

FACILITY OPERATION AND MANAGEMENT SERVICES AGREEMENT

This Facility Operation and Management Services Agreement (hereinafter "Agreement") is entered into by and between **BOWIE COUNTY, TEXAS** (hereinafter "County") and **SOUTHWESTERN CORRECTIONAL, LLC doing business as LaSALLE CORRECTIONS, LLC** (hereinafter collectively called "Operator") to become effective on **February 13, 2013**.

WHEREAS, the County operates as its County Jail the **Bowie County Correctional Center ("BCCC")** and the **Bi-State Justice Center ("Bi-State")** collectively known as the "Facility" or "Center"; and

WHEREAS, the parties hereto desire to enter into an agreement for the operation and management of the Facility;

WHEREAS, the entering into this Agreement is found to be in the best interests of the parties, the efficient and safe operation of the Facility, and the public, as it will serve the public purpose of providing space for incarceration of law violators, provide for economical and efficient operations and will provide economic development and economic benefits to the local economy; and

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

I. PURPOSES

1.01 Operator agrees to operate, manage and supervise the Facility for the County, and to receive, detain and care for all properly classified inmates for which the Facility is approved that may be assigned to the Facility from:

- (a) The County Sheriff of the County (the "Sheriff");
- (b) The County Sheriff of any other Texas or Arkansas county or Texas or Arkansas municipality, pursuant to an Interlocal Cooperation Contract;
- (c) The Texas Department of Criminal Justice ("TDC") or Arkansas Department of Corrections ("ADC") pursuant to an agreement between such agencies and the County; or

- (d) The United States Government or any agency thereof, pursuant to an agreement between the County (or in the case of Bi-State, the County, the City of Texarkana, Texas or the City of Texarkana, Arkansas) and the United States or any agency thereof.

1.02 The Facility is intended by the County to house inmates detained or incarcerated by County or the State of Texas or Arkansas or political subdivisions thereof or Federal 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.

1.03 Operator is acting as an Independent Contractor for the County, and is not a partner or joint venturer of the County. All inmate housing contracts must be between the County (or for housing in the Bi-State facility with either the County, the City of Texarkana, Arkansas or the City of Texarkana, Texas) and the jurisdiction or agency seeking the services. Only inmates under such contracts shall be housed at the Facility.

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

1.05 Operator is an independent operator engaged for the public purpose of operating a detention center on behalf of the County. No property interest or right in the Facility or grounds is granted to the Operator by this Agreement. The Operator shall, upon termination of this Agreement, return the Facility and its contents including any improvements made during term of this Agreement to the County in the same condition as it was delivered to Operator save and except for normal wear, tear and depreciation under conditions of ordinary care and replacement of such property. Attached hereto and incorporated herein is the currently available inventory listing of the Bowie County and Bi-State property equipment inventory (attached as Exhibit "B") acknowledged by the parties to be in existence as of the date of this Agreement. The County and Operator shall jointly update the inventory within thirty (30) days of execution of this Agreement.

1.06 The County and Operator acknowledge and agree that this contract is awarded under and in accordance with a request for proposal process and incorporates by reference hereto the terms of the Request for Proposal Specifications issued by the County and the written response thereto provided by the Operator dated January 22, 2013 (attached as Exhibit "C"). The terms of the request for proposals are incorporated into and shall become a part of this Agreement and to the extent that this written Agreement does not conflict with the terms and provisions of the proposal and response, the terms and conditions contained therein shall be construed as additional terms of this contract by the agreement of the parties.

1.07 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 Facility, to which the County gives written consent, all revenues generated by the facility shall

be the property of the County (or in the case of Bi-State, the County, the City of Texarkana, Texas or the City of Texarkana, Arkansas). 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 (or in the case of Bi-State, the County, the City of Texarkana, Texas or the City of Texarkana, Arkansas) by any contracting jurisdictions.

II. TERM

2.01 The term of this Agreement shall be three (3) years beginning on **February 14, 2013** and ending three (3) consecutive years thereafter ("Primary Term"). At the expiration of the Primary Term, the parties may mutually agree to up to three (3) one-year renewals of this Agreement on mutually acceptable terms.

2.02 This Agreement will be terminable by either party after sixty (60) days' prior written notice of a material breach if that breach is not cured by the breaching party within the sixty (60) day period. The County may terminate the Agreement upon ten (10) days' prior written notice where due to calamity, damage to its other jail facility or unforeseen increase in jail population or in the event the County needs the Center for its own inmate population.

III. OPERATOR'S COMPENSATION

3.01 Compensation of the Operator shall be on a per diem/per inmate basis (actual occupancy) from all sources.

A. Compensation for Inmates Housed at the Facility:

1. Compensation of the Operator on a per diem/per inmate basis (actual occupancy) for housing inmates from Sending Jurisdictions (including the City of Texarkana, Texas and/or Texarkana, Arkansas) and/or the County's own inmates shall be paid at the inmate per diem rate of (a) **\$46.50** per day/per inmate at the BCCC, (b) **\$39.25** per day/per inmate at Bi-State. Operator shall not be responsible for routine maintenance, utility or property insurance costs at the 164 bed Bi-State campus but shall be responsible for such costs hereunder at the BCCC campus.

2. An administrative cost recoupment fee ("County Fee") shall be paid as additional compensation to the County (or as a credit to the County's own per diem costs) for those inmates from sending jurisdictions and/or the County's own inmates at a rate equal to 20% of the applicable per diem/per inmate charged for any such inmates provided that either (a) the daily non-federal inmate count at the Facility exceeds 450 inmates or (b) in the event the federal daily inmate count exceeds 100 federal inmates.

3. The County Fee is to be paid as additional compensation to the County and shall not be due and payable unless and until the daily population census exceeds 450 non-federal inmates or 100 federal inmates on any given day. For any day that the population census is less

than 450 non-federal inmates or less than 100 federal inmates, then the County Fee shall not be due or payable. The County Fee shall be chargeable, due, and payable for each inmate beginning with the first such inmate day over the applicable threshold (450 non-federal or 100 federal).

4. The County shall guarantee the payment for a census population of at least 375 inmates for a period of time beginning February 14, 2013 and ending on October 1, 2013. The County shall have the option to change on October 1, 2013, the minimum guarantee contained within this paragraph to a minimum guarantee of either: (a) 400 total inmates; or (b) 450 minimum total inmates. In the event that the County elects to exercise the option to change the minimum guaranteed inmate census in any year to 450, then the inmate rate paid to Operator for those inmates held at the BCCC shall be \$44.00 per day; and the inmate rate paid to Operator for those inmates held at the BCCC in the event that the County elects a 400 day minimum guaranteed inmate census shall remain at \$46.50 per day. Example: County elects the minimum guarantee of 450 inmates. County will be billed for first 450 inmates at the rate of \$39.25 for Bi-State inmates and all inmates up to the remaining minimum of 450, at the BCCC jail, will be billed at \$44.00 per inmate date. All vacancies below 450 or per diems less than \$44.00 will be billed at the full rate.

5. All inmate per diem rates under the terms of this Agreement shall be adjusted on an annual basis on February 14 of each subsequent year of 3% each year.

6. 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 Facility.

3.02 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 changes shall be based on the daily midnight count for inmates actually incarcerated at the Facility at (12) o'clock midnight of each day. For those inmates housed less than a 24 hour period, a booking fee of \$39.25 per inmate will be assessed and included in the census for purposes of calculation of the County fee (Section 3.01(A)(2)(3)) and/or the minimum guarantee (Section 3.01(A)(4)).

IV. DUTIES OF OPERATOR

4.01 Operator shall manage, operate and provide at its sole cost and expense:

- (a) all necessary furniture, fixtures and equipment not currently provided at the Facility 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 Facility and the housing of inmates;

- (b) 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. Purchase and maintenance of all inmate booking equipment and software will be the responsibility of the County (i.e. Odyssey, Live Scan, inmate booking computers, fingerprint machines, booking cameras);
- (c) attendants to control ingress and egress at the Facility, in addition to attendants necessary for the requisite level of security internally within the Facility and those required to monitor the activities of inmates confined within the Facility;
- (d) food and beverage services;
- (e) clothing and uniforms;
- (f) engineering and maintenance;
- (g) procurement and purchasing;
- (h) chaplain service, inmates for outside work details, maintenance industry programs, recreational, vocational, counseling, education and exercise programs, and other program requirements required by law or inmate housing contracts;
- (i) bookkeeping and financial accounting;
- (j) medical care;
- (k) training of jailers to be employed at the Facility and all start up costs of operations with the exception of training for Odyssey which will be at the County's expense;
- (l) all routine repair, upkeep and maintenance, (to the extent set forth below), required for the BCCC Facility only;
- (m) necessary utilities at the BCCC;
- (n) 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

- (o) all other services necessary or proper for the efficient and safe operation of the Facility, 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.

In regard to 4.01(l) above, the County agrees to assign to Operator, when necessary and appropriate, any warranties or guarantees it might have or be entitled to with regard to the Facility in order to effect repairs on the Facility, 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. Extraordinary capital repairs shall generally be paid for by the County unless such is due to the negligence or intentional acts of Operator's employees, or by inmates due to the Operator's or its employees' negligence, or is covered by insurance or warranty. Operator's responsibility for extraordinary capital repairs, is limited to the proceeds of applicable insurance, unless the need for such repairs was created by the negligence or intentional act of its employees, or by inmates due to the Operator's or its employees' negligence with respect to any warranties. County agrees to cooperate and use its best efforts to assist Operator to obtain such warranties. Operator will meet all warranty maintenance requirements.

Routine repairs, upkeep and maintenance at the BCCC campus shall be the responsibility of the Operator and Operator will, at its sole cost and expense conduct routine maintenance of the physical structure of the BCCC campus. Operator shall also perform usual and customary preventative maintenance upon the physical structure of the BCCC campus and all tangible personal property contained therein (i.e. inspection, cleaning, testing, replacing parts, and so on), and will in so doing maintain, preserve and keep the BCCC campus in good repair, working order and condition, subject to normal wear and tear as a result of the ordinary, usual and customary operation of the BCCC campus. Operator agrees that it's negotiated per diem, per inmate fee has taken this operational maintenance expense into account.

Capital Improvements and replacement of major facility equipment that require refurbishment repair or replacement as a result of normal age, wear and tear shall be the responsibility of the County. The Operator shall not be obligated to expend its funds for reasonably anticipated capital improvement repairs, replacements or renewals. All necessary and proper repairs, replacements and renewals shall become part of the BCCC campus. Capital Improvements will include the following as defined by Generally Accepted Accounting Principles:

- Fixing a defect or condition that existed prior to taking over management of the BCCC campus,
- Creating a material addition (physical enlargement, expansion or extension),
- Creating a material increase in capacity, productivity, efficiency, strength or quality,

- Returning the property to its ordinarily efficient operating condition if it has deteriorated to a state of disrepair and is no longer functional for its intended use,
- Rebuilding property to a like-new condition after the end of its economic useful life,
- Replacing a major component or substantial structural part of the property, or
- Adapting property to a new or different use.

4.02 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 Facility 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 Facility.

4.03 Operator shall obtain, and thereafter maintain, the proper certification(s) necessary for the Facility to incarcerate federal, state and local inmates, and shall maintain such certification(s) at all times.

4.04 Operator will properly incarcerate all inmates assigned to the Facility for whom there is space available at the Facility within the statutory and regulatory limits of the Facility.

4.05 The Operator shall provide all services reasonably necessary for the marketing of the facility 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 Bowie 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 Bowie County. It shall be the Operator's responsibility to use its best efforts to maintain on behalf of Bowie County the Facility at a maximum and efficient operational capacity.

4.06 Notwithstanding anything contained herein to the contrary, the County, shall have no liability whatsoever for any employees of Operator. Operator hereby agrees to indemnify and hold County harmless from all costs, claims, expenses, and liabilities (including attorney's fees) whatsoever which may be incurred by County arising from any and all acts done or omitted to be done by Operator, or the employees, agents and assigns of Operator, in connection with services performed or to be performed under this Agreement.

4.07 The interviewing, hiring, training, assignment, control, management, compensation, promotion and termination of all members of the Facility's 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 Facility staff described in the attached Exhibit "A" 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.

4.08 Operator shall use its best efforts to purchase goods and professional services locally when economically feasible.

4.09 Operator shall make available to its employees health care benefits that, at a minimum, are comparable to those currently provided to the employees.

4.10 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 Facility.

V.

MEDICAL CARE AND TRANSPORTATION

5.01 The Operator shall provide access to medical, optical, dental and emergency health care services. Basic medical care will be made available by Operator at Operator's cost to all inmates detained at the Facility. Operator shall provide on-site nurses and medical technicians to handle sick-call and medical assessment and care that does not require a physician or specialist. The Operator shall also contract with a medical doctor to serve as medical consultant for the Facility.

5.02 The cost of hospitalization, prescription drugs, surgical and all other non-basic medical services for which costs are incurred or charges made (and transportation costs to obtain such care) for an inmate shall be the obligation of the jurisdiction or agency from which that inmate was assigned to the Facility. The County shall have no obligation for such costs except to the extent the County was the jurisdiction from which the inmate was assigned.

5.03 The County shall be provided with transportation and offsite guard services for inmates to and from the Facility 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 at the rate of **\$18.00** per hour per officer for transportation to and from the hospital and/or medical center in the first 48 hours of an inmate's hospitalization. After the first 48 hours of hospitalization, the Operator will provide such services at a rate of **\$21.00** per hour per officer.

VI.

COMPLIANCE WITH STANDARDS

6.01 Operator shall prepare and adopt a Procedures Manual for the operation of the Facility so as to assure that the Facility is operated fully in accordance with Texas state law, other applicable law, and rules and procedures promulgated by the Jail Commission. Operator shall make such modifications and corrections in the said Procedures Manual necessary to keep the Facility in compliance with Texas state law, other applicable law, and the rules and procedures promulgated by the Jail Commission.

6.02 Operator shall assure that all employees at the Facility are adequately trained to perform at standards required by Texas state law, other applicable law, and the rules and procedures promulgated by the Jail Commission.

6.03 Operator shall comply with all standards and requirements of the inmate housing contracts entered into with other jurisdictions and agencies by the County, and provide all services to be provided by the County under such contracts and pursuant to the terms of such contracts.

VII. DUTIES OF THE COUNTY

7.01 The County hereby covenants and agrees to transfer to the Facility 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 1.01 of this Agreement will permit such transfer to the Facility.

7.02 The County and the Sheriff shall cooperate with Operator in all matters of law enforcement, security and communications.

7.03 The County and the Sheriff shall assist Operator in the training, at Operator's expense, of Operator employees to operate the Facility.

7.04 The County and the Sheriff shall assist and cooperate with Operator in providing information needed by Operator in the screening of candidates for employment.

7.05 All jailers must be certified by TCLEOSE prior to undertaking jailer duties.

7.06 The County and Operator agree it shall be to their mutual benefit and interest that the Facility 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 1.01 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.). It shall be the primary responsibility of Operator to assist the County in marketing the use of the Facility and in seeking out sources of inmates for incarceration at the Facility, and to assist in negotiation and presentation for acceptance by the County contracts for the incarceration of inmates from sources listed in Section 1.01 of this Agreement.

VIII. LIABILITY AND INDEMNITY

8.01 Operator hereby agrees to defend, hold harmless and indemnify the County, their officers, directors, employees, agents, and representatives (including the County Judge, the County Commissioners, and the Sheriff), from and against any and all claims, damages, demands, losses, costs and expenses, including attorney's fees, incurred or suffered by the County, their officers,

directors, employees, agents, or representatives, arising directly or indirectly from the Operator's operations of the facility or arising out of or resulting from any negligent or wrongful act or failure to act by Operator pursuant to the provisions of this Agreement.

IX. INSURANCE

9.01 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 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) aggregate. Such insurance shall insure against personal injury, bodily injury and 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.

9.02 Said policy or policies of insurance shall be amended following execution of the Agreement to name the County, the County Judge, the County Commissioners, 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).

9.03 Operator shall provide and continue in force property insurance coverage in the name of the County, as loss payees in amounts equal to the cost of replacement of all of the BCCC facility, and shall maintain and continue fire, boiler and machinery coverage on the Facility. Operator agrees that its negotiated per diem, per inmate fee has taken this operational expense into account. The Operator shall not be responsible for providing property insurance coverage for the Bi-State facility.

9.04 Operator shall provide to the County insurance certificates as proof of the insurance policies obtained in accordance with this Article IX. 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.

9.05 Operator shall provide workers compensation insurance for its employees at the Facility which provides the statutorily required coverage, except that employer's liability coverage shall not be in an amount of less than \$500,000.

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

9.07 Operator will apply for and obtain the insurance provided in 9.01 of this section and increase the limits to an amount of "no less than \$10,000,000 in coverage per occurrence and \$10,000,000 aggregate" and likewise increase the limits of liability for civil rights to \$2,000,000 arising from services performed by the Operator pursuant to this Agreement. The County shall be granted the right and option to request an increase in the limits as set forth above but will pay and/or

reimburse the Operator in an annual payment equal to the difference in premium actual cost for the coverage as originally set out in paragraph 9.01 and the actual price of the increased coverage. Operator shall provide County a written quote for the differential price thirty (30) days prior to the issuance of such insurance.

X.

APPROVAL AND MONITORING BY COUNTY SHERIFF

10.01 The Sheriff signs this Agreement to evidence his approval as required by §351.102, *Local Government Code*.

10.02 The Sheriff shall periodically monitor the operation of the Facility, and, to this end, the Sheriff or his designated representative shall conduct a thorough on-site inspection of the Facility no less than twice during each month throughout the term of this Agreement. Such monitoring shall not create any liability to the County or the Sheriff, and shall not be a basis for release or defense to liability of the Operator.

XI.

TAXES AND GOVERNMENTAL CHARGES

11.01 Operator shall be responsible for any taxes or governmental charges of any kind assessed or incurred after the effective date of this Agreement which are levied or imposed on the Facility and related property. To the extent that such taxes are chargeable against the Facility and found by a final non-appealable judgment of a court of competent jurisdiction to be due and owing. Such amounts are not a responsibility or debt of the County. This Facility is intended to be, and under current law, should be exempt from property taxation. The County is the owner of taxable title to BCCC.

XII.

ADDITIONAL PROVISIONS

12.01 Notwithstanding anything to the contrary contained herein, in the event any bankruptcy, reorganization debt arrangement, moratorium, proceeding under any bankruptcy or insolvency law or dissolution or liquidation proceeding is instituted by Operator, or if instituted against Operator, is consented to or acquiesced in by Operator and is not dismissed within sixty (60) days, the Agreement shall be immediately terminated and canceled, and the County shall immediately assume responsibility for the operation, management and supervision of the Facility.

12.02 Operator agrees to pay the costs to upgrade the County's camera and security electronics at the BCCC consistent with the requirements of security and corrective actions suggested by the United States Marshal and the actual costs of the camera and security electronics shall be subject to reimbursement on a prorated monthly basis (total cost divided by 36 months) by the County but only in the event this Agreement is terminated by the County prior to the end of the Primary Term (February 13, 2016).

12.03 Operator will provide sending agencies with reasonable direct access to the inmates of any such sending agency. Operator will also provide full, direct and universal access to copies of all official records relating to the housing and care of inmates housed at the Facilities directly to and at the request of any agency housing inmates at the Facility provided such documents are legally obtainable by any such agency. The release of such records shall not require the prior consent of the County or any other agency other than the appropriate request from the agency under whose jurisdiction the inmate is incarcerated. Provided, however, that the Operator shall maintain the original of all such documents as is required under the rules of the Texas Commission on Jail Standards.

12.04 Inmate telephone revenues are not Facility Revenues, and shall be payable to, and belong to the County to be used at the County's discretion unless otherwise agreed to by the parties.

12.05 Commissary services procurement shall be made in coordination with the Sheriff and in compliance with §351.0415 of the Local Government Code. Commissary proceeds will be placed in a separate account controlled by the Sheriff to be used only for inmate welfare purposes at the Facility in accordance with §351.0415(c), Local Government Code.

12.06 The Operator and the County each represent that no member of the Commissioners Court of Bowie County, no elected or appointed peace officer who serves in Bowie County, and no employee or Commissioner of the Texas Commission on Jail Standards has a financial interest in the Operator.

XIII. APPLICABLE LAW AND VENUE; LEGAL CONSTRUCTION

13.01 This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Bowie County, Texas, and venue of any action or dispute shall be in a court of competent jurisdiction in Bowie County, Texas.

13.02 In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

13.03 If for any reason this Agreement shall be held void or voidable, or otherwise be held unlawful, this Agreement shall immediately terminate, and Operator shall have no claim or right of action against the County, its officials, its employees, its agents or its attorneys for any such termination or alleged act or omission related to the same.

XIV. NOTICES

14.01 Notices required to be given hereunder by any party to the other shall be in writing

and shall be valid if actually received by the party to whom such notice is given or if deposited in the United States Mail, postage prepaid and addressed to the party as herein below specified.

Notices to County shall be delivered or sent as follows: Bowie County, Texas
Attention: County Judge
Bowie County Courthouse
710 James Bowie Drive
New Boston, Texas 75570

With a copy to: Sheriff James Prince
100 North Stateline
Box 18
Texarkana, Texas 75501

Notices to Operator shall be delivered or sent as follows: LaSalle Management Company, LLC and
Southwestern Correctional, LLC doing business as
LaSalle Corrections, LLC
26228 Ranch Road 12
Dripping Springs, Texas 78620

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

XV. EXECUTION AUTHORITY

15.01 By his or her signature below, each signatory individual certifies that he or she is the properly authorized agent or officer of the applicable party hereto, and has the necessary authority 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.

XVI. AMENDMENT

16.01 This Agreement may be amended only by a written instrument specifically purporting to amend this Agreement and executed by all parties hereto.

XVII.
ENTIRE AGREEMENT

17.01 This Agreement and the incorporated attachments constitutes the sole and only Operation and Management Agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

[signature pages follow]