

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
June 25, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of June, 2012

Commission File Number 1-15106

PETRÓLEO BRASILEIRO S.A. - PETROBRAS
(Exact name of registrant as specified in its charter)

Brazilian Petroleum Corporation - PETROBRAS
(Translation of Registrant's name into English)

Avenida República do Chile, 65
20031-912 - Rio de Janeiro, RJ
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

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This report on Form 6-K is incorporated by reference in the Registration Statement on Form F-3 of Petróleo Brasileiro -- Petrobras (No. 333-163665).

Adjustment in Gasoline and Diesel Prices

Rio de Janeiro, June 22, 2012 – Petróleo Brasileiro S.A. – Petrobras informs the adjusting the price of the below-listed products at the refineries, with effect from the day June 25, 2012 according to the following table:

Products without CIDE, PIS/Cofins and ICMS (*)

Gasoline 7,83%

Diesel 3,94%

(*) Brasil Average

The prices of gasoline and diesel which the adjustment applies do not include federal taxes (CIDE, PIS/Cofins) and state taxes (ICMS).

These price adjustments were calculated by the Company taking into account the Company's pricing policy, which seeks to align the price of oil products linked to the international market, in a medium and long-term perspective.

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Special Dividend Cash and Stock

5.68

Business Segment Data:

Revenues:

U.S. Corrections & Detention

\$674,621 \$740,451 \$805,857 \$925,695 \$975,445 \$480,710 \$502,815

GEO Community Services(2)

8,647 11,569 76,913 280,080 291,891 145,025 149,013

International Services

116,675 126,449 178,567 201,397 211,726 105,480 106,856

Facility Construction & Design

85,897 98,035 23,255

Total revenues

\$885,840 \$976,504 \$1,084,592 \$1,407,172 \$1,479,062 \$731,215 \$758,684

Operating income

U.S. Corrections & Detention

\$153,993 \$173,325 \$198,837 \$215,406 \$222,703 \$106,861 \$110,723

GEO Community Services(2)

5,606 5,522 15,877 61,270 65,401 33,342 36,259

International Services

9,433 6,996 11,364 12,938 10,041 5,950 5,067

Facility Construction & Design

326 381 2,382

Unallocated G&A expenses

(64,384) (62,619) (101,558) (110,015) (113,792) (52,715) (59,403)

Total operating income

\$104,974 \$123,605 \$126,902 \$179,599 \$184,353 \$93,438 \$92,646

Balance Sheet Data (at period end):

Cash and cash equivalents

\$30,862 \$28,592 \$38,088 \$43,378 \$31,755 \$68,316 \$38,511

Restricted cash and investments

32,400 33,651 89,977 99,459 48,410 98,933 53,394

Accounts receivable, net

178,994 175,796 247,630 265,250 246,635 267,448 239,001

Property and equipment, net

875,659 979,867 1,493,389 1,688,356 1,687,159 1,700,723 1,739,986

Total assets

1,288,622 1,447,818 2,412,373 3,049,923 2,839,194 3,049,228 2,888,202

Total debt

512,133 584,694 1,044,942 1,594,317 1,488,173 1,569,209 1,571,594

Total shareholders equity

579,597 665,098 1,039,490 1,038,521 1,047,304 1,072,646 1,035,884

Other Financial Data:

Depreciation and amortization expense

35,025 37,022 44,365 81,548 91,685 45,201 46,592

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Non-GAAP Financial Data:

EBITDA(3)

143,187 158,673 169,764 265,116 272,814 140,441 136,851

Adjusted EBITDA(3)

155,342 174,730 208,083 301,415 318,896 152,708 153,131

Funds From Operations(4)

82,025 86,814 86,914 114,313 196,592 59,720 82,878

Normalized Funds From Operations(4)

82,025 93,653 120,228 120,621 143,162 59,720 83,555

Adjusted Funds From Operations (AFFO)(4)

87,412 101,673 124,929 132,723 163,338 71,806 101,960

Financial Ratios:

Ratio of earnings to fixed charges

2.8x 2.8x 2.3x 2.2x 1.9x 2.1x 1.9x

Other Operational Data (end of period):

Facilities in operation(5)

53 50 98 90 87 87 87

Operations capacity of contracts(5)

48,402 49,388 70,552 65,787 65,949 65,495 66,338

Compensated mandays(6)

14,688,262 15,888,828 17,203,880 19,884,802 20,476,153 10,090,674 10,371,336

(1) Interest expense excludes the following capitalized interest amounts for the periods presented:

December 28, 2008	Fiscal Year Ended			January 1, 2012	December 31, 2012	Six Months Ended	
	January 3, 2010	January 2, 2011	July 1, 2012			June 30, 2013	
\$4,343	\$ 4,942	\$ 4,144	\$ 3,060	\$ 1,244	\$ 1,244	\$ 2	

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- (2) Our GEO Care reporting segment previously consisted of four aggregated operating segments including Residential Treatment Services, Community Based Services, Youth Services and B.I. Incorporated. The GEO Care reporting segment was renamed concurrent with the

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divestiture of the Company's Residential Treatment Services operating segment to GEO Community Services. All current and prior year financial position and results of operations amounts presented for this reporting segment are referred to as GEO Community Services. The operating results of the Residential Treatment Services operating segment and the loss on disposal have been classified in discontinued operations.

- (3) We define EBITDA as income from continuing operations before net interest expense, income tax provision (benefit), depreciation and amortization, and tax provision on equity in earnings of affiliates. We define Adjusted EBITDA as EBITDA further adjusted for net income/loss attributable to non-controlling interests, non-cash stock-based compensation expenses, and certain other adjustments as defined from time to time, including for the periods presented start-up transition expenses, pre-tax; international bid related costs, pre-tax; REIT conversion related expenses, pre-tax; M&A related expenses, pre-tax; early extinguishment of debt, pre-tax; gain on land sale; and IRS settlement. Given the nature of our business as a real estate owner and operator, we believe that EBITDA and Adjusted EBITDA are helpful to investors as measures of our operational performance because they provide an indication of our ability to incur and service debt, to satisfy general operating expenses, to make capital expenditures and to fund other cash needs or reinvest cash into our business. We believe that by removing the impact of our asset base (primarily depreciation and amortization) and excluding certain non-cash charges, amounts spent on interest and taxes, and certain other charges that are highly variable from year to year, EBITDA and Adjusted EBITDA provide our investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates and operating costs, providing a perspective not immediately apparent from income from continuing operations. The adjustments we make to derive the non-GAAP measures of EBITDA and Adjusted EBITDA exclude items which may cause short-term fluctuations in income from continuing operations and which we do not consider to be the fundamental attributes or primary drivers of our business plan and they do not affect our overall long-term operating performance. EBITDA and Adjusted EBITDA provide disclosure on the same basis as that used by our management and provide consistency in our financial reporting, facilitate internal and external comparisons of our historical operating performance and our business units and provide continuity to investors for comparability purposes.

The following table provides a reconciliation of EBITDA and Adjusted EBITDA to income from continuing operations, the most directly comparable GAAP measure:

	Fiscal Year Ended				Six Months Ended		
	December 28, 2008	January 3, 2010	January 2, 2011	January 1, 2012	December 31, 2012	July 1, 2012	June 30, 2013
Income from continuing operations	\$ 55,772	\$ 59,059	\$ 54,371	\$ 69,644	\$ 144,558	\$ 34,610	\$ 57,657
Interest expense, net	23,157	23,575	34,452	68,346	75,473	37,856	38,095
Income tax provision (benefit)	30,668	37,649	34,364	43,172	(40,562)	22,150	(6,387)
Depreciation and amortization expense	35,025	37,022	44,365	81,548	91,685	45,201	46,592
Tax provision on equity in earnings of affiliates	(805)	1,368	2,212	2,406	1,660	624	894
EBITDA	\$ 143,817	\$ 158,673	\$ 169,764	\$ 265,116	\$ 272,814	\$ 140,441	\$ 136,851
Net (income) loss attributable to noncontrolling interests	(376)	(169)	678	1,162	852	(9)	(30)
Stock based compensation expenses, pre-tax	4,469	5,321	4,639	6,113	6,543	3,433	3,345
Start-up transition expenses, pre-tax(a)	7,432	4,066	3,812	21,625	9,027	6,424	
International bid related costs, pre-tax(b)				1,091	4,057	1,615	
REIT conversion related expenses and other expenses, pre-tax(c)					15,670		7,438
M&A related expenses, pre-tax			25,381	6,308	1,471	804	
Early extinguishment of debt, pre-tax		6,839	7,933		8,462		5,527
Gain on land sale			(801)				
IRS Settlement(d)			(3,323)				
Adjusted EBITDA	\$ 155,342	\$ 174,730	\$ 208,083	\$ 301,415	\$ 318,896	\$ 152,708	\$ 153,131

- (a) Represents start-up/transition expenses of certain domestic facilities and our transportation contract in the U.K.
(b) Represents international bid and proposal costs incurred in connection with potential opportunities in the U.K. and Australia.
(c) Represents expenses related to our REIT conversion.
(d) Represents a gain related to the settlement of a claim with the Internal Revenue Service.

- (4) We define Funds From Operations, or FFO, in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss) attributable to common shareholders (computed in accordance with GAAP), excluding real estate related depreciation and amortization, excluding gains and losses from the cumulative effects of accounting changes, extraordinary items and sales of properties, and including adjustments for unconsolidated partnerships and joint ventures. Normalized FFO as presented in Summary Summary Historical Financial and Other Data is defined differently than Funds From Operations as used in the Description of Notes. We define Normalized Funds From Operations, or Normalized FFO, as FFO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure our actual

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operating performance, including for the periods presented M&A related expenses, REIT conversion related expenses and early extinguishment of debt, pre-tax. We define Adjusted Funds From Operations, or AFFO, as Normalized Funds From Operations adjusted by adding non-cash items such as non-real estate related depreciation and amortization, stock based compensation and the amortization

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of debt costs and other non-cash interest and by subtracting recurring real estate expenditures that are capitalized and then amortized, but which are required to maintain REIT properties and their revenue stream. Because of the unique design, structure and use of our correctional facilities, we believe that assessing performance of our correctional facilities without the impact of depreciation or amortization is useful and meaningful to investors. Although NAREIT has published its definition of FFO, companies often modify this definition as they seek to provide financial measures that meaningfully reflect their distinctive operations. We have modified FFO to derive Normalized FFO and AFFO that meaningfully reflect our operations. Our assessment of our operations is focused on long-term sustainability. The adjustments we make to derive the non-GAAP measures of Normalized FFO and AFFO exclude items which may cause short-term fluctuations in income from continuing operations but have no impact on our cash flows, or we do not consider them to be fundamental attributes or the primary drivers of our business plan and they do not affect our overall long-term operating performance. We may make adjustments to FFO from time to time for certain other income and expenses that do not reflect a necessary component of our operational performance on the basis discussed above, even though such items may require cash settlement. Because FFO, Normalized FFO and AFFO exclude depreciation and amortization unique to real estate as well as non-operational items and certain other charges that are highly variable from year to year, they provide our investors with performance measures that reflect the impact to operations from trends in occupancy rates, per diem rates, operating costs and interest costs, providing a perspective not immediately apparent from income from continuing operations. We believe the presentation of FFO, Normalized FFO and AFFO provide useful information to investors as they provide an indication of our ability to fund capital expenditures and expand our business. FFO, Normalized FFO and AFFO provide disclosure on the same basis as that used by our management and provide consistency in our financial reporting, facilitate internal and external comparisons of our historical operating performance and our business units and provide continuity to investors for comparability purposes. Additionally, FFO, Normalized FFO and AFFO are widely recognized measures in our industry as a real estate investment trust. Normalized FFO and AFFO have been adjusted in prior periods to be reported consistently with our disclosure for the six months ended June 30, 2013.

The following table provides a reconciliation of Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations to income from continuing operations, the most directly comparable GAAP measure:

	Fiscal Year Ended					Six Months Ended	
	December 28, 2008	January 3, 2010	January 2, 2011	January 1, 2012	December 31, 2012	July 1, 2012	June 30, 2013
Income from continuing operations(7)	\$ 55,772	\$ 59,059	\$ 54,371	\$ 69,644	\$ 144,558	\$ 34,610	\$ 57,657
Net (income) loss attributable to non-controlling interests	(376)	(169)	678	1,162	852	(9)	(30)
Real estate related depreciation and amortization	26,629	27,924	31,865	43,507	51,182	25,119	25,251
Funds From Operations	\$ 82,025	\$ 86,814	\$ 86,914	\$ 114,313	\$ 196,592	\$ 59,720	\$ 82,878
M&A related expenses			25,381	6,308	1,471		
REIT conversion related expenses(a)					15,670		4,697
Impact of REIT Election(b)					(79,033)		(8,416)
Early extinguishment of debt, pre-tax		6,839	7,933		8,462		4,396
Normalized Funds From Operations	\$ 82,025	\$ 93,653	\$ 120,228	\$ 120,621	\$ 143,162	\$ 59,720	\$ 83,555
Non-real estate related depreciation and amortization	8,397	9,098	12,500	38,040	40,503	20,082	21,341
Maintenance capital expenditures	(10,519)	(9,811)	(15,647)	(33,796)	(30,739)	(12,798)	(9,296)
Stock based compensation expense	4,469	5,321	4,639	6,113	6,543	3,433	3,345
Amortization of debt costs and other non-cash interest	3,040	3,412	3,209	1,745	3,869	1,369	3,015
Adjusted Funds From Operations	\$ 87,412	\$ 101,673	\$ 124,929	\$ 132,723	\$ 163,338	\$ 71,806	\$ 101,960

(a) Represents expenses related to our REIT conversion.

(b) Represents one-time tax adjustments related to our REIT conversion.

(5) Excludes idle facilities and assets held for sale.

(6) Compensated mandays are calculated as follows: (a) for per diem rate facilities – the number of beds occupied by residents on a daily basis during the fiscal year; and (b) for fixed rate facilities – the capacity of the facility multiplied by the number of days the facility was in operation during the fiscal year.

(7) We recorded a net tax expense of \$(6.4) million in the six months ended June 30, 2013 compared to net tax expense of \$22.2 million in the six months ended July 1, 2012. The reduced tax expense in the six months ended June 30, 2013 was related to the REIT conversion. As a REIT, we are required to distribute at least 90% of our taxable income to shareholders and in turn are allowed a deduction for the distribution at the REIT level. The Company's wholly-owned taxable REIT subsidiaries continue to be fully subject to federal, state and foreign income taxes, as applicable. In addition, during the six months ended

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June 30, 2013, we had a net tax benefit relating to our REIT conversion, miscellaneous nonrecurring items, as well as a release of certain tax reserves primarily due to the settlement of IRS audit years 2010 and 2011.

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DESCRIPTION OF OTHER INDEBTEDNESS

Amended and Restated Senior Credit Facility

The following is a description of our Amended and Restated Senior Credit Facility. The summary of the Amended and Restated Senior Credit Facility is not complete and is subject and is qualified in its entirety by reference to the terms of the Amended and Restated Senior Credit Facility.

On April 3, 2013, we entered into the Amended and Restated Credit Agreement with GEO Corrections Holdings, Inc. (The GEO Group, Inc. and GEO Corrections Holdings, Inc. are the borrowers), BNP Paribas, as Administrative Agent, and the lenders who are, or may from time to time, become, a party thereto. The Amended and Restated Senior Credit Facility consists of a \$300 million term loan (the Term Loan B) initially bearing interest at LIBOR plus 2.5% (with a LIBOR floor of .75%) and a \$700 million revolving credit facility (the Revolver) initially bearing interest at LIBOR plus 2.50% (with no LIBOR floor). We also have the ability to increase the Amended and Restated Senior Credit Facility by an additional \$350 million, subject to lender demand, prevailing market conditions and satisfying the borrowing conditions thereunder. The Revolver component is scheduled to mature on April 3, 2018 and the Term Loan B component is scheduled to mature on April 3, 2020.

The weighted average interest rate on outstanding borrowings under our Amended and Restated Senior Credit Facility was 3.0% as of June 30, 2013.

As of June 30, 2013, we had \$300.0 million principal amount outstanding under the Term Loan of the Amended and Restated Senior Credit Facility and our revolving credit facility had \$295.0 million outstanding in borrowings, \$58.2 million outstanding in letters of credit and \$346.8 million available for additional borrowings.

All of the obligations under our Amended and Restated Senior Credit Facility are unconditionally guaranteed by each of our domestic subsidiaries that are restricted subsidiaries under the Amended and Restated Senior Credit Facility. The Amended and Restated Senior Credit Facility and the related guarantees are secured by substantially all of our present and future tangible and intangible domestic assets and all present and future tangible and intangible domestic assets of each guarantor, including but not limited to (i) a first-priority pledge of substantially all of the outstanding capital stock owned by us and each guarantor, and (ii) perfected first-priority security interests in substantially all of our present and future tangible and intangible domestic assets and the present and future tangible and intangible domestic assets of each guarantor.

Our Amended and Restated Senior Credit Facility contains certain customary representations and warranties, and certain customary covenants that restrict the Company's ability to, among other things as permitted (i) create, incur or assume any indebtedness, (ii) create, incur, assume or permit liens, (iii) make loans and investments, (iv) engage in mergers, acquisitions and asset sales, (v) make certain restricted payments, (vi) issue, sell or otherwise dispose of capital stock, (vii) engage in transactions with affiliates, (viii) allow the total leverage ratio to exceed 5.75 to 1.00, allow the senior secured leverage ratio to exceed 3.50 to 1.00 or allow the interest coverage ratio to be less than 3.00 to 1.00, (ix) cancel, forgive, make any voluntary or optional payment or prepayment on, or redeem or acquire for value any senior notes, except as permitted (x) alter the business we conduct and (xi) materially impair our lenders' security interests in the collateral for our loans.

Our Amended and Restated Senior Credit Facility generally requires the Interest Coverage Ratio to be calculated as (a) Adjusted EBITDA (as defined under our Amended and Restated Senior Credit Facility) for any period of four consecutive fiscal quarters to (b) Interest Expense (as defined under our Amended and Restated Senior Credit Facility), minus Interest Expense attributable to Indebtedness of Unrestricted Subsidiaries and Other Consolidated Persons that is Non-Recourse to us and the Restricted Subsidiaries for such four quarter period (capitalized terms are defined in the Amended and Restated Senior Credit Facility).

Events of default under the Amended and Restated Senior Credit Facility include, but are not limited to, (i) our failure to pay principal or interest when due, (ii) our material breach of any representations or warranty,

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(iii) covenant defaults, (iv) liquidation, reorganization or other relief relating to bankruptcy or insolvency, (v) cross default under certain other material indebtedness, (vi) unsatisfied final judgments over a specified threshold, (vii) material environmental liability claims which have been asserted against the Company, and (viii) a change in control.

7³/₄% Senior Notes due 2017

The following is a description of the 7³/₄% senior notes. This summary is not complete and is subject and is qualified in its entirety by reference to the terms of the indenture governing the 7³/₄% senior notes.

On October 20, 2009, we completed a private offering of \$250.0 million in aggregate principal amount of the 7³/₄% senior notes. Interest on the 7³/₄% senior notes accrues at a rate of 7³/₄% per annum and is payable semi-annually in arrears on April 15 and October 15 of each year. The 7³/₄% senior notes will mature on October 15, 2017.

The 7³/₄% senior notes are unsecured, unsubordinated obligations of GEO and the guarantors and rank:

pari passu with any unsecured, unsubordinated indebtedness of GEO and the guarantors, including the notes and the 6.625% senior notes;

senior to any future indebtedness of GEO and the guarantors that is expressly subordinated to the 7³/₄% senior notes and their related guarantees;

effectively junior to any secured indebtedness of GEO and the guarantors, including indebtedness under the Amended and Restated Senior Credit Facility, to the extent of the value of the assets securing such indebtedness; and

effectively junior to all obligations of our subsidiaries that are not guarantors.

The 7³/₄% senior notes may be redeemed at our option, in whole or in part, from time to time, prior to October 15, 2013 at a redemption price equal to 100% of the principal amount of the 7³/₄% senior notes plus a make-whole premium, together with accrued and unpaid interest. On or after October 15, 2013, the 7³/₄% senior notes may be redeemed at our option, in whole or in part, at any time, at a premium which is at a fixed percentage that declines to par on or after October 15, 2015, plus accrued and unpaid interest and liquidated damages, if any, thereon to the redemption date.

Upon the occurrence of a change of control, as defined in the indenture governing the 7³/₄% senior notes, each holder of the 7³/₄% senior notes has the right to require us to purchase all or a portion of the holder's 7³/₄% senior notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the purchase date.

The indenture governing the 7³/₄% senior notes contains certain covenants that limit or restrict our ability to:

incur additional indebtedness or issue preferred stock;

make dividend payments or other restricted payments;

create liens;

sell assets;

engage in sale and leaseback transactions;

create or permit restrictions on the ability of our restricted subsidiaries to make dividends or make other distributions to us;

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enter into transactions with affiliates; and

enter into mergers, consolidations, or sales of all or substantially all of our assets.

6.625% Senior Notes due 2021

The following is a description of the 6.625% senior notes. This summary is not complete and is subject and is qualified in its entirety by reference to the terms of the indenture governing the 6.625% senior notes.

On February 10, 2011, we completed a private offering of \$300.0 million in aggregate principal amount of the 6.625% senior notes. Interest on the 6.625% senior notes accrues at a rate of 6.625% per annum and is payable semi-annually in arrears on February 15 and August 15 of each year. The 6.625% senior notes will mature on February 15, 2021.

The 6.625% senior notes are unsecured, unsubordinated obligations of GEO and the guarantors and rank:

pari passu with any unsecured, unsubordinated indebtedness of GEO and the guarantors, including the notes and the 7³/₄% senior notes;

senior to any future indebtedness of GEO and the guarantors that is expressly subordinated to the 6.625% senior notes and their related guarantees;

effectively junior to any secured indebtedness of GEO and the guarantors, including indebtedness under the Amended and Restated Senior Credit Facility, to the extent of the value of the assets securing such indebtedness; and

effectively junior to all obligations of our subsidiaries that are not guarantors.

The 6.625% senior notes may be redeemed at our option, in whole or in part, from time to time, prior to February 15, 2016 at a redemption price equal to 100% of the principal amount of the 6.625% senior notes plus a make-whole premium, together with accrued and unpaid interest. On or after February 15, 2016, the 6.625% senior notes may be redeemed at our option, in whole or in part, at any time, at a premium which is at a fixed percentage that declines to par on or after February 15, 2019, plus accrued and unpaid interest and liquidated damages, if any, thereon to the redemption date. At any time on or prior to February 15, 2014, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of the outstanding 6.625% senior notes with the net cash proceeds of certain equity offerings at a redemption price of 106.625% of their principal amount, plus accrued and unpaid interest and liquidated damages, if any, thereon to the redemption date.

Upon the occurrence of a change of control, as defined in the indenture governing the 6.625% senior notes, each holder of the 6.625% senior notes has the right to require us to purchase all or a portion of the holder's 6.625% senior notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest and liquidated damages, if any, to the purchase date.

The indenture governing the 6.625% senior notes contains certain covenants that limit or restrict our ability to:

incur additional indebtedness or issue preferred stock;

make dividend payments or other restricted payments;

create liens;

sell assets;

engage in sale and leaseback transactions;

create or permit restrictions on the ability of our restricted subsidiaries to make dividends or make other distributions to us;

enter into transactions with affiliates; and

enter into mergers, consolidations, or sales of all or substantially all of our assets.

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DESCRIPTION OF NOTES

General

You can find the definitions of certain terms used in this description under the subheading *Certain Definitions*. In this description, references to *we*, *us*, *our*, and the *Company* refer to The GEO Group, Inc. and not to any of its Subsidiaries and references to the *Notes* refer to the 5 1/8% Senior Notes due 2023 and any additional notes issued under the Indenture in accordance with the terms of the Indenture.

The old notes were issued and the new notes will be issued under the indenture dated as of March 19, 2013 (the *Indenture*) among us, the Initial Guarantors and Wells Fargo Bank, National Association, as trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, which we refer to as the Trust Indenture Act.

The following description is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not this description, defines your rights as a holder of the Notes. A copy of the Indenture is available from us at The GEO Group, Inc., One Park Place, 621 NW 53rd Street, Suite 700, Boca Raton, Florida, 33487, Attn: Chief Financial Officer. Certain defined terms used in this description but not defined below under *Certain Definitions* have the meanings assigned to them in the Indenture or the registration rights agreement.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

The Notes

The Notes are:

our general, unsecured obligations;

equal in right of payment with all of our existing and future unsecured, unsubordinated indebtedness, including the 7 3/4% Senior Notes due 2017 and the 6.625% Senior Notes due 2021;

effectively junior to our secured indebtedness, to the extent of the assets securing such indebtedness, including indebtedness under the Credit Agreement;

senior in right of payment to any of our future subordinated indebtedness;

unconditionally guaranteed by the Guarantors as described under *The Note Guarantees*;

structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, of our Subsidiaries that do not guarantee the Notes.

As of the date of the Indenture governing the Notes, all of our Subsidiaries (other than CSC of Tacoma, LLC, GEO International Holdings, Inc., certain dormant Domestic Subsidiaries and all of our Foreign Subsidiaries in existence as of the date of the Indenture) are Restricted Subsidiaries, and each of our Subsidiaries that has guaranteed our obligations under the Credit Agreement guarantees the Notes. However, under the circumstances described below under the subheading *Certain Covenants Designation of Restricted and Unrestricted Subsidiaries*, we will be permitted to designate other Subsidiaries, as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture and will not guarantee the Notes. Our Subsidiaries that are not providing Note Guarantees generated approximately 14.9% and 15.6% of our consolidated revenues for the six months ended June 30, 2013 and the fiscal year ended December 31, 2012, respectively, and held approximately 9.7% and 9.9% of our consolidated assets as of June 30, 2013 and December 31, 2012, respectively.

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The Note Guarantees

The Notes are fully and unconditionally guaranteed by each of our Restricted Subsidiaries that has guaranteed our obligations under the Credit Agreement (collectively, the Initial Guarantors) and may be guaranteed by additional Subsidiaries of ours as described below under Certain Covenants Additional Note Guarantees.

Each Note Guarantee of a Guarantor is:

a general unsecured obligation of such Guarantor;

equal in right of payment with all existing and future unsecured, unsubordinated indebtedness of such Guarantor, including the guarantees of the 7 ³/₄% Senior Notes due 2017 and the 6.625% Senior Notes due 2021;

effectively junior to such Guarantor's secured indebtedness, to the extent of the assets securing such indebtedness, and to any indebtedness and other liabilities, including trade payables, of any Subsidiaries of such Guarantor that do not guarantee the Notes; and

senior in right of payment to any future subordinated indebtedness of such Guarantor.

The obligations of each Guarantor under its Note Guarantee is limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. We cannot assure you that this limitation will protect the Note Guarantees from fraudulent conveyance or fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the Note Guarantees would suffice, if necessary, to pay the Notes in full when due. In a recent Florida bankruptcy case, this kind of provision was found to be unenforceable, as a result, the subsidiary guarantees in that case were found to be fraudulent conveyances. The United States Court of Appeals for the Eleventh Circuit affirmed the liability findings of the Florida Bankruptcy Court without ruling directly on the enforceability of these types of provisions generally. If the Florida Bankruptcy Court's decision is followed by other courts, the risk that the Note Guarantees would be deemed fraudulent conveyances would be significantly increased. If a Note Guarantee were rendered voidable, it could be subordinated by a court to all other Indebtedness (including Guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such Indebtedness, a Guarantor's liability on its Note Guarantee could be reduced to zero. See Risk Factors Risks Related to the Notes Fraudulent conveyance laws may permit courts to avoid the subsidiary guarantees of the notes and/or payments made under the subsidiary guarantees in specific circumstances, which would interfere with the payment under the subsidiary guarantees.

Not all of our Subsidiaries will guarantee the Notes. GEO and the Initial Guarantors generated approximately 85.1% and 84.4% of our consolidated revenues and 88.6% and 88.2% of our consolidated EBITDA for the six months ended June 30, 2013 and the fiscal year ended December 31, 2012, respectively, and held approximately 90.3% and 90.1% of our consolidated assets as of June 30, 2013 and December 31, 2012, respectively.

The Note Guarantee of a Guarantor may be released in certain circumstances. See Certain Covenants Additional Note Guarantees.

Principal, Maturity and Interest

The Notes are unlimited in aggregate principal amount, with \$300.0 million aggregate principal amount issued in this offering, and will mature on April 1, 2023. We may issue additional Notes from time to time, subject to the covenant described below under the subheading Certain Covenants *Incurrence of Indebtedness and Issuance of Preferred Stock*. The Notes and any additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, redemptions of Notes, offers to purchase Notes and the percentage of Notes required to consent to waivers of provisions of, and amendments to, the Indenture. We will issue Notes only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

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Interest on the Notes accrues at the rate of $5\frac{1}{8}\%$ per annum and will be payable semi-annually in arrears on April 1 and October 1, commencing on October 1, 2013. We will make each interest payment to the Holders of record on the close of business on the immediately preceding March 15 and September 15. Interest on the Notes accrues from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest is computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to us, we will pay all principal, interest and premium and liquidated damages, if any, on that Holder's Notes in accordance with those instructions. All other payments on the Notes will be made at the office or agency of the paying agent and registrar within the City and State of New York unless we elect to make interest payments by check mailed to the Holders at their address set forth in the register of Holders.

Paying Agent and Registrar for the Notes

The trustee will initially act as paying agent and registrar for the Notes. We may change the paying agent or registrar without prior notice to the Holders of the Notes, and we or any of our Subsidiaries may act as paying agent or registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The registrar and the trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. We are not required to transfer or exchange any Note selected for redemption. Also, we are not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

Ranking

The Notes and the Note Guarantees are our and the Guarantors' unsecured, general obligations and the indebtedness evidenced by the Notes and the Note Guarantees ranks equal in right of payment to all of our and the Guarantors' other existing and future unsecured general obligations, including the $7\frac{3}{4}\%$ Senior Notes due 2017 and the 6.625% Senior Notes due 2021, and senior in right of payment to all of our and the Guarantors' future obligations expressly subordinated in right of payment to the Notes and the Note Guarantees. The Notes and the Note Guarantees, however, are effectively subordinated to our and the Guarantors' secured indebtedness with respect to the assets securing such obligations, including indebtedness under the Credit Agreement, which is secured by liens on substantially all of our and our Domestic Subsidiaries' tangible and intangible assets as specified in the Credit Agreement. We conduct some of our business through our Subsidiaries and joint ventures. The Notes are structurally subordinated to all existing and future liabilities of our Subsidiaries that do not guarantee the Notes and joint ventures, including trade payables.

Optional Redemption

At any time on or prior to April 1, 2016, we may on any one or more occasions redeem up to 35% of the aggregate principal amount of outstanding Notes issued under the Indenture (including any additional Notes) at a redemption price of 105.125% of their principal amount, plus accrued and unpaid interest and liquidated damages, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided*, that: (1) at least 65% of the aggregate principal amount of Notes issued under the Indenture (including any additional Notes) remains outstanding immediately after the occurrence of such redemption (excluding Notes held by us and our Subsidiaries); and (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

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At any time prior to April 1, 2018, we may, at our option, redeem all or a part of the Notes upon not less than 30 nor more than 60 days prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) the Applicable Premium as of the date of redemption, plus (iii) accrued and unpaid interest and liquidated damages, if any, to the date of redemption.

On or after April 1, 2018, we may, at our option, redeem all or a part of the Notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and liquidated damages, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the 12-month period beginning on April 1 of the years indicated below:

Year	Percentage
2018	102.563%
2019	101.708%
2020	100.854%
2021 and thereafter	100.000%

For a description of the procedures applicable to a redemption of all or part of the Notes pursuant to the provisions of the Indenture described in this section, see Selection and Notice.

Mandatory Redemption

We are not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each Holder of Notes will have the right to require us to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, we will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest and liquidated damages, if any, on the Notes repurchased, to the date of purchase. Within 30 days following any Change of Control, we will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes, on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice. We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the Indenture by virtue of such conflict.

On the Change of Control Payment Date, we will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the Notes properly accepted together with an Officers Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by us.

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The paying agent will promptly deliver to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

We will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require us to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders of the Notes to require that we repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

We will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Notes to require us to repurchase the Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another Person or group may be uncertain. In addition, Holders of the Notes may not be entitled to require the Company to repurchase their Notes in certain circumstances involving a significant change in the composition of the Company's Board of Directors, including, in connection with the proxy contest where the Company's Board of Directors does not endorse a dissident slate of directors but approves them as Continuing Directors. In this regard, a decision of the Delaware Chancery Court (not involving the Company or its securities) considered a change of control provision of an indenture governing publicly traded debt securities substantially similar to the change of control event described in clause (5) of the definition of Change of Control. In its decision, the court noted that a board of directors may approve a dissident shareholder's nominees solely for purposes of such an indenture, provided the board of directors determines in good faith that the election of the dissident nominees would not be materially adverse to the interests of the corporation or its stockholders (without taking into consideration the interests of the holders of debt securities in making this determination).

The Credit Agreement contains, and other indebtedness of the Company may contain, prohibitions on the occurrence of events that would constitute a Change of Control or require that indebtedness be repurchased upon a Change of Control. A Change of Control will constitute an event of default under the Credit Agreement and, unless the Company were able to obtain a waiver from the lenders under the Credit Agreement, the terms of the Credit Agreement would prohibit our purchase of the Notes in the event we are required to make a Change of Control Offer. There can be no assurance that the Company would be able to obtain a waiver from the lenders under the Credit Agreement to purchase the Notes in connection with a Change of Control. In addition, if a Change of Control Offer occurs, there can be no assurance that we will have available funds sufficient to make the Change of Control Payment for all of the Notes that might be delivered by Holders seeking to accept the Change of Control Offer, or to make any other payment that may be required of us in respect of our other indebtedness. In the event we are required to purchase outstanding Notes pursuant to a Change of Control Offer, we expect that we would seek third-party financing to the extent we do not have available funds to meet our purchase obligations and any other obligations in respect of our other indebtedness. However, there can be no assurance that we would be able to obtain the necessary financing. See Risk Factors Risks Related to the Notes We may not be able to satisfy our repurchase obligations in the event of a change of control because the terms of our indebtedness or lack of funds may prevent us from doing so.

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Asset Sales

We will not, and we will not permit any of our Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) we (or the Restricted Subsidiary, as the case may be) receive consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of (except in respect of Designated Assets sold pursuant to a Designated Asset Contract);

(2) the fair market value or Designated Asset Value, as applicable, in the case of any Asset Sales or series of related Asset Sales having a fair market value of \$35.0 million or more, is determined by our Board of Directors and evidenced by a resolution of our Board of Directors set forth in an Officers Certificate delivered to the trustee; and

(3) at least 75% of the consideration received in the Asset Sale by us or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this clause (3) only, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company's or such Restricted Subsidiary's most recent balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 90 days after the applicable Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

(c) notes or other obligations or Indebtedness actually received by the Company or any such Restricted Subsidiary as consideration for the sale or other disposition of a Designated Asset pursuant to a contract with a governmental or quasi-governmental agency, but only to the extent that such notes or other obligations or Indebtedness were explicitly required to be included, or permitted to be included solely at the option of the purchaser, in such consideration pursuant to such contract;

(d) 100% of Indebtedness actually received by the Company or any Restricted Subsidiary as consideration for the sale or other disposition of an Unoccupied Facility; and

(e) any Designated Non-Cash Consideration received by the Company or any such Restricted Subsidiary in the Asset Sale, in an aggregate amount in any fiscal year of the Company (measured on the date such Designated Non-Cash Consideration was received without giving effect to subsequent changes in value), when taken together with all other Designated Non-Cash Consideration received as consideration pursuant to this clause (e) during such fiscal year (but, to the extent that any such Designated Non-Cash Consideration is sold or otherwise liquidated for cash, minus the lesser of (a) the amount of the cash received (less the cost of disposition, if any) and (b) the initial amount of such Designated Non-Cash Consideration), not to exceed \$25 million.

Notwithstanding the foregoing, the Company and its Restricted Subsidiaries may engage in Asset Swaps; *provided that*,

(1) immediately after giving effect to such Asset Swap, the Company would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock and

(2) the Board of Directors of the Company determines that the fair market value of the assets received by the Company or the Restricted Subsidiary in the Asset Swap is not less than the fair market value of the assets

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disposed of by the Company or such Restricted Subsidiary in such Asset Swap and such determination is evidenced by a resolution of the Board of Directors set forth in an Officers Certificate delivered to the trustee.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company or the applicable Restricted Subsidiary may apply those Net Proceeds, at its option:

(1) to repay permanently Indebtedness under the Credit Agreement (and with respect to Net Proceeds of a Restricted Subsidiary that is not a Guarantor, Indebtedness of such Restricted Subsidiary) and, if the Indebtedness permanently repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(2) to acquire, or enter into a definitive agreement to acquire, all or substantially all of the assets of, a Permitted Business or a majority of the Voting Stock of a Person engaged in a Permitted Business, *provided* that such Person becomes a Restricted Subsidiary and *provided, further, however*, in the case of a definitive agreement, that such acquisition closes within 120 days of such 360 day period;

(3) to make a capital expenditure in or that is used or useful in a Permitted Business (*provided* that the completion of (i) construction of new facilities, (ii) expansions to existing facilities and (iii) repair or construction of damaged or destroyed facilities, in each case, which commences within such 360 days may extend for an additional 360 day period if the Net Proceeds to be used for such construction, expansion or repair are committed specifically for such activity within such 360 days); or

(4) to acquire other long-term assets that are used or useful in a Permitted Business.

Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph, or that the Company determines will not be applied or invested as provided in the preceding paragraph, will constitute Excess Proceeds. When the aggregate amount of Excess Proceeds exceeds \$25.0 million, the Company will make an Asset Sale Offer to all Holders of Notes and, at the Company's option, all holders of other Indebtedness that is pari passu with the Notes containing provisions similar to those set forth in the Indenture (for example, our 7³/₄% Senior Notes due 2017 and the 6.625% Senior Notes due 2021) with respect to offers to purchase or redeem with the proceeds of sales of assets, to purchase on a pro rata basis the maximum principal amount of Notes and such other pari passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other pari passu Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other pari passu Indebtedness shall be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such conflict.

The agreements governing the Company's other Indebtedness contain prohibitions of certain events, including certain types of Asset Sales. The terms of the Credit Agreement would prohibit our purchase of the Notes in the event we were required to make an Asset Sale Offer. In addition, the exercise by the holders of Notes of their right to require the Company to repurchase the Notes in connection with an Asset Sale Offer could

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cause a default under these other agreements, even if the Asset Sale itself does not, due to the financial effect of such repurchases on the Company. Finally, the Company's ability to pay cash to the Holders of Notes upon a repurchase may be limited by the Company's then existing financial resources.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the trustee will select Notes for redemption as follows:

- (1) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or
- (2) if the Notes are not listed on any national securities exchange, on a pro rata basis (based on amounts tendered), by lot or by such method as the trustee deems fair and appropriate.

No Notes of \$2,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Certain Covenants

Changes in Covenants When Notes Rated Investment Grade

If on any date following the date of the Indenture:

- (1) the Notes are rated Baa3 or better by Moody's or BBB- or better by Standard & Poor's (or, if either such entity ceases to rate the Notes for reasons outside of the control of the Company, the equivalent investment grade credit rating from any other nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Company as a replacement agency); and
- (2) no Default or Event of Default shall have occurred and be continuing,

then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in this prospectus will be suspended:

- (a) Repurchase at the Option of Holders *Asset Sales*;
- (b) *Restricted Payments*;
- (c) *Incurrence of Indebtedness and Issuance of Preferred Stock*;
- (d) *Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*;
- (e) *Designation of Restricted and Unrestricted Subsidiaries*;
- (f) *Transactions with Affiliates*;
- (g) clause (4) of the covenant described below under the caption *Merger, Consolidation or Sale of Assets*;
- (h) clauses (1)(a) and (3) of the covenant described below under the caption *Sale and Leaseback Transactions*; and

(i) *Business Activities.*

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During any period that the foregoing covenants have been suspended (a Suspension Period), the Company's Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant under the caption *Designation of Restricted and Unrestricted Subsidiaries* unless such designation would have been permitted if a Suspension Period had not been in effect at such time.

Notwithstanding the foregoing, if the rating assigned by such rating agency should subsequently decline and the Notes are not rated Baa3 or better by Moody's nor BBB- or better by Standard & Poor's (or if either such agency ceases to rate the Notes, the equivalent investment grade credit rating from another nationally recognized statistical rating organization), the foregoing covenants will be reinstated as of and from the date of such rating decline. Calculations under the reinstated Restricted Payments covenant will be made as if the Restricted Payments covenant had been in effect since the date of the Indenture except that no default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. Notwithstanding that the suspended covenants may be reinstated, no default will be deemed to have occurred as a result of a failure to comply with such suspended covenants during any Suspension Period. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Company's, or any Restricted Subsidiary's, Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any Restricted Subsidiary) or to the direct or indirect holders of the Company's or any Restricted Subsidiary's Equity Interests in their capacity as such (other than dividends or distributions payable (A) in Equity Interests (other than Disqualified Stock) of the Company or (B) to the Company or a Restricted Subsidiary of the Company);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is expressly subordinated to the Notes or any Note Guarantee, except a payment of interest or principal to the Company or any Restricted Subsidiary or except any payment made at the Stated Maturity thereof (or any payment, purchase or other acquisition, in anticipation of satisfying a sinking fund obligation, principal installment or final maturity due within one year); or

(4) make any Restricted Investment (all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as Restricted Payments),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence of such Restricted Payment; and

(2) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption *Incurrence of Indebtedness and Issuance of Preferred Stock*; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2) through (8) of the second succeeding paragraph and including the net amount of any Restricted Payment permitted pursuant to the second paragraph of this covenant) and the aggregate of

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any Permitted Investments then outstanding pursuant to clause (15) of the definition thereof, is less than the sum, without duplication, of:

(a) 95% of the aggregate amount of the Funds From Operations (or, if the Funds From Operations is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis for the period (taken as one accounting period) from the beginning of the first day of the first fiscal quarter during which the Issue Date occurs to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment; plus

(b) (i) 100% of the aggregate net cash proceeds plus (ii) 100% of the aggregate fair market value of any Permitted Business or assets used or useful in a Permitted Business (other than Restricted Investments), in each case, to the extent received by the Company since the Issue Date as a contribution to its common equity capital or in consideration of the issuance of Equity Interests of the Company (other than Disqualified Stock), except to the extent used to make an Investment pursuant to clause (12) or (14) of the definition of Permitted Investments, or from the issue or sale of Disqualified Stock or debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company); plus

(c) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or otherwise liquidated or repaid for cash, the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment; plus

(d) to the extent that any Unrestricted Subsidiary of the Company is redesignated as a Restricted Subsidiary after the Issue Date, the lesser of (i) the fair market value of the Company's or any Restricted Subsidiary's Investment in such Subsidiary as of the date of such redesignation or (ii) the fair market value of the Company's or any Restricted Subsidiary's Investment in such Subsidiary as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary to the extent such Investment was treated as a Restricted Payment, plus the amount of any Investments made in such Subsidiary subsequent to such designation (or in the case of any Subsidiary that is an Unrestricted Subsidiary as of the Issue Date, subsequent to the Issue Date) to the extent any such Investment was treated as a Restricted Payment by the Company or any Restricted Subsidiary; plus

(e) 100% of any other dividends or other distributions received by the Company or a Restricted Subsidiary since the Issue Date from an Unrestricted Subsidiary of the Company to the extent that such dividends were not otherwise included in Consolidated Net Income of the Company for such period in an amount not to exceed the amount of Restricted Investments previously made by the Company and its Restricted Subsidiaries in such Unrestricted Subsidiary.

Notwithstanding the foregoing, the Company and any of its Restricted Subsidiaries may declare or pay any dividend or make any distribution or take other action (that would have otherwise been a Restricted Payment) that is necessary to maintain the Company's status as a REIT under the Code or to enable the Company to avoid payment of any tax for any calendar year that could be avoided by reason of a distribution by the Company to its shareholders, with such distribution to be made as and when determined by the Company, whether during or after the end of, the relevant calendar year, in each case, so long as no Default or Event of Default shall have occurred and be continuing.

So long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or any Guarantor or of any Equity Interests of the Company in exchange for,

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or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock); *provided* that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded from clause (3) (b) of the first paragraph of this covenant;

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of the Company or any Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend by a Restricted Subsidiary to the holders of its Equity Interests on a pro rata basis;

(5) the repurchase of Equity Interests deemed to occur upon (a) exercise of stock options to the extent that shares of such Equity Interests represent a portion of the exercise price of such options and (b) the withholding of a portion of the Equity Interests granted or awarded to an employee to pay taxes associated therewith;

(6) the repurchase, redemption or other acquisition or retirement for value of Equity Interests of the Company or any Restricted Subsidiary held by any member of the Company's (or any Restricted Subsidiary's) management; *provided* that the aggregate amount expended pursuant to this clause (6) shall not exceed \$4.0 million in any twelve-month period;

(7) Restricted Payments not otherwise permitted in an amount not to exceed \$100.0 million; and

(8) Restricted Payments made, if, at the time of the making of such Restricted Payment, and after giving effect thereto (including, without limitation, the incurrence of any Indebtedness to finance such Restricted Payment), the Consolidated Total Leverage Ratio of the Company would not exceed 3.50 to 1.00.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or a Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant will be determined by the Board of Directors of the Company whose resolution with respect thereto will be delivered to the trustee. Except with respect to a Restricted Payment permitted by clauses (1) through (8) above, the Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the fair market value exceeds \$10.0 million. Not later than the date on which such Restricted Payment was made, the Company will deliver to the trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Restricted Payments covenant were computed.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Company will not issue any Disqualified Stock and will not permit any Restricted Subsidiary to issue any Disqualified Stock or preferred stock; *provided, however*, that the Company may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, and any Guarantor may incur Indebtedness or issue Disqualified Stock and any Foreign Subsidiary may incur Indebtedness, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued would have been at least 2.0 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the preferred stock or Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

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The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness or the issuance of Disqualified Stock, as set forth below (collectively, Permitted Debt):

(1) the incurrence by the Company and any Restricted Subsidiary of Indebtedness under the Credit Agreement in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed \$1,350.0 million, less the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any Restricted Subsidiary to repay any Indebtedness under the Credit Agreement and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, pursuant to the covenant described under the subheading Repurchase at the Option of Holders Asset Sales ;

(2) the incurrence by the Company and any Restricted Subsidiary of Existing Indebtedness;

(3) the incurrence by the Company of Indebtedness represented by the Notes to be issued on the date of the Indenture and any Guarantees thereof by any Guarantor (and any exchange notes and guarantees thereof);

(4) the incurrence by the Company or any Restricted Subsidiary of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (4), not to exceed the greater of (i) \$100.0 million and (ii) 5.0% of Consolidated Tangible Assets, at any time outstanding;

(5) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3) or (5) of this paragraph;

(6) the incurrence by the Company or any Restricted Subsidiary of intercompany Indebtedness between or among the Company and any Restricted Subsidiary; *provided, however*, that:

(a) if the Company or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary; will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the incurrence by the Company or any Restricted Subsidiary of Hedging Obligations that are incurred for the purpose of fixing, hedging or swapping interest rate risk with respect to any Indebtedness that is permitted by the terms of the Indenture to be outstanding or for hedging foreign currency exchange risk, in each case to the extent the Hedging Obligations are incurred in the ordinary course of the Company's financial management and not for any speculative purpose;

(8) the guarantee by the Company or any Restricted Subsidiary of Indebtedness of the Company or a Restricted Subsidiary that was permitted to be incurred by another provision of this covenant;

(9) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount thereof is included in Fixed Charges of the Company as accrued;

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(10) the incurrence by the Company or any Restricted Subsidiary of Indebtedness, including Indebtedness represented by letters of credit for the account of the Company or any Restricted Subsidiary, incurred in respect of workers' compensation claims, self-insurance obligations, performance, proposal, completion, surety and similar bonds and completion guarantees provided by the Company or any Restricted Subsidiary in the ordinary course of business; *provided*, that the underlying obligation to perform is that of the Company or its Restricted Subsidiaries and not that of the Company's Unrestricted Subsidiaries; *provided further*, that such underlying obligation is not in respect of borrowed money;

(11) the incurrence by the Company or any Restricted Subsidiary of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (11), not to exceed \$125.0 million;

(12) the incurrence by the Company or any Restricted Subsidiary of Indebtedness, including but not limited to Indebtedness represented by letters of credit for the account of the Company or any Restricted Subsidiary, arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or Equity Interests of the Company or a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Equity Interests for the purpose of financing such acquisition;

(13) the incurrence by the Company or any Restricted Subsidiary of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness is extinguished within five business days of incurrence;

(14) the issuance of preferred stock of a Restricted Subsidiary to the Company that is pledged to secure the Credit Agreement, *provided* that any subsequent transfer that results in such preferred stock being held by a Person other than the Company or a Restricted Subsidiary will be deemed to constitute an issuance of preferred stock not permitted by this clause (14);

(15) the incurrence of Acquired Debt (but not any Indebtedness incurred in connection with, or in contemplation of such other Person merging with or into, or becoming a Subsidiary of, the Company); *provided*, however, that on the date such Person becomes a Subsidiary or is acquired by the Company and after giving pro forma effect thereto, (x) the Company would have been entitled to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio in first paragraph of this covenant or (y) the Fixed Charge Coverage Ratio would be greater than such ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction; and

(16) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of any Unrestricted Subsidiary, *provided* that the aggregate principal amount of such Guarantees of Indebtedness of any Unrestricted Subsidiary shall not exceed \$50.0 million at any time outstanding.

The Company will not, and will not permit any Guarantor to, incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Company or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or such Note Guarantee on substantially identical terms; *provided, however*, that no Indebtedness of the Company or any Guarantor will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company or any Guarantor solely by virtue of being unsecured or by virtue of the fact that the holders of secured Indebtedness have entered into intercreditor arrangements giving one or more of such holders priority over the other holders in the collateral held by them.

For purposes of determining compliance with the provisions in the Indenture described in this *Incurrence of Indebtedness and Issuance of Preferred Stock* covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (16) above, or is

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entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this covenant. Indebtedness under the Credit Agreement outstanding on the date on which Notes are first issued and authenticated under the Indenture will be deemed to have been incurred on such date in reliance on the exception provided by clause (1) of the definition of Permitted Debt.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under the Indenture and the Notes are secured on an equal and ratable or prior basis with the Obligations so secured until such time as such Obligations are no longer secured by a Lien.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company, will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries;
- (2) make loans or advances to the Company or any of its Restricted Subsidiaries; or
- (3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness and the Credit Facilities as in effect on the date of the Indenture and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; *provided*, that, the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacement or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of the Indenture;
- (2) the Indenture, the Notes and the exchange Notes;
- (3) applicable law, rule, regulation or order;
- (4) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided*, that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;
- (5) customary non-assignment provisions of any contract or agreement entered into in the ordinary course of business and customary provisions restricting subletting or transfer of any interest in real or personal property contained in any lease or easement agreement of the Company or any Restricted Subsidiary;
- (6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (3) of the preceding paragraph;
- (7) any agreement for the sale or other disposition of all or substantially all of the assets or Capital Stock of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition of all or substantially all of the assets or Capital Stock of such Restricted Subsidiary;

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- (8) Permitted Refinancing Indebtedness; *provided*, that, the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness with respect to dividends and other payments are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;
- (9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant described above under the caption Liens that limit the right of the debtor to dispose of the assets subject to such Liens;
- (10) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;
- (11) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;
- (12) any Indebtedness incurred in compliance with the covenant under the caption *Incurrence of Indebtedness and Issuance of Preferred Stock* by any Foreign Subsidiary or any Guarantor, or any agreement pursuant to which such Indebtedness is issued, if the encumbrance or restriction applies only to such Foreign Subsidiary or Guarantor and only in the event of a payment default or default with respect to a financial covenant contained in the Indebtedness or agreement and the encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined by the Board of Directors of the Company) and the Board of Directors of the Company determines that any such encumbrance or restriction will not materially affect the Company's ability to pay interest or principal on the Notes; or
- (13) an arrangement or circumstance arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that does not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary.

Merger, Consolidation or Sale of Assets

The Company shall not, in a single transaction or a series of related transactions, consolidate with or merge with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of affiliated Persons, or permit any of its Restricted Subsidiaries to enter into any such transaction or transactions if such transaction or transactions, in the aggregate, would result in an assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries taken as a whole to any other Person or group of affiliated Persons, unless at the time and after giving effect thereto:

- (1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, lease, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, lease, transfer, conveyance or other disposition has been made assumes all the obligations of the Company under the Notes, the Indenture and the registration rights agreement pursuant to agreements reasonably satisfactory to the trustee;
- (3) no Default or Event of Default exists;
- (4) the Company or the other Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, lease, transfer, conveyance or other disposition has been made will, on the date of such transaction after giving pro forma effect thereto and any related

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financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, either (a) be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under the caption *Incurrence of Indebtedness and Issuance of Preferred Stock*; or (b) have a Fixed Charge Coverage Ratio that would be greater than such ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction; and

(5) the Company or the other Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, lease, transfer, conveyance or other disposition has been made will have delivered to the trustee, in form and substance reasonably satisfactory to the trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, lease, conveyance, transfer, or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Clause (4) of this *Merger, Consolidation or Sale of Assets* covenant will not apply to: (a) a transaction the principal purpose of which is to change the state of organization of the Company and that does not have as one of its purposes the evasion of such clause, (b) a sale, transfer or other disposition of assets between or among the Company and any of its Restricted Subsidiaries or (c) any merger or consolidation of a Restricted Subsidiary into the Company.

Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or amend any contract, agreement, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an *Affiliate Transaction*), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and

(2) the Company delivers to the trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$10.0 million, a resolution of the Board of Directors of the Company set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Company; and

(b) except with respect to leases of facilities entered into in the ordinary course of business with a Wholly Owned Subsidiary, with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$50.0 million, an opinion as to the fairness to the Company of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) indemnity agreements and reasonable employment arrangements (including severance and retirement agreements) entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business of the Company or such Restricted Subsidiary, in each case approved by the disinterested members of the Board of Directors of the Company;

(2) transactions between or among the Company and/or its Restricted Subsidiaries;

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- (3) payment of reasonable directors fees to Persons who are not otherwise Affiliates of the Company;
- (4) sales of Equity Interests (other than Disqualified Stock) of the Company;
- (5) Permitted Investments and Restricted Payments that are permitted by the provisions of the Indenture described above under the caption Restricted Payments ;
- (6) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of employment arrangements, stock options and stock ownership plans and other reasonable fees, compensation, benefits and indemnities paid or entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business to or with officers, directors or employees of the Company and its Restricted Subsidiaries; and
- (7) any pledge of any Government Operating Agreement to secure Non-Recourse Project Financing Indebtedness related to the facility that is the subject of such Government Operating Agreement.

Additional Note Guarantees

The Company will not permit any of its Restricted Subsidiaries which are not Guarantors directly or indirectly, to Guarantee the payment of (a) any Indebtedness of the Company or any Guarantor under any Credit Facility or (b) any Indebtedness of the Company or any Guarantor evidenced by bonds, notes or other debt securities in an aggregate principal amount of \$100 million or more, unless, in each case, such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Note Guarantee shall be senior to or *pari passu* with such Subsidiary's Guarantee of such other Indebtedness.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Company or another Guarantor, unless:

- (1) immediately after giving effect to that transaction, no Default or Event of Default exists; and
- (2) either:
 - (a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger assumes all the obligations of that Guarantor under the Indenture, its Note Guarantee and the registration rights agreement pursuant to a supplemental indenture satisfactory to the trustee; or
 - (b) such sale or other disposition complies with the provisions of the Indenture described under the subheading Repurchase at the Option of Holders Asset Sales, including the application of the Net Proceeds therefrom.

The Note Guarantee of a Guarantor will be released:

- (1) in connection with any sale of all of the Capital Stock of a Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) a Subsidiary of the Company, if the sale complies with the provisions of the Indenture described under the subheading Repurchase at the Option of Holders Asset Sales ;
- (2) if the Company designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;
- (3) upon Legal Defeasance or Covenant Defeasance of the Notes, as described in Legal Defeasance and Covenant Defeasance ; or

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(4) upon the release or termination (other than a termination or release resulting from the payment thereon) of the Guarantee of (a) all Indebtedness of the Company or any Guarantor under any Credit Facility and (b) all Indebtedness of the Company or any Guarantor evidenced by bonds, notes or other debt securities in an aggregate principal amount of \$100 million or more.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default or Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be Investments made as of the time of the designation, subject to the limitations on Restricted Payments. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default; *provided*, that, such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption *Incurrence of Indebtedness and Issuance of Preferred Stock*, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

Sale and Leaseback Transactions

The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided*, that, the Company or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

(1) the Company or that Restricted Subsidiary, as applicable, could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such Sale and Leaseback Transaction under the Fixed Charge Coverage Ratio test in the first paragraph of the covenant described above under the caption *Incurrence of Indebtedness and Issuance of Preferred Stock* and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption *Liens*;

(2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the fair market value, as determined in good faith by the Board of Directors of the Company and set forth in an Officers' Certificate delivered to the trustee, of the property that is the subject of that Sale and Leaseback Transaction; and

(3) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, the covenant described above under the caption *Repurchase at the Option of Holders - Asset Sales*.

Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Payments for Consent

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any

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consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Reports

Whether or not required by the Commission, so long as any Notes are outstanding, the Company, upon request, will furnish to the Holders of Notes:

(1) all quarterly and annual financial and other information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a Management's Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports.

In addition, whether or not required by the Commission, the Company will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to prospective investors upon request. In addition, the Company has agreed that, for so long as any Notes remain outstanding, it will furnish to the Holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, if any such information is required to be delivered.

If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the second preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

Notwithstanding the foregoing, if any direct or indirect parent of the Company provides a full and unconditional Guarantee of the Notes, the reports, information and other documents required to be filed and furnished as described above may be those of such parent, rather than those of the Company; provided that, if and so long as such parent company shall have Independent Assets or Operations, the same is accompanied by consolidating information relating to such parent company, on the one hand, and information relating to the Company and its Restricted Subsidiaries on a standalone basis, on the other hand. The Company will be deemed to have furnished to the Holders of Notes, and to have filed with and delivered to the trustee, the information and reports referred to in clauses (1) and (2) above, the third paragraph of this covenant and in this paragraph (or such information and reports of its parent, if applicable), if such information and reports have been filed with the Commission via the EDGAR filing system (or any successor filing system of the Commission) and are publicly available. Independent Assets or Operations means, with respect to any such parent company, that such parent company's total assets, revenues, income from continuing operations before income taxes and cash flows from operating activities (excluding in each case amounts related to its investment in the Company and the Restricted Subsidiaries), determined in accordance with GAAP and as shown on the most recent balance sheet of such parent company, is more than 3.0% of such parent company's corresponding consolidated amount.

Notwithstanding anything herein to the contrary, the Company will not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (4) under Events of Default and Remedies until 120 days after the date any report hereunder is due.

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Events of Default and Remedies

Each of the following is an Event of Default:

- (1) default for 30 days in the payment when due of interest on, or liquidated damages with respect to, the Notes;
 - (2) default in payment when due of the principal of, or premium, if any, on the Notes;
 - (3) failure by the Company or any Restricted Subsidiary to comply with the provisions described under the subheadings *Repurchase at the Option of Holders*, *Change of Control*, *Repurchase at the Option of Holders*, *Asset Sales*, or *Certain Covenants* *Merger, Consolidation or Sale of Assets*;
 - (4) failure by the Company or any Guarantor for 60 consecutive days after notice to comply with any of the other agreements in the Indenture;
 - (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any Restricted Subsidiary (or the payment of which is guaranteed by the Company or any Restricted Subsidiary) whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, if that default:
 - (a) is caused by a failure to make any payment due at final maturity of such Indebtedness (a *Payment Default*); or
 - (b) results in the acceleration of such Indebtedness prior to its express maturity,
- and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a *Payment Default* or the maturity of which has been so accelerated, aggregates \$50.0 million or more;
- (6) failure by the Company or any Restricted Subsidiary to pay final judgments not covered by insurance aggregating in excess of \$50.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;
 - (7) except as permitted by the Indenture, any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Note Guarantee; and
 - (8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the trustee in its exercise of any trust or power. The trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding such notice is in their interest, except a Default or Event of Default relating to the payment of principal or interest or liquidated damages.

The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or liquidated damages on, or the principal of, the Notes.

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The Company is required to deliver to the trustee annually a written statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the trustee a written statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or of the Guarantors under the Notes, the Indenture or the Note Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation.

Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

The Company may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Note Guarantees (Legal Defeasance) except for:

- (1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and liquidated damages, if any, on such Notes when such payments are due from the trust referred to below;
- (2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the trustee, and the Company's and the Guarantor's obligations in connection therewith; and
- (4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company and the Guarantors released with respect to certain covenants that are described in the Indenture (Covenant Defeasance) and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described above under the caption Events of Default and Remedies will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Company must irrevocably deposit with the trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium and liquidated damages, if any, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date and, if the Notes are being defeased to a particular redemption date, the Company must have delivered to the trustee an irrevocable notice of redemption;
- (2) in the case of Legal Defeasance, the Company shall have delivered to the trustee an Opinion of Counsel reasonably acceptable to the trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon

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such Opinion of Counsel will confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company shall have delivered to the trustee an Opinion of Counsel reasonably acceptable to the trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing either (a) on the date of such deposit or (b) insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 123rd day after the date of deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must have delivered to the trustee an Officers Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others;

(7) the Company must have delivered to the trustee an Opinion of Counsel to the effect that the creation of the defeasance trust does not violate the Investment Company Act of 1940 and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the U.S. Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and

(8) the Company must deliver to the trustee an Officers Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each Holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or change the optional redemption dates or optional redemption prices from those stated under the caption Optional Redemption;

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or liquidated damages, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

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- (5) make any Note payable in currency other than that stated in the Notes;
- (6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium or liquidated damages, if any, on the Notes;
- (7) waive a redemption payment with respect to any Note;
- (8) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture;
- (9) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Note Guarantees;
- (10) amend, change or modify the obligation of the Company to make and consummate an Asset Sale Offer with respect to any Asset Sale in accordance with the covenant described under the subheading *Repurchase at the Option of Holders Asset Sales* after the obligation to make an Asset Sale Offer has arisen or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with the covenant described under the subheading *Repurchase at the Option of Holders Change of Control*, after a Change of Control has occurred including, in each case, amending, changing or modifying any definition relating thereto; or
- (11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of Notes, the Company, the Guarantors, if any, and the trustee may amend or supplement the Indenture or the Notes:

- (1) to cure any ambiguity, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (3) to provide for the assumption of the Company's or any Guarantor's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets;
- (4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under the Indenture of any such Holder;
- (5) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;
- (6) to conform the text of the Indenture, the Note Guarantees or the Notes to any provision of this Description of Notes to the extent that such provision in this Description of Notes was intended to be a verbatim recitation of a provision of the Indenture, the Note Guarantees or the Notes;
- (7) to provide for the issuance of additional Notes in accordance with the limitations described herein; or
- (8) to allow a Subsidiary to execute a supplemental indenture for the purpose of providing a Note Guarantee in accordance with the provisions of the Indenture.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the trustee for cancellation; or

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(b) all Notes that have not been delivered to the trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year, and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on the Notes not delivered to the trustee for cancellation for principal, premium and Liquidated Damages, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Company has delivered irrevocable instructions to the trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officers Certificate and an Opinion of Counsel to the trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the trustee becomes a creditor of the Company or any Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, as described in the Trust Indenture Act, it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The Holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder has offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Book-Entry, Delivery and Form

The new notes will be represented by one or more Notes in registered global form without interest coupons (collectively, the Global Notes). The Global Notes will be deposited upon issuance with the trustee as custodian for The Depository Trust Company (DTC), in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except as described below. See

Exchange of Global Notes for Certificated Notes. Owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

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In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, the Euroclear System (Euroclear) and Clearstream Banking, S.A. (Clearstream) is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the Participants) and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the Indirect Participants). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised us that, pursuant to procedures established by it:

- (1) upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes; and
- (2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC or indirectly through organizations (including Euroclear and Clearstream) which are Participants in such system. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interest in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or Holders thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium and liquidated damages, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, we and the trustee will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of

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receiving payments and for all other purposes. Consequently, neither we, the trustee nor any of our agents has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of any beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the trustee or us. Neither we nor the trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and we and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither we nor the trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

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Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for definitive Notes in registered certificated form (*Certificated Notes*) if:

- (1) DTC (a) notifies us that it is unwilling or unable to continue as depository for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, we fail to appoint a successor depository;
- (2) we, at our option, notify the trustee in writing that we elect to cause the issuance of the *Certificated Notes*; or
- (3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

In addition, beneficial interests in a Global Note may be exchanged for *Certificated Notes* upon prior written notice given to the trustee by or on behalf of DTC in accordance with the Indenture. In all cases, *Certificated Notes* delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures).

Same Day Settlement and Payment

We will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest and liquidated damages, if any) by wire transfer of immediately available funds to the accounts specified by the Global Note Holder. We will make all payments of principal, interest and premium and liquidated damages, if any, with respect to *Certificated Notes* by wire transfer of immediately available funds to the accounts specified by the Holders of the *Certificated Notes* or, if no such account is specified, by mailing a check to each such Holder's registered address, but only, in connection with any payment of principal or redemption or purchase price of or premium on any certificated note, upon surrender thereof at the office of the trustee or any paying agent. The Notes represented by the Global Notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any *Certificated Notes* will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

Acquired Debt means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

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Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, control, as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided*, that, beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms controlling, controlled by and under common control with have correlative meanings.

Applicable Premium means, with respect to a Note on any date of redemption, the greater of (1) 1.0% of the principal amount of such Note and (2) the excess, if any, of (a) the present value as of such date of redemption of (i) the redemption price of such Note on April 1, 2018 (such redemption price being described under the caption *Optional Redemption*) plus (ii) all required interest payments due on such Note through April 1, 2018 (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the Treasury Rate as of such date of redemption plus 50 basis points, over (b) the then outstanding principal amount of such Note.

Asset Sale means:

(1) the sale, lease, transfer, conveyance or other disposition of any assets or rights; *provided*, that, the sale, lease, conveyance, transfer or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the subheading *Repurchase at the Option of Holders* *Change of Control* and/or the provisions described above under the subheading *Certain Covenants* *Merger, Consolidation or Sale of Assets* and not by the provisions of the covenant described under the subheading *Repurchase at the Option of Holders* *Asset Sales*; and

(2) the issuance or sale by the Company or any of its Restricted Subsidiaries of Equity Interests of any of the Company's Subsidiaries.

Notwithstanding the preceding, the following items will not be deemed to be Asset Sales:

(1) any single transaction or series of related transactions that involves the sale of assets or the issuance or sale of Equity Interests of a Restricted Subsidiary having a fair market value of less than \$15.0 million;

(2) a transfer of assets by the Company to any of its Restricted Subsidiaries or by any Restricted Subsidiary to the Company or any other Restricted Subsidiary;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(4) the sale or lease of equipment, inventory, accounts receivable or other assets in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents; and

(6) a Restricted Payment or Permitted Investment that is permitted by the covenant described above under the subheading *Certain Covenants* *Restricted Payments*.

Asset Swap means an exchange of assets other than cash, Cash Equivalents or Equity Interests of the Company or any Subsidiary by the Company or a Restricted Subsidiary of the Company for:

(1) one or more Permitted Businesses;

(2) a controlling equity interest in any Person that becomes a Restricted Subsidiary whose assets consist primarily of one or more Permitted Businesses; and/or

(3) one or more real estate properties.

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Attributable Debt in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

Beneficial Owner has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular person (as that term is used in Section 13 (d) (3) of the Exchange Act), such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms *Beneficially Owns* and *Beneficially Owned* have a corresponding meaning.

Board of Directors means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership; and
- (3) with respect to any other Person, the board or committee of such Person serving a similar function.

Capital Lease Obligation means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

Capital Stock means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

Cash Equivalents means:

- (1) United States dollars;
- (2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided* that the full faith and credit of the United States is pledged in support of those securities) (*Government Securities*) having maturities of not more than one year from the date of acquisition;
- (3) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof having one of the two highest ratings obtainable from either Moody's or Standard & Poor's with maturities of 12 months or less from the date of acquisition;
- (4) certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of \$500.0 million and a Thomson Bank Watch Rating of *B* or better;
- (5) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2), (3) and (4) above entered into with any financial institution meeting the qualifications specified in clause (4) above;

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(6) commercial paper having the highest rating obtainable from Moody's or Standard & Poor's and in each case maturing within one year after the date of acquisition;

(7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition; and

(8) with respect to any Foreign Subsidiary, deposit accounts held by such Foreign Subsidiary in local currency at local commercial banks or savings banks or saving and loan associations in the ordinary course of business.

Change of Control means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, assignment, lease, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, to any person (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Company and any Restricted Subsidiary;

(2) the approval by the holders of the Voting Stock of the Company of a plan relating to the liquidation or dissolution of the Company or, if no such approval is required, the adoption of a plan by the Company relating to the liquidation or dissolution of the Company;

(3) the consummation of any transaction (including without limitation any merger or consolidation) the result of which is that any person or group (as that term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the voting power of the Voting Stock of the Company;

(4) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where (A) the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and (B) immediately after such transaction, no person or group (as such terms are used in Section 13(d) and 14(d) of the Exchange Act), becomes, directly or indirectly, the Beneficial Owner of 50% or more of the voting power of all classes of Voting Stock of the Company; or

(5) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors.

Code means the Internal Revenue Code of 1986, as amended.

Consolidated Cash Flow means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period; *plus*, in each case, to the extent deducted in computed Consolidated Net Income,

(1) losses realized by such Person and its Restricted Subsidiaries in connection with sales of assets outside the ordinary course of business; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period; *plus*

(3) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and

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charges incurred in respect of letters of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations), net of Non-Recourse Interest Payments received in cash by the Company or any Restricted Subsidiary relating to any Non-Recourse Project Financing Indebtedness up to the amount of interest expense for such Non-Recourse Project Financing Indebtedness; plus

(4) proceeds actually received from any business interruption insurance; *plus*

(5) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash payments in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period; *minus*

(6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business;

in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company only to the extent that a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

Consolidated Net Income means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided*, that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(3) the Net Income of any Person acquired during such period for any period prior to the date of such acquisition shall be excluded;

(4) the cumulative effect of a change in accounting principles shall be excluded;

(5) the Net Income or loss of any Unrestricted Subsidiary will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(6) any non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including, but not limited to, any expenses relating to severance, relocation, and one-time compensation charges and any expenses directly attributable to the implementation of cost saving initiatives) shall be excluded;

(7) any net after-tax income (loss) from disposed or discontinued operations and any net after-tax gains or losses on disposal of disposed or discontinued operations shall be excluded;

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(8) the amount of any restructuring charge, integration costs or other business optimization expenses or reserve shall be excluded;

(9) any foreign currency translation gains or losses (including gains or losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, shall be excluded;

(10) any after-tax effect of income (loss) from the early extinguishment or cancellation of Indebtedness or Hedging Obligations or other derivative instruments shall be excluded; and

(11) any fees, expenses or charges related to any equity offering, Permitted Investment, acquisition, disposition, recapitalization or the incurrence of Indebtedness not prohibited from being incurred by the Indenture (including a refinancing thereof), whether or not completed or successful, shall be excluded, including (i) such fees, expenses or charges related to the offering of the Notes and the Credit Agreement and (ii) any amendment or other modification of the Notes, the 7 3/4% Senior Notes due 2017, the 6.625% Senior Notes due 2021 and the Credit Agreement.

Consolidated Tangible Assets means the total assets, less goodwill and other intangibles shown on the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP less all write-ups (other than write-ups in connection with acquisitions) subsequent to the date of the Indenture in the book value of any asset (except any such intangible assets) owned by the Company or any of the Restricted Subsidiaries.

Consolidated Total Leverage Ratio means, as of any Transaction Date with respect to any Person, the ratio of:

(1) the aggregate amount of Indebtedness of such Person and its Restricted Subsidiaries on a consolidated basis outstanding on such Transaction Date, to

(2) the aggregate amount of Consolidated Cash Flow of such Person and its Restricted Subsidiaries for such Person's most recently ended four full fiscal quarters immediately preceding such Transaction Date for which internal financial statements are available.

The Consolidated Total Leverage Ratio shall be calculated in a manner consistent with the definition of Fixed Charge Coverage Ratio, including any pro forma adjustments to Indebtedness and Consolidated Cash Flow.

Continuing Directors means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of such Board of Directors on the date of the Indenture; or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

Credit Agreement means that certain Credit Agreement, dated as of August 4, 2010, by and among the Company, BNP Paribas, as Administrative Agent, BNP Paribas Securities Corp., as Lead Arranger, and the lenders who are, or may from time to time become, a party thereto, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended (and/or amended and restated) as of the date of the Indenture and as may be further amended (and/or amended and restated), modified, renewed, refunded, replaced or refinanced from time to time, in whole or in part, with the same or different lenders (including, without limitation, any amendment, amendment and restatement, modification, renewal, refunding, replacement or refinancing that increases the maximum amount of the loans made or to be made thereunder).

Credit Facilities means, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving

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credit loans, term loans, project financings, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended (and/or amended and restated), restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time, but excluding, in each case any debt securities.

Default means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

Designated Asset means any facility used in a Permitted Business owned or leased by the Company or any Restricted Subsidiary that is subject to a Governmental Authority's option to purchase or right of reversion under the related Designated Asset Contract.

Designated Asset Contract means (a) contracts or arrangements in existence on the date of the Indenture with respect to the following facilities under which a Governmental Authority has the right to purchase such facility for the Designated Asset Value of such facility, or with respect to which there is a right of reversion of all or a portion of the Company's or a Restricted Subsidiary's ownership or leasehold interest in such facility: Western Region Detention Facility at San Diego; Central Arizona Correctional Facility; Arizona State Prison Phoenix; Robert A. Deyton Detention Facility; Lawton Correctional Facility; Arizona State Prison Florence; and Leadership Development Program (So. Mountain, PA); and (b) a contract that is acquired or entered into after the date of the Indenture under which a Governmental Authority has an option to purchase a Designated Asset from the Company or a Restricted Subsidiary for a Designated Asset Value or a right of reversion of all or a portion of the Company's or such Restricted Subsidiary's ownership or leasehold interest in such Designated Asset, *provided* that such contract is acquired or entered into in the ordinary course of business and is preceded by (i) a resolution of the Board of Directors of the Company set forth in an Officers' Certificate certifying that the acquisition or entering into of such contract has been approved by a majority of the members of the Board of Directors or (ii) an Officers' Certificate certifying that the acquisition or entering into of such contract has been approved by the Chief Executive Officer of the Company and, in either case, the option to purchase or right of reversion in such contract is on terms the Board of Directors, or the Chief Executive Officer, as applicable, has determined to be reasonable and in the best interest of the Company taking into account the transaction contemplated thereby or by the acquisition thereof.

Designated Asset Value means the aggregate consideration to be received by the Company or a Restricted Subsidiary as set forth in a Designated Asset Contract.

Designated Non-Cash Consideration means the fair market value of total consideration received by the Company or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, executed by the Company's principal executive officer or principal financial officer, less the amount of cash or Cash Equivalents received in connection with the Asset Sale.

Disqualified Stock means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the subheading *Certain Covenants - Restricted Payments*.

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Domestic Subsidiary means any Restricted Subsidiary of the Company that was formed under the laws of the United States or any state of the United States (but not the laws of Puerto Rico) or the District of Columbia or that guarantees or otherwise provides direct credit support for any Indebtedness of the Company or any Guarantor.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Equity Offering means an offering of Capital Stock (other than Disqualified Stock or Capital Stock that by its terms has a preference in liquidation or as to dividends over any other Capital Stock) of the Company (other than (1) an offering pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company and (2) an offering with aggregate net proceeds to the Company of less than \$35.0 million).

Existing Indebtedness means the Indebtedness of the Company and its Subsidiaries (other than Indebtedness under the Credit Agreement) in existence on the date of the Indenture, until such amounts are repaid.

Event of Default means any event that is described under the subheading Events of Default and Remedies.

Fixed Charges means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized, including, without limitation, amortization of original issue discount, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letters of credit or bankers acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations, net of Non-Recourse Interest Payments received in cash by the Company or any Restricted Subsidiary relating to any Non-Recourse Project Financing Indebtedness up to the amount of interest expense for such Non-Recourse Project Financing Indebtedness, but excluding amortization of debt issuance costs and non-cash interest expense imputed on convertible debt instruments pursuant to APB No. 14-1; *plus*

(2) any interest expense on Indebtedness of another Person to the extent such indebtedness is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(3) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Disqualified Stock or preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock), times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local effective cash tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis and in accordance with GAAP.

Fixed Charge Coverage Ratio means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases or redeems any indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the Calculation Date), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase or

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redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period, *provided, however*, that interest expense, if any, attributable to any Non-Recourse Project Financing Indebtedness computed on a pro forma basis, shall be computed giving pro forma effect to any Non-Recourse Interest Payments related to such Non-Recourse Project Financing Indebtedness, *provided, further*, that the obligation to make such Non-Recourse Interest Payments commences with the incurrence of the corresponding Non-Recourse Project Financing Indebtedness.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period will be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income; *provided* that, for purposes of calculating the Fixed Charge Coverage Ratio with respect to the Company, such calculations on a pro forma basis may, notwithstanding anything to the contrary in the Indenture or Regulation S-X, include adjustments to reflect the amount of cost savings, operational improvements and synergies projected by the Company in good faith to be realized as a result of actions taken or expected to be taken within 12 months (calculated on a pro forma basis as though such cost savings, operational improvements and synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; provided further, that (x) such cost savings, operational improvements and synergies are reasonably identifiable and factually supportable, (y) such cost savings, operational improvements and synergies are expected to be realized within 18 months of the date thereof in connection with such actions and (z) the aggregate amount of cost savings, operational improvements and synergies added pursuant to this proviso shall not exceed 15.0% of Consolidated Cash Flow on a consolidated basis for the Company's and its Restricted Subsidiaries' most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the Transaction Date;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded; and

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date.

Foreign Subsidiary means any Restricted Subsidiary of the Company that is not a Domestic Subsidiary.

Funds From Operations for any period means the Consolidated Net Income of the Company and the Restricted Subsidiaries for such period determined in conformity with GAAP after adjustments for unconsolidated partnerships and joint ventures, plus depreciation and amortization of real property (including furniture and equipment) and other Real Estate Assets of the Company and the Restricted Subsidiaries and excluding (to the extent such amount was deducted in calculating such Consolidated Net Income):

(1) gains or losses from (a) the restructuring or refinancing of Indebtedness or (b) sales of properties;

(2) non-cash asset impairment charges;

(3) non-cash charges related to redemptions of preferred stock of the Company;

(4) any non-cash compensation expense attributable to grants of stock options, restricted stock or similar rights to officers, directors and employees of the Company and any of its Subsidiaries;

(5) the amortization of financing fees and the write-off of financing costs;

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(6) any other non-cash charges associated with the sale or settlement of any Hedging Obligations; and

(7) amortization of intangible assets relating to acquisitions.

GAAP means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession as amended and/or modified from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

Governmental Authority means any nation, province, state, municipality or political subdivision thereof, and any government or any agency or instrumentality thereof exercising executive, legislative, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

Government Operating Agreement means any management services contract, operating agreement, use agreement, lease or similar agreement with a Governmental Authority relating to a facility in a Permitted Business.

Guarantee means a guarantee other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness, *provided* that the pledge of any Government Operating Agreement with respect to any facility to secure Non-Recourse Project Financing Indebtedness related to such facility shall not be deemed a Guarantee.

Guarantors means the Initial Guarantors and any other Restricted Subsidiary that executes a Note Guarantee in accordance with the provisions of the Indenture and its respective successors and assigns until released in accordance with the terms of the Indenture.

Hedging Obligations means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates; and

(3) foreign exchange contracts, currency swap agreements, currency option agreements and other agreements or arrangements with respect to foreign currency exchange rates.

Indebtedness means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or

(6) representing any Hedging Obligations,

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if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term *Indebtedness* includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person; *provided* that the pledge of any Government Operating Agreement to secure Non-Recourse Project Financing Indebtedness related to the facility that is the subject of such Government Operating Agreement shall not be deemed Indebtedness) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and
- (2) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

Initial Guarantors means the Restricted Subsidiaries of the Company that Guarantee the Notes on the date the Notes are originally issued, which are all of the Company's Subsidiaries that Guarantee the Company's obligations under the Credit Agreement on such date.

Investments means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP and including the designation of a Restricted Subsidiary as an Unrestricted Subsidiary. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of all Investments in such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the subheading *Certain Covenants Restricted Payments*. The acquisition by the Company or any Restricted Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the fair market value of the Investment held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the subheading *Certain Covenants Restricted Payments*.

Issue Date means the first date Notes are issued under the Indenture.

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

Moody's means Moody's Investors Service, Inc.

Net Income means, with respect to any specified Person for any period, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

- (1) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with: (a) any sale of assets outside the ordinary course of business; or (b) the

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disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries;

(2) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss;

(3) any loss resulting from impairment of goodwill recorded on the consolidated financial statements of such Person pursuant to SFAS No. 142 Goodwill and Other Intangible Assets ;

(4) any loss resulting from the change in fair value of a derivative financial instrument pursuant to SFAS No. 133 Accounting for Derivative Instruments and Hedging Activities ; and

(5) amortization of debt issuance costs.

Net Proceeds means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of

(i) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale,

(ii) taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements,

(iii) amounts required to be applied to the repayment of Indebtedness, secured by a Lien on the asset or assets that were the subject of such Asset Sale,

(iv) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP, and

(v) so long as after giving pro forma effect to any such distribution and so long as no Default or Event of Default shall have occurred and be continuing, the amount required to be distributed to the holders of the Company's Capital Stock as a result of such Asset Sale in order for the Company to maintain its status as a REIT or to enable the Company to avoid payment of any tax for any calendar year that could be avoided by reason of a distribution by the Company to its shareholders, with such distribution to be made as and when determined by the Company, whether during or after the end of, the relevant calendar year.

Non-Recourse Debt means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock, property or assets of the Company or any of its Restricted Subsidiaries.

Non-Recourse Project Financing Indebtedness means any Indebtedness of a Subsidiary (the Project Financing Subsidiary) incurred in connection with the acquisition, construction or development of any facility (and any Attributable Debt in respect of a Sale and Leaseback Transaction entered into in connection with (i) the

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acquisition, construction or development of any facility by the Company and its Restricted Subsidiaries after the date of the Indenture or (ii) any vacant land upon which a facility related to any Permitted Business is to be built):

(1) where either the Company, a Restricted Subsidiary or such Project Financing Subsidiary operates or is responsible for the operation of the facility pursuant to a Government Operating Agreement;

(2) as to which neither the Company nor any of its Restricted Subsidiaries, other than such Project Financing Subsidiary, (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness or Attributable Debt), it being understood that neither (i) equity Investments funded at the time of or prior to the incurrence of such Indebtedness or Attributable Debt, nor (ii) the pledge by the Company or any Restricted Subsidiary of the Government Operating Agreement relating to such facility shall be deemed credit support or an Investment or (b) is directly or indirectly liable as a guarantor or otherwise;

(3) where, upon the termination of the management services contract with respect to such facility, neither the Company nor any of its Restricted Subsidiaries, other than the Project Financing Subsidiary, will be liable, directly or indirectly, to make any payments with respect to such Indebtedness or Attributable Debt (or, in each case, any portion thereof);

(4) the interest expense related to such Indebtedness or Attributable Debt is fully serviced by a payment pursuant to a Government Operating Agreement with respect to such facility (the *Non-Recourse Interest Payment*); and

(5) such Project Financing Subsidiary has no assets other than the assets, including any ownership or leasehold interests in such facility and any working capital, reasonably related to the design, construction, management and financing of the facility.

Note Guarantee means a Guarantee of the Notes pursuant to the Indenture.

Obligations means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

Permitted Business means the business conducted by the Company and its Subsidiaries on the date of the Indenture and businesses reasonably related thereto or ancillary or incidental thereto or a reasonable extension thereof, including the provision of services or goods to Governmental Authorities, or any change in the business of the Company and its Subsidiaries necessary to continue to qualify as a REIT.

Permitted Investments means:

(1) any Investment in the Company or in a Restricted Subsidiary (other than a Project Financing Subsidiary);

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person (other than a Project Financing Subsidiary), if as a result of such Investment:

(a) such Person becomes a Restricted Subsidiary (other than a Project Financing Subsidiary); or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary (other than a Project Financing Subsidiary);

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the subheading *Repurchase at the Option of Holders* *Asset Sales* ;

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(5) any Investments received in compromise of obligations of such persons incurred in the ordinary course of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(6) Hedging Obligations entered into the ordinary course of business and not for any speculative purpose;

(7) other Investments in any other Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (7) not to exceed: (a) \$75.0 million; *plus* (b) the net reductions in Investments made pursuant to this clause (7) resulting from distributions on or repayments of such Investments or from the net cash proceeds from the sale or other disposition of any such Investment; *provided*, that, the net reduction in any Investment shall not exceed the amount of such Investment;

(8) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(9) loans or advances to employees made in the ordinary course of business of the Company or any Restricted Subsidiary not to exceed \$7.5 million outstanding at any one time for all loans or advances under this clause (9);

(10) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;

(11) Investments in existence on the date of the Indenture;

(12) Investments that are made or received in exchange for Equity Interests (other than Disqualified Stock) of the Company;

(13) Investments in South African Services Pty Ltd. having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (13) not to exceed \$50.0 million;

(14) any Investments made or acquired with the net cash proceeds of a substantially concurrent issuance or sale of Equity Interests (other than Disqualified Stock) of the Company;

(15) any Investment in any Person that is not at the time of such Investment, or does not thereby become, a Restricted Subsidiary, in an aggregate amount (measured on the date such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (15) since the date of first issuance of the Notes (but, to the extent that any Investment made pursuant to this clause (15) since the date of first issuance of the Notes is sold or otherwise liquidated for cash, minus the lesser of (a) the cash return of capital with respect to such Investment (less the cost of disposition, if any) and (b) the initial amount of such Investment) not to exceed 10% of Consolidated Tangible Assets; *provided* that the Company or a Restricted Subsidiary of the Company has entered, or concurrently with any such Investment, enters into or assumes a Government Operating Agreement with respect to assets of such Person that are used or useful in a Permitted Business; and

(16) Investments consisting of the financing of the sale of equipment (including capital leases) to customers in connection with any contract for services entered into by the Company or any Restricted Subsidiary in the ordinary course of business.

Permitted Liens means:

(1) Liens on any assets (including real or personal property) of the Company and any Restricted Subsidiary securing Indebtedness and other Obligations under Credit Facilities that were permitted to be incurred by the terms of the Indenture;

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(2) Liens in favor of the Company or the Guarantors;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary;

(4) Liens on property existing at the time of acquisition of the property by the Company or any Restricted Subsidiary of the Company, *provided* that such Liens were in existence prior to the contemplation of such acquisition and do not extend to any property other than the property so acquired by the Company or the Restricted Subsidiary;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(6) Liens to secure Indebtedness (including Capital Lease Obligations) incurred under clause (4) of the second paragraph of the covenant described above under the subheading *Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock* covering only the assets acquired with such Indebtedness;

(7) Liens existing on the date of the Indenture;

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided*, that, any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(9) Liens securing Permitted Refinancing Indebtedness; *provided* that any such Lien does not extend to or cover any property, Capital Stock or Indebtedness other than the property, shares or debt securing the Indebtedness so refunded, refinanced or extended;

(10) Attachment or judgment Liens not giving rise to a Default or an Event of Default;

(11) Liens on the Capital Stock of Unrestricted Subsidiaries securing Indebtedness of such Unrestricted Subsidiaries;

(12) Liens incurred with respect to obligations that do not exceed \$25.0 million at any one time outstanding;

(13) pledges or deposits under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which the Company or any Restricted Subsidiary is a party, or deposits to secure public or statutory obligations of the Company or any Restricted Subsidiary or deposits or cash or Government Securities to secure surety or appeal bonds to which the Company or any Restricted Subsidiary is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case incurred in the ordinary course of business;

(14) Liens imposed by law, including carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings if a reserve or other appropriate provisions; if any, as shall be required by GAAP shall have been made in respect thereof;

(15) encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or liens incidental to the conduct of the business of the Company or a Restricted Subsidiary or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company or such Restricted Subsidiary;

(16) Liens securing Hedging Obligations so long as the related Indebtedness is secured by a Lien on the same property securing such Hedging Obligations;

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(17) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(18) normal customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(19) Liens on assets of a Project Financing Subsidiary securing Non-Recourse Project Financing Indebtedness of such Project Financing Subsidiary and Liens on any Government Operating Agreement securing Non-Recourse Project Financing Indebtedness related to the facility that is the subject of such Government Operating Agreement; and

(20) any interest or title of a lessor, licensor or sublicensor in the property subject to any lease, license or sublicense (other than property that is the subject of a Sale and Leaseback Transaction).

Permitted Refinancing Indebtedness means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in repayment of, exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, repay, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness and Disqualified Stock of the Company or a Restricted Subsidiary); *provided*, that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so extended, refinanced, renewed, replaced, repaid, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, repaid, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, repaid, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, repaid, defeased or refunded; and

(4) such Indebtedness is incurred either by the Company or by any Restricted Subsidiary who is an obligor on the Indebtedness being extended, refinanced, renewed, replaced, repaid, defeased or refunded.

Person means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

REIT means a real estate investment trust.

Restricted Investment means an Investment other than a Permitted Investment.

Restricted Subsidiary means any Subsidiary of the Company that is not an Unrestricted Subsidiary.

Sale and Leaseback Transaction means any direct or indirect arrangement relating to property with a book value in excess of \$10.0 million now owned or hereafter acquired whereby the Company or a Restricted Subsidiary transfers such property to another Person and the Company or a Restricted Subsidiary leases it from such Person other than a lease properly characterized pursuant to GAAP as a Capital Lease Obligation, other than transfers and leases among the Company and any Restricted Subsidiaries or among Restricted Subsidiaries.

Significant Subsidiary means any Subsidiary that would be a significant subsidiary as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of the Indenture.

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Standard & Poor's means Standard & Poor's Rating Services.

Stated Maturity means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

Subsidiary means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

Transaction Date means, with respect to the incurrence of any Indebtedness by the Company or any Restricted Subsidiary, the date such Indebtedness is to be incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

Treasury Rate means as of any date of redemption of Notes the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source or similar market data)) most nearly equal to the period from the redemption date to April 1, 2018; provided, however, that if the period from the redemption date to April 1, 2018 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to April 1, 2018 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Unoccupied Facility means any prison facility owned by the Company or a Restricted Subsidiary which for the fifty-two week period ending on the date of measurement has had an average occupancy level of less than 15%.

Unrestricted Subsidiary means (a) CSC of Tacoma, LLC, GEO International Holdings, Inc., certain dormant Domestic Subsidiaries and all Foreign Subsidiaries of the Company in existence as of the date of the Indenture; and (b) any other Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a Board Resolution; and (c) any direct or indirect Subsidiary of any Subsidiary described in clauses (a) or (b).

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with the covenant described above under the subheading *Certain Covenants - Restricted Payments*.

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Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the trustee by filing with the trustee a certified copy of the Board Resolution giving effect to such designation and an Officers Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the subheading *Certain Covenants Restricted Payments*. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the subheading *Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock*, the Company will be in default of such covenant. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the subheading *Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock*, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

Voting Stock of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Weighted Average Life to Maturity means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, or liquidation preference, as the case may be, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness.

Wholly Owned Restricted Subsidiary of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

Wholly Owned Subsidiary of any specified Person means a Subsidiary of such Person all of the outstanding Capital Stock or other ownership interest of which (other than directors qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person and one or more Wholly Owned Subsidiaries of such Person.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the United States federal income tax consequences resulting from the exchange of the old notes for the new notes by a holder in the exchange offer. The federal income tax considerations set forth below are based upon the Code, existing and proposed regulations thereunder, and current administrative rulings and court decisions, all of which are subject to change. Prospective investors should particularly note that any such change could have retroactive application so as to result in federal income tax consequences different from those discussed below. We have not and will not seek any rulings from the Internal Revenue Service (IRS) regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the exchange of the outstanding notes for the exchange notes or of the purchase, ownership or disposition of the notes that are different from those discussed below.

Investors should consult their tax advisors regarding the application of the United States federal income tax laws to their particular situations, as well as any tax consequences of exchanging the outstanding notes for the exchange notes arising under the federal estate or gift tax rules or under the laws of any state, local or foreign taxing jurisdiction or under any applicable tax treaty.

The exchange of the old notes for the new notes in the exchange offer will not be treated as an exchange for United States federal income tax purposes, because the new notes will not be considered to differ materially in kind or extent from the old notes. Accordingly, the exchange of outstanding notes for exchange notes will not be a taxable event to holders for United States federal income tax purposes. Moreover, the exchange notes will have the same tax attributes as the outstanding notes and the same United States federal income tax consequences to holders as the outstanding notes have to holders, including without limitation, the same issue price, adjusted issue price, adjusted tax basis and holding period.

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PLAN OF DISTRIBUTION

Based on interpretations by the staff of the Commission in no-action letters issued to third parties, we believe that you may transfer new notes issued under the exchange offer in exchange for the old notes if:

you acquire the new notes in the ordinary course of your business; and

you are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of such new notes.

You may not participate in the exchange offer if you are:

our affiliate within the meaning of Rule 405 under the Securities Act, or

a broker-dealer that acquired old notes directly from us.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. To date, the staff of the Commission has taken the position that broker-dealers may fulfill their prospectus delivery requirements with respect to transactions involving an exchange of securities such as this exchange offer, other than a resale of an unsold allotment from the original sale of the old notes, with the prospectus contained in this registration statement. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the effective date of the registration statement of which this prospectus is a part, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until such date, all dealers effecting transactions in new notes may be required to deliver a prospectus.

If you wish to exchange new notes for your old notes in the exchange offer, you will be required to make representations to us as described in Exchange Offer Purpose and Effect of the Exchange Offer and Procedures for Tendering Your Representations to Us in this prospectus and in the letter of transmittal. In addition, if you are a broker-dealer who receives new notes for your own account in exchange for old notes that were acquired by you as a result of market-making activities or other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale by you of such new notes.

We will not receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market:

in negotiated transactions;

through the writing of options on the new notes or a combination of such methods of resale;

at market prices prevailing at the time of resale; and

at prices related to such prevailing market prices or negotiated prices.

Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such new notes. Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such new

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notes may be deemed to be an underwriter within the meaning of the Securities Act of 1933. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933.

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For a period of 180 days after the effective date of this registration statement, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer (including the expenses of one counsel for the holders of the old notes) other than commissions or concessions of any broker-dealers and will indemnify the holders of the old notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act of 1933.

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LEGAL MATTERS

Certain legal matters in connection with the issuance of the new notes will be passed upon for us by Akerman Senterfitt, Miami, Florida. Certain legal matters in connection with Alaska law will be passed upon for us by Hughes Gorski Seedorf Odsen & Tervooren, LLC, Anchorage, Alaska. Certain legal matters in connection with California law will be passed upon for us by McKenna Long & Aldridge LLP, San Diego, California. Certain legal matters in connection with Illinois law will be passed upon for us by Edwards Wildman Palmer LLP, Chicago, Illinois. Certain legal matters in connection with Colorado law will be passed upon for us by Burns, Figa & Will, P.C., Greenwood Village, Colorado.

EXPERTS

The audited financial statements and schedules, and management's assessment of the effectiveness of internal control over financial reporting incorporated by reference in this prospectus and elsewhere in the registration statement have been so incorporated by reference in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Commission. Our Commission filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You also may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our common stock is listed and traded on the New York Stock Exchange under the trading symbol GEO. You also may inspect and copy our reports, proxy statements and other information filed with the Commission at the New York Stock Exchange, 20 Broad Street, New York, New York.

We have elected to incorporate by reference information into this prospectus. By incorporating by reference, we can disclose important information to you by referring to another document we have filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except as described in the following sentence. Any statement in this prospectus or in any document that is incorporated or deemed to be incorporated by reference in this prospectus will be deemed to have been modified or superseded to the extent that a statement contained in this prospectus or any document that we subsequently file or have filed with the SEC that is incorporated or deemed to be incorporated by reference in this prospectus, modifies or supersedes that statement. Any statement so modified or superseded will not be deemed to be a part of this prospectus, except as so modified or superseded.

We are incorporating by reference the following documents that we have filed with the SEC and our future filings with the SEC (other than information furnished under Item 2.02 or 7.01 in current reports on Form 8-K) under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until this offering is completed:

our annual report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on March 1, 2013 (including the portions of our Proxy Statement on Schedule 14A for our 2013 Annual Meeting of Shareholders filed with the SEC on March 28, 2013 that are incorporated by reference therein);

our quarterly reports on Form 10-Q for the fiscal quarter ended March 31, 2013 filed with the SEC on May 10, 2013 and the fiscal quarter ended June 30, 2013 filed with the SEC on August 8, 2013; and

our current reports on Form 8-K, filed with the SEC on January 7, 2013, February 21, 2013, March 18, 2013, March 25, 2013, April 9, 2013, April 30, 2013, May 8, 2013, May 8, 2013, June 4, 2013 and August 13, 2013.

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We will provide without charge to each person to whom this prospectus is delivered a copy of any of the documents that we have incorporated by reference into this prospectus, other than exhibits unless the exhibits are specifically incorporated by reference in those documents. To receive a copy of any of the documents incorporated by reference in this prospectus, other than exhibits unless they are specifically incorporated by reference in those documents, call or write to The GEO Group, Inc., 621 NW 53rd Street, Suite 700, Boca Raton, Florida 33487, Attention: Investor Relations, Telephone: (561) 893-0101. The information relating to us contained in this prospectus is not complete and should be read together with the information contained in the documents incorporated and deemed to be incorporated by reference in this prospectus.

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Offer to Exchange

Up to \$300,000,000 aggregate principal amount

of our 5 ¹/₈ % Senior Notes Due 2023

and the guarantees thereof each of which have been registered

under the Securities Act of 1933, as amended,

for a like amount of our outstanding

5 ¹/₈ % Senior Notes Due 2023

and the guarantees thereof

PROSPECTUS

[], 2013

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PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

**Item 20. *Indemnification of Directors and Officers.*
Registrants incorporated as corporations in Florida**

Florida Business Corporation Act. Section 607.0850(1) of the Florida Business Corporation Act, referred to as the FBCA, provides that a Florida corporation, such as GEO, GEO Transport, Inc. and GEO Corrections Holdings, Inc., shall have the power to indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 607.0850(2) of the FBCA provides that a Florida corporation shall have the power to indemnify any person, who was or is a party to any proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the board of directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be made under this subsection in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 607.0850 of the FBCA further provides that: (i) to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any proceeding referred to in subsection (1) or subsection (2), or in defense of any proceeding referred to in subsection (1) or subsection (2), or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses actually and reasonably incurred by him or her in connection therewith; (ii) indemnification provided pursuant to Section 607.0850 is not exclusive; and (iii) the corporation shall have the power to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liabilities under Section 607.0850.

Notwithstanding the foregoing, Section 607.0850(7) of the FBCA provides that indemnification or advancement of expenses shall not be made to or on behalf of any director, officer, employee or agent if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute: (i) a violation of the criminal law, unless the director, officer, employee or agent had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful; (ii) a transaction from which the director, officer, employee or agent derived an improper personal benefit; (iii) in the case of a director, a circumstance under which the liability provisions regarding unlawful distributions are applicable; or (iv) willful misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder.

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Section 607.0831 of the FBCA provides that a director of a Florida corporation is not personally liable for monetary damages to the corporation or any other person for any statement, vote, decision, or failure to act, regarding corporate management or policy, by a director, unless: (i) the director breached or failed to perform his or her duties as a director; and (ii) the director's breach of, or failure to perform, those duties constitutes: (A) a violation of criminal law, unless the director had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his conduct was unlawful; (B) a transaction from which the director derived an improper personal benefit, either directly or indirectly; (C) a circumstance under which the liability provisions regarding unlawful distributions are applicable; (D) in a proceeding by or in the right of the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of the corporation, or willful misconduct; or (E) in a proceeding by or in the right of someone other than the corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

Bylaws. GEO's bylaws provide that GEO shall indemnify every person who was or is a party or is or was threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact he is or was a director, officer, employee, or agent, or is or was serving at the request of GEO as a director, officer, employee, agent or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding (except in such cases involving gross negligence or willful misconduct), in the performance of their duties to the full extent permitted by applicable law. Such indemnification may, in the discretion of GEO's board of directors, include advances of his expenses in advance of final disposition subject to the provisions of applicable law. GEO's bylaws further provide that such right of indemnification shall not be exclusive of any right to which any director, officer, employee, agent or controlling shareholder of GEO may be entitled as a matter of law.

GEO Transport, Inc.'s bylaws provide that any person made, or threatened to be made, a party to any threatened, pending, or contemplated action or proceeding, whether civil, criminal, administrative, or investigative, arising out of or related to such person's service as a director, officer, employee, or agent of GEO Transport, Inc. (or arising out of or related to such person's service with respect to any other corporation or other enterprise in any such capacity at the request of GEO Transport, Inc.), shall be indemnified by GEO Transport, Inc., and GEO Transport, Inc. may advance to such person related expenses incurred in defense of such action, to the fullest extent permitted by applicable law. For purposes of this paragraph, person shall include such person's heirs and personal representatives.

GEO Corrections Holdings, Inc.'s bylaws provide that any person made, or threatened to be made, a party to any threatened, pending, or contemplated action or proceeding, whether civil, criminal, administrative, or investigative, arising out of or related to such person's service as a director, officer, employee, or agent of GEO Corrections Holdings, Inc. (or arising out of or related to such person's service with respect to any other corporation or other enterprise in any such capacity at the request of GEO Corrections Holdings, Inc.), shall be indemnified by GEO Corrections Holdings, Inc., and GEO Corrections Holdings, Inc. may advance to such person related expenses incurred in defense of such action, to the fullest extent permitted by applicable law. For purposes of this paragraph, person shall include such person's heirs and personal representatives.

Registrants formed as limited liability companies in Florida

Section 608.4229 of the Florida Limited Liability Company Act (FLLCA) permits, but does not require, subject to standards and restrictions, if any, in its articles of organization or operating agreement, a limited liability company to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. However, indemnification or advancement of expenses shall not be made to or on behalf of any member, manager, managing member, officer, employee, or agent if a judgment or other final adjudication establishes that the actions, or omissions to act, of such member, manager, managing

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member, officer, employee, or agent were material to the cause of action so adjudicated and constitute any of the following: (a) a violation of criminal law, unless the member, manager, managing member, officer, employee, or agent had no reasonable cause to believe such conduct was unlawful; (b) a transaction from which the member, manager, managing member, officer, employee, or agent derived an improper personal benefit; (c) in the case of a manager or managing member, a circumstance under which the liability attaches for unlawful distribution; and (d) willful misconduct or a conscious disregard for the best interests of the limited liability company in a proceeding by or in the right of the limited liability company to procure a judgment in its favor or in a proceeding by or in the right of a member.

GEO Operations, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by GEO Operations, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by GEO Operations, LLC, the disposition of liability of GEO Operations, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by GEO Operations, LLC; provided, however, that any indemnity under this paragraph shall be provided out of and to the extent of GEO Operations, LLC assets only, and neither the member nor any manager nor any other person shall have any personal liability on account thereof.

GEO Corrections and Detention, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by GEO Corrections and Detention, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by GEO Corrections and Detention, LLC, the disposition of liability of GEO Corrections and Detention, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by GEO Corrections and Detention, LLC; provided, however, that any indemnity under this paragraph shall be provided out of and to the extent of GEO Corrections and Detention, LLC assets only, and neither the member nor any manager nor any other person shall have any personal liability on account thereof.

GEO Re-entry Services, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by GEO Re-entry Services, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by GEO Re-entry Services, LLC, the disposition of liability of GEO Re-entry Services, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by GEO Re-entry Services, LLC; provided, however, that any indemnity under this paragraph shall be provided out of and to the extent of GEO Re-entry Services, LLC assets only, and neither the member nor any manager nor any other person shall have any personal liability on account thereof.

Cornell Abraxas Group OS, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Cornell Abraxas Group OS, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which

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such Covered Person shall be threatened, in connection with the acquisition of property or assets by Cornell Abraxas Group OS, LLC, the disposition of liability of Cornell Abraxas Group OS, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Cornell Abraxas Group OS, LLC; provided, however, that any indemnity under this paragraph shall be provided out of an to the extent of Cornell Abraxas Group OS, LLC assets only, and neither the member nor any manager nor any other person shall have any personal liability on account thereof.

Registrants incorporated as corporations in Delaware

Delaware General Corporation Law. Section 145(a) of the Delaware General Corporation Law (the "DGCL") provides that a Delaware corporation, such as GEO Acquisition II, Inc., GEO Holdings I, Inc., Cornell Corrections of Texas, Inc., Cornell Corrections of Rhode Island, Inc., Cornell Abraxas Group, Inc., BII Holding Corporation, BII Holding I Corporation, Behavioral Holding Corp. and Behavioral Acquisition Corp. may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Section 145(b) of the DGCL provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Further subsections of DGCL Section 145 provide that:

to the extent a present or former director or officer of a corporation has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145 or in the defense of any claim, issue or matter therein, such person shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by such person in connection therewith;

the indemnification and advancement of expenses provided for pursuant to Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise; and

the corporation shall have the power to purchase and maintain insurance of behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145.

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As used in this Item 20, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether or not by or in the right of Registrant, and whether civil, criminal, administrative, investigative or otherwise.

Section 145 of the DGCL makes provision for the indemnification of officers and directors in terms sufficiently broad to indemnify officers and directors of each of the registrants incorporated in Delaware under certain circumstances from liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Each of the registrants incorporated in Delaware may, in their discretion, similarly indemnify their employees and agents. The Bylaws of each of the registrants incorporated in Delaware provide, in effect, that, to the fullest extent and under the circumstances permitted by Section 145 of the DGCL, each of the registrants incorporated in Delaware will indemnify any and all of its officers, directors, employees and agents. In addition, the Certificate of Incorporation of each of the registrants incorporated in Delaware relieves its directors from monetary damages to it or its stockholders for breach of such director's fiduciary duty as a director to the fullest extent permitted by the DGCL. Under Section 102(b)(7) of the DGCL, a corporation may relieve its directors from personal liability to such corporation or its stockholders for monetary damages for any breach of their fiduciary duty as directors except (i) for a breach of the duty of loyalty, (ii) for failure to act in good faith, (iii) for intentional misconduct or knowing violation of law, (iv) for willful or negligent violations of certain provisions in the DGCL imposing certain requirements with respect to stock repurchases, redemptions and dividends, or (v) for any transactions from which the director derived an improper personal benefit.

Registrants formed as limited liability companies in Delaware

Section 18-108 of the Delaware Limited Liability Company Act provides that, subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, a Delaware limited liability company, such as Correctional Services Corporation, LLC, Correctional Properties Prison Finance LLC, CPT Limited Partner, LLC, Public Properties Development and Leasing LLC, GEO RE Holdings LLC, Cornell Companies, LLC, Cornell Corrections Management, LLC, CCG I, LLC, Correctional Systems, LLC, MCF GP, LLC, GEO MCF LP, LLC, Cornell Companies of California OS, LLC, Cornell Companies of Texas OS, LLC, Cornell Interventions OS, LLC and WBP Leasing, LLC and has the power to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever.

Correctional Properties Prison Finance LLC's operating agreement provides that, to the fullest extent provided by applicable law, a member, special member, officer, director, employee or agent of Correctional Properties Prison Finance LLC and any employee, representative, agent or affiliate of the member or special member shall be entitled to indemnification for any loss, damage or claim incurred by such person by reason of any act or omission performed or omitted by such person in good faith on behalf of Correctional Properties Prison Finance LLC and in a manner reasonably believed to be within the scope of the authority conferred on such person, except for any loss, damage or claim incurred by such person by reason of such person's gross negligence or willful misconduct with respect to such acts or omissions. To the fullest extent permitted by applicable law, expenses (including reasonable legal fees) incurred by such person defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by Correctional Properties Prison Finance LLC prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by Correctional Properties Prison Finance of an undertaking by or on behalf of such person to repay such amount if it shall be determined that such person is not entitled to be indemnified.

CPT Limited Partner, LLC's operating agreement provides that CPT Limited Partner, LLC shall indemnify and hold harmless its member, officers and employees, and the affiliates of each of the foregoing, to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by such person in connection with any claim, action suit or proceeding in which such person becomes involved as a party or otherwise, or with which such person shall be threatened, in connection with the conduct of CPT Limited Partner, LLC's affairs. Expenses incurred by any such person in connection with the preparation and presentation of a

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defense or response to any claims covered hereby shall be paid by CPT Limited Partner, LLC. Such right of indemnity shall apply with respect to all actions taken by such person which they believe to be in the best interest of CPT Limited Partner, LLC in accordance with the business judgment rule, other than actions which constitute willful misconduct or gross negligence.

Public Properties Development and Leasing LLC's operating agreement provides that Public Properties Development and Leasing LLC shall indemnify and hold harmless its member, officers and employees, and the affiliates of each of the foregoing, to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by such person in connection with any claim, action suit or proceeding in which such person becomes involved as a party or otherwise, or with which such person shall be threatened, in connection with the conduct of Public Properties Development and Leasing LLC's affairs. Expenses incurred by any such person in connection with the preparation and presentation of a defense or response to any claims covered hereby shall be paid by Public Properties Development and Leasing LLC. Such right of indemnity shall apply with respect to all actions taken by such person which they believe to be in the best interest of CPT Limited Partner, LLC in accordance with the business judgment rule, other than actions which constitute willful misconduct or gross negligence.

GEO RE Holdings LLC's operating agreement is silent with respect to indemnification. However, see the discussion regarding indemnification provisions in the Delaware Limited Liability Company Act.

Correctional Services Corporation, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Correctional Services Corporation, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by Correctional Services Corporation, LLC, the disposition of liability of Correctional Services Corporation, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Correctional Services Corporation, LLC.

Cornell Companies, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Cornell Companies, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by Cornell Companies, LLC, the disposition of liability of Cornell Companies, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Cornell Companies, LLC.

Cornell Corrections Management, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Cornell Corrections Management, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by Cornell Corrections Management, LLC, the disposition of liability of Cornell Corrections Management, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Cornell Corrections Management, LLC.

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Correctional Systems, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Correctional Systems, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by Correctional Systems, LLC, the disposition of liability of Correctional Systems, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Correctional Systems, LLC.

WBP Leasing, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by WBP Leasing, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by WBP Leasing, LLC, the disposition of liability of WBP Leasing, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by WBP Leasing, LLC.

MCF GP, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by MCF GP, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by MCF GP, LLC, the disposition of liability of MCF GP, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by MCF GP, LLC.

GEO MCF LP, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by GEO MCF LP, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by GEO MCF LP, LLC, the disposition of liability of GEO MCF LP, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by GEO MCF LP, LLC.

Cornell Companies of California OS, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Cornell Companies of California OS, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by Cornell Companies of California OS, LLC, the disposition of liability of Cornell Companies of California OS, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Cornell Companies of California OS, LLC.

Cornell Companies of Texas OS, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Cornell

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Companies of Texas OS, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by Cornell Companies of Texas OS, LLC, the disposition of liability of Cornell Companies of Texas OS, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Cornell Companies of Texas OS, LLC.

Cornell Interventions OS, LLC's Operating Agreement provides that each manager, an officer, and the member, each of the foregoing persons referred to as a Covered Person, shall be indemnified by Cornell Interventions OS, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by Cornell Interventions OS, LLC, the disposition of liability of Cornell Interventions OS, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by Cornell Interventions OS, LLC.

The Amended and Restated Agreement of Limited Partnership of Municipal Corrections Finance, LP provides that no general partner or manager or officer of the general partner or of the partnership (collectively Indemnified Persons or singularly Indemnified Person) shall have any liability to the partnership or the partners for any loss sustained or liabilities incurred as a result of any act or omission of such Indemnified Person if (1) the Indemnified Person acted in good faith in a manner he, she or it reasonably believed to be in, or not opposed to, the interests of the partnership, and (2) the conduct of the Indemnified Person did not constitute actual fraud, gross negligence, bad faith or willful misconduct. The partnership shall indemnify an Indemnified Person from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including reasonable legal fees and expenses), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the partnership as set forth in the agreement in which an Indemnified Person may be involved, or is threatened to be involved, as a party or otherwise, regardless of whether arising from any act or omission which constituted the sole, partial or concurrent negligence (whether active or passive) of the Indemnified Person, if (1) the Indemnified Person acted in good faith in a manner he, she or it reasonably believed to be in, or not opposed to, the interests of the partnership and (2) the conduct of the Indemnified Person did not constitute actual fraud, gross negligence, bad faith or willful misconduct. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnified Person did not meet the requisite standard of conduct set forth in this paragraph. The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnified Person acted in a manner contrary to that specified in this paragraph. Any indemnification pursuant to this paragraph shall be made only out of the assets of the partnership, including insurance proceeds, if any, and not from the assets of any partner, provided, however, that to the fullest extent permitted by law, indemnity under this paragraph shall not constitute a claim against the partnership in the event that the partnership's cash flow is insufficient to pay its obligations. The indemnification provided by this paragraph shall be in addition to any other rights to which the Indemnified Person may be entitled under any agreement, as a matter of law or otherwise.

Registrant organized as a limited partnership in Delaware

Section 17-107 of the Delaware Revised Uniform Limited Partnership Act provides that, subject to such standards and restrictions, if any, as are set forth in its partnership agreement, a limited partnership, such as CPT Operating Partnership LP and Municipal Corrections Finance, LP, and has the power to, indemnify and hold harmless any partner or other person from and against any and all claims and demands whatsoever.

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CPT Operating Partnership LP's limited partnership agreement provides that, to the fullest extent permitted by Delaware law, CPT Operating Partnership LP shall indemnify the general partner and its affiliates and any person acting on their behalf from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, reasonable attorneys' fees and other legal fees and expenses), judgments, fines settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of CPT Operating Partnership LP in which such person may be involved, or is threatened to be involved, as a party or otherwise, except to the extent it is finally determined by a court of competent jurisdiction, from which no further appeal may be taken, that such person's action constituted intentional acts or omissions constituting willful misconduct or fraud. Reasonable expenses incurred by such person who is a party to a proceeding shall be paid or reimbursed by CPT Operating Partnership LP in advance of the final disposition of the proceeding. Such right of indemnification shall not be exclusive of any right to which any such person may be entitled as a matter of law.

CCG I, LLC's Operating Agreement provides that each manager, officer, and the member (each of the foregoing persons referred to as a Covered Person) shall be indemnified by CCG I, LLC to the fullest extent permitted by law against losses, judgments, liabilities, expenses and amounts incurred or paid, including attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities, by the Covered Person in connection with any claim, action, suit or proceeding in which such Covered Person shall be threatened, in connection with the acquisition of property or assets by CCG I, LLC, the disposition of liability of CCG I, LLC or the conduct of its business. Expenses incurred by any Covered Person in connection with the preparation and presentation of a defense or response to any claim, action, suit or proceeding shall be paid by CCG I, LLC.

Registrant organized as a corporation in Alaska

Alaska statute Sec. 10.06.490 provides that a corporation, such as Cornell Corrections of Alaska, Inc., may indemnify a person who was, is, or is threatened to be made a party to a completed, pending, or threatened action or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the corporation, by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. Indemnification may include reimbursement of expenses, attorney fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to a criminal action or proceeding, the person had no reasonable cause to believe the conduct was unlawful. The termination of an action or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to a criminal action or proceeding, the person had reasonable cause to believe that the conduct was unlawful. (b) A corporation may indemnify a person who was, is, or is threatened to be made a party to a completed, pending, or threatened action by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. Indemnification may include reimbursement for expenses and attorney fees actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made in respect of any claim, issue, or matter as to which the person has been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the corporation except to the extent that the court in which the action was brought determines upon application that, despite the adjudication of liability, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for expenses that the court considers proper. (c) To the extent that a director, officer, employee, or agent of a corporation has been successful on the merits or

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otherwise in defense of an action or proceeding referred to in (a) or (b) of this section, or in defense of a claim, issue, or matter in the action or proceeding, the director, officer, employee, or agent shall be indemnified against expenses and attorney fees actually and reasonably incurred in connection with the defense. (d) Unless otherwise ordered by a court, indemnification under (a) or (b) of this section may only be made by a corporation upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because the director, officer, employee, or agent has met the applicable standard of conduct set out in (a) and (b) of this section. The determination shall be made by (1) the board by a majority vote of a quorum consisting of directors who were not parties to the action or proceeding; or (2) independent legal counsel in a written opinion if a quorum under (1) of this subsection is (A) not obtainable; or (B) obtainable but a majority of disinterested directors so directs; or (3) approval of the outstanding shares. (e) The corporation may pay or reimburse the reasonable expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition in the manner provided in (d) of this section if (1) in the case of a director or officer, the director or officer furnishes the corporation with a written affirmation of a good faith belief that the standard of conduct described in AS 10.06.450 (b) or 10.06.483(e) has been met; (2) the director, officer, employee, or agent furnishes the corporation a written unlimited general undertaking, executed personally or on behalf of the individual, to repay the advance if it is ultimately determined that an applicable standard of conduct was not met; and (3) a determination is made that the facts then known to those making the determination would not preclude indemnification under this chapter. (f) The indemnification provided by this section is not exclusive of any other rights to which a person seeking indemnification may be entitled under a bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in the official capacity of the person and as to action in another capacity while holding the office. The right to indemnification continues as to a person who has ceased to be a director, officer, employee, or agent, and inures to the benefit of the heirs, executors, and administrators of the person. (g) A corporation may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against the person and incurred by the person in that capacity, or arising out of that status, whether or not the corporation has the power to indemnify the person against the liability under the provisions of this section.

Articles of Incorporation. Cornell Corrections of Alaska, Inc. s Articles of Incorporation provide that Directors of Cornell Corrections of Alaska, Inc. shall not be personally liable to Cornell Corrections of Alaska, Inc. or its shareholders for monetary damages for acts or omissions that occur after the effective date of the Articles of Incorporation for the breach of their fiduciary duty as a Director, provided, however, that such exemption from liability shall not apply to (i) a breach of a Director s duty of loyalty to the Corporation or its shareholders; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) willful or negligent conduct involved in the payment of dividends or the repurchase of stock from other than lawfully available funds; or (iv) a transaction from which the Director derived improper personal benefit.

Cornell Corrections of Alaska, Inc. s bylaws are silent with respect to indemnification. However, see the discussion regarding indemnification provisions in the Alaska statutes.

Registrant organized as a corporation in California

California General Corporation Law. Section 317 of the California General Corporation Law (CAGCL) authorizes a court to award, or a corporation, such as Cornell Corrections of California, Inc., to grant, indemnity to officers, directors and other agents for reasonable expenses incurred in connection with the defense or settlement of an action by or in the right of the corporation or in a proceeding by reason of the fact that the person is or was an officer, director, or agent of the corporation. Indemnity is available where the person party to a proceeding or action acted in good faith and in a manner reasonably believed to be in the best interests of the corporation and its shareholders and, with respect to criminal actions, had no reasonable cause to believe his conduct was unlawful. To the extent a corporation s officer, director or agent is successful on the merits in the

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defense of any proceeding or any claim, issue or related matter, that person shall be indemnified against expenses actually and reasonably incurred. Under Section 317 of the CAGCL, expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of the proceeding upon receipt of any undertaking by or on behalf of the officer, director, employee or agent to repay that amount if it is ultimately determined that the person is not entitled to be indemnified. Indemnifications are to be made by a majority vote of a quorum of disinterested directors, or by approval of members not including those persons to be indemnified, or by the court in which such proceeding is or was pending upon application made by either the corporation, the agent, the attorney, or other person rendering services in connection with the defense. The indemnification provided by Section 317 is not exclusive

Bylaws. Cornell Corrections of California, Inc.'s bylaws provide that Cornell Corrections of California, Inc. shall, to the maximum extent permitted by the California General Corporation Law, have power to indemnify each of its agents against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of Cornell Corrections of California, Inc., and shall have power to advance to each such agent expenses incurred in defending any such proceeding to the maximum extent permitted by that law. Agent includes any person who is or was a director, officer, employee, or other agent of Cornell Corrections of California, Inc., or is or was serving at the request of Cornell Corrections of California, Inc. as a director, officer, employee, or agent or another corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a corporation which was a predecessor corporation of Cornell Corrections of California, Inc. or of another enterprise serving at the request of such predecessor corporation.

Registrant organized as a corporation in Colorado

The Colorado Business Corporations Act. Section 7-109-101 et seq. of the Colorado Business Corporations Act empowers a Colorado corporation, such as B.I. Incorporated, to indemnify its directors, officers, employees and agents under certain circumstances. A corporation must indemnify a person who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the person was a party because the person is or was a director, officer, employee, fiduciary or agent, against reasonable expenses incurred by him or her in connection with the proceeding. A corporation may indemnify a person made a party to a proceeding because the person is or was a director, officer, employee, fiduciary or agent if the person conducted himself or herself in good faith and the person reasonably believed that his or her conduct was in or not opposed to the best interests of the corporation (or in the case of a criminal proceeding, had a reasonable belief that his or her conduct was not unlawful), except that no indemnification is allowed in connection with a proceeding by or in the right of the corporation in which the person seeking indemnification was adjudged to be liable to the corporation or in connection with any other proceeding in which the person was adjudged liable on the basis that he or she derived an improper personal benefit. A corporation may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, fiduciary or agent of the corporation, or who, while a director, officer, employee, fiduciary or agent of another domestic or foreign corporation or other person or an employee benefit plan, against liability asserted against or incurred by the person in that capacity or arising from his or her status as a director, officer, employee, fiduciary, or agent, whether or not the corporation would have power to indemnify the person against the same liability under Section 7-109-101 et seq.

Bylaws. B.I. Incorporated's bylaws are silent with respect to indemnification. However, see the discussion regarding indemnification provisions in the Colorado statutes.

Registrant organized as a corporation in Illinois

The Illinois Business Corporation Act. Under Section 8.75 of the Illinois Business Corporation Act of 1983, (ILBCA), a corporation, such as Cornell Interventions, Inc., may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was

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serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding (i) if such person acted in good faith and in a manner that person reasonably believed to be in or not opposed to the best interests of the corporation and (ii) with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe such conduct was unlawful. In actions brought by or in the right of the corporation, a corporation may indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner that person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which that person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which the court shall deem proper. To the extent that such person has been successful on the merits or otherwise in defending any such action, suit or proceeding referred to above or any claim, issue or matter therein, he or she is entitled to indemnification for expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, if such person acted in good faith and in a manner that person reasonably believed to be in or not opposed to the best interests of the corporation. Section 8.75(f) of the ILBCA further provides that the indemnification and advancement of expenses provided by or granted under Section 8.75 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

Bylaws. Cornell Interventions, Inc.'s bylaws provide that Cornell Interventions, Inc. shall, to the fullest extent to which it is empowered to do so by The Illinois Business Corporation Act of 1983, as amended, or any other applicable laws as may from time to time be in effect, indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of Cornell Interventions, Inc.), or who is or was serving at the request of Cornell Interventions, Inc. as a director and/or officer of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Additionally, Cornell Interventions, Inc. shall to the fullest extent to which it is empowered to do so by The Illinois Business Corporation Act of 1983, or any other applicable laws as may from time to time be in effect, indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in a right of Cornell Interventions, Inc. to procure judgment in its favor by reason of the fact that such person is or was a director and/or officer of the corporation, or is or was serving at the request of Cornell Interventions, Inc. as a director and/or officer of another corporation, partnership, joint venture, trust or other person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of the corporation, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to Cornell Interventions, Inc., unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

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Item 21. Exhibits and Financial Statement Schedules.

(a) Exhibits Required by Item 601 of Regulation S-K.

Exhibit	
Number	Description
4.4	Indenture, dated as of March 19, 2013, by and among GEO, the Guarantors party thereto, and Wells Fargo Bank, National Association as Trustee relating to the 5.125% Senior Notes due 2023 (incorporated by reference to Exhibit 4.1 to the Company's report on Form 8-K, filed on March 25, 2013).
5.1	Opinion of Akerman Senterfitt as to the validity of the securities being offered and as to matters of Florida and Delaware law.*
5.2	Opinion of Hughes Gorski Seedorf Odsen & Tervooren, LLC, as to matters of Alaska law.**
5.3	Opinion of McKenna Long & Aldridge LLP, as to matters of California law.**
5.4	Opinion of Edwards Wildman Palmer LLP, as to matters of Illinois law.**
5.5	Opinion of Burns, Figa & Will, P.C., as to matters of Colorado law.**
10.50	Registration Rights Agreement, dated as of March 19, 2013, by and among GEO, the Guarantors party thereto, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the several Initial Purchasers (incorporated by reference to Exhibit 10.1 to the Company's report on Form 8-K, filed on March 25, 2013).
12.1	Statement re Computation of Ratio of Earnings to Fixed Charges.***
23.1	Consent of Grant Thornton LLP.***
23.2	Consent of Akerman Senterfitt (included in Exhibit 5.1).*
23.3	Consent of Hughes Gorski Seedorf Odsen & Tervooren, LLC (included in Exhibit 5.2).**
23.4	Consent of McKenna Long & Aldridge LLP (included in Exhibit 5.3).**
23.5	Consent of Edwards Wildman Palmer LLP (included in Exhibit 5.4).**
23.6	Consent of Burns, Figa & Will, P.C. (included in Exhibit 5.5).**
24.1	Powers of Attorney (included on signature pages).****
25.1	Statement of Eligibility of Trustee.**
99.1	Form of Letter of Transmittal.**
99.2	Form of Notice of Guaranteed Delivery for Notes.**
99.3	Form of Letter to Brokers.**
99.4	Form of Letter to Clients.**
99.5	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.**

* Previously filed as an exhibit to Amendment No. 1 to the Form S-4 Registration Statement filed on July 16, 2013.

** Previously filed as an exhibit to the Form S-4 Registration Statement filed on May 30, 2013.

*** Filed herewith

**** Previously filed.

(b) Not applicable.

(c) Not applicable.

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Item 22. Undertakings.

Each undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

Each undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

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(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Each undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Each undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

Each undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

THE GEO GROUP, INC.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Senior Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	August 30, 2013
George C. Zoley		
/s/ Brian R. Evans	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	August 30, 2013
Brian R. Evans		
*	Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)	August 30, 2013
Ronald A. Brack		
*	Director	August 30, 2013
Norman A. Carlson		
*	Director	August 30, 2013
Anne N. Foreman		
*	Director	August 30, 2013
Richard H. Glanton		
*	Director	August 30, 2013
Clarence E. Anthony		
*	Director	August 30, 2013
Christopher C. Wheeler		

*By: /s/ Brian R. Evans
Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO RE HOLDINGS LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Senior Vice President and Treasurer

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Senior Vice President and Treasurer	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	President of The GEO Group, Inc., the Sole Member of GEO RE Holdings, LLC	August 30, 2013
George C. Zoley		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Correctional Services Corporation, LLC

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: Vice President Finance and Chief Financial Officer

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance and	August 30, 2013
Brian R. Evans	Chief Financial Officer	
	(Principal Financial and Accounting Officer)	
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO Transport, Inc.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President and Treasurer

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President and Treasurer	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President and Controller	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Vice President and Director	August 30, 2013
John M. Hurley		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Public Properties Development and Leasing LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
/s/ Brian R. Evans	Vice President Finance of GEO	August 30, 2013
Brian R. Evans	Acquisition II, Inc., the General Partner of CPT Operating Partnership L.P., the Sole Member of Public Properties Development and Leasing LLC	

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Correctional Properties Prison Finance LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance and Director (Principal Financial and Accounting Officer)	August 30, 2013
Brian R. Evans		
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

CPT Operating Partnership L.P.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
/s/ Brian R. Evans	Vice President Finance of GEO	August 30, 2013
Brian R. Evans	Acquisition II, Inc., the Sole General Partner of CPT Operating Partnership L.P.	

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

CPT Limited Partner, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
/s/ Brian R. Evans	Vice President Finance of GEO	August 30, 2013
Brian R. Evans	Acquisition II, Inc., the Sole Member of CPT Limited Partner, LLC	

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO Holdings I, Inc.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO Acquisition II, Inc.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Companies, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief Financial Officer and
 Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief Financial Officer and Manager	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		
*	Manager	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans
 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Corrections Management, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief Financial Officer and
 Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans	Vice President Finance,	August 30, 2013
Brian R. Evans	Chief Financial Officer and Manager (Principal Executive, Financial and Accounting Officer)	
*	Manager	August 30, 2013
George C. Zoley		
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		
*	Manager	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

CCG I, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief Financial Officer and
 Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans	Vice President Finance,	August 30, 2013
Brian R. Evans	Chief Financial Officer and Manager (Principal Executive, Financial and Accounting Officer)	
*	Manager	August 30, 2013
George C. Zoley		
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Corrections of Alaska, Inc.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: Vice President, Chief Financial Officer and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President, Chief Financial Officer and Director	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Vice President, Community Services and Director	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans

Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Corrections of California, Inc.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: Vice President, Chief Financial Officer and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
Jorge A. Dominicis	(Principal Executive Officer)	
*	Chairman	August 30, 2013
George C. Zoley		
/s/ Brian R. Evans	Vice President, Chief Financial Officer and Director	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President, Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Vice President, Youth Services and Director	August 30, 2013
Jonathan Swatsburg		

*By: /s/ Brian R. Evans
Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Corrections of Texas, Inc.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President, Chief Financial Officer and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
Jorge A. Dominicis	(Principal Executive Officer)	
*	Chairman	August 30, 2013
George C. Zoley		
/s/ Brian R. Evans	Vice President, Chief Financial Officer and Director	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President, Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Vice President, Youth Services and Director	August 30, 2013
Jonathan Swatsburg		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Corrections of Rhode Island, Inc.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President, Chief Financial Officer and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Chairman	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President, Chief Financial Officer and Director	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President, Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Vice President, Community Services and Director	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Interventions, Inc.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: Vice President, Chief Financial Officer and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
Jorge A. Dominicis	(Principal Executive Officer)	
*	Chairman	August 30, 2013
George C. Zoley		
/s/ Brian R. Evans	Vice President, Chief Financial Officer and Director	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President, Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Vice President, Youth Services and Director	August 30, 2013
Jonathan Swatsburg		

*By: /s/ Brian R. Evans
Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Correctional Systems, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief Financial Officer and
 Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief Financial Officer and Manager	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President, Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		
*	Manager	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans
 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Abraxas Group, Inc.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President, Chief Financial Officer and

Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Director	August 30, 2013
Jorge A. Dominicis	(Principal Executive Officer)	
*	Chairman	August 30, 2013
George C. Zoley		
/s/ Brian R. Evans	Vice President, Chief Financial Officer and Director	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President, Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Vice President, Youth Services and Director	August 30, 2013
Jonathan Swatsburg		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

WBP Leasing, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: VicePresident Finance, Chief Financial Officer and
 Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief Financial Officer and Manager	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President, Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		
*	Manager	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans
 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

BII Holding Corporation

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans	Vice President Finance and Director	August 30, 2013
Brian R. Evans	(Principal Executive, Financial and Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Director	August 30, 2013
George C. Zoley		
*	Director	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

BII Holding I Corporation

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans	Vice President Finance and Director	August 30, 2013
Brian R. Evans	(Principal Executive, Financial and Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Director	August 30, 2013
George C. Zoley		
*	Director	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Behavioral Holding Corp.

By: /s/ Brian R. Evans
 Name: Brian R. Evans

Title: Vice President Finance and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans	Vice President Finance and Director	August 30, 2013
Brian R. Evans	(Principal Executive, Financial and Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Director	August 30, 2013
George C. Zoley		
*	Director	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Behavioral Acquisition Corp.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans		August 30, 2013
Brian R. Evans	Vice President Finance and Director (Principal Executive, Financial and Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Director	August 30, 2013
George C. Zoley		
*	Director	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

B.I. Incorporated

By: /s/ Brian R. Evans
 Name: Brian R. Evans

Title: Vice President Finance and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans	Vice President Finance and Director	August 30, 2013
Brian R. Evans	(Principal Executive, Financial and Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		
*	Director	August 30, 2013
George C. Zoley		
*	Director	August 30, 2013
Jorge A. Dominicis		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

MCF GP, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief
 Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief Financial Officer and Manager	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO MCF LP, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief
 Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief Financial Officer and Manager	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Municipal Corrections Finance, LP

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance	August 30, 2013
Brian R. Evans	(Principal Financial and Accounting Officer)	
*	Vice President and Secretary	August 30, 2013
John J. Bulfin		
/s/ Brian R. Evans	Vice President Finance and Chief Financial Officer of MCF GP,	August 30, 2013
Brian R. Evans	LLC, the Sole General Partner of Municipal Corrections Finance, LP	

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO OPERATIONS, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief Financial

Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Evans	Vice President Finance, Chief Financial Officer and Manager	August 30, 2013
Brian R. Evans	(Principal Executive and Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Manager	August 30, 2013
John J. Bulfin		
*		August 30, 2013
George C. Zoley	Manager	

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO Corrections Holdings, Inc.

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President, Chief Financial Officer

and Director

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	Chief Executive Officer and Director	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President, Chief Financial Officer and Director	August 30, 2013
Brian R. Evans	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and Director	August 30, 2013
John J. Bulfin		

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO Corrections and Detention, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief

Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
John Hurley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief	August 30, 2013
Brian R. Evans	Financial Officer and Manager (Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Chairman and Manager	August 30, 2013
George C. Zoley		
*	Vice President, Secretary and	August 30, 2013
John J. Bulfin	Manager	

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

GEO Re-entry Services, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief

Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	Chief Executive Officer, Chairman	August 30, 2013
George C. Zoley	and Manager (Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief	August 30, 2013
Brian R. Evans	Financial Officer and Manager (Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and	August 30, 2013
John J. Bulfin	Manager	

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Abraxas Group OS, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief

Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
George C. Zoley	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief	August 30, 2013
Brian R. Evans	Financial Officer and Manager	
	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Vice President, Secretary and	August 30, 2013
John J. Bulfin	Manager	

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Companies of California OS, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief

Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President and Manager	August 30, 2013
Jorge Dominicis	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief	
Brian R. Evans	Financial Officer and Manager	August 30, 2013
	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Manager	August 30, 2013
George C. Zoley		
*	Vice President, Secretary and	August 30, 2013
John J. Bulfin	Manager	

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Companies of Texas OS, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief
 Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
Jorge Dominicis	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief	
Brian R. Evans	Financial Officer and Manager	August 30, 2013
	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Manager	August 30, 2013
George C. Zoley		
*	Vice President, Secretary and	August 30, 2013
John J. Bulfin	Manager	

*By: /s/ Brian R. Evans
 Brian R. Evans

Attorney-In-Fact

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Pursuant to the requirements of the Securities Act, the undersigned registrant has duly caused this Amendment No. 2 to this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boca Raton, State of Florida, on August 30, 2013.

Cornell Interventions OS, LLC

By: /s/ Brian R. Evans
 Name: Brian R. Evans
 Title: Vice President Finance, Chief

Financial Officer and Manager

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
*	President	August 30, 2013
Jorge Dominicis	(Principal Executive Officer)	
/s/ Brian R. Evans	Vice President Finance, Chief	
Brian R. Evans	Financial Officer and Manager	August 30, 2013
	(Principal Financial Officer)	
*	Vice President Accounting	August 30, 2013
Ronald A. Brack	(Principal Accounting Officer)	
*	Manager	August 30, 2013
George C. Zoley		
*	Vice President, Secretary and	August 30, 2013
John J. Bulfin	Manager	

*By: /s/ Brian R. Evans
 Brian R. Evans

 Attorney-In-Fact

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EXHIBIT INDEX

Exhibit

Number	Exhibit Description
12.1	Statement re Computation of Ratio of Earnings to Fixed Charges.
23.1	Consent of Grant Thornton LLP.