint review and audit of FF&E. No FF&E will be transferred from the Jail Facilities by the County without the prior approval of the Operator. No FF&E will be removed by Operator from the Jail Facilities without the prior approval of the County and its consent and appropriate and adequate replacement thereof by Operator.

Section 5.3: Title to FF&E. Title to all non-declined FF&E listed on the Inventory shall remain in the County.

Section 5.4: Operator's Machinery and Equipment. Pursuant to Operator's obligations under this Agreement to operate, manage and maintain the Jail Facilities at its sole cost and expense and in connection with all of Operator's obligations pursuant to this Agreement, Operator shall during the term of this Agreement have the sole and exclusive right, in its sole discretion and at its own expense, to install items of movable machinery and equipment in or upon the Jail Facilities, which items shall be identified by tags or other symbols affixed thereto as property of Operator not included within the Jail Facilities and not considered or deemed to be property belonging to the County or any other entity. All such items so identified shall remain the sole property of Operator, in which County and any other party shall have no interest, and all such items may be modified or removed by Operator at any time, provided that Operator shall repair and restore any and all damage to the Jail Facilities resulting from the installation, modification, or removal of any such items. Operator warrants that none of the property brought to the Jail Facilities pursuant to this Section 5.5 will be permanently affixed to the realty or any improvement, which form part of the Jail Facilities. Nothing in this Agreement shall prevent Operator from purchasing or leasing items to be installed pursuant to this Section 5.5 under a conditional sale or lease with an option to purchase agreement, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Jail Facilities.

Section 5.5: Taxes, and Other Governmental Charges. Operator will timely pay tangible personal property taxes as to Operator's property and all other taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed and levied against or with respect to Operator's provision of services, but Operator shall not be responsible for payment of ad valorem taxes on the Jail Facilities.

ARTICLE VI
TRANSITION/RENOVATIONS/NEW CONSTRUCTION

Section 6.1: Transition/Renovation/New Construction. The County agrees it will cooperate with and reasonably assist Operator in facilitating the transition to any new obligations in this Agreement as operator of the Jail Facilities. Operator agrees to cooperate with and reasonably assist County during the renovation of existing building C1 and the new construction of building of C5.

ARTICLE VII
OPERATION

Section 7.1: Custody and Treatment. Upon the Service Commencement Date, Operator shall operate, manage and maintain the Jail Facilities in a commercially reasonable manner and in accordance with the Standards. In connection with the operation, management and maintenance of the Jail Facilities, Operator shall incarcerate and release Inmates based upon state statutes and upon written authority of a court of competent jurisdiction, and shall at its sole expense provide in a good and workmanlike manner and of a commercially reasonable quality, all goods and services, including, but not limited to, the items listed herein necessary for and incidental to the operation of the Jail Facilities.

Section 7.2: Procedures Manual. Operator shall prepare, adopt, and present to the Sheriff a procedures manual for the operation of the Jail Facilities so as to insure that the Jail Facilities are operated in compliance with applicable law, and those rules and procedures promulgated by the Commission, or any other Prisoner Transfer Source. Operator shall make such modifications and corrections in said procedures manual as are necessary to keep the Jail Facilities in compliance with applicable laws, and the rules and procedures promulgated by the Commission, or any other Prisoner Transfer Source.

Section 7.3: Texas Commission on Law Enforcement Officers Standards & Education (TCOLE) Training of Employees. Operator, at its sole cost and expense, with such assistance and cooperation as may be necessary from the County and the Sheriff as requested by Operator, shall insure that all employees at the Jail Facilities are adequately trained to perform at the requisite levels and standards required by the Commission and all applicable laws. The Sheriff shall insure that all Operator employees be adequately trained using the Sheriff's Office training facility and Operator's personnel to satisfy the TCLEOSE requirements. Operator shall be responsible for paying licensure application fees of \$100.00 per employee to the Sheriff, if applicable, or to TCLEOSE, depending upon acceptable practices and procedures for licensure.

Section 7.4: Use of Other Facilities. The County agrees it will not house County Inmates in any facility other than the Jail Facilities described herein, unless the Operator provides written approval. If at any time the Jail Facilities are at capacity and a County Inmate is presented, Operator will have the ability to send inmates to another facility upon obtaining approval from the County.

Section 7.5: Housing of Non-County Inmates.

- (a) Johnson County Inmates will be given priority for Jail Facilities beds.
- (b) Subject to the provisions of Article 8 of this Agreement, the County may enter into separate Agreements with other entities for the housing of other entities' Inmates (hereinafter referred to as Non-County Inmates) when space is available at the Jail Facilities. The County may coordinate with Operator in obtaining these Agreements.
- (c) If at any time the Jail Facilities are at capacity and a County Inmate is presented, Operator will immediately accept the Inmate and remove a non-County Inmate from the Jail Facilities unless approval has been obtained by the Sheriff for transfer of a County Inmate.

Section 7.6: Safety and Emergency Procedures. Operator will develop an emergency plan to provide for emergencies such as labor disputes, riots, escape, fire, and civil disaster. Said plan will be submitted to the County prior to the Service Commencement Date for review and approval. Operator shall assist the County in soliciting the approval of such procedures by other law enforcement agencies. Upon approval by the Sheriff and the written concurrence of the assistant director of the Texas Department of Public Safety, County and Operator agree to submit such procedures to the Commission for approval. Operator will operate and maintain the Jail Facilities in compliance with applicable federal, state and local safety and fire codes and in accordance with the Standards.

Section 7.7: Sanitation/Hygiene. Operator will provide sanitation/hygiene at the Jail Facilities in conformity with the Standards.

Section 7.8: Accreditation. Operator shall receive and retain a Certificate of Compliance from the Commission. Operator shall also be responsible for maintaining the Jail Facilities in compliance with the Standards. Operator shall be responsible for payment of fees for the Commission inspections.

Section 7.9: Recreation. Operator will provide Inmates with opportunities for exercise and leisure time activities in accordance the Standards. The recreational program will include both in-door and out-door activities.

Section 7.10: Access to Courts. Operator will provide Inmates access to the courts in accordance the Standards.

Section 7.11: Routine Health Care Service. Operator will provide and be responsible for the cost of basic, routine and preventative medical, dental, and psychological services and over-the-counter pharmaceuticals within the Jail Facilities to any Inmate, including first aid and on-site emergency care. Operator will arrange for off-site emergency care but will not be financially responsible. Operator shall have qualified medical personnel (nurse/technician) available at the Jail Facilities twenty-four (24) hours per day to withdraw blood from suspects who are arrested for Driving While Intoxicated, Intoxication Assault, and Intoxication Manslaughter. Blood specimens shall be taken from suspects who consent to the giving of a blood specimen and those suspects who are subject to a search warrant for blood issued by a magistrate.

Section 7.12 Other Health Care Services.

- (a) The cost of hospitalization, prescription drugs, off-site specialty care, off-site consultation, surgical and non-routine dental care for an Inmate shall be the obligation of the Prisoner Transfer Source or the jurisdiction from which the Inmate was assigned to the Jail Facilities, including Inmates from the County.
- (b) However, regardless of the terms of any other Section of this Agreement, Operator shall be obligated to provide all health care services required to be provided pursuant to any agreement between County and any prisoner Transfer Source where Operator has reviewed and approved such agreement prior to execution by County. If requested by Operator and at Operator's sole expense, County shall reasonably assist Operator in requesting reimbursement from any appropriate entity for any medical services provided to any Inmate. County shall not, however, be obligated to pay or bear any cost of any medical or health care (or transportation to obtain such care) for any Inmates, other than County Inmates.

Section 7.14: Laundry. Operator will provide laundry services for Inmates in compliance with the Standards.

Section 7.15: Inmate Transportation & Security. Operator agrees that it is responsible for the transportation and security of inmates of County and outside Inmate agencies to and from the Jail Monday-Friday, including but not limited to transportation of inmates to and from court proceedings and hearings; transportation of inmates to the Texas Department of Criminal Justice, Institutional Division, for confinement; and/or transportation of inmates to and from County for any purpose, including non-routine medical services not covered by this Agreement. Operator will provide guard coverage for Inmates during the time the Inmates are at the Guinn Justice Center. Said guard coverage shall include the holding cells and courtrooms within the Guinn Justice Center.

Section 7.16: Hospital Transport. The County shall be provided with transportation and offsite guard services for inmates to and from the Jail Facilities for outside medical services and overnight hospitalizations not otherwise covered and reimbursed directly by sending jurisdictions. In such event, the Operator will provide the requested transportation and overnight guard services for transportation to and from the hospital and/or medical center in the first seventy two (72) hours of an inmate's hospitalization. After the first 72 hours of hospitalization, the Operator will provide such services at a rate of \$17.00 per hour per officer.

Section 7.17: Commissary. The Sheriff will provide a commissary in accordance with the Standards. The commissary proceeds from the commissary will be utilized as authorized in Section 351.0415 of the Texas Local Government Code as currently drafted and as may be subsequently amended by the Texas Legislature.

Section 7.18: Mail. Operator will provide delivery of mail to Inmates in the Jail Facilities in compliance with the Standards.

Section 7.19: Telephone System. The Sheriff will provide a telephone system in accordance with the Standards. The proceeds from the telephone system will be property of the County and, at a minimum, will be utilized to establish and maintain telephone service for the Inmates' benefit and pay costs associated with its operation.

Section 7.20: Religion. Operator will provide for religious services and provide programs in compliance with Standards.

Section 7.21: Supplies. Operator shall provide all Jail Facilities supplies necessary and/or critical to the operation, management, and maintenance of the Jail Facilities, (exclusive of this eligible to be paid for through proceeds of the commissary fund including but not limited to general hygiene items, office supplies, and building support items such as cleaning supplies, mops, buckets, linens, towels and clothing).

Section 7.22: Grievance Procedure. Operator shall provide a formal grievance procedure for Inmates in compliance with the Standards.

Section 7.23: Security and Control. Operator shall provide security and control in accordance with the Standards at the Jail Facilities and during any transportation of the Inmate.

Section 7.24: Outside Work Crews. The Contactor shall be responsible for two (2) full time employees to supervise outside Inmate work crews.

Section 7.25: Inmate Programs. The Operator shall not be responsible for the cost associated with the GED or HOPE programs.

Section 7.26: Communication and Cooperation. The County and the Sheriff shall cooperate with Operator in all matters of law enforcement, security and communications. The County and the Sheriff shall (at Operator's sole costs and expense) reasonably assist Operator at the request of Operator in the training of Operator's employees hired to operate the Jail Facilities. The Sheriff shall reasonably assist and cooperate with Operator for purposes of obtaining such licensing as may be required by state or federal law for the aforementioned Operator employees. The County and the Sheriff shall reasonably assist and cooperate with Operator in providing information requested by Operator in screening of candidates for employment to the extent such information may be lawfully obtained or released under state or federal law. The County and the Sheriff will verify that all Operator employees undertaking jailer duties are certified, as required by the Commission and meet all requirements under the Standards.

Section 7.27: Prisoner Escape. In the event an Inmate confined in the Jail Facilities escapes from the Jail Facilities, Operator shall immediately notify appropriate public law enforcement officers, including the Sheriff, of such Inmate's escape. The public officers as notified will be solely responsible for the capture and return of the escaped Inmate pursuant to the written procedures described in Section 7.2 above, provided; however, that Operator will expend all reasonable efforts in assisting in the capture and return of any escaped inmate.

Section 7.28: Independent Contractor. Operator is associated with the County only for the purposes and to the extent set forth in this Agreement. With respect to the performance of the management services set out herein, Operator is and will be as independent contractor and, subject to the terms of this Agreement, will have the sole right to manage, control, operate and direct the performance of the details of its duties and obligations under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create the relationship of an employer/employee or principal/agent, or to otherwise create any liability for the County whatsoever with respect to the indebtedness, liabilities and obligations of the Operator or any other party. Operator, its agents and employees shall not be considered agents or employees of the County. The Operator's agents and employees shall not accrue leave, retirement, insurance, bonding, use of County vehicles, or any other benefit afforded to the employees of the County as a result of this Agreement.

Section 7.29: Personnel.

- (a) Operator shall provide sufficiently trained personnel, in accordance with the Standards to deliver twenty-four (24) hour care and supervision to Inmates, as well as administrative and support service personnel for the overall operation management of the Jail Facilities.
- (b) Prior to employment with Operator, Operator will subject applicants to a thorough background check, including criminal, medical, psychological, and employment history to the extent allowed by law.
- (c) The Operator shall obtain approval from the Sheriff regarding the Operator's Warden (or main supervisory official) position. The Sheriff's approval shall not be unreasonably withheld.

Section 7.30: Use of Local Disadvantaged Businesses and Local Hiring. Subject to Section 7.31 below, Operator shall use its best efforts to identify and utilize disadvantaged businesses as defined in Section 351.1035 of the Texas Local Government Code, as subcontractors and suppliers that may provide or have the potential to provide supplies, materials, services and equipment to Operator for performance of this Agreement. Operator shall use its best efforts to purchase local goods and services in connection with the operation, management and maintenance of the Jail Facilities. Operator shall also encourage its subcontractors to similarly utilize disadvantaged businesses, hire local personnel and purchase goods and services locally.

Section 7.31: Subcontractors.

- (a) Operator, with the County's prior written approval, may subcontract any portion of the operation, management or maintenance services to be performed hereunder, but shall not be relieved of any of its obligations set forth herein. Operator shall bind each subcontractor to the terms hereof as far as applicable to such subcontractor's work, and shall require that each subcontractor perform its work in conformance with the terms and conditions on this Agreement. In the event Operator subcontracts as provided for in this paragraph, then any such subcontractor shall be subject to the

provisions of insurance pursuant to Sections 10.1 through 10.6 hereof and indemnification pursuant to Sections 11.1 through 11.4 hereof.

- (b) Operator shall not enter into any subcontract pursuant to this Agreement, without written approval from the County. The approval of the County required by Subsection 7.30 (a) shall not be unreasonably withheld. Operator shall provide the County copies of any such subcontract sufficiently in advance of any deadline for the signing same to allow for the effective review and approval by the County.

Section 7.32: Bonds, Records, Warrants, and TDCJ Coordinators. The Sheriff's Office of Johnson County shall maintain control, and be responsible for the following activities and associated costs at the Jail Facilities:

- (a) Bonding
- (b) Records
- (c) Warrants
- (d) TDCJ Coordinators

Section 7.33: Book-in Process. Operator shall be responsible for the book-in process of Inmates at the Jail Facilities. County will provide computers to be used in the book-in process of Inmates into the Jail Facilities and the County's computer software used for the book-in process will interface with other Johnson County offices and departments.

Section 7.34: Intoxilyzer Room. An Intoxilyzer Room shall be provided at the Jail Facilities for law enforcement agencies to video sobriety tests and to obtain breath samples from suspects charged with Driving While Intoxicated, Intoxication Assault and Intoxication Manslaughter. The Intoxilyzer Room may also be used by the qualified medical personnel (nurse/technician) to withdraw blood from suspects who are arrested for Driving While Intoxicated, Intoxication Assault and Intoxication Manslaughter and who consent to the giving a blood specimen or who are subject to a search warrant for blood issued by a magistrate. County will be responsible for the video and audio recording equipment and all costs associated with the purchase, repair and replacement of said video and audio recording equipment used in the Intoxilyzer Room.

ARTICLE VIII INMATE TRANSFER AGREEMENTS

Section 8.1: Identification and Procurement of Inmates. To the extent allowable by law or agreement and subject to the requirements of this Agreement, the County shall be responsible for identifying and procuring Inmates from other jurisdictions to be housed at the Jail Facilities. To the extent required by law or agreement and consistent with the rights and obligations of the County as set forth in this Agreement, the Operator may reasonably assist County in its efforts to identify and procure such Inmates.

Section 8.2: Maximum Use of Jail Facilities. The County and Operator agree that it shall be to their mutual benefit and interest for the Jail Facilities to be fully utilized by maintaining the maximum inmate population within statutory and regulatory limits, and County hereby warrants to use its best efforts to do so. Operator agrees to reasonably support the efforts of the County in

seeking out and, thereafter contracting with, Prisoner Transfer Sources, upon terms reasonably acceptable to the County, so as to efficiently maximize the utilization of the Jail Facilities.

Section 8.3: Review and Approval of Inmate Transfer Agreements. Before County enters into any agreement with any Prisoner Transfer Source, each such proposed agreement shall be reviewed by Operator and the Sheriff. All such proposed agreements shall provide for payments to be made to and received by the County. Operator and the Sheriff shall be provided with copies of any such proposed agreements sufficiently in advance of any deadline for signing same to allow effective review by such Party. Operator shall provide any and all obligations and duties, which County is required to perform pursuant to such agreement. The Sheriff may approve or reject any proposed agreement in his sole discretion.

Section 8.4: Inmate Transfer Sources. Possible Inmate Transfer Sources (each a "Prisoner Transfer Source") include, but are not limited to, the following:

- (a) The Sheriff of Johnson County, Texas;
- (b) The sheriff of any other Texas county pursuant to any interlocal cooperation agreement between said county and Johnson County;
- (c) The Texas Department of Criminal Justice ("TDCJ") pursuant to an agreement between Johnson County and TDCJ;
- (d) Any county Community Supervision and Corrections Department ("CSCD" also known as Adult Probation Department) pursuant to any interlocal cooperation agreement between Johnson County said CSCD;.
- (e) Subject to Operator's approval, and subject to the limitations set forth herein, any other state (including the District of Columbia) or political subdivision thereof which may lawfully assign Inmates to the Jail Facilities;
- (f) Subject to the limitations set forth herein, the United States government, or any department or agency thereof, pursuant to an agreement between such governmental entity and the County.

**ARTICLE IX
COMPENSATION**

Section 9.1: Compensation to Operator for County Inmates. The County will pay Operator as compensation for the operation, management, and maintenance of the Jail Facilities the following rate amount for the County Inmates incarcerated at the Jail Facilities based upon the County average monthly occupancy (population) of County Inmates incarcerated at the Jail Facilities.

- a. County Inmate Per Diem: \$ 46.50 per County Inmate per day
- b. County Inmate Per Diem
Classified as "Over Nighter" \$ 45.00 per County Inmate per day

County Inmate per diem rates under the terms of this Agreement shall be adjusted on an annual basis beginning on September 1, 2016 and on September 1st of each year thereafter during the term of this Agreement, with a CPI adjustment equivalent to 1.75%.

Section 9.2: Compensation to Operator for Federal Inmates.

1. Compensation to the Operator on a per diem/per inmate basis (actual occupancy) for housing Federal Inmates through Johnson County agreements shall be paid at the Inmate per diem rate stated within the approved IGA less any federal License Fee due to the County (*see item 3. below*).
2. Transportation and medical reimbursement from any Federal agency will be passed directly through to the Operator for reimbursement of their direct costs for providing such services.
3. A **License Fee** will be paid to the County for Federal Inmates housed at the Jail Facilities using the following per day per Federal Inmate basis each month.

License Fee Per Federal Inmate: \$5.00 per Federal Inmate per day.

The License Fee per Federal Inmate will increase by 5% on September 1, 2016 and by 5% on September 1st of each year thereafter during the term of this Agreement.

Section 9.3: Compensation for Other County Inmates housed at the Facility: Compensation of the Operator on a per diem/per Inmate basis (actual occupancy) for housing outside county Inmates through Johnson County Interlocal agreements shall be paid at the Inmate per diem rate stated within the approved IGA.

Section 9.4: Documentation. Operator shall provide the County with documentation showing the amount due to the Operator in each month, and how the amount was calculated. The Operator shall provide the County with any records reasonably requested regarding its operation of the Jail Facilities.

Section 9.5: Calculation of a "day". For the purposes of this Agreement, a "day" shall mean a twenty-four (24) hour time period beginning with twelve (12) o'clock midnight and ending twenty-four (24) hours later. All per diem charges shall be based on the daily midnight count for inmates actually incarcerated at the Facility at (12) o'clock midnight of each day.

Section 9.6 Renewal Term: In the event County and Operator decide to renew this Agreement after the Initial Term the Parties agree to negotiate in good faith the compensation that County is to pay Operator per Inmate per day and the Business License Fee that Operator is to pay County for Federal Inmates per Inmate per day.

Section 9.3: Payment Procedures. Within the first five (5) days of each month, Operator will submit a monthly invoice to the County together with supporting documentation setting out the amounts due to Operator for Inmates held at the Jail Facilities during the immediately preceding month and the amounts due to the County for the Business License Fees. Within thirty (30) days

of receipt of the invoice, the County will pay the invoice. If the amounts to be paid to Operator are disputed, then the County shall pay such amounts that are not in dispute and shall notify Operator of the basis for the dispute on or before the invoice is payable.

The County will be entitled to reasonable documentation from the Operator in order to justify reimbursement of cost and compensation due the Operator under this Agreement.

Section 9.4: Assessment of Interest. Pursuant to Texas Government Code Section 2251.021 and this Agreement, a payment by a governmental entity under an Agreement is overdue on the 31st day after the later of:

- a. the date the governmental entity receives the goods under the Agreement;
- b. the date the performance of the service under the Agreement is completed;
or
- c. the date the governmental entity receives an invoice for the goods or service.

Pursuant to Texas Government Code Section 2251.021 and this Agreement, a payment begins to accrue interest on the date the payment becomes overdue. The rate of interest that accrues on an overdue payment is the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. The rate in effect on September 1 is equal to the sum of: (1) one percent; and (2) the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday. Interest on an overdue payment stops accruing on the date the governmental entity or vendor mailed or electronically transmits the payment.

Section 9.5: Payment for Additional Services. The County understands that it may be invoiced by Operator from time to time for any services provided by the Operator that are not included in this Agreement to the extent such services have been specifically authorized by the County in writing.

ARTICLE X INSURANCE

Section 10.1: Insurance. Operator shall obtain and maintain in force, at its sole cost, risk and expense during the term of this Agreement, a policy or policies of **general liability** insurance in an amount of no less than Three Million Dollars (\$3,000,000.00) in coverage per occurrence, and Five Million Dollars (\$5,000,000.00) aggregate. Such insurance shall insure against personal injury, bodily injury & property damage, [including claims based on violations of civil rights up to a maximum of One Million Dollars (\$1,000,000.00)], arising from services performed by Operator pursuant to this Agreement.

Section 10.2: Additional Insureds. Said policy or policies of insurance shall be amended following execution of the Agreement to name the County, the County Judge, the County

Commissioners, and the Sheriff as "additional insureds". Operator agrees that the policy or policies of insurance includes claims arising under 42 U.S.C. sec 1981 et seq (civil rights acts).

Section 10.3: Workers Compensation and Unemployment Insurance Compensation. Operator shall provide **workers compensation** insurance for its employees at the Jail Facilities which provides the statutorily required coverage, except that employer's liability coverage shall not be in an amount of less than \$500,000.00.

Section 10.4: Automobile Insurance. Operator shall carry **auto** liability insurance coverage in the amount of at least \$1,000,000.00 per single limit for bodily injury and property damage, with umbrella coverage in an amount not less than \$1,000,000.00, for automobiles and \$3,000,000.00 for buses used in its operations.

Section 10.5: Property Insurance. Operator shall provide and continue in force **property** insurance coverage in the name of the County, as loss payees in amounts equal to \$20,000,000.00 for replacement of the Facility, and shall maintain and continue fire, boiler and machinery coverage on the Jail Facilities. Operator agrees that it's negotiated per diem, per Inmate fee has taken this operational expense into account.

Section 10.6: Certificates of Insurance. Operator shall provide to the County insurance certificates as proof of the insurance policies obtained in accordance with this Article X. All policies shall provide that coverage shall not be cancelled without thirty (30) days prior written notice to the Certificate Holder and all additional named insureds and loss payees. Operator shall obtain, as soon as possible (and before cancellation) and at its sole cost, replacement insurance policies. New certificates of insurance shall be provided to the County at least fifteen (15) days prior to coverage renewal.

ARTICLE XI INDEMNIFICATION

Section 11.1: Indemnification. Operator shall indemnify, defend and hold harmless the County, its employees, officials, agents and representatives (including, but not limited to, the County Judge, the County Sheriff, and the County Commissioners) from and against any and all suits, actions, claims (including, without limitation, claims and actions for alleged violations of civil and constitutional rights), demands, expenses, (including legal fees and disbursements), losses, liabilities, or judgments (collectively, "Indemnified Amounts") arising out of or in connection with, or resulting from, acts or omissions on the part of Operator or its respective officers, agents, subsidiaries, subcontractors, or employees in connection with the management or operational services provided herein and shall pay all costs, disbursements, reasonable attorney's fees, expenses and liabilities incurred in connection with such Indemnified Amounts. However, nothing herein is intended to deprive the County or the Operator or any of its officers, agents, subsidiaries, subcontractors or employees of the benefits of any law limiting exposure to liability or setting a ceiling on damages, or both, or of any law establishing a defense to any claim asserted against any of them.

Operator shall not waive, release or otherwise forfeit any possible defense the County may have regarding claims arising from or made in connection with the management or operation of the Jail Facilities by Operator without the written consent of the County. Operator will preserve all such available defenses and cooperate with the County to make such defenses available to the County to the maximum extent allowed by law.

All rights and obligations of the Operator set forth in this Section 11.1 shall survive expiration or termination (for any reason) of this Agreement and shall remain in full force and effect.

Section 11.2: Post Convictions Actions. Confinement by Operator will not deprive any Inmate of any legal right the Inmate would have if confined in a State-operated incarceration or detention facility. Operator will not be responsible for defense of any post-conviction action, including appeals, writs of habeas corpus, by any inmate challenging the underlying judgment of conviction or the administration of the sentence imposed.

Section 11.3: Defense/Immunity. By entering into this Agreement, the County does not waive any immunity defense nor does the County waive any immunity which may be extended to it by operation of law including limitation of damages.

Section 11.4: Notice of Claim. The Operator and the County agree that they shall within fifteen (15) working days of receiving notice of a claim resulting or arising out of, in whole or in part, the operation, management and maintenance of the Jail Facilities under this Agreement, provide written notice of such claim to the other.

ARTICLE XII DEFAULT AND TERMINATION

Section 12.1: Termination for Cause. In addition to any other right contained herein of the Parties to terminate this Agreement, a Party shall have the right to terminate this Agreement in the event of the other Party's material failure to comply with the terms of this Agreement. However, prior to the exercise of this right pursuant to this section to terminate this Agreement, a Party shall give the other Party written notice setting forth in detail all matters of alleged noncompliance and the Party receiving the notice shall have thirty (30) calendar days after receipt of said notice within which to correct all matters of noncompliance set forth in the required notice. If the Party receiving the notice has remedied all alleged breaches or matters of noncompliance within such period, to the other Party's reasonable satisfaction, the written notice of such noncompliance shall be deemed null, void and of no force or effect.

Section 12.2: Termination Due to Unavailability of Funds. The payment of money by the County under any provision of this Agreement is contingent upon the availability of funds appropriated by the County Commissioners Court to pay the sums pursuant to this Agreement. In the event funds for this Agreement become unavailable due to non-appropriation, the County will have the right to terminate this Agreement without penalty.

Section 12.3: Bankruptcy of Operator. In the event of the filing of a petition in bankruptcy by or against Operator, and if Operator consents to or acquiesces in the petition in bankruptcy

filed against it or if said petition in bankruptcy is not dismissed within sixty (60) calendar days after the filing of same, the County shall have the right to terminate this Agreement upon the same terms and conditions set forth in Section 12.1 and 12.4 hereof. If the County terminates this Agreement due to Operator's bankruptcy, then the County shall be entitled to immediately take over and assume the operation, management and maintenance of the Jail Facilities or at its option, contract with a replacement Operator for such services for the jail Facilities.

Section 12.4: Termination. Either Party may terminate this Agreement at any time by giving written notice one hundred eighty (180) calendar days prior to the effective date of termination. It is the intent of the Parties that negotiations with respect to an Option to renew this Agreement will begin no later than six (6) months prior to the termination date of the fifth year and that said negotiations will terminate no later than three (3) months prior to the end of the Agreement term, unless such dates are extended by mutual agreement of the Parties.

Section 12.5: Force Majeure. The failure of performance of any of the terms and conditions of this Agreement resulting from Force Majeure will not be a breach or even of default pursuant hereto.

Section 12.6: Waiver. No waiver of any breach of any terms or conditions of this Agreement will be held to be a waiver of any other or subsequent breach, nor will any waiver be valid or binding unless the same will be in writing and signed by the Party alleged to have granted the waiver.

Section 12.7: Payment Upon Termination. In the event this Agreement is terminated by the County or by the Operator for any reason or no reason, Operator shall be entitled to receive only the amounts, if any, due to it under Article 9 for the theretofore uncompensated days that Inmates were incarcerated in the Jail Facilities by Operator up to and including the date of termination and not thereafter, and less any just and lawful offsets or credits to which the County may be entitled.

ARTICLE VIII APPROVAL AND MONITORING

Section 13.1: Approval of Sheriff. The Sheriff has executed this Agreement in the space provided herein to evidence his written approval of this Agreement as required by Section 351.102 of the Texas Local Government Code.

Section 13.2: Approval of Conditions of Confinement. Within two (2) months of the execution of this Agreement, Operator shall provide the County and the Sheriff written comprehensive standards for conditions of confinement, if the same have not already been provided. The Sheriff shall review and approve the comprehensive standards for conditions of confinement to be developed and implemented by Operator for the operation, management and maintenance of the Jail Facilities. Such approval shall not be unreasonably withheld. The acceptance and approval of said written standards are and express condition precedent to the County's continued obligations under this Agreement. Said standards shall be incorporated as an

addendum to this Agreement in compliance with Section 351.103(10) of the Texas Local Government Code.

Section 13.3: Monitoring by Sheriff and County. The Sheriff shall have access at all times to all areas of the Jail Facilities and regularly monitor Operator's operation and management for the Jail Facilities. The Sheriff or his representative designated in writing shall conduct a thorough on-site inspection of the Jail Facilities no less than two times each month throughout the term of this Agreement. County shall have the same right to monitor Operator's operation of the Jail Facilities as are granted to the Sheriff pursuant to this Section. Operator shall, at no cost to the County, provide the Sheriff office space at the Jail Facilities reasonably necessary to perform his monitoring function under this Agreement.

ARTICLE XIV RECORDS/REPORTS

Section 14.1: Inmate Records. Operator will establish and operate a record and report system, which is consistent with applicable Standards. Upon termination of the Inmate's incarceration, Operator will forward the Inmate's records to the Agreement Monitor. Operator will retain public information which cannot identify the former Inmate, copies of any research data, which has been depersonalized, and copies of reports generated by Operator.

Section 14.2: Confidential. To the extent allowed by applicable state and federal laws, any confidential information provided to or developed by Operator in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by Operator or the County without prior written approval of the other Party. The Parties understand and agree that County, its officers and employees, may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act to any information or records of the Jail Facilities as to whether or not the same are available to the public. The Parties further understand and agree that County, its officers and employees shall have the right to rely on the advice, decisions and opinions of the Attorney General, and that County, its officers and employees shall have no liability or obligations to Operator for the disclosure to the public, or to any person or persons, of any information or records, or a part thereof, or other items furnished to County by Operator in reliance on any advice, decision or opinion of the Attorney General of the State of Texas.

Section 14.3: Criminal History Records.

- (a) To assist Operator, the County will provide to Operator, to the extent allowed by law and at no cost to Operator, copies of the NCIC and/or FBI criminal history records for each person booked into the Jail Facilities. These records will be provided during the book-in process.
- (b) If requested by Operator and legally permissible, the County, with the consent of the applicant, will provide these records for each job applicant whom Operator considers to hire.

2 North Main Street
Cleburne, Texas 76033

Operator: Attn: Tim Kurpiewski, CFO
LaSalle Management Company
26228 Ranch Road 12
Dripping Springs, Texas 78620

With a copy to: William "Billy" McConnell
192 Bastille Lane
Ruston, Louisiana 71207

Bob Alford
County Sheriff
1102 East Kilpatrick
Cleburne, Texas 76031

Section 15.10: Non-Discrimination. Operator shall at all times provide the services required hereunder in compliance with all law with respect to nondiscrimination in hiring, promotion or pay of employees. No person will be subjected to discrimination on the grounds of race, sex, age, color, religion or national origin.

Section 15.11: Third Part Rights. The provisions of this Agreement are for the sole benefit of the Parties hereto and will not be construed as conferring any rights on any other person. This Agreement may not be assigned by any Party without the express written consent of the other Party.

Section 15.12: Entire Agreement. This Agreement incorporates all of the agreements, covenants and understandings between the Parties thereto, concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No other prior agreement or understanding, verbal or otherwise, of the Parties or their agents shall be valid or enforceable unless embodied in this Agreement. Each party acknowledges that it was represented by competent counsel or its own choosing regarding the negotiation and execution of this Agreement.

Section 15.13: Amendment. No changes to this Agreement shall be made except upon written agreement by both Parties. This Agreement may be amended by a written agreement signed by the Johnson County Judge, the Johnson County Sheriff and the Chief Executive Officer, any Executive Officer, Managing Director or Executive Director of Operator.

Section 15.14: Execution Authority. By his or her signature below, each signatory individual certifies that he or she is the properly authorized agent or office of the applicable Party hereto and has the requisite authority necessary to execute this Agreement on behalf of such Party, and each Party hereby certifies to the other that any resolutions necessary to create such authority have been duly passed and are now in full force and effect.

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

COUNTY

By: 
Roger Harmon, County Judge

Date: 7-27-15

Attest:

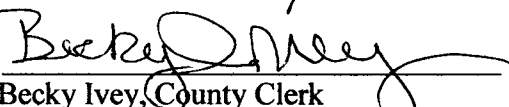
By: 
Becky Ivey, County Clerk

Approved:

By: 
Bob Alford, County Sheriff

Date: 7-27-15

Attest:

By: 
Becky Ivey, County Clerk

OPERATOR

By: 

Date: 7-27-15

Printed Name: W.K. McConnell

Title: Manager