

**ADDENDUM TO DEVELOPMENT SERVICES AGREEMENT
FOR TOOELE COUNTY DETENTION FACILITY**

TCJ PROJECT, LLC, a Utah limited liability company ("**Developer**"), and the **MUNICIPAL BUILDING AUTHORITY OF TOOELE COUNTY**, a Utah non-profit corporation, public entity and instrumentality of the State of Utah (the "**Authority**" and collectively with the Developer, the "**Parties**") desire to amend the Development Services Agreement dated December 1, 2010. The Parties desire to amend the agreement is based upon the following:

RECITALS:

A. The entrance from SR-36 to the detention facility will not be constructed in the same location nor in the same manner as originally planned by the Parties. The changes to the entrance from SR-36 were required by the Utah Department of Transportation and will directly impact the Development Services Agreement previously executed by the Parties. Specifically, instead of a "driveway" from SR-36 into the detention facility, the Parties will need to construct an intersection on SR-36 at South Mountain Road. Both the costs and the amount of work associated with the development of this intersection exceed what the parties contemplated for the driveway.

B. The construction of this intersection directly impacts the Development Services Agreement previously executed by the Parties. The Development Services Agreement, paragraph 13.5 states that the agreement "may only be modified by a subsequent writing duly executed and approved by the Parties."

C. The Parties agree that the changes in circumstances outlined above require modification of the Development Services Agreement.

NOW, THEREFORE, the Parties agree to amend the Development Services Agreement as follows: *(new language is bold and italicized)*

3. **Jail Project Development, Design and Construction.** The Developer, working with the Project Manager, will act as the developer and construction coordinator for the Jail Project. The Developer will provide the Authority with a fully built detention center with 264 beds, with the capacity to expand to at least 452 beds in the future, a separate warehouse facility, water, sewer, utilities and access to the 10.510 acres of land (the "Property"). *Access includes an intersection at SR-36 and South Mountain Road and street access off South Mountain Road.* The Authority

will review and approve final plans and specifications for the Jail Project (the "Final Plans") provided by the Developer which will then serve as the basis for all requirements relative to the Jail Project and the Developer will be obligated to deliver the Jail Project to the Authority in compliance with the Final Plans as approved by the Authority.

The Developer shall deliver Final Plans to the Authority and the Authority will approve such Final Plans within a reasonable amount of time after the effective date of this Agreement. Upon approval of the Final Plans by the Authority, the Parties shall cause a copy of those Final Plans to be attached to this Agreement as **Exhibit B** and each of the Parties shall sign **Exhibit B** acknowledging that the attached Final Plans are the approved Final Plans applicable in this Agreement. *The Final Plans shall include the access from SR-36 to the Jail Project which shall also be signed by the parties and attached to this agreement as Exhibit C.* The Developer must substantially complete construction of the Jail Project in compliance with the Final Plans *by January 31, 2012 (14 months after the final plans were initially approved).*

4.3.1 Developer Fee for Management of Access Construction. Authority will pay Developer a management fee in the amount of 5% of the costs associated with the construction of the access from SR-36 to the Jail (costs associated with constructing phase I of Exhibit C). In calculating the fee, access construction costs shall be reduced by \$73,000.00 which represents monies Developer had already budgeted to construct the access. The management fee and schedule for completion of phases II and III of Exhibit C shall be mutually agreed to by the parties at a later date.

4.3.2 Developer to Share in Savings for Access Construction. In the event that Developer is able to complete the access construction "under budget," Developer shall be entitled to collect a fee in the amount of 50% of the "under budget" amount. The budgeted estimate for access construction is \$621,000.00. The "under budget" amount will be the difference between \$621,000.00 and the actual construction costs. Developer is responsible for all costs in excess of \$621,000.00 unless the Authority expressly agrees in writing to be responsible for such.

4.3.3 Developer Fee for Securing Funding. In the event that Developer is able to secure funding for any part of the Jail Project that does not require repayment by the Authority, Developer shall be entitled to collect a fee equal to 10% of said funding plus mutually agreed expenses.

DEVELOPER

Clay McCarthy
TCJ Project, LLC
Clay McCarthy, Director of Operations

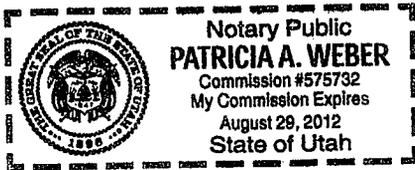
Date: 8-15-11

STATE OF UTAH)
)
) . SS.
COUNTY OF Tooele)

On this 15th day of August, 2011, before me, the undersigned notary, personally appeared Clay McCarthy, Director of Operations for TCJ Project, LLC, a Utah limited liability company, who is personally known to me or who proved to me his identity through documentary evidence, who affirmed to me that the governing body of TCJ Project, LLC, has authorized him to execute this Agreement.

Patricia A. Weber

Notary Signature and Seal



MUNICIPAL BUILDING AUTHORITY OF TOOELE COUNTY, UTAH

Colleen S. Johnson
Colleen S. Johnson, President and Chair

Date: *Colleen Johnson*
16 Aug 2011

ATTEST:

Marilyn Gillette
Marilyn Gillette, Secretary

