

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **August 30, 2012**

**THE GEO GROUP, INC.**

(Exact Name of Registrant as Specified in Charter)

**Florida**

(State or Other Jurisdiction of Incorporation)

**1-14260**

(Commission File Number)

**65-0043078**

(IRS Employer Identification No.)

**621 NW 53rd Street, Suite 700, Boca Raton, Florida**

(Address of Principal Executive Offices)

**33487**

(Zip Code)

Registrant's telephone number, including area code **(561) 893-0101**

**N/A**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Section 1 – Registrant’s Business and Operations**

### **Item 1.01 Entry into a Material Definitive Agreement.**

On August 30, 2012, The GEO Group, Inc. (“GEO”) entered into Amendment No. 3, dated as of August 30, 2012, to the Credit Agreement dated as of August 4, 2010, by and among GEO, the guarantors party thereto and BNP Paribas, as administrative agent, as previously amended by Amendment No. 1, dated as of February 8, 2011, and Amendment No. 2, dated as of May 2, 2011 (“Amendment No. 3”). Amendment No. 3, among other things, resets GEO’s restricted payment basket to \$50 million and increases the Pro Forma Senior Secured Leverage Ratio test to 2.75 to 1.00 from 2.50 to 1.00. Additionally, Amendment No. 3 provides that the aggregate principal amount of all incremental loan commitments established after August 30, 2012 plus the aggregate principal amount of all revolving credit commitment increases obtained after August 30, 2012 shall not exceed \$250,000,000.

Also on August 30, 2012, GEO entered into the Series A-3 Incremental Loan Agreement dated as of August 30, 2012, by and among GEO, the lenders party thereto and BNP Paribas, as administrative agent ( the “Series A-3 Incremental Loan Agreement”). Under the terms of the Series A-3 Incremental Loan Agreement, GEO borrowed an aggregate principal amount of \$100,000,000 to fund the purchase price for the acquisition by GEO of all of the outstanding partnership interests in Municipal Corrections Finance L.P. (“MCF”), redeem the 8.47% Taxable Revenue Bonds, Series 2001, due August 1, 2016 issued by MCF (the “MCF Bonds”) and pay fees, commissions, costs and expenses relating to the foregoing. The new incremental term loan bears interest at the same rate as GEO’s existing Tranche A Term Loans at LIBOR plus 2.75% and matures in August 2015.

The foregoing summaries are qualified in their entirety by reference to Amendment No. 3 and the Series A-3 Incremental Loan Agreement, copies of which are filed herewith as Exhibits 10.1 and 10.2, respectively.

## **Section 2 – Financial Information**

### **Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth above in Item 1.01 Entry into a Material Definitive Agreement is incorporated by reference herein.

## **Section 8 – Other Events**

### **Item 8.01 Other Events.**

On August 31, 2012, GEO closed its previously announced purchase of 100% of the partnership interests of MCF for approximately \$27 million in cash plus an additional amount of approximately \$10 million in respect of cash previously held in escrow for the benefit of MCF and subsequently released to GEO. Concurrently with the acquisition, the indenture relating to the MCF Bonds was satisfied and discharged as of August 31, 2012 and the MCF Bonds were redeemed, with an effective date of September 4, 2012, for approximately \$67 million paid by GEO (such amount after giving effect to bond cash reserves and the inclusion of a make-whole premium of approximately \$15 million).

A copy of GEO’s press release relating to the closing of the acquisition is filed herewith as Exhibit 99.1.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 3, dated as of August 30, 2012, to the Credit Agreement dated as of August 4, 2010 among The GEO Group, Inc., as Borrower, certain of The GEO Group, Inc.'s subsidiaries, as Guarantors and BNP Paribas, as Administrative Agent.
10.2	Series A-3 Incremental Loan Agreement, dated as of August 30, 2012, among The GEO Group, Inc. as Borrower, the lenders signatory thereto and BNP Paribas, as Administrative Agent (portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment).
99.1	Press release, dated September 5, 2012, announcing the closing of The GEO Group, Inc.'s acquisition of 100% of the partnership interests of Municipal Corrections Finance L.P.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**THE GEO GROUP, INC.**

September 6, 2012  
Date

By: /s/ Brian R. Evans  
Brian R. Evans  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 3, dated as of August 30, 2012, to the Credit Agreement dated as of August 4, 2010 among The GEO Group, Inc., as Borrower, certain of The GEO Group, Inc.'s subsidiaries, as Guarantors and BNP Paribas, as Administrative Agent.
10.2	Series A-3 Incremental Loan Agreement, dated as of August 30, 2012, among The GEO Group, Inc., as Borrower, the lenders signatory thereto and BNP Paribas, as Administrative Agent (portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment).
99.1	Press release, dated September 5, 2012, announcing the closing of The GEO Group, Inc.'s acquisition of 100% of the partnership interests of Municipal Corrections Finance L.P.

## AMENDMENT NO. 3

AMENDMENT NO. 3 dated as of August 30, 2012 among The GEO Group, Inc., a Florida corporation (the "Borrower"), its Subsidiaries listed on the signature pages hereto, and BNP Paribas, in its capacity as Administrative Agent under the Credit Agreement referred to below (the "Administrative Agent") pursuant to authority granted to it by the Required Lenders.

The Borrower, the Lenders party thereto and the Administrative Agent are parties to a Credit Agreement dated as of August 4, 2010 (as amended by Amendment No. 1 dated as of February 8, 2011, by Amendment No. 2 dated as of May 2, 2011 and as the same may be further modified and supplemented and in effect from time to time, the "Credit Agreement"), providing, subject to the terms and conditions thereof, for extensions of credit (by means of loans and letters of credit) to be made by the Lenders to the Borrower in an aggregate principal or face amount not exceeding \$1,000,000,000.

The Borrower intends to indirectly acquire 100% of the partnership interests of Municipal Corrections Finance, L.P. ("MCF") in a Permitted Acquisition (as a result of which MCF shall become a Restricted Subsidiary hereunder), and, in connection therewith, on or before the Business Day following the effective date of such Permitted Acquisition, the MCF Bonds shall be redeemed.

The Borrower has requested, and the Lenders party hereto have agreed, that the Credit Agreement be amended in certain respects on the terms and conditions hereof, and accordingly the parties hereto hereby agree as follows:

Section 1. Definitions; Section References. Except as otherwise defined in this Amendment No. 3 or as the context requires, terms defined in the Credit Agreement are used herein as defined therein, and references to Sections mean the respective Sections of the Credit Agreement.

Section 2. Amendments.

2.01. References Generally. References in the Loan Documents to the Credit Agreement (including in the Credit Agreement to the "Agreement"), shall be deemed to be references to the Credit Agreement as amended hereby.

2.02. Amendments to the Credit Agreement. Subject to the satisfaction of the conditions precedent specified in Section 3 below, but effective as of the date hereof, the Credit Agreement shall be amended as follows:

(a) Definitions.

(i) The following new defined terms shall be inserted into Section 1.01 in the appropriate alphabetical order:

"Amendment No. 3" means Amendment No. 3 to this Agreement dated as of August 30, 2012.

"Amendment No. 3 Effective Date" means the date on which the amendments contemplated by Amendment No. 3 become effective.

"MCF Indenture" means that certain Indenture dated as of August 1, 2001, between MCF, as Issuer, and The Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company, N.A., successor to The Chase Manhattan Bank, as Trustee and Securities Intermediary, as supplemented by that certain First Series Supplement thereto, dated as of August 1, 2001, under which MCF issued the MCF Bonds.

(ii) The following sentence shall be added at the end of the definition of the “Unrestricted Cash”:

“Notwithstanding the foregoing, from and after the consummation of the acquisition of the MCF by the Borrower, cash held by any trustee, collateral agent or paying agent under the MCF Indenture, and cash held in the MCF Escrow Account established pursuant to the MCF Escrow Agreement (as defined in the MCF Indenture), shall be deemed “Unrestricted Cash” to the extent such cash is to be applied to the redemption of the MCF Bonds in full on or before the Business Day following the acquisition of MCF by the Borrower or returned to MCF upon the full redemption of the MCF Bonds; provided that in computing any financial covenants hereunder, there shall be no double-counting of any such cash.”

(iii) The following sentence shall be added at the end of the definition of “EBITDA”:

“For avoidance of doubt, the Make-Whole Premium (as defined in the MCF Indenture) and expenses paid in respect of the redemption of the MCF Bonds shall be deemed a transaction expense related to the acquisition of MCF.”

(b) The first sentence of the second paragraph of Section 2.01(d) shall be amended to read as follows:

“Anything herein to the contrary notwithstanding, (i) the minimum aggregate principal amount of Incremental Loan Commitments entered into pursuant to any such request (and, accordingly, the minimum aggregate principal amount of any Series of Incremental Loans) shall be (A) \$20,000,000 or a larger multiple of \$1,000,000 or (B) any other amount consented to by the Administrative Agent and (ii) the aggregate principal amount of all Incremental Loan Commitments established after the Amendment No. 3 Effective Date plus the aggregate principal amount of all Revolving Credit Commitment Increases obtained after the Amendment No. 3 Effective Date shall not exceed \$250,000,000.”

(c) Section 2.08(e)(i)(B) shall be amended to read as follows:

“(B) the aggregate principal amount of all Incremental Loan Commitments established after the Amendment No. 3 Effective Date plus the aggregate principal amount of all Revolving Credit Commitment Increases obtained after the Amendment No. 3 Effective Date shall not exceed \$250,000,000;”

(d) Section 6.01 shall be amended by deleting “and” at the end of paragraph (j) thereof, replacing the period with “; and” at the end of paragraph (k) thereof and adding a new paragraph (l) thereto reading as follows:

“(l) Indebtedness evidenced by the MCF Bonds provided that the same will be redeemed in full on or before the Business Day following the acquisition of MCF.”

Amendment No. 3

(e) Section 6.05(c) shall be amended to read as follows:

“(c) if no Default shall have occurred and be continuing or would result therefrom, the Borrower may declare, pay and make Restricted Payments in an aggregate amount after the date hereof not exceeding the sum of (i) \$50,000,000 after the Amendment No. 3 Effective Date plus (ii) the lesser of \$50,000,000 or the sum of (x) the aggregate amount of Net Available Proceeds from Equity Issuances received by the Borrower after the Amendment No. 1 Effective Date not required to prepay Loans pursuant to Section 2.10 hereof and not used for any other purpose plus (y) 50% of the aggregate value of all capital stock issued by the Borrower after the Amendment No. 1 Effective Date as consideration for Permitted Acquisitions;”

(f) Section 6.05(d)(iii) shall be amended to read as follows:

“(iii) the Pro Forma Senior Secured Leverage Ratio on the date of such Restricted Payment shall not exceed 2.75 to 1.00.”

(g) The proviso in Section 7.01(g) shall be amended to read as follows:

“provided that this clause (g) shall not apply to (i) Indebtedness that becomes due as a result of (x) the voluntary sale or transfer of property or assets or any casualty in respect of property or assets or (y) the furnishing of a notice of redemption or prepayment of such Indebtedness in connection with a refinancing or replacement thereof permitted by Section 6.01 or Section 6.13 or (ii) the MCF Bonds, if the MCF Bonds are redeemed in full on or before the Business Day following the acquisition of MCF by the Borrower.”

Section 3. Representations and Warranties. The Borrower represents and warrants to the Lenders and the Administrative Agent, that: (a) the representations and warranties set forth in Article III (as hereby amended) of the Credit Agreement, and in each of the other Loan Documents, are true and complete on the date hereof as if made on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty shall be true and correct as of such specific date), and as if each reference in said Article III to “this Agreement” included reference to this Amendment No. 3 and (b) no Default has occurred and is continuing. All references herein to “the date hereof” mean references to the date of the Credit Agreement.

Section 4. Conditions Precedent. The amendments set forth in Section 2 hereof shall become effective on the date that each of the following conditions shall have been satisfied:

(a) Each Lender which has provided its consent to the Amendment No. 3 shall have received an amendment work fee equal to 3 basis points of the sum of such Lender’s total Revolving Credit Exposure, outstanding Term Loans, outstanding Incremental Loans and unused Commitments (without giving effect to the Series A-3 Incremental Loan Agreement to be entered on or about the date hereof).

(b) the Administrative Agent shall have received counterparts of this Amendment No. 3 executed by the Borrower, the Guarantors and the Administrative Agent, pursuant to authority granted to it by the Required Lenders; and

Amendment No. 3



(c) the Administrative Agent shall be satisfied that, immediately after giving effect to such amendments, new Incremental Loan Commitments shall become effective under Section 2.01(d) in an aggregate amount equal to \$100,000,000 and the Borrower shall borrow Incremental Loans and Revolving Credit Loans in an aggregate principal amount of not less than \$100,000,000.

Section 5. Security Documents. The Borrower and the Guarantors hereby ratify and confirm their respective obligations, and the Liens respectively granted by them, under the Loan Documents.

Section 6. Miscellaneous. Except as herein provided, the Loan Documents shall remain unchanged and in full force and effect. This Amendment No. 3 may be executed in any number of counterparts, all of which taken together shall constitute one and the same amendatory instrument and any of the parties hereto may execute this Amendment No. 3 by signing any such counterpart. This Amendment No. 3 shall be governed by, and construed in accordance with, the law of the State of New York.

[Signature pages follow]

Amendment No. 3

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be duly executed and delivered as of the day and year first above written.

THE GEO GROUP, INC.,  
as Borrower

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: Sr. VP & CFO

Amendment No. 3

GUARANTORS:

CORRECTIONAL SERVICES CORPORATION

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & Treasurer

Amendment No. 3

CORRECTIONAL PROPERTIES PRISON FINANCE  
LLC

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP, Finance

Amendment No. 3

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP, Finance

Amendment No. 3

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CPT OPERATING PARTNERSHIP L.P.

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP, Finance

Amendment No. 3

GEO ACQUISITION II, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Amendment No. 3

GEO CARE, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: Treasurer

Amendment No. 3



GEO HOLDINGS I, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP, Finance

Amendment No. 3

GEO RE HOLDINGS LLC

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: SVP & Treasurer

Amendment No. 3

GEO TRANSPORT, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & Treasurer

Amendment No. 3

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP and Treasurer

Amendment No. 3

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP, Finance

Amendment No. 3

CORNELL COMPANIES, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Amendment No. 3

CCG I CORPORATION

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Amendment No. 3

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP & CFO

Amendment No. 3



By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

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By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Amendment No. 3

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Amendment No. 3

WBP LEASING, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Amendment No. 3



WBP LEASING, LLC

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Amendment No. 3

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP Finance

Amendment No. 3

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP Finance

Amendment No. 3

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Amendment No. 3

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Amendment No. 3

B.I. INCORPORATED

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Amendment No. 3

BNP PARIBAS,  
as Administrative Agent

By: /s/ James Goodall

Name: James Goodall  
Title: Managing Director

By: /s/ Brendan Heneghan

Name: Brendan Heneghan  
Title: Vice President

Amendment No. 3

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SERIES A-3 INCREMENTAL LOAN AGREEMENT\*

dated as of

August 30, 2012

between

THE GEO GROUP, INC.,  
As Borrower

The Lenders referred to herein

and

BNP Paribas,  
as Administrative Agent

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BNP PARIBAS SECURITIES CORP.,  
as Lead Arranger

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\* Certain portions of the Series A-3 Incremental Loan Agreement have been omitted based upon a request for confidential treatment filed with the Securities and Exchange Commission. The non- public information has been filed with the Securities and Exchange Commission.



SERIES A-3 INCREMENTAL LOAN AGREEMENT

SERIES A-3 INCREMENTAL LOAN AGREEMENT dated as of August 30, 2012 between THE GEO GROUP, INC., (the "Borrower"), the GUARANTORS party hereto (the "Guarantors"), the SERIES A-3 INCREMENTAL LENDERS party hereto and BNP PARIBAS., as Administrative Agent for the lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent").

The Borrower, the lenders party thereto and BNP Paribas as the Administrative Agent, are parties to a Credit Agreement dated as of August 4, 2010 (as amended by Amendment No. 1 dated as of February 8, 2011 and by Amendment No. 2 dated as of May 2, 2011, and as the same may be further modified and supplemented and in effect from time to time, the "Credit Agreement").

Pursuant to Section 2.01(d) of the Credit Agreement, the Borrower may request that one or more Persons (which may include the Lenders under the Credit Agreement) offer to enter into commitments to make "Incremental Loans" under and as defined in said Section 2.01(d), subject to the conditions specified in said Section 2.01(d). The Borrower accordingly has requested that Incremental Loans under said Section 2.01(d) be made available to it in an aggregate principal amount equal to \$100,000,000 in a single series of term loans to be designated the "Series A-3 Incremental Loans". The Series A-3 Incremental Lenders (as defined below) are willing to make such loans on the terms and conditions set forth below and in accordance with the applicable provisions of the Credit Agreement, and accordingly, the parties hereto hereby agree as follows:

ARTICLE I  
DEFINED TERMS

Terms defined in the Credit Agreement are used herein as defined therein, except to the extent the same term is defined herein, in which case this Agreement shall control. The following terms have the meanings specified below:

"Acquisition" means the acquisition by the Borrower of all of the outstanding partnership interests in the Target Company through its wholly-owned subsidiaries MCF GP, LLC and GEO MCF LP, LLC., pursuant to the Purchase Agreement.

"Closing Date" means the date when the Acquisition and transactions contemplated thereby are consummated.

"Indenture" means the Indenture Relating to Taxable Revenue Bonds, dated as of August 1, 2001, between the Target Company as Issuer, and The Bank of New York Mellon Trust Company, N.A., successor to The Bank of New York Trust Company, N.A. and successor to Chase Manhattan Bank, as Trustee and Securities Intermediary, as supplemented by the First Series Supplement thereto, dated as of August 1, 2001, with respect to 8.47% Taxable Revenue Bonds, Series 2001, due August 1, 2016.

“Purchase Agreement” means the Partnership Interest Purchase Agreement dated as of April 24, 2012 among MCF GP, LLC, GEO MCF LP, LLC, Municipal Corrections Finance Holdings, LLC, LB I Group, Inc. and James W. Giddens, as trustee for the liquidation of Lehman Brothers Inc. under the Securities Investor Protection Act, as amended by Amendment to the Partnership Interest Purchase Agreement dated July 20, 2012.

“Required Series A-3 Incremental Lenders” means, at any time, Series A-3 Incremental Lenders having Series A-3 Incremental Commitments representing at least a majority of the sum of the total Series A-3 Incremental Commitments at such time.

“Series A-3 Incremental Commitment” means, with respect to each Series A-3 Incremental Lender, the commitment of such Lender to make Series A-3 Incremental Loans hereunder. The amount of each Series A-3 Incremental Lender’s Series A-3 Incremental Commitment is on record with the Administrative Agent. The aggregate original amount of the Series A-3 Incremental Commitments is \$100,000,000.

“Series A-3 Incremental Lender” means on the date hereof, the Persons listed on the signature pages hereto under the caption “Series A-3 Incremental Lender”.

“Series A-3 Incremental Loan Effective Date” means the date on which the conditions specified in Article IV are satisfied (or waived by the Required Series A-3 Incremental Lenders in accordance with Section 9.02 of the Credit Agreement).

“Series A-3 Incremental Loans” means the Loans made to the Borrower pursuant to this Agreement which shall constitute a single Series of Incremental Loans under Section 2.01(d) of the Credit Agreement.

“Target Company” means Municipal Corrections Finance L.P., a limited partnership organized under the laws of the State of Delaware.

## ARTICLE II

### SERIES A-3 INCREMENTAL LOANS

Section 2.01. Series A-3 Incremental Commitments. Subject to the terms and conditions set forth herein and in the Credit Agreement, each Series A-3 Incremental Lender agrees to make Series A-3 Incremental Loans to the Borrower, in an aggregate principal amount equal to such Series A-3 Incremental Lender’s Series A-3 Incremental Commitment. Upon the consummation of the Acquisition and transactions contemplated thereby in all material respects in accordance with the Purchase Agreement and applicable law, at least \$92,000,000 of the proceeds of the Series A-3 Incremental Loans shall be used to pay the Acquisition consideration, to redeem all of the outstanding bonds issued under the Indenture and to pay fees, commissions, costs and expenses related to the foregoing, and the remainder of the proceeds of the Series A-3 Incremental Loans shall be used to repay the outstanding Revolving Credit Loans (without reduction of the Revolving Credit Commitments).

Section 2.02. Termination of Series A-3 Incremental Commitments. Unless previously terminated, the Series A-3 Incremental Commitments shall terminate after the borrowing of the Series A-3 Incremental Loans on the Series A-3 Incremental Loan Effective Date.

Section 2.03. Repayment of Series A-3 Incremental Loans. All Series A-3 Incremental Loans shall be due and payable on the Term Loan Maturity Date with respect to Tranche A Term Loans.

Section 2.04. Applicable Rate. The “Applicable Rate” means, in the case of any Type of Series A-3 Incremental Loans, applicable rate per annum set forth below, based upon the Total Leverage Ratio as of the most recent determination date:

<u>Category</u>	<u>Total Leverage Ratio</u>	<u>ABR Applicable Rate</u>	<u>Eurodollar Applicable Rate</u>	<u>Commitment Fee Rate</u>
1	>4.25 to 1.00	2.00%	3.00%	0.500%
2	>3.75 to 1.00 and ≤4.25 to 1.00	1.75%	2.75%	0.500%
3	>3.25 to 1.00 and ≤3.75 to 1.00	1.50%	2.50%	0.500%
4	>2.50 to 1.00 and ≤3.25 to 1.00	1.25%	2.25%	0.500%
5	≤2.50 to 1.00	1.00%	2.00%	0.375%

For purposes of the foregoing, (i) the Total Leverage Ratio shall be the same Category as applicable to the Tranche A Term Loans as of the Series A-3 Incremental Loan Effective Date, and shall thereafter be determined as of the end of each fiscal quarter of the Borrower (starting with its fiscal quarter ending nearest to September 30, 2012) based upon the Borrower’s consolidated financial statements delivered pursuant to Section 5.01(a) or (b) of the Credit Agreement and (ii) each change in the Applicable Rate resulting from a change in the Total Leverage Ratio shall be effective on the date 10 Business Days after delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change; provided that the Total Leverage Ratio shall be deemed to be in Category 1 (A) at any time that an Event of Default has occurred and is continuing and (B) if the Borrower fails to deliver the consolidated financial statements required to be delivered by it pursuant to Section 5.01(a) or (b) of the Credit Agreement, during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.12(f) of the Credit Agreement.

Section 2.05. Status of Agreement. Series A-3 Incremental Commitments of each Series A-3 Incremental Lender constitute Incremental Loan Commitments and each Series A-3 Incremental Lender constitutes an Incremental Lender, in each case under and for all purposes of the Credit Agreement. The Series A-3 Incremental Loans constitute a single "Series" of Incremental Loans under Section 2.01(d) of the Credit Agreement.

#### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES; NO DEFAULTS

Borrower represents and warrants to the Administrative Agent and the Lenders as to itself and each of its Restricted Subsidiaries that, after giving effect to the provisions hereof, (i) each of the representations and warranties set forth in the Credit Agreement and the other Loan Documents is true and correct on and as of the date hereof as if made on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty is true and correct as of such specific date) and as if each reference therein to the Credit Agreement or Loan Documents included reference to this Agreement and (ii) no Default has occurred and is continuing. All references herein to "the date hereof" mean references to the date of the Credit Agreement.

#### ARTICLE IV

#### CONDITIONS

The obligation of each Series A-3 Incremental Lender to fund its Series A-3 Incremental Commitment is subject to the conditions precedent that each of the following conditions shall have been satisfied (or waived by the Required Series A-3 Incremental Lenders) on or prior to August 30, 2012:

(a) Acquisition. The Acquisition shall have been approved by the Board of Directors of the Borrower and the General Partner of the Target Company and shall otherwise be regarded as a "friendly" acquisition.

(b) Additional Subsidiaries. Evidence that requirements of Section 5.09(a) of the Credit Agreement with respect to additional Subsidiaries have been satisfied.

(c) Opinions, Corporate Documentation. The Administrative Agent shall have received such legal opinions, corporate documentation, certificates and similar documents as shall be customary for a transaction of this type.

(d) Fees and Expenses. Evidence that all fees and expenses have been paid in full on or prior to the Closing Date to the Administrative Agent, BNP Paribas Securities Corp. and the Lenders as the Borrower has agreed to pay in connection with the increase of Series A-3 Incremental Commitments.

(e) Ratings. The Borrower's senior secured debt shall continue to be rated by Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc. and Moody's Investors Service, Inc.

(f) No Default. No Default or Event of Default under the Credit Agreement shall have occurred and be continuing at the time of the increase of Series A-3 Incremental Commitments after giving effect to the Acquisition.

(g) Representations and Warranties. The representations and warranties of the Borrower set forth in the Credit Agreement shall be true and correct as of such time (or, to the extent any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date), provided that neither the Borrower nor any Guarantor shall be required to make any such representation or warranty that is inaccurate (and the accuracy of any such representation or warranty shall not constitute a condition precedent if both (a) the Borrower shall have notified the Administrative Agent at least three Business Days prior to the consummation of the Acquisition of which such representation or warranty it cannot make, and describing the inaccuracy in reasonable detail, and (b) such inaccuracy is not materially adverse with respect to (i) the properties, business, operations, or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower or any Guarantors to perform its payment and other material obligations under the Loan Documents or (iii) the validity or enforceability of any Loan Document or the rights and remedies of the Lenders thereunder).

(h) Counterparts of Agreement. The Administrative Agent (or Special Counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(i) Notes. The Administrative Agent (or Special Counsel) shall have received for each Series A-3 Incremental Lender that shall have requested a promissory note, a duly completed and executed promissory note for such Series A-3 Incremental Lender.

(j) Additional Conditions. Each of the conditions precedent set forth in Sections 2.01(d) and 4.02(a) and (c) (giving effect to paragraph (h) of Article IV hereof) of the Credit Agreement to the increase of Series A-3 Incremental Commitments and the making of Series A-3 Incremental Loans on the Series A-3 Incremental Loan Effective Date shall have been satisfied, and the Administrative Agent (or Special Counsel) shall have received a certificate to such effect, dated the Series A-3 Incremental Loan Effective Date and signed by the President, Vice President or a Financial Officer of the Borrower.

ARTICLE V  
MISCELLANEOUS

SECTION 6.01. Expenses. The Credit Parties jointly and severally agree to pay, or reimburse BNP Paribas Securities Corp. for paying, all reasonable out-of-pocket expenses incurred by BNP Paribas Securities Corp. and its Affiliates, including the reasonable fees, charges and disbursements of Special Counsel, in connection with the syndication of the Series A-3 Incremental Commitments provided for herein and the preparation of this Agreement.

SECTION 6.02. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when this Agreement shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 6.03. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

SECTION 6.04. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 6.05. USA Patriot Act. Each Series A-3 Incremental Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), such Series A-3 Incremental Lender may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Series A-3 Incremental Lender to identify the Borrower in accordance with said Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

THE GEO GROUP, INC.

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: Sr. VP & CFO

Series A-3 Incremental Loan Agreement

GUARANTORS

By its signature below, the undersigned hereby consents to the foregoing Series A-3 Incremental Loan Agreement and confirms that the Series A-3 Incremental Loans shall constitute "Guaranteed Obligations" under and as defined in the Guarantee Agreement and shall be entitled to the benefits of the Guarantee and security provided under Guarantee Agreement.

CORRECTIONAL SERVICES CORPORATION

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & Treasurer

Series A-3 Incremental Loan Agreement



By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP, Finance

Series A-3 Incremental Loan Agreement

CPT LIMITED PARTNER, LLC

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP, Finance

Series A-3 Incremental Loan Agreement

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP, Finance

Series A-3 Incremental Loan Agreement

GEO ACQUISITION II, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP, Finance

Series A-3 Incremental Loan Agreement

GEO CARE, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: Treasurer

Series A-3 Incremental Loan Agreement

GEO HOLDINGS I, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP, Finance

Series A-3 Incremental Loan Agreement

GEO RE HOLDINGS LLC

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: SVP & Treasurer

Series A-3 Incremental Loan Agreement

GEO TRANSPORT, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & Treasurer

Series A-3 Incremental Loan Agreement



By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP and Treasurer

Series A-3 Incremental Loan Agreement

PUBLIC PROPERTIES DEVELOPMENT AND LEASING  
LLC

By: /s/ Brian R. Evans  
Name: Brian R. Evans  
Title: VP, Finance

Series A-3 Incremental Loan Agreement

CORNELL COMPANIES, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Series A-3 Incremental Loan Agreement

CCG I CORPORATION

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Series A-3 Incremental Loan Agreement

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Series A-3 Incremental Loan Agreement

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Series A-3 Incremental Loan Agreement

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Title: VP & CFO

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Series A-3 Incremental Loan Agreement



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Title: VP & CFO

Series A-3 Incremental Loan Agreement

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Series A-3 Incremental Loan Agreement

WBP LEASING, INC.

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Series A-3 Incremental Loan Agreement

WBP LEASING, LLC

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP & CFO

Series A-3 Incremental Loan Agreement

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Series A-3 Incremental Loan Agreement

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Series A-3 Incremental Loan Agreement



By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Series A-3 Incremental Loan Agreement

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Series A-3 Incremental Loan Agreement

B.I. INCORPORATED

By: /s/ Brian R. Evans

Name: Brian R. Evans

Title: VP Finance

Series A-3 Incremental Loan Agreement

ADMINISTRATIVE AGENT

BNP PARIBAS,  
as Administrative Agent

By: /s/ James Goodall

Name: James Goodall  
Title: Managing Director

By: /s/ Brendan Heneghan

Name: Brendan Heneghan  
Title: Vice President

Series A-3 Incremental Loan Agreement

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\* Confidential terms omitted and provided separately to the Securities and Exchange Commission.

Series A-3 Incremental Loan Agreement



One Park Place, Suite 700 n 621 Northwest 53<sup>rd</sup> Street n Boca Raton, Florida 33487 n www.thegeogroupinc.com

NEWS RELEASE

## **THE GEO GROUP CLOSES ACQUISITION OF 100% INTEREST IN MUNICIPAL CORRECTIONS FINANCE, L.P. FOR \$27 MILLION**

- **Purchase Gives GEO Full Ownership Interest In 11 Correctional Properties, Representing 10,000 Beds, Previously Leased And Operated By GEO**
- **Transaction Saves GEO \$155 Million In Future Net Cash Payments And Will Be Accretive After 2012**

**Boca Raton, Fla. – September 5, 2012 — The GEO Group (NYSE: GEO)** (“GEO”) announced today that it has completed the previously announced acquisition of 100% of the partnership interests in Municipal Corrections Finance, L.P. (“MCF”) for approximately \$27 million. In connection with the acquisition, GEO redeemed the MCF bonds for approximately \$67.0 million, net of bond cash reserves and inclusive of a make whole premium of approximately \$15.0 million. The MCF bonds had a cash coupon rate of 8.47 percent and a net effective interest carrying cost of approximately 5.5 percent. The transaction gives GEO full ownership interest in 11 correctional properties, representing 10,000 beds, which were leased and operated by GEO and will save GEO approximately \$155.0 million in future net cash payments, becoming accretive to earnings after 2012.

GEO financed the acquisition of the partnership interests in MCF and the redemption of the MCF bonds with a new \$100.0 million, three-year term loan under its Senior Credit Facility. The new term loan bears interest at the same rate of GEO’s existing revolver line of credit at LIBOR plus 2.75 percent. In connection with this transaction, GEO also amended its Senior Credit Facility to increase its initial restricted payment basket to \$50.0 million and increase the senior secured leverage ratio test to access the net income-based restricted payment basket from 2.5x to 2.75x.

MCF is a consolidated variable interest entity, which GEO assumed in August 2010 as a result of GEO’s acquisition of Cornell Companies, Inc. MCF was created in August 2001 as a special limited partnership to acquire eleven facilities which MCF leased back to GEO under a 20-year Master Lease Agreement (the “Lease”).

George C. Zoley, Chairman and CEO, said, “The strategic purchase of 100% of the partnership interests in MCF will significantly increase our cash flows by approximately \$155 million over the life of the Lease, substantially enhancing our ability to execute on our recently announced shareholder value creation initiatives and our continued growth strategy.”

—More—

The GEO Group, Inc. is the world's leading diversified provider of correctional, detention, and residential treatment services to federal, state, and local government agencies around the globe. GEO's worldwide operations include 20,000 employees, 108 correctional, detention and residential treatment facilities, including projects under development, and 75,000 owned and/or managed beds. GEO offers a turnkey approach that includes design, construction, financing, and operations. GEO represents government clients in the United States, Australia, South Africa, and the United Kingdom.

*This press release contains forward-looking statements regarding future events and future performance of GEO that involve risks and uncertainties that could materially affect actual results, including statements regarding estimated earnings, revenues and costs and our ability to maintain growth and strengthen contract relationships. Factors that could cause actual results to vary from current expectations and forward-looking statements contained in this press release include, but are not limited to: (1) GEO's ability to successfully pursue further growth and continue to enhance shareholder value; (2) GEO's ability to access the capital markets in the future on satisfactory terms or at all; (3) risks associated with GEO's ability to control operating costs associated with contract start-ups; (4) GEO's ability to timely open facilities as planned, profitably manage such facilities and successfully integrate such facilities into GEO's operations without substantial costs; (5) GEO's ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (6) GEO's ability to obtain future financing on acceptable terms; (7) GEO's ability to sustain company-wide occupancy rates at its facilities; and (8) other factors contained in GEO's Securities and Exchange Commission filings, including the forms 10-K, 10-Q and 8-K reports.*

**-End-**