

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):  
September 12, 2000 (September 11, 2000)

Prison Realty Trust, Inc.

-----  
(Exact name of registrant as specified in its charter)

Maryland

0-25245

62-1763875

-----  
(State or other jurisdiction  
of incorporation)

(Commission File Number)

(I.R.S. Employer  
Identification No.)

10 Burton Hills Boulevard, Suite 100, Nashville, Tennessee 37215

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(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (615) 263-0200

Not Applicable

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(Former name or former address, if changed since last report)

## ITEM 5. OTHER EVENTS.

## PURCHASE OF SHARES OF CCA HELD BY SODEXHO.

On September 11, 2000, Prison Realty Trust, Inc., a Maryland corporation ("Prison Realty"), agreed to purchase the shares of common stock of Corrections Corporation of America, a Tennessee corporation and Prison Realty's primary tenant ("CCA"), held by Sodexho Alliance, S.A. ("Sodexho"), the holder of 16.9% of CCA's outstanding capital stock, for non-cash consideration consisting of shares of Prison Realty common stock valued at \$8.0 million. Pursuant to the terms of a Stock Purchase Agreement, dated September 11, 2000, between Prison Realty and Sodexho (the "Stock Purchase Agreement"), Prison Realty will purchase the shares from Sodexho immediately prior to the proposed merger of CCA with and into a wholly owned subsidiary of Prison Realty. The number of shares of Prison Realty common stock to be issued and delivered to Sodexho as consideration for the purchase of the CCA shares will be determined by dividing \$8.0 million by the lesser of: (i) \$3.4375, the closing price of shares of Prison Realty common stock on the New York Stock Exchange (the "NYSE") on Friday, June 23, 2000; (ii) the average closing price of Prison Realty common stock on the NYSE over the five trading days ending two trading days prior to the closing of the merger; (iii) the conversion price of any of Prison Realty's secured or unsecured indebtedness existing prior to the merger; and (iv) the exercise price of any equity securities issued by Prison Realty prior to the merger in satisfaction of its existing contractual obligations. It is a condition to Prison Realty's obligations under the Stock Purchase Agreement that Sodexho vote the shares of Prison Realty common stock currently held by it in favor of the merger and the other proposals being presented to Prison Realty's common stockholders at the special meeting of such stockholders scheduled for September 12, 2000 and that Sodexho vote the shares of CCA common stock held by it in favor of the merger at the special meeting of CCA's shareholders scheduled for September 12, 2000. Jean-Pierre Cuny, a representative of Sodexho, will continue to serve as a director of Prison Realty as the result of Sodexho's existing contractual right to have a representative on the Prison Realty board.

Additional terms of Prison Realty's purchase of the CCA common stock held by Sodexho can be found in the Stock Purchase Agreement which is filed herewith as Exhibit 10.1 and incorporated herein in its entirety by this reference. Under the provisions of a memorandum of understanding entered into by Prison Realty with respect to the settlement of outstanding stockholder litigation against Prison Realty and certain of its current and former directors and executive officers, it is expected that Prison Realty will be required to issue additional shares of its common stock valued at \$1.75 million to the plaintiffs as the result of Prison Realty's purchase of the CCA common stock from Sodexho in such litigation, assuming that a settlement of such litigation is consummated.

Pending receipt of requisite stockholder approval, it is expected that Prison Realty and CCA will complete the merger of the companies on or before September 30, 2000. Prison Realty has recently obtained a waiver under its existing bank indebtedness to extend the required merger date from September 15, 2000 to September 30, 2000 in order to address, among other things, certain accounting issues related to completing the merger during the middle of an accounting period. As previously disclosed, it is also currently anticipated that Prison Realty will merge with its two

affiliated service companies, Prison Management Services, Inc. ("PMSI") and Juvenile and Jail Facility Management Services, Inc. ("JJFMSI") following Prison Realty's merger with CCA and obtaining any required regulatory approvals.

#### SALE OF INTEREST IN INTERNATIONAL SUBSIDIARIES.

As a part of the companies' proposed restructuring and consistent with the requirements of previously existing contractual arrangements, JJFMSI and its wholly owned subsidiary, Corrections Corporation of America (U.K.) Limited, a company incorporated in England and Wales ("CCA UK"), have agreed to sell their 50% ownership interest in two international subsidiaries, Corrections Corporation of Australia Pty. Ltd., an Australian corporation ("CCA Australia"), and U.K. Detention Services Limited, a company incorporated in England and Wales ("UKDS"), to Sodexo for a cash purchase price of \$6.4 million. Sodexo currently owns the remaining 50% interest in each of CCA Australia and UKDS. Under the terms of a Stock Acquisition Agreement, dated September 11, 2000, by and among JJFMSI, CCA UK, Prison Realty, CCA, PMSI and Sodexo (the "Stock Acquisition Agreement"), JJFMSI and CCA UK agreed to sell the shares of CCA Australia and UKDS to Sodexo, contingent on, among other things, the parties obtaining the requisite consents of the appropriate authorities in Australia and the UK for the transfer of the interests. Additional terms of Sodexo's purchase of JJFMSI's and CCA UK's interests in CCA Australia and UKDS can be found in the Stock Acquisition Agreement which is filed herewith as Exhibit 10.2 and incorporated herein in its entirety by this reference. The companies believe that the sale of the interests in the international subsidiaries is consistent with the proposed restructuring and that the purchase price to be paid by Sodexo reflects fair value for those interests.

In connection with the sale of JJFMSI's and CCA UK's interest in CCA Australia and UKDS to Sodexo, Sodexo granted JJFMSI an option to repurchase a 25% interest in each entity at any time prior to September 11, 2002 (i.e., 24 months from the date of the agreement), assuming the stock purchases contemplated by the Stock Acquisition Agreement are completed. Under the terms of an Option Agreement, dated September 11, 2000, by and between JJFMSI and Sodexo (the "Option Agreement"), JJFMSI has the right to repurchase a 25% interest in each entity for aggregate cash consideration of \$4.0 million if such option is exercised on or before February 11, 2001 (i.e., 18 months from the date of the Option Agreement), and for aggregate cash consideration of \$4.2 million if such option is exercised after February 11, 2001 but prior to September 11, 2001. The full text of the Option Agreement is filed herewith as Exhibit 10.3 and incorporated herein in its entirety by this reference.

#### FORWARD LOOKING STATEMENTS.

This Form 8-K contains forward-looking statements within the meaning of Section 27(a) of the Securities Act of 1933, as amended, and Section 21(e) of the Securities Exchange Act of 1934, as amended. Actual results could differ materially from those as set forth in the forward-looking statements.

## ITEM 7(C). EXHIBITS.

The following exhibit is filed as part of this Current Report:

Exhibit Number -----	Description of Exhibits -----
10.1	Stock Purchase Agreement, dated September 11, 2000, by and between Prison Realty and Sodexo.
10.2	Stock Acquisition Agreement, dated September 11, 2000, by and among Prison Realty, CCA, PMSI, JJFMSI, CCA UK and Sodexo (certain schedules and exhibits to this document are omitted from this filing, and Prison Realty agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Commission upon request).
10.3	Option Agreement, dated September 11, 2000, by and between JJFMSI and Sodexo.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the undersigned Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 12, 2000

PRISON REALTY TRUST, INC.

By: /s/ John D. Ferguson

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Its: Chief Executive Officer, President and  
Chief Financial Officer  
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## EXHIBIT INDEX

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10.1	Stock Purchase Agreement, dated September 11, 2000, by and between Prison Realty Trust, Inc. ("Prison Realty") and Sodexho Alliance, S.A. ("Sodexho").
10.2	Stock Acquisition Agreement, dated September 11, 2000, by and among Prison Realty, Corrections Corporation of America, Prison Management Services, Inc., Juvenile and Jail Facility Management Services, Inc. ("JJFMSI"), Corrections Corporation of America (U.K.) Limited and Sodexho (certain schedules and exhibits to this document are omitted from this filing, and Prison Realty agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Commission upon request).
10.3	Option Agreement, dated September 11, 2000, by and between JJFMSI and Sodexho.

## STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement"), dated as of September 11, 2000, is made by and among Prison Realty Trust, Inc., a Maryland corporation formerly known as Prison Realty Corporation ("Prison Realty"), and Sodexho Alliance, S.A., a French societe anonyme ("Sodexho"). (Sodexho is sometimes referred to herein as the "Seller").

## WITNESSETH:

WHEREAS, Sodexho owns 1,749,532 shares of the common stock of Corrections Corporation of America, a Tennessee corporation formerly known as Correctional Management Services Corporation ("CCA"), \$0.01 par value per share (the "CCA Common Stock"), representing approximately 16.0% of CCA's issued and outstanding capital stock, on a fully-diluted basis (the "Shares");

WHEREAS, pursuant to the terms of CCA's charter, CCA shall not be merged with or sold to another entity without the prior consent of the holders of 80.0% of CCA's capital stock;

WHEREAS, in connection with the restructuring of Prison Realty (the "Restructuring"), Prison Realty, CCA Acquisition Sub, Inc., a Tennessee corporation and wholly-owned subsidiary of Prison Realty ("CCA Acquisition Sub"), and CCA have entered into an Agreement and Plan of Merger, dated as of June 30, 2000 (the "Merger Agreement"), to effect the merger of CCA with and into CCA Acquisition Sub (the "Merger");

WHEREAS, immediately prior to the consummation of the Merger, Prison Realty desires to purchase, and Sodexho desires to sell, all of the Shares for the non-cash consideration comprised of securities of Prison Realty as set forth herein;

WHEREAS, Prison Realty and Sodexho are entering into this Agreement to provide for the purchase and sale of the Shares and to establish various rights and obligations in connection therewith and in connection with such other transactions contemplated hereby; and

WHEREAS, the Restructuring, including the Merger and the transactions contemplated by this Agreement, is intended to serve as an alternative to agreements previously entered into by the parties hereto with respect to a restructuring of Prison Realty, including, but not limited to, (i) the Agreement and Plan of Merger dated December 26, 1999 by and among Prison Realty and certain of its wholly-owned subsidiaries, including CCA Acquisition Sub, and CCA, Prison Management Services, Inc., a Tennessee corporation ("PMSI"), and Juvenile and Jail Facility Management Services, Inc., a Tennessee corporation ("JJFMSI") (Prison Realty, CCA, PMSI and JJFMSI known, collectively, as the "Companies"), (ii) those certain Securities Purchase Agreements dated December 26, 1999 and April 5, 2000 (as executed on April 16, 2000), respectively, by and among the Companies, on the one hand, and affiliates of the Fortress Investment Group LLC and The Blackstone Group, LLC, and Pacific Life Insurance Company, on the other hand, respectively, and

(iii) that certain Stock Purchase Agreement dated December 21, 1999 by and among Prison Realty, CCA, Baron Asset Fund, a Massachusetts business trust ("Baron"), and Sodexho.

NOW, THEREFORE, in consideration of the foregoing and of the representations, warranties, conditions, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. PURCHASE AND SALE OF THE SHARES AND SODEXHO VOTE.

1.1 PURCHASE AND SALE OF SHARES. Subject to the terms and conditions of this Agreement and on the basis of the representations and warranties set forth herein, Sodexho agrees to sell to Prison Realty, and Prison Realty agrees to purchase from Sodexho, all of the Shares, totaling 1,749,532 shares of CCA Common Stock, for the purchase prices and consideration set forth in Section 1.2 hereof.

1.2 PURCHASE PRICE AND CONSIDERATION FOR THE SHARES. Subject to the terms and conditions set forth in this Agreement, in consideration for the sale and delivery of the Shares by Sodexho, Prison Realty will issue and deliver to Sodexho at the Closing, as defined herein, shares of its voting common stock, \$0.01 par value per share ("Prison Realty Common Stock"), with an aggregate value of eight million dollars (U.S.) (\$8,000,000), as calculated below (the Prison Realty Common Stock to be issued and delivered to Sodexho as consideration for the Shares known as the "Purchase Price").

The number of shares of Prison Realty Common Stock to be issued and delivered to Sodexho as the Purchase Price shall be determined by dividing \$8,000,000 (U.S.) by the lesser of (i) \$3.4375 (U.S.), the closing price of shares of Prison Realty Common Stock on the New York Stock Exchange (the "NYSE") on Friday, June 23, 2000, (ii) the average closing price of Prison Realty Common Stock on the NYSE over the five trading days ending two trading days prior to the closing of the Merger, (iii) the conversion price of any of Prison Realty's secured or unsecured indebtedness existing prior to the Merger, and (iv) the exercise price of any equity securities issued by Prison Realty prior to the Merger in satisfaction of its existing contractual obligations.

The number of shares of Prison Realty Common Stock to be issued and delivered to Sodexho pursuant to the foregoing formula is identical to the consideration payable, directly or indirectly, to Baron in connection with Prison Realty's purchase of the shares of CCA Common Stock held by Baron or otherwise in connection with the purchase of the shares or the completion of the Merger, except for warrants to purchase up to \$3,000,000 in shares of Prison Realty Common Stock to be issued to Baron as consideration for its consent to the Merger, with such warrants having such valuation formula as (i) set forth in the Stock Purchase Agreement by and between Baron and Prison Realty dated June 30, 2000 and (ii) described in the joint proxy statement/prospectus of Prison Realty and CCA, dated August 4, 2000, which is a part of Prison Realty's Registration Statement on Form S-4 (Reg. no. 333-41778) filed with the Securities and Exchange Commission on July 19,



2000, as supplemented on September 5, 2000. Except for the foregoing, there are no other agreements or understandings between Prison Realty and Baron with respect to these matters.

1.3 MERGER VOTES. Subject to the terms and conditions set forth in this Agreement, in consideration for the purchase of the Shares by Prison Realty, Sodexho agrees to vote, or cause to be voted, all of the Shares in favor of the Merger and the related transactions to be approved by the shareholders of CCA in connection therewith and agrees to vote, or cause to be voted, any shares of Prison Realty Common Stock owned by Sodexho in favor of the actions recommended by the Board of Directors of Prison Realty for approval by Prison Realty's stockholders at a special meeting of the stockholders of Prison Realty to be held in connection with the Restructuring.

1.4 EFFECT ON CERTAIN EXISTING AGREEMENTS. Subject to the terms and conditions set forth herein, the parties hereto acknowledge and agree (and the parties have received a letter from CCA pursuant to which CCA acknowledges and agrees) that this agreement supercedes the Purchase-Related Agreements (as herein defined) with respect to the parties' rights, duties and obligations thereunder and the Purchase-Related Agreements shall each, at the time of the Closing and thereafter, be considered null and void and of no further force or effect with respect to the parties, and the rights and obligations contained in each such document shall no longer be binding upon the parties hereto. For purposes hereof, "Purchase-Related Agreements" means all agreements entered into by and among the parties hereto in connection with the purchase by Sodexho and Baron of the Shares from CCA, including without limitation (i) the Stock Purchase Agreement, dated December 28, 1998, by and among CCA, Sodexho and Baron, (ii) the Registration Rights Agreement, dated December 30, 1998, by and among CCA, Sodexho and Baron, (iii) the Shareholders' Agreement, dated December 30, 1998, among Baron, Sodexho and CCA, and (iv), except for provisions regarding the right of Sodexho to have a representative serve on the board of directors of Prison Realty, the Agreement in Principle, among Sodexho, CCA Prison Realty Trust, a Maryland real estate investment trust ("Old Prison Realty"), the former Corrections Corporation of America (a predecessor in interest to Prison Realty) ("Old CCA") and CCA. Prison Realty hereby confirms that Sodexho shall be entitled to have a representative serve on the board of directors of Prison Realty as previously agreed to by the parties.

1.5 CLOSING. The closing of the purchase by Prison Realty of the Shares (the "Closing") shall take place at a time to be mutually agreed upon by the parties, at the offices of Stokes Bartholomew Evans & Petree, P.A. in Nashville, Tennessee or at such other place as the parties shall mutually agree; provided, however, that the Closing shall take place prior to the closing of the Merger.

At the Closing, Sodexho shall deliver to Prison Realty a certificate or certificates, registered in Sodexho's name, representing the Shares being acquired by Prison Realty pursuant to this Agreement, accompanied by a blank stock power relating thereto, against payment of the Purchase Price. At the Closing, Prison Realty shall deliver to Sodexho a certificate or certificates, registered in Sodexho's name, representing the shares of Prison Realty Common Stock being issued to Sodexho as the Purchase Price pursuant to the terms of this Agreement.

1.6 TERMINATION. This Agreement may be terminated by any of the parties hereto if the purchase and sale of the Shares shall not have been consummated on or before October 31, 2000, unless the failure to consummate the purchase and sale of the Shares is the result of a material breach of this Agreement by the party seeking to terminate this Agreement. Upon termination of this Agreement pursuant to this Section 1.6, this Agreement shall forthwith become void and shall have no effect, and the obligations of the parties hereto with respect to the matters set forth herein shall terminate.

2. REPRESENTATIONS AND WARRANTIES OF SODEXHO. Sodexho hereby represents and warrants to Prison Realty as of the date hereof as follows:

2.1 ORGANIZATION. Sodexho represents and warrants that it is a societe anonyme duly organized, validly existing and in good standing under the laws of France.

2.2 DUE AUTHORIZATION. Sodexho has all right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Sodexho and the consummation by Sodexho of the transactions contemplated hereby have been duly authorized by all necessary action on behalf of Sodexho. This Agreement has been duly executed and delivered by Sodexho and constitutes a valid and binding agreement of Sodexho enforceable in accordance with its terms, except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

2.3 OWNERSHIP OF SHARES. (i) Sodexho is the beneficial owner of the number of Shares set forth in Section 1.1 hereof, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges or encumbrances of any kind; (ii) except for the Shares, Sodexho does not own any other capital stock, equity interest or debt instrument issued by CCA, nor does it own any right, option or warrant to acquire any of the foregoing; (iii) Sodexho has the full right, power, authority and capacity to sell and transfer the Shares owned by it; and (iv) by virtue of the transfer of the Shares owned by Sodexho to Prison Realty at the Closing, Prison Realty will obtain full title to such Shares, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges or encumbrances of any kind. As of the date of the Closing, Sodexho represents that it has no claims of any kind against Prison Realty or CCA with respect to the Shares, or the sale thereof.

2.4 CONFLICTING AGREEMENTS AND OTHER MATTERS. Neither the execution and delivery of this Agreement nor the performance by Sodexho of its obligations hereunder will conflict with, result in a breach of the terms, conditions or provisions of, constitute a default under, result in the creation of any mortgage, security interest, encumbrance, lien or charge of any kind upon any of the properties or assets of Sodexho pursuant to, or require any consent, approval or other action by or any notice to or filing with any court or administrative or governmental body pursuant to, the

organizational documents or agreements of Sodexho or any agreement, instrument, order, judgment, decree, statute, law, rule or regulation by which Sodexho is bound.

2.5 BROKERAGE. There are no claims for brokerage commissions or finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement made by or on behalf of Sodexho.

2.6 OFFERING OF SHARES. Neither Sodexho nor any Person, as defined hereafter, acting on the behalf of it has offered the Shares for sale to, solicited any offers to buy the Shares from or otherwise approached or negotiated with respect to the CCA Common Stock with any Person other than Prison Realty. Neither Sodexho nor any Person acting on the behalf of it has taken or will take any action (including, without limitation, any offering of any securities of CCA under circumstances which would require the integration of such offering with the offering of the Shares under the Securities Act of 1933, as amended (the "Act") and the rules and regulations of the U.S. Securities and Exchange Commission (the "Commission") thereunder) which might subject the sale of the Shares to the registration requirements of Section 5 of the Act.

2.7 ACTIONS PENDING; COMPLIANCE WITH LAW. (a) There is no action, suit, investigation, proceeding, claim or penalty pending or, to the knowledge of Sodexho threatened by any public official or governmental authority or agency, against Sodexho or any of its respective properties or assets by or before any court, arbitrator or governmental body, department, commission, board, bureau, agency or instrumentality, which questions the validity of this Agreement or the Shares or any action taken or to be taken pursuant hereto or thereto or which is reasonably likely to result in any material adverse change in the business, prospects or financial condition of Sodexho, (b) Sodexho is not in default in any material respect with respect to any judgment, order, writ, injunction, decree or award; and (c) the business of Sodexho is in compliance with applicable Federal, state and local laws and regulations, as well as all applicable laws and regulations of any applicable foreign governmental agency or authority, all to the extent necessary to avoid any material adverse effect on the business, properties or condition (financial or other) of Sodexho taken as a whole.

3. REPRESENTATIONS AND WARRANTIES OF PRISON REALTY. Prison Realty hereby represents and warrants to Sodexho as of the date hereof as follows:

3.1 ORGANIZATION. Prison Realty is a corporation duly organized and existing in good standing under the laws of the State of Maryland and has the power to own its respective property and to carry on its respective business as now being conducted.

3.2 DUE AUTHORIZATION.

(A) The execution and delivery of this Agreement by Prison Realty and compliance by Prison Realty with all the provisions of this Agreement: (i) are within the corporate power and authority of Prison Realty; and (ii) have been authorized by all requisite corporate

proceedings on the part of Prison Realty. This Agreement has been duly executed and delivered by Prison Realty and constitutes the valid and binding agreement of Prison Realty enforceable in accordance with its terms, except that (a) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors rights, and (b) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(B) The issuance of the Prison Realty Common Stock to be issued pursuant to the terms of this Agreement has been duly authorized by Prison Realty, and the shares of Prison Realty Common Stock to be issued pursuant to the terms of this Agreement have been reserved for issuance and, when issued and delivered in accordance with this Agreement, will be validly issued, fully paid and nonassessable and listed for trading on the NYSE or such other exchange as Prison Realty Common Stock may be traded. There are no preemptive rights or other rights to subscribe for or purchase securities existing with respect to the issuance of the Prison Realty Common Stock by Prison Realty pursuant hereto.

(C) Prison Realty shall: (i) at the Closing, have filed with the Commission a registration statement which shall have been declared effective by the Commission with respect to the issuance of the Prison Realty Common Stock at Closing; or, in the alternative, (ii) have filed, within 15 days following the Closing, a registration statement which is subsequently declared effective by the Commission within 60 days following the filing of such registration statement with the Commission.

3.3 CONFLICTING AGREEMENTS AND CHARTER PROVISIONS. Neither the execution and delivery of this Agreement and the purchase of the Shares or the issuance and delivery of the Prison Realty Common Stock as consideration therefore, nor fulfillment of nor compliance with the terms and provisions hereof or thereof, will conflict with or result in a breach of the terms, conditions or provisions of, or give rise to a right of termination under, or constitute a default under, or result in any violation of, the Charter or Bylaws of Prison Realty or any mortgage, agreement, security, instrument, order, judgment, decree, statute, law, rule or regulation to which Prison Realty or any of its property is subject.

3.4 BROKERS OR FINDERS. No agent, broker, investment banker or other firm or Person, is or will be entitled to any broker's fee or any other commission or similar fee from Prison Realty in connection with any of the transactions contemplated by this Agreement. As used herein, "Person" shall mean any individual, partnership, joint venture, corporation, trust, unincorporated organization, government or department or agency of a government.

3.5 FULL DISCLOSURE. Neither the representations appearing in Section 3 of this Agreement, nor any schedule, exhibit, list, certificate or other instrument and document furnished or to be furnished by Prison Realty to Sodexo pursuant to this Agreement contains any untrue

statement of a material fact or omits to state any material fact required to be stated herein or therein or necessary to make the statements and information contained herein or therein not misleading.

4. CONDITIONS TO THE OBLIGATIONS OF EACH OF PRISON REALTY AND SODEXHO. The obligations of the parties to consummate the transactions contemplated hereunder shall be contingent upon the satisfaction of the conditions contained in this Section 4. If any of these conditions is not satisfied, or waived by the appropriate party, no party hereto shall have any obligation to perform any of its obligations under this Agreement, and this Agreement shall be void and of no further force and effect.

4.1 Those conditions precedent set forth in Sections 6.01, 6.02, and 6.03 of the Merger Agreement.

4.2 The approval of the Merger and the transactions contemplated hereby by Lehman Commercial Paper Inc. ("Lehman"), the administrative agent of the Company's \$1.0 billion senior secured credit facility, as required by the terms of the Amended and Restated Credit Agreement dated August 4, 1999 by and among the Company as Borrower, certain of its subsidiaries as Guarantors, those parties identified as the Lenders thereunder, Lehman as Administrative Agent, Societe Generale as Documentation Agent, The Bank of Nova Scotia as Syndication Agent, and Southtrust Bank (formerly known as Southtrust Bank, N.A.) as Co-Agent, as amended by the terms of that certain Waiver and Amendment, dated June 9, 2000.

4.3 The waiting period applicable to the purchase of the Shares under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired or been terminated.

5. CONDITIONS TO THE OBLIGATIONS OF PRISON REALTY. The obligation of Prison Realty to purchase the Shares at the Closing is, at its option, subject to the satisfaction, on or before such date, of the following conditions:

(A) The representations and warranties of Sodexho contained in Section 2 hereof shall be true and correct on and as of the date of the Closing with the same effect as though such representations and warranties had been made on and as of such date, and Sodexho shall have certified to such effect to Prison Realty in writing.

(B) Sodexho shall have performed and complied with all agreements and conditions contained herein required to be performed or complied with by it prior to or at the date of the Closing, and Sodexho shall have certified to such effect to Prison Realty in writing.

(C) All corporate and other proceedings to be taken by Sodexho in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in form and substance to Prison Realty and its counsel, and Prison Realty and its counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

(D) Pursuant to Section 1.3 herein, Sodexo shall have voted, or caused to be voted, all of the Shares in favor of the Merger and the related transactions to be approved by the stockholders of CCA in connection therewith and shall have voted, or caused to be voted, all shares of Prison Realty Common Stock owned by it in favor of the matters necessary to complete the Restructuring to be approved by the stockholders of Prison Realty in connection therewith.

6. CONDITIONS TO THE OBLIGATIONS OF SODEXHO. The obligation of Sodexo to sell the Shares being purchased by Prison Realty at the Closing is subject to the satisfaction, on or before such dates, of the following conditions:

(A) The representations and warranties contained in Section 3 hereof shall be true and correct on and as of the date of the Closing with the same effect as though such representations and warranties had been made on and as of such date.

(B) Prison Realty shall have performed and complied with all agreements and conditions contained herein required to be performed or complied with by it prior to or on the date of the Closing.

(C) All corporate and other proceedings to be taken by Prison Realty in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in form and substance to Sodexo and its counsel, and Sodexo and its counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

(D) The shares of Prison Realty Common Stock to be issued as consideration for the purchase of the Shares shall have been approved for listing on the NYSE, subject to official notice of issuance, if applicable.

(E) The Stock Acquisition Agreement by and among Prison Realty; CCA; Juvenile and Jail Facility Management Services Inc., a Tennessee corporation; Corrections Corporation of America (U.K.) Limited, a company incorporated in England and Wales; and Sodexo, shall have been duly executed by the parties thereto.

## 7. MISCELLANEOUS.

7.1 CLAIMS BY SODEXHO. Assuming full compliance by Prison Realty with its obligations under this Agreement, Sodexo, on behalf of itself and each of its successors, assigns, affiliates, agents, officers, directors, employees and representatives, hereby knowingly and voluntarily releases, acquits and forever discharges Prison Realty and its successors, assigns, affiliates, agents, officers, directors, employees and representatives from any and all actions, causes of action, claims, suits, damages, costs, judgments and any and all other liabilities of any, either in law or in equity, which have arisen or may arise as a result of or related to Baron's status as a shareholder of CCA, including, but not limited to, its initial purchase of shares of CCA Common Stock in December

1998, and the payment by Prison Realty of the Baron Consideration in connection with Prison Realty's purchase of shares of CCA Common Stock held by Baron and Baron's consent to the Merger.

7.2 REGISTRATION RIGHTS. In the event the shares issued to Sodexo under the terms of this Agreement are deemed not to be registered for the purposes of resale under the Securities Act of 1933, as amended (the "Act"), Prison Realty shall, upon the request of Sodexo, promptly register all or a portion of such shares for the purposes of resale under the Act pursuant to a registration statement covering such resale filed with, and declared effective by, the Securities and Exchange Commission.

7.3 GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee without giving effect to conflicts of law principles thereof. The English language version of all documents related to the transactions contemplated hereby will govern.

7.4 JURISDICTION; FORUM; SERVICE OF PROCESS; WAIVER OF JURY TRIAL. With respect to any suit, action or proceeding ("Proceeding") arising out of or relating to this Agreement each of Prison Realty and Sodexo hereby irrevocably:

(A) submit to the non-exclusive jurisdiction of the United States District Court for the Middle District of Tennessee or any state court located in the State of Tennessee, County of Davidson and the non-exclusive jurisdiction of the U.S. District Court for the Southern District of New York (collectively, the "Selected Courts") and waive any objection to venue being laid in the Selected Courts whether based on the grounds of FORUM NON CONVENIENS or otherwise;

(B) consent to service of process in any Proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, or by recognized international express carrier or delivery service, to any party hereto at their respective addresses referred to in Section 7.5 hereof; provided, however, that nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; and

(C) waive, to the fullest extent permitted by law, any right they may have to a trial by jury in any Proceeding.

7.5 SUCCESSORS AND ASSIGNS. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors by operation of law and permitted assigns of the parties hereto. No assignment of this Agreement may be made by any party at any time, whether or not by operation of law, without the other parties' prior written consent.

7.6 ENTIRE AGREEMENT; AMENDMENT. This Agreement together with the Exhibits attached hereto constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof. Except as expressly provided herein, neither this Agreement nor any

term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by all parties hereto.

7.7 NOTICES, ETC. All notices and other communications provided for or permitted hereunder shall be made in writing and delivered by hand delivery, facsimile, or any courier guaranteeing overnight delivery to the addresses and/or facsimile numbers listed below. All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when receipt is confirmed, if delivered by facsimile; and on the next business day, if timely delivered to a courier guaranteeing overnight delivery.

if to Prison Realty:

Prison Realty Trust, Inc.  
10 Burton Hills Boulevard, Suite 100  
Nashville, Tennessee 37215  
Attention: John D. Ferguson, Chief Executive Officer and President

with a copy to:

Stokes & Bartholomew, P.A.  
424 Church St., Suite 2800  
Nashville, Tennessee 37219  
Attention: Elizabeth E. Moore, Esq.

if to Sodexho:

Sodexho Alliance, S.A.  
Port de la Bourdonnais  
75007 Paris, FRANCE  
Attention: Jean Pierre Cuny

with a copy to:

Ropes & Gray  
One International Place  
Boston, Massachusetts 02110-2624  
Attention: Howard K. Fuguet, Esq.

or to such other address as any party may, from time to time, designate in a written notice given in a like manner.



7.8 DELAYS OR OMISSIONS. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party hereto upon any breach or default of another party under this Agreement, shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any such party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party shall be cumulative and not alternative.

7.9 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which may be executed by only one of the parties hereto, each of which shall be enforceable against the party actually executing such counterpart, and all of which together shall constitute one instrument.

7.10 SEVERABILITY. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provisions; provided that no such severability shall be effective if it materially changes the economic benefit of this Agreement to any party. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable.

7.11 TITLES AND SUBTITLES. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. The terms "affiliate" and "associate" shall have the meanings ascribed to them in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

7.12 FURTHER ACTIONS; REASONABLE EFFORTS. Upon the terms and subject to the conditions hereof, each of the parties agrees to use its reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, including without limitation (i) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from governmental or regulatory entities and the making of all necessary registrations and filings and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity, (ii) the obtaining of all necessary consents, approvals or waivers from third parties, (iii) the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the transactions contemplated hereby, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity or any restraint vacated or reversed, and (iv) the execution and delivery

of any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of this Agreement.

7.13 ENFORCEMENT OF AGREEMENT. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions and other equitable remedies to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any of the Selected Courts, this being in addition to any other remedy to which they are entitled at law or in equity. Any requirements for the securing or posting of any bond with respect to such remedy are hereby waived by each of the parties hereto.

7.14 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. (a) All representations and warranties contained herein or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement and the purchase, sale and delivery of the Shares, regardless of any investigation made by or on behalf of any party; (b) Sodexo hereby covenants and agrees with Prison Realty that, regardless of any investigation made at any time by or on behalf of Prison Realty or any information Prison Realty may have and, regardless of the Closing hereunder, Sodexo shall indemnify Prison Realty and its respective directors, officers, employees and affiliates, and each of its successors and assigns, and hold it and them harmless from, against and in respect of any and all costs, losses, claims, liabilities, fines, penalties, damages and expenses (including interest which may be imposed in connection therewith, court costs and reasonable fees and disbursements of counsel) incurred by any of them resulting from any misrepresentation, breach of warranty or nonfulfillment of any agreement, covenant or obligation made by Sodexo in this Agreement (including, without limitation, any certificate, document or instrument delivered in connection herewith); and (c) Prison Realty hereby covenants and agrees with Sodexo that, regardless of any investigation made at any time by or on behalf of Sodexo or any information Sodexo may have and, regardless of the Closing hereunder, Prison Realty shall indemnify Sodexo and its respective directors, officers, employees and affiliates, and each of its successors and assigns, and hold it and them harmless from, against and in respect of any and all costs, losses, claims, liabilities, fines, penalties, damages and expenses (including interest which may be imposed in connection therewith, court costs and reasonable fees and disbursements of counsel) incurred by any of them resulting from any misrepresentation, breach of warranty or nonfulfillment of any agreement, covenant or obligation made by Prison Realty in this Agreement (including, without limitation, any certificate, document or instrument delivered in connection herewith).

7.15 EXPENSES. Except as otherwise provided in this Agreement, or in any other agreement referred to in this Agreement, each of the parties shall be responsible for their own expenses relating to the transactions contemplated hereby, except for filing fees previously paid by Prison Realty in connection with the approval of the Merger and the transactions contemplated hereby by the Federal Trade Commission under the Hart-Scott-Rodino Antitrust Improvement Act of 1976.

IN WITNESS WHEREOF, Prison Realty and Sodexo have caused this Agreement to be duly executed and delivered, all as of the day and year first above written.

PRISON REALTY:

PRISON REALTY TRUST, INC.  
A MARYLAND CORPORATION

By: /s/ John D. Ferguson

-----  
Its: President/Chief Executive Officer  
-----

SODEXHO:

SODEXHO ALLIANCE, S.A.  
A FRENCH SOCIETE ANONYME

By: /s/ Jean-Pierre Cuny

-----  
Its: Senior Vice President  
-----

## STOCK ACQUISITION AGREEMENT

THIS STOCK ACQUISITION AGREEMENT (the "Agreement"), dated as of September 11, 2000, is made by and among SODEXHO ALLIANCE, S.A., a French societe anonyme ("Sodexho"); JUVENILE AND JAIL FACILITY MANAGEMENT SERVICES, INC., a Tennessee corporation ("JJFMS") and successor by merger to Juvenile and Jail Facility Services, LLC, a Tennessee limited liability company ("JJFMS LLC"); CORRECTIONS CORPORATION OF AMERICA (U.K.) LIMITED, a company incorporated in England and Wales whose registered number is 2147489 ("CCA UK" and together with JJFMS, "Sellers"); PRISON REALTY TRUST, INC., a Maryland corporation, formerly known as Prison Realty Corporation ("Prison Realty") and successor by merger to Corrections Corporation of America, a Tennessee corporation ("Old CCA"); CORRECTIONS CORPORATION OF AMERICA, a Tennessee corporation formerly known as Correctional Management Services Corporation ("CCA"), and PRISON MANAGEMENT SERVICES, INC., a Tennessee corporation ("PMSI") and successor by merger to Prison Management Services, LLC, a Tennessee limited liability company.

## R E C I T A L S:

A. On December 31, 1998, Old CCA contributed certain assets to JJFMS LLC in consideration for 100% of the non-voting membership interests of JJFMS LLC. The terms and conditions of such exchange were set forth in certain Contribution Agreements dated December 31, 1998 (the "Contribution Agreements"). Included among the assets contributed to JJFMS LLC pursuant to the Contribution Agreements were: (i) 22,500 "C" class shares in the capital of Corrections Corporation of Australia Pty. Ltd. A.C.N. 010 921 641, an Australia corporation ("CCA Australia"), which shares collectively represent fifty percent (50%) of the issued and outstanding shares of CCA Australia (the "CCA Australia Shares"); and (ii) one hundred percent (100%) of the capital stock of CCA UK. The assets of CCA UK included: (i) 5000 "A" Ordinary Shares and 2500 "B" Ordinary Shares in the capital stock of U.K. Detention Services Limited, a company incorporated in England and Wales ("UKDS") whose registered number is 2147491, which shares collectively represent fifty percent (50%) of the issued and outstanding shares of UKDS (collectively, the "UKDS Shares"); and (ii) 50% of the issued and outstanding shares in the capital of Agecroft Prison Management Limited, a company incorporated in England and Wales ("APM").

B. On December 31, 1998, JJFMS LLC was merged with and into JJFMS, with JJFMS being the surviving corporation, pursuant to which the non-voting membership interests of JJFMS LLC were converted into shares of non-voting common stock of JJFMS.

C. On December 31, 1998, Old CCA was merged with and into Prison Realty, with Prison Realty being the surviving corporation. As the result of the merger of Old CCA with Prison Realty, Prison Realty owns one hundred percent (100%) of the non-voting stock of JJFMS. Prison Realty has undertaken a comprehensive restructuring designed to address its current liquidity and capital constraints, simplify its corporate structure and satisfy certain conditions of its recently amended bank credit indebtedness which restructuring contemplates a merger of each of JJFMS, PMSI and CCA with and into wholly-owned subsidiaries of Prison Realty.

D. Sodexho desires to acquire from CCA UK, and CCA UK desires to sell to Sodexho, the UKDS Shares, upon and subject to the terms and conditions contained in this Agreement.

E. Sodexho desires to acquire from JJFMS, and JJFMS desires to sell to Sodexho, the CCA Australia Shares, upon and subject to the terms and conditions contained in his Agreement.

F. In order to facilitate the purchase and sale of the CCA Australia Shares and the UKDS Shares, JJFMS, CCA UK and Sodexho have entered into that certain Escrow Agreement of even date herewith and attached hereto as Exhibit A (the "Escrow Agreement") providing for the delivery and deposit of the Purchase Price, as hereinafter defined, and the certificates representing the CCA Australia Shares and the UKDS Shares with the Escrow Agents set forth therein (the "Escrow Agents"), pending the Closing, as hereinafter defined, of the purchase and sale.

G. In connection with the purchase and sale of the CCA Australia Shares and the UKDS Shares, immediately after such purchase and sale, Sodexho desires to grant to JJFMS and JJFMS desires to accept the grant of: (i) an option to purchase fifty percent (50%) of the UKDS Shares which would represent twenty-five percent (25%) of the aggregate issued and outstanding shares of UKDS (the "UKDS Option Shares"); and (ii) an option to purchase fifty percent (50%) of the CCA Australia Shares which would represent twenty-five percent (25%) of the aggregate issued and outstanding shares of CCA Australia (the "CCA Option Australia Shares" and, collectively with the UKDS Option Shares, the "Option Shares"), pursuant to the terms and conditions of that certain Option Agreement attached hereto as Exhibit B.

In consideration of the mutual promises, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### ARTICLE I

##### ESCROW; PURCHASE AND SALE OF SHARES

1.01. ESCROW. Within five (5) business days from the date hereof, Sodexho agrees to deliver and deposit the Purchase Price, and each of JJFMS and CCA UK agrees to deliver the CCA Australia Shares and the UKDS Shares, respectively, to the Escrow Agents in accordance with the Escrow Agreement. The parties hereto agree to make such reasonable changes to the Escrow Agreement as maybe required by the Escrow Agents.

1.02. TRANSFER OF UKDS SHARES. Subject to all of the terms and conditions of this Agreement, at the Closing, CCA UK hereby agrees to sell, transfer and convey to Sodexho, and Sodexho hereby agrees to purchase and acquire from CCA UK, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges and encumbrances of any kind, the UKDS Shares in exchange for the Purchase Price set forth in Section 2.01 hereof.

1.03. TRANSFER OF CCA AUSTRALIA SHARES. Subject to all of the terms and conditions of this Agreement, at the Closing, JJFMS hereby agrees to sell, transfer and convey to Sodexho, and Sodexho agrees to purchase and acquire from JJFMS, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges and encumbrances of any kind, the CCA Australia Shares in exchange for the Purchase Price set forth in Section 2.01 hereof (the UKDS Shares and the CCA Australia Shares are hereinafter collectively referred to as the "Shares").

## ARTICLE II

### CONSIDERATION

2.01. PURCHASE PRICE. The aggregate purchase price for the Shares shall be Six Million Four Hundred Thousand Dollars, U.S. (\$6,400,000) (U.S.) (the "Purchase Price") of which (i) Three Million Two Hundred Thousand Dollars (\$3,200,000) (U.S.) shall be allocated to the UKDS Shares and (ii) Three Million Two Hundred Thousand Dollars (\$3,200,000) (U.S.) shall be allocated to the CCA Australia Shares. The Purchase Price shall be paid by Sodexho to JJFMS at the Closing, by bank wire transfer or in other immediately available funds.

2.02. COMPANY OBLIGATIONS. By entering into this Agreement, Sodexho understands and agrees that, from and after the Closing, Sodexho shall discharge any liability incurred by JJFMS, CCA UK, Prison Realty or CCA under the documents described in Schedule 2.02 hereof, shall cooperate with CCA UK, JJFMS and CCA in obtaining from the requisite governmental consents to the assumption by Sodexho of such liability and shall indemnify JJFMS, CCA UK and/or CCA in respect thereof.

## ARTICLE III

### CLOSING; OBLIGATIONS OF THE PARTIES

3.01. CLOSING DATE. The closing (the "Closing") shall take place and be effective for all purposes at 10:00 a.m., local time, on October 16, 2000 at the offices of JJFMS or at such other time, sooner or later than October 16, 2000 but prior to March 31, 2001, as all the conditions to Closing set forth in Articles VIII and IX herein have been satisfied or at such other time and place as the parties hereto mutually agree (the "Closing Date").

### 3.02. OBLIGATIONS OF THE PARTIES AT THE CLOSING.

- (a) At the Closing, Sodexho, JJFMS and CCA UK shall provide the Escrow Agents with joint written notice directing said Escrow Agents to complete the actions set out in the following clauses (i) through (iii):
- (i) The payment of the Purchase Price as specified in Section 2.01 hereof to JJFMS.

- (ii) The delivery of the share certificate(s) issued by UKDS representing the UKDS Shares, with duly executed stock powers, to Sodexho.
  - (iii) The delivery of the share certificate(s) issued by CCA Australia representing the CCA Australia Shares, with duly executed stock powers, to Sodexho.
- (b) At the Closing, the following events set out in clauses (i) through (iv) shall occur:
- (i) Sellers shall procure the delivery to Sodexho of duly executed transfers of all of the Shares in favor of Sodexho or its nominee(s).
  - (ii) Sellers shall deliver to Sodexho any waiver, consent or other document which Sodexho may require to obtain a good title to the Shares registered in the name of Sodexho or its nominee(s), including any Power of Attorney under which any document required to be delivered under this Agreement has been executed.
  - (iii) JJFMS shall deliver signed resignations of all persons who are CCA-designated directors and officers (other than T. Don Hutto) of UKDS and CCA Australia.
  - (iv) Sellers, Prison Realty, CCA and Sodexho shall deliver certified copies of resolutions of their respective board of directors and of the majority of the voting shareholders of JJFMS approving execution and delivery of this Agreement and consummation of the transactions contemplated hereby.
  - (v) Copies of all consents of third parties and governmental bodies and agencies necessary for the transfer of the UKDS Shares and all such consents necessary for the transfer of the CCA Australia Shares shall have been furnished to Sodexho, it being understood that once the consents necessary for the transfer of the UKDS Shares have been obtained the Closing shall proceed with respect to the transfer of said UKDS Shares (assuming the other conditions to the transfer of said UKDS Shares shall have been satisfied) and it being understood that once the consents necessary for the transfer of the CCA Australia Shares have been obtained, the Closing shall proceed with respect to the transfer of said CCA Australia Shares (assuming the other conditions to the transfer of said Shares shall have been satisfied), and if at any time the third parties and governmental consents for the transfer of all the Shares have been obtained and all other conditions have been satisfied, then the Closing shall occur with respect to the transfer of all the Shares of UKDS and CCA Australia.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF SELLERS

In order to induce Sodexho to enter in this Agreement and consummate the transactions contemplated hereby, Sellers hereby represent and warrant to Sodexho as follows:

4.01. ORGANIZATION AND GOOD STANDING. JJFMS is a corporation duly organized, validly existing and in good standing under the laws of the State of Tennessee, United States and has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. CCA UK is a corporation duly incorporated, validly existing and in good standing under the laws of England and has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

4.02. OWNERSHIP OF UKDS SHARES; VALIDITY AND ENFORCEABILITY. Sellers represent and warrant that: (i) CCA UK is the legal and beneficial owner of the UKDS Shares, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges or encumbrances of any kind; (ii) CCA UK has the full right, power, authority and capacity to sell and transfer the UKDS Shares owned by CCA UK; and (iii) by virtue of the transfer of the UKDS Shares to Sodexho at the Closing, Sodexho will obtain full title to such Shares, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges, or encumbrances of any kind.

4.03. OWNERSHIP OF CCA AUSTRALIA SHARES; VALIDITY AND ENFORCEABILITY. Sellers represent and warrant that: (i) JJFMS is the legal and beneficial owner of the CCA Australia Shares, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges or encumbrances of any kind; (ii) JJFMS has the full right, power, authority and capacity to sell and transfer the CCA Australia Shares owned by JJFMS; and (iii) by virtue of the transfer of the CCA Australia Shares to Sodexho at the Closing, Sodexho will obtain full title to such Shares, free and clear of all liens, claims, charges, restrictions, security interests, equities, proxies, pledges, or encumbrances of any kind, provided, however, that where any governmental consent, approval, authorization or order is required, as contemplated herein, then any representation or warranty by Sellers is deemed to be subject to the obtaining of such consent, approval, authorization or order.

4.04. CORPORATE POWER AND AUTHORITY: DUE AUTHORIZATION. Each of JJFMS and CCA UK has full corporate power and authority, acting through its officers who sign this Agreement, to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The board of directors of each of JJFMS (and by a majority vote of the shareholders of JJFMS) and CCA UK has duly approved and authorized the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and no other corporate proceedings on the part of JJFMS or CCA UK are necessary to approve and authorize the execution and delivery of this Agreement and each of the documents to which JJFMS and/or CCA UK is a party constitutes, or will constitute when executed and delivered, a valid and binding agreement of JJFMS and/or CCA UK, as applicable, in each case enforceable in accordance with its terms.



4.05. NO VIOLATION. The execution and delivery of this Agreement by each of JJFMS and CCA UK does not, and the consummation of the transactions contemplated hereby will not: (a) violate or be in conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) with, or result in the termination of, or accelerate the performance required by, or excuse performance by any person of any of its obligations under, or cause the performance required by, or excuse performance by any person of any of its liabilities under, any provision of, or result in the creation of any lien or security interest under, any agreement, indenture, instrument, lease, security agreement, mortgage or lien to which JJFMS or CCA UK is a party or by which any of JJFMS's or CCA UK's assets or properties are bound; (b) violate or be in conflict with any provision of the Charter or Bylaws of JJFMS or the Articles of Association of CCA UK; (c) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to JJFMS or CCA UK; or (d) violate any other contractual or legal obligation or restriction to which JJFMS and/or CCA UK is subject.

4.06. CONSENTS AND APPROVALS. Sellers have obtained or will have obtained prior to Closing, all consents, approvals, authorizations or orders of third parties, including governmental authorities, necessary for the authorization, execution and performance of this Agreement by Sellers.

4.07. LITIGATION. There is no litigation at law or in equity pending or, to the knowledge of any of the Sellers, threatened against any of the Sellers or their respective subsidiaries with respect to the Shares or the consummation of the transactions contemplated by this Agreement. To the knowledge of each of the Sellers, there is no litigation at law or in equity threatened against Sodexho or the Shares or the consummation of the transactions contemplated by this Agreement except as disclosed by Prison Realty in documents filed with the U.S. Securities and Exchange Commission prior to the date hereof.

4.08. FULL DISCLOSURE. Neither the representations appearing in Article IV of this Agreement, nor any schedule, exhibit, list, certificate or other instrument and document furnished or to be furnished by Sellers to Sodexho pursuant to this Agreement, contains any untrue statement of a material fact or omits to state any material fact required to be stated herein or therein or necessary to make the statements and information contained herein or therein not misleading.

#### ARTICLE V

##### REPRESENTATIONS AND WARRANTIES OF PRISON REALTY AND CCA

In order to induce Sodexho to enter in this Agreement and consummate the transactions contemplated hereby, each of Prison Realty and CCA hereby represent and warrant severally to Sodexho as follows:

5.01. AUTHORITY. Each of Prison Realty and CCA has full power and authority, acting through its officer or officers who signed this Agreement, to execute, deliver, enter into and perform this Agreement and all agreements, instruments and documents contemplated hereby and to carry

out the transactions contemplated thereby. This Agreement is a valid and binding obligation of each of Prison Realty and CCA enforceable against each in accordance with its terms, subject to the limitations imposed by bankruptcy, insolvency, moratorium or similar laws or provisions of general application, and to the availability of equitable remedies (whether enforcement is sought in a court of law or equity).

5.02. NO VIOLATION. Neither the execution and delivery of this Agreement, nor the carrying out of any of the transactions contemplated hereby, will result in any violation of or be in conflict with any term of any agreement or instrument or memorandum of understanding regarding settlement of litigation to which either Prison Realty or CCA is a party or by which either is bound, or of any law or governmental order, rule or regulation which is applicable to Prison Realty or CCA or will result in the creation or imposition of any security interest, mortgage, lien, encumbrance or charge upon any of the properties or assets of Prison Realty or CCA. No consents or approvals of any persons or entities, governmental or otherwise, are required which have not been obtained (or which will not have been obtained on or prior to the Closing) in respect of the execution and delivery of this Agreement on the part of Prison Realty or CCA. The consummation of the transfer of the Shares pursuant to this Agreement will not adversely affect Prison Realty's status as a real estate investment trust under the Internal Revenue Code of 1986, as amended.

5.03. LITIGATION. There is no litigation at law or in equity pending or, to the knowledge of Prison Realty or CCA, threatened against Prison Realty or CCA or their respective subsidiaries with respect to the Shares or the consummation of the transactions contemplated by this Agreement. To the knowledge of Prison Realty or CCA, there is no litigation at law or in equity threatened against Sodexho or the Shares or the consummation of the transactions contemplated by this Agreement except as disclosed by Prison Realty in documents filed with the U.S. Securities and Exchange Commission prior to the date hereof.

5.04. FULL DISCLOSURE. Neither the representations appearing in Article V of this Agreement, nor any schedule, exhibit, list, certificate or other instrument and document furnished or to be furnished by Prison Realty and CCA to Sodexho pursuant to this Agreement, contains any untrue statement of a material fact or omits to state any material fact required to be stated herein or therein or necessary to make the statements and information contained herein or therein not misleading.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES OF SODEXHO

In order to induce Seller to enter in this Agreement and consummate the transactions contemplated hereby, Sodexho hereby represents and warrants to Sellers, Prison Realty and CCA as follows:

6.01. ORGANIZATION AND GOOD STANDING. Sodexho is a societe anonyme duly organized, validly existing and in good standing under the laws of France and has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

6.02. AUTHORIZATION. The board of directors of Sodexho has taken all action required to authorize the execution and delivery by Sodexho of this Agreement and the consummation of the transactions contemplated hereby, and no other corporate proceedings on the part of Sodexho are necessary to approve or authorize the execution and delivery of this Agreement.

6.03. VALID AND BINDING AGREEMENT. This Agreement and each of the documents to which Sodexho is a party constitutes, or will constitute when executed and delivered, a valid and binding agreement of Sodexho, enforceable against Sodexho in accordance with its terms.

6.04. NO VIOLATION. The execution and delivery of this Agreement by Sodexho does not, and the consummation of the transactions contemplated hereby will not: (a) violate or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) with, or result in the termination of, or accelerate the performance required by, or excuse performance by any person of any of its obligations under, or cause the performance required by, or excuse performance by any person of any of its liabilities under any provision of, or result in the creation of any lien or security interest under, any agreement, indenture, instrument, lease, security agreement, mortgage or lien to which Sodexho is a party or by which it is bound; (b) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Sodexho; or (c) violate any other contractual or legal obligation or restriction to which Sodexho is subject.

6.05. PURCHASE FOR INVESTMENT. Sodexho understands and agrees that the Shares have not been registered under the securities laws of any jurisdiction. Sodexho is acquiring the Shares of its own account and not with a view to, or present intention of, distribution thereof in violation of the securities laws of the United States or England or any state securities or blue sky law, and the Shares will not be disposed of in contravention of such laws.

6.06. PROFESSIONAL FEES. Sodexho has taken no action which would result in the incurrence of any liability for investment banking, brokerage, finders, agents or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution and performance of this Agreement or the consummation of the transactions contemplated hereby, and Sodexho does not know of any claim for such a commission or fee.

6.07. CONSENTS AND APPROVALS. Assuming the best efforts of Prison Realty, JJFMS and CCA UK to cooperate in obtaining the requisite consents, Sodexho has obtained, or will have obtained prior to Closing, all consents, approvals, authorizations or orders of third parties, including governmental authorities, necessary for the authorization, execution and performance of this Agreement by Sodexho. Sodexho agrees that it will comply with the provisions of the Stamp Act and

the regulations thereunder of the State of Queensland and to pay to the office of State Revenue any stamp duty payable on this Agreement with respect to the CCA Australia Shares.

6.08 FULL DISCLOSURE. Neither the representations appearing in Article VI of this Agreement, nor any certificate or other instrument and document furnished or to be furnished by Sodexho to the Sellers, Prison Realty or CCA pursuant to this Agreement, contains any untrue statement of a material fact or omits to state any material fact required to be stated herein or therein or necessary to make the statements and information contained herein or therein not misleading.

## ARTICLE VII

### COVENANTS AND AGREEMENTS OF PARTIES

The parties hereto agree that from the date hereof until the Closing, and thereafter if so specified, each party will fulfill the following covenants and agreements unless otherwise consented to by the other parties in writing:

7.01. FURTHER ASSURANCES. At any time and from time to time after the Closing, at the request of the other parties hereto and without further consideration, each of Sellers, Prison Realty, and Sodexho will execute and deliver such other instruments of sale, transfer, conveyance, assignment and delivery and take such action as may reasonably be required by another party hereto in order more effectively to transfer, convey and assign to Sodexho and to place Sodexho in possession and control of, and to confirm Sodexho's title to, the Shares, and to assist Sodexho in exercising all rights enjoying all benefits with respect thereto.

7.02. CONSENTS AND APPROVALS. Each of Sellers, Prison Realty and Sodexho shall, in a timely, accurate and complete manner, take all necessary corporate and other action and use all reasonable efforts to obtain all consents, approvals, permits, licenses and amendments of agreements required to carry out the transactions contemplated in this Agreement.

7.03. OPTION. Sodexho agrees that immediately upon the acquisition of the Shares pursuant hereto, it shall grant to JJFMS (i) an option to purchase the UKDS Option Shares, and (ii) an option to purchase the CCA Australia Shares pursuant to the Option Agreement.

7.04 AMENDMENT OF AUSTRALIAN SHAREHOLDERS' AGREEMENT. The CCA Australia Shareholders' Agreement is hereby amended, effective upon the Closing under this Agreement, as follows:

(a) The provisions of Sections 3 and 4 shall not apply to the purchase of the shares of CCA Australia by Sodexho under this Agreement or the purchase by JJFMS, its successor, or Prison Realty of shares of CCA Australia upon exercise of the CCA Australia Option hereunder.

(b) The provisions of Sections 9 and 14 are hereby deleted.

(c) The provisions of Section 10 (Non-Competition) are hereby amended to read in their entirety as follows:

"Section 10. Non-Competition

(a) For all purposes of this Section 10, the term "Shareholder" shall include (in addition to all persons actually holding stock in the Corporation), for a period of three years from the date of the closing of the transactions contemplated by the Stock Acquisition Agreement as defined herein, (i) Juvenile and Jail Facility Management Services, Inc. ("JJFMS") and any Affiliate of JJFMS as the selling shareholder under the Stock Acquisition Agreement dated as of September 11, 2000 (the "Stock Acquisition Agreement") and as the holder of an option to purchase twenty five percent of the aggregate issued and outstanding shares of the Corporation (sometimes referred to as "CCA Australia") pursuant to that certain Option Agreement executed in connection with the closing of the transactions contemplated by the Stock Acquisition Agreement (the "CCA Australia Option"), and (ii) Prison Realty or any Affiliate of Prison Realty or any Affiliate of JJFMS (whether or not JJFMS is an Affiliate of Prison Realty at any time).

(b) Each Shareholder agrees that except as otherwise provided herein, each will conduct all of its business with respect to the Prison Management Business in Australia exclusively with each other. For purposes of this Agreement, Prison Management Business means the (i) design, construction, financing and "full management" of detention or correctional facilities with or without custodial services, or any one of the four major activities of design, construction, financing and "full management," and/or (ii) the transportation of prisoners, and (iii) shall mean the design, construction, financing and "full management," or any of said four major activities, of immigration custodial facilities, police custodial facilities, court custodial facilities or services and secure training centers and facilities (such as juvenile training centers or facilities); it being understood that Sodexo may continue to provide food service, laundry, housekeeping, maintenance, etc. outside of the Corporation and that the provisions of such services by Sodexo at a rate of less than \$12.00 (U.S.) (obtained by applying 3% inflation a year for six years) per inmate per day (as such amount may be increased by the Board of the Corporation from time to time) shall not constitute "full management" and shall not constitute the Prison Management Business. In order to give effect to this decision, the Shareholders agree that unless approved by the Board of Directors of the Corporation in writing or except as otherwise permitted pursuant to this Agreement as amended:

(A) neither Shareholders nor any of their respective Affiliates (each as defined in the CCA Australia Shareholders'

Agreement) will compete with the Corporation in the Prison Management Business in Australia.

(B) any third-party approach towards any Shareholder in relation to a Project (as defined in the CCA Australia Shareholders' Agreement) in Australia, whether in its individual capacity or as a Shareholder shall be immediately introduced to the Corporation. For purposes of this Section, a Project means any opportunity related to the Prison Management Business in Australia, such as requests (with respect to a particular facility) for proposals and bids to governmental agencies and consulting agencies with respect to the Prison Management Business.

(C) neither Shareholders nor any of their respective Affiliates, shall alone or jointly with others acquire any material interest (more than 10%) in any company which is a competitor of the Corporation in the Prison Management Business in Australia (other than competitors for which the revenues related to the prison management business constitute less than 10% of the total revenues for such competitors).

(c) The Shareholders agree that in the event of a breach of the provisions contained in this Section 10, in addition to any other remedies available to any Shareholder in breach of any such provision, the Shareholder in breach shall pay to the other Shareholder an amount equal to one year's annual revenues generated by the Prison Management Business which is the subject of such breach.

(d) If any of the restrictions set forth in this Section 10 (including, without limitation the provisions of clause (c) above) should for any reason be declared invalid by a court of competent jurisdiction, the validity or enforcement of the remainder of such restrictions and covenants shall not thereby be adversely affected. If any provision of this Section shall be adjudicated to be invalid or unenforceable, such provision shall be deemed deleted, but only to the operation of such provision in the particular jurisdiction in which such adjudication was made; provided, that, to the extent any such provision may be made valid and enforceable, in such jurisdiction by limitations on the scope of the activities, geographical area or time period covered, such provision shall be deemed limited to the extent, and only to that extent, necessary to make such provision enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction.

It is understood that the provisions of this Section 10 shall be binding upon Prison Realty and Sodexo, regardless of whether the provisions of this Section are agreed to in writing by CCA Australia; provided, however, that Prison Realty,

Sodexho and JJFMS agree to cause CCA Australia to give a written undertaking of its agreement to be bound by this Section.

(e) The use by CCA Australia or its shareholders of special purpose vehicles involving third party partners of CCA Australia or its shareholders for the purpose of facilitating the design, construction or development of a facility or Project to be managed by CCA Australia shall not be deemed a violation of the non-competition provisions of this Section 10, provided, however that such special purpose vehicle shall not engage in the full management portion of the Prison Management Business. In the event that Prison Realty or JJFMS or any permitted Affiliate of either purchases shares in CCA Australia, it shall be entitled to obtain a partnership interest or shares in each such special purpose vehicle formed after the date of such purchase of shares in CCA Australia, to the same extent of its percentage holding of capital stock in CCA Australia and at a purchase cost per share or partnership interest equal to the purchase cost per share or partnership interest paid by Sodexho, provided that after consultation with Sodexho, Prison Realty, JJFMS or any permitted Affiliate shall give joint and several guarantees of such projects (prospectively when it becomes such a shareholder) in connection with projects undertaken by such special purpose vehicle when Sodexho determines to give a guarantee (or had previously determined to give a guarantee prior to the date JJFMS or its successor becomes a shareholder), provided that Sodexho shall give a written undertaking that, as between Sodexho and such shareholder, such shareholder shall be responsible ultimately only for the percentage of such guarantee as is equal to such shareholder's percentage of the outstanding stock (or partnership interest) in the special purpose vehicle and Sodexho shall be responsible for the balance.

(f) Sodexho will not form other companies in Australia to perform management services in the Prison Management Business, or if such formation is essential from a legal or business perspective, then JJFMS, its successor, or Prison Realty will have the right, if and when it becomes a shareholder in CCA Australia by exercising the CCA Australia Option, to acquire 25% of any such new management company at a purchase cost per share or partnership interest equal to any capital put in by Sodexho in any such company, provided that after consultation with Sodexho, JJFMS, its successor, or Prison Realty, as applicable shall give joint and several guarantees (both prospectively and retroactively when it becomes such a shareholder) in connection with projects undertaken by such companies (and not by any special purpose vehicle) when Sodexho determines to give a guarantee (or had previously determined to give a guarantee prior to the date Prison Realty becomes such a shareholder), and provided further that Sodexho shall give a written undertaking that, as between Sodexho and such shareholder, such shareholder shall be responsible ultimately only for the percentage of all such prospective and retroactive guarantees as is equal to such shareholder's percentage of the outstanding stock (or partnership interest) in such company, and Sodexho shall be responsible for the balance."

(d) The provisions of Sections 10 and 11 shall apply to the parties hereto for a period of three years from the Closing and shall thereafter apply to all of Prison Realty, JJFMS or its successor and their Affiliates in each case only if either or an Affiliate of either is a shareholder of CCA Australia. If neither of them and none of their Affiliates is a shareholder in CCA Australia after said three year period, then the provisions of Section 10 shall not apply to any of them. Prison Realty and JJFMS shall be deemed a shareholder for the purposes of Section 15 of the CCA Australia Shareholders' Agreement for a period of three years from the Closing and the proviso to Section 15 of the CCA Australia Shareholders' Agreement is hereby deleted.

(e) The provisions of Section 13 (Board of Directors) are hereby amended to read in their entirety as follows:

"Section 13. Board of Directors. In the event of the exercise of the CCA Australia Option by JJFMS or its successor, JJFMS or its successor shall be entitled to one (1) nominee to the Board of Directors reasonably satisfactory to Sodexho. In the event of the exercise of the CCA Australia Option by JJFMS or its successor, Sodexho agrees (i) that in all elections for directors during the term of this Agreement, Sodexho shall vote all shares owned by it for the nominee of JJFMS or its successor."

(f) A new Section 26 entitled "Miscellaneous" shall be added as follows:

"Effective upon the Closing under the Stock Acquisition Agreement, and notwithstanding any other agreement to which Sodexho is a party or the charter or by-laws of CCA Australia, no management fee shall be payable to Prison Realty or any subsidiary or to JJFMS or any subsidiary. If Prison Realty or JJFMS becomes a shareholder in CCA Australia, after consultation with Sodexho (i) it shall give joint and several guarantees of Projects of CCA Australia (both prospectively and retroactively when it becomes a shareholder) in connection with Projects undertaken by CCA Australia (and not by any special purpose vehicle) when Sodexho determines to give a guarantee (or had previously determined to give a guarantee prior to the date JJFMS or its successor becomes a shareholder) and provided further that Sodexho shall give a written undertaking that, as between Sodexho and JJFMS or such other shareholder, JJFMS, or such other shareholder shall be responsible ultimately only for the percentage of such guarantee as is equal to JJFMS's or such other shareholder's percentage of the outstanding stock in CCA Australia, and Sodexho shall be responsible for the balance of such guarantee, and (ii) JJFMS or such other shareholder shall agree in writing to reimburse Sodexho for that percentage of any liability Sodexho may have with respect to then-still outstanding guarantees that were given while Prison Realty or JJFMS or any Affiliate of either holds the CCA Australia Option (prior to its exercise) as is equal to the percentage of the outstanding stock of CCA Australia held by JJFMS (or such other shareholder) after giving effect to the exercise of the CCA Australia Option)." Prison Realty



agrees to guarantee the obligations of JJFMS (or whatever Affiliate exercises the CCA Australia Option and becomes a shareholder in CCA Australia) to deliver guarantees under the CCA Australia Shareholders Agreement.

(g) JJFMS, by its signature to this Agreement, and each of Prison Realty and PMSI by its signature to this Agreement, agree to be bound by the CCA Australia Shareholders' Agreement, as amended, to the extent provided in this Section 7.04, as if it were an original signatory thereof.

7.05 AMENDMENT OF U.K. SHAREHOLDERS' AGREEMENT. The UKDS Shareholders' Agreement is hereby amended, effective upon the Closing under this Agreement, as follows:

(a) The provisions of Sections 3 and 4 shall not apply to the purchase of the shares of UKDS by Sodexho under this Agreement or the purchase by JJFMS, its successor, or Prison Realty of shares of UKDS upon exercise of the UKDS Option hereunder.

(b) The provisions of Sections 8, 12 and 13 are hereby deleted.

(c) The provisions of new Section 8 are hereby added as follows:

"Section 8. Non-Competition

(a) For all purposes of this Section 8, the term "Shareholder" shall include (in addition to all persons actually holding stock in the Corporation), for a period of three years from the date of the closing of the transactions contemplated by the Stock Acquisition Agreement as defined herein, (i) Juvenile and Jail Facility Management Services, Inc. ("JJFMS") and any Affiliate of JJFMS as the parent of a selling shareholder under the Stock Acquisition Agreement dated as of September 11, 2000 (the "Stock Acquisition Agreement") and as the holder of an option to purchase twenty five percent of the aggregate issued and outstanding shares of the Corporation (sometimes referred to as "UKDS") pursuant to that certain Option Agreement executed in connection with the closing of the transactions contemplated by the Stock Acquisition Agreement (the "UKDS Option"), and (ii) Prison Realty or any Affiliate of Prison Realty or any Affiliate of JJFMS (whether or not JJFMS is an Affiliate of Prison Realty at any time), and (ii) CCA U.K., the subsidiary of JJFMS as the selling shareholder of stock in UKDS.

(b) Each Shareholder agrees that except as otherwise provided herein, each will conduct all of its business with respect to the Prison Management Business in the United Kingdom exclusively with each other. For purposes of this Section, Prison Management Business means the (i) design, construction, financing and "full management" of detention or correctional facilities with or without custodial services, or any one of the four major activities of design, construction, financing and "full management," and/or (ii) the transportation of prisoners, and (iii) shall

mean the design, construction, financing and "full management," or any of said four major activities, of immigration custodial facilities, police custodial facilities, court custodial facilities or services and secure training centers and facilities (such as juvenile training centers or facilities); it being understood that Sodexho may continue to provide food service, laundry, housekeeping, maintenance, etc. outside of the Corporation and that the provisions of such services by Sodexho at a rate of less than \$12.00 (U.S.) (obtained by applying 3% inflation a year for six years) per inmate per day (as such amount may be increased by the Board of the Corporation from time to time) shall not constitute "full management" and shall not constitute the Prison Management Business. In order to give effect to this decision, the Shareholders agree that unless approved by the Board of Directors of the Corporation in writing or except as otherwise permitted pursuant to this Agreement as amended:

(A) neither Shareholders nor any of their respective Affiliates (each as defined in the UKDS Shareholders' Agreement as amended) will compete with the Corporation in the Prison Management Business in the United Kingdom.

(B) any third-party approach towards any Shareholder in relation to a Project (as defined in the UKDS Shareholders' Agreement) in the United Kingdom, whether in its individual capacity or as a Shareholder, shall be immediately introduced to the Corporation. For purposes of this Section, a Project means any opportunity related to the Prison Management Business in the United Kingdom such as requests (with respect to a particular facility) for proposals and bids to governmental agencies and consulting agencies with respect to the Prison Management Business.

(C) neither Shareholders nor any of their respective Affiliates, shall alone or jointly with others acquire any material interest (more than 10%) in any company which is a competitor of the Corporation in the Prison Management Business in the United Kingdom (other than competitors for which the revenues related to the prison management business constitute less than 10% of the total revenues for such competitors).

(c) The Shareholders agree that in the event of a breach of the provisions contained in this Section 8, in addition to any other remedies available to any Shareholder for breach of any such provision, the Shareholder in breach shall pay to the other Shareholder an amount equal to one year's annual revenues generated by the Prison Management Business which is the subject of such breach.

(d) If any of the restrictions set forth in this Section 8 (including, without limitation, the provisions of clause (c) above) should for any reason be declared

invalid by a court of competent jurisdiction, the validity or enforcement of the remainder of such restrictions and covenants shall not thereby be adversely affected. If any provision of this Section shall be adjudicated to be invalid or unenforceable, such provision shall be deemed deleted, but only to the operation of such provision in the particular jurisdiction in which such adjudication was made; provided, that, to the extent any such provision may be made valid and enforceable, in such jurisdiction by limitations on the scope of the activities, geographical area or time period covered, such provision shall be deemed limited to the extent, and only to that extent, necessary to make such provision enforceable to the fullest extent permissible under the laws and public policies applied in such jurisdiction.

(e) Nothing in Section 8 shall be deemed to preclude Agecroft Project Management Ltd. ("APM") from carrying on its business with respect to the Agecroft facility in the United Kingdom.

(f) The use by UKDS or its Shareholders of special purpose vehicles involving third party partners of UKDS or its Shareholders for the purpose of facilitating the design, construction or development of a facility or Project to be managed by UKDS, shall not be deemed a violation of the non-competition provisions of this Section 8; provided, however, that such special purpose vehicle shall not engage in the full management portion of the Prison Management Business. In the event that Prison Realty or JJFMS or any permitted Affiliate of either exercises the UKDS Option to purchase shares in UKDS, it shall be entitled to obtain a partnership interest or shares in each such special purpose vehicle formed after the date of such purchase of shares in UKDS, to the same extent of its percentage holding of capital stock in UKDS and at a purchase cost per share or partnership interest equal to the purchase cost per share or partnership interest paid by Sodexho, provided that, after consultation with Sodexho, Prison Realty, JJFMS or any permitted Affiliate shall give joint and several guarantees of such projects (prospectively when it becomes such a shareholder) in connection with projects undertaken by such companies when Sodexho determines to give a guarantee (or had previously determined to give a guarantee prior to the date JJFMS or its successor become a shareholder), and provided further, that Sodexho shall give a written undertaking that, as between Sodexho and such shareholder, such shareholder shall be responsible ultimately only for the percentage of such guarantee as is equal to such shareholder's percentage of the outstanding stock (or partnership interest) in the special purpose vehicle and Sodexho shall be responsible for the balance.

(g) Sodexho will not form other companies in United Kingdom to perform management services in the Prison Management Business, or if such formation is essential from a legal or business perspective, then JJFMS, its successor, or Prison Realty will have the right, if and when it becomes a shareholder in UKDS by exercising the UKDS Option, to acquire 25% of any such new management

company at a purchase cost per share or partnership interest equal to any capital put in by Sodexho in any such company, provided that after consultation with Sodexho, JJFMS, its successor, or Prison Realty, as applicable shall give joint and several guarantees (both prospectively and retroactively when it becomes such a shareholder) in connection with projects undertaken by such companies (and not by any special purpose vehicle) when Sodexho determines to give a guarantee (or had previously determined to give a guarantee prior to the date Prison Realty becomes such a shareholder), and provided further that Sodexho shall give a written undertaking that, as between Sodexho and such shareholder, such shareholder shall be responsible ultimately only for the percentage of all such prospective and retroactive guarantees as is equal to such shareholder's percentage of the outstanding stock (or partnership interest) in such company, and Sodexho shall be responsible for the balance."

(d) The provisions of Sections 8 and 9 shall apply to the parties hereto for a period of three years from the Closing and shall thereafter apply to all of Prison Realty, JJFMS, its successor and their Affiliates in each case, or CCA U.K. if any of them or their Affiliates is a shareholder of UKDS. If none of them and none of their Affiliates is a shareholder in UKDS after said three year period, then the provisions of Section 8 shall not apply to any of them. Prison Realty, JJFMS and CCA U.K. shall be deemed a shareholder for the purposes of Section 14 of the UKDS Shareholders' Agreement for a period of three years from the Closing.

(e) The provisions of Section 11 (Board of Directors) are hereby amended to read in their entirety as follows:

"Section 11. Board of Directors. In the event of the exercise of the UKDS Option by JJFMS or its successor, JJFMS or its successor shall be entitled to one (1) nominee to the Board of Directors reasonably satisfactory to Sodexho. In the event of the exercise of the UKDS Option by JJFMS or its successor, Sodexho agrees that in all elections for directors during the term of this Agreement, Sodexho shall vote all shares owned by it for the nominee of JJFMS or its successor."

(f) A new Section 24 entitled "Miscellaneous" shall be added as follows:

"Effective upon the Closing under the Stock Acquisition Agreement, and notwithstanding any other agreement to which Sodexho is a party or the charter or by-laws of UKDS, no management fee shall be payable to Prison Realty or any subsidiary or to JJFMS or any subsidiary. If JJFMS, its successor, or Prison Realty becomes a shareholder in UKDS, after consultation with Sodexho (i) it shall give joint and several guarantees of projects of UKDS (both prospectively and retroactively when it becomes such a shareholder) in connection with Projects undertaken by UKDS (and not by any special purpose vehicle) when Sodexho determines to give a guarantee (or had previously determined to give a guarantee prior to the date JJFMS or its successor becomes a Shareholder), and provided

further that Sodexho shall give a written undertaking that, as between Sodexho and JJFMS or such other shareholder, JJFMS or such other shareholder shall be responsible ultimately only for the percentage of such guarantee as is equal to JJFMS's or such other shareholder's percentage of the outstanding stock in UKDS, and Sodexho shall be responsible for the balance of such guarantee, and (ii) JJFMS (or such other shareholder) shall agree in writing to reimburse Sodexho for that percentage of any liability Sodexho may have with respect to then-still outstanding guarantees that were given while JJFMS or any Affiliate of JJFMS holds the UKDS Option (prior to its exercise) as is equal to the percentage of the outstanding stock of UKDS held by JJFMS (or such other shareholder) after giving effect to the exercise of the Option." Prison Realty agrees to guarantee the obligations of JJFMS (or whatever Affiliate exercises the UKDS Options and becomes a shareholder in UKDS) to deliver guarantees under the UKDS Shareholders Agreement.

(g) JJFMS, by its signature to this Agreement, and each of Prison Realty and PMSI, by its signature to this Agreement, agree to be bound by the UKDS Shareholders Agreement, as amended, as if it were an original signatory thereof, and CCA U.K., by its signature to this Agreement, and each of Prison Realty and PMSI by its signature to this Agreement, agree to be bound by the UKDS Shareholder Agreement as if it were an original signature thereto, and in each case to the extent provided in this Section 7.05.

7.06. RELEASE OF CLAIMS BY SODEXHO. Effective upon completion of the Closing, and for so long as there is full compliance by the Sellers, Prison Realty, CCA and PMSI with their obligations under this Agreement, Sodexho on behalf of itself and each of its successors, assigns, affiliates, agents, officers, directors, employees and representatives, hereby knowingly and voluntarily releases, acquits and forever discharges Prison Realty, JJFMS and their respective successors and assigns, affiliates, agents, officers, directors, employees and representatives from any and all actions, causes of action, claims, suits, damages, costs, judgments, and any and all other liabilities of any, either in law or in equity, which have arisen or may arise as a result of or related to the UKDS Shareholders' Agreement and/or the CCA Australia Shareholders' Agreement prior to the date hereof and provided that this section shall not affect the indemnification provisions of Article X hereof.

## ARTICLE VIII

## CONDITIONS TO SODEXHO'S OBLIGATIONS

All obligations of Sodexho hereunder are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

8.01. REPRESENTATIONS AND WARRANTIES. The representations and warranties made by the Sellers, Prison Realty and CCA in this Agreement shall be true when made and at and as of the time of the Closing as though such representations and warranties were made at and as of such date.

8.02. PERFORMANCE. Sellers, Prison Realty and CCA shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be so complied with or performed by the Closing, and the events described in Section 3.02 shall have occurred to the reasonable satisfaction of Sodexho and counsel for Sodexho in the United Kingdom and Australia.

8.03. OFFICER'S CERTIFICATE. Sellers, Prison Realty and CCA shall have delivered to Sodexho a certificate of an officer of each of Sellers, Prison Realty and CCA dated the Closing Date, certifying as to the fulfillment of the conditions specified in Sections 8.01 and 8.02 hereof.

8.04. CONSENTS. All third party consents, including governmental and governmental agency consents, shall have been obtained.

8.05. LEGAL OPINION. Sodexho shall have received an opinion of counsel to the Sellers, Prison Realty and CCA in the forms attached hereto as Exhibit 8.05 with such reasonable additions, if any, as may be required or advised by legal counsel to Sodexho.

## ARTICLE IX

## CONDITIONS TO SELLER'S OBLIGATIONS

All obligations of Sellers hereunder are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

9.01. REPRESENTATIONS AND WARRANTIES. The representations and warranties made by Sodexho in this Agreement shall be true when made and at and as of the time of the Closing as though such representations and warranties were made at and as of such date.

9.02. PERFORMANCE. Sodexho shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be so complied with or performed by the Closing.

9.03. OFFICER'S CERTIFICATE. Sodexho shall have delivered to Sellers a certificate of an officer of Sodexho, dated the Closing Date, certifying as to the fulfillment of the conditions specified in Sections 9.01 and 9.02 hereof.

9.04. CONSENTS. Sellers shall have received all consents required for the consummation of the transactions contemplated hereby, all of which consents shall be in form and substance satisfactory to Sellers.

9.05 CERTAIN AUSTRALIAN GOVERNMENT APPROVALS. The purchase of the CCA Australia Shares by Sodexho shall have been approved by the States of Victoria, Queensland and Western Australia governments or any other governmental agency or person in Australia as required by existing contracts by and between CCA Australia and such governments.

9.06 LEGAL OPINION. Sellers shall have received an opinion of counsel to Sodexho in the form attached hereto as Exhibit 9.05 with such reasonable additions, if any, as may be required or advised by legal counsel to Sellers.

#### ARTICLE X

##### INDEMNIFICATION

10.01. INDEMNIFICATION BY SELLERS AND PRISON REALTY. Each Seller and Prison Realty, jointly and severally, hereby agrees to defend, indemnify and hold harmless Sodexho, its directors, officers, employees, affiliates and agents, and shall reimburse Sodexho and any affiliate for, from and against each claim, loss, diminution in value, damages, liability, costs and expenses (including, without limitation, interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) (collectively, "Losses"), directly or indirectly relating to, resulting from or arising out of:

(a) Any untrue representation, misrepresentation, breach of warranty or nonfulfillment of any covenant, undertaking, agreement or other obligation by or of Sellers or Prison Realty contained herein, including the obligations assumed by the Sellers and Prison Realty herein with regard to obtaining all necessary consents of third parties and governmental approvals to the sale of the Shares to Sodexho, or in any certificate, schedule, document or instrument delivered to Sodexho pursuant hereto;

(b) Any claims, causes of actions, demands or the like brought by JJFMS, its officers or directors with respect to the Shares or the purchase of the Shares by Sodexho, or otherwise pertaining to this Agreement and the transactions contemplated by this Agreement or the transactions between Prison Realty (or its predecessor) and JJFMS with respect to the transfer of the Shares to JJFMS; and

(c) Any other Loss incidental to any of the foregoing.

10.02. INDEMNIFICATION BY CCA. CCA hereby agrees to defend, indemnify and hold harmless Sodexho, its directors, officers, employees, affiliates and agents, and shall reimburse Sodexho for, from and against Losses directly or indirectly relating to, resulting from or arising out of:

(a) Any untrue representation, misrepresentation, breach of warranty or nonfulfillment of any covenant, undertaking, agreement or other obligation by or of each contained herein, or in any certificate, schedule, document or instrument delivered to Sodexho pursuant hereto; and

(b) Any other Loss incidental to any of the foregoing.

10.03. INDEMNIFICATION BY SODEXHO. Sodexho hereby agrees to defend, indemnify and hold harmless Sellers, Prison Realty and CCA, their directors, officers, employees, affiliates and agents, and shall reimburse Sellers, Prison Realty and CCA for, from and against Losses directly or indirectly relating to, resulting from or arising out of:

(a) Any untrue representation, misrepresentation, breach of warranty or nonfulfillment of any covenant, undertaking, agreement or other obligation by Sodexho contained herein, including the obligations assumed herein by Sodexho with regard to obtaining consents of third parties and governmental approvals to the purchase of the Shares by Sodexho, or in any certificate, document or instrument delivered to Sellers pursuant hereto; and

(b) Any other Loss incidental to any of the foregoing.

10.04. PROCEDURE. (a) The indemnified party shall promptly notify the indemnifying party of any claim, demand, action or proceeding for which indemnification will be sought under Sections 10.01, 10.02 or 10.03 of this Agreement (but the failure to so notify shall not relieve the indemnifying party from its obligations hereunder unless such failure irrevocably prejudices the indemnifying party), and, if such claim, demand, action or proceeding is a third party claim, demand, action or proceeding, the indemnifying party will have the right at its expense to assume the defense thereof using counsel reasonably acceptable to the indemnified party. The indemnified party shall have the right to participate, at its own expense, with respect to any such third party claim, demand, action or proceeding. In connection with any such third party claim, demand, action or proceeding, Sodexho, Sellers, Prison Realty and PMSI shall cooperate with each other and provide each other with access to relevant books and records in their possession. No such third party claim, demand, action or proceeding shall be settled without the prior written consent of the indemnified party. If a firm written offer is made to settle any such third party claim, demand, action or proceeding and the indemnifying party proposes to accept such settlement and the indemnified party refuses to consent to such settlement, then: (i) the indemnifying party shall be excused from, and the indemnified party shall be solely responsible for, all further defense of such third party claim, demand, action or proceeding; and (ii) the maximum liability of the indemnifying party relating to such third party claim, demand, action or proceeding shall be the amount of the proposed settlement



if the amount thereafter recovered from the indemnified party on such third party claim, demand, action or proceeding is greater than the amount of the proposed settlement.

(b) If the indemnified party reasonably determines: (i) that there may be a conflict between the positions of the indemnifying party and the indemnified party in defending such claim or action; or (ii) that there may be legal defenses available to such indemnified party different from or in addition to those available to the indemnifying party, then separate counsel for the indemnified party shall be entitled to participate in and conduct the defense, or such different defenses, and the indemnifying party shall be liable for any reasonable legal or other expenses incurred by the indemnified party in connection with the defense.

(c) Judgments against and settlements entered into by the indemnified party pursuant to Section 10.04(a) shall unconditionally release the indemnifying party from liability for the particular claim, demand, action or proceeding for which indemnification was sought, except as otherwise provided.

## ARTICLE XI

### SURVIVAL OF REPRESENTATIONS

11.01. SURVIVAL OF REPRESENTATIONS. All representations, warranties, covenants, indemnities and agreements by the parties contained in this Agreement shall survive the Closing and any investigation at any time made by or on behalf of any party hereto, and shall expire on the third anniversary of the Closing, except for the representations and warranties set forth in Sections 4.02, 4.03, 4.04, 5.01, 6.02, and 6.05 and the covenants and agreements set forth in Sections 7.01, 7.04, 7.05, 7.06 and Article X, Sections 11.01, 13.02 and 13.06 which shall not expire.

11.02. STATEMENTS AS REPRESENTATIONS. All statements contained in any certificate, schedule, list, document or other writing delivered pursuant hereto or in connection with the transactions contemplated hereby shall be deemed representations and warranties for all purposes of this Agreement.

11.03. REMEDIES CUMULATIVE. The remedies provided herein shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

## ARTICLE XII

## TERMINATION OF AGREEMENT

12.01. TERMINATION. This Agreement may be terminated at any time prior to the Closing:

(a) By Sodexho, if there has been a material violation or breach by Prison Realty, CCA, JJFMS or CCA UK of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing, or if any of the conditions set forth in Article VIII hereof have not been satisfied by the Closing or have not been waived in writing by Sodexho.

(b) By Sellers, if there has been a material violation or breach by Sodexho of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing, or if any of the conditions set forth in Article IX hereof have not been satisfied by the Closing or have not been waived in writing by either of the Sellers.

(c) By either Sodexho or Sellers if the transactions contemplated by this Agreement shall not have been consummated on or before March 31, 2001.

(d) By either Sodexho or Sellers, as applicable, if either Sodexho or any Seller makes an assignment of the benefit of creditors, files a voluntary petition in bankruptcy or seeks or consents to any reorganization or similar relief under any present or future bankruptcy act or similar law, or is adjudicated as bankrupt or insolvent, or if a third party commences any bankruptcy, insolvency, reorganization or similar proceeding involving either Sodexho or any Seller.

12.02. EFFECT OF TERMINATION. In the absence of fraud or willful breach on the part of Sellers, or on the part of Sodexho, then Sellers will not have any liability to Sodexho, or Sodexho will not have any liability to Sellers, as the case may be, under this Agreement if Sellers or Sodexho terminate this Agreement pursuant to Section 12.01.

## ARTICLE XIII

## MISCELLANEOUS

13.01. EXPENSES. All fees and expenses incurred by Sellers, including, without limitation, legal fees and expenses, in connection with this Agreement will be borne by Sellers and all fees and expenses incurred by Sodexho, including, without limitation, legal fees and expenses, in connection with this Agreement will be borne by Sodexho, provided, however, that Sodexho shall be responsible for all stamp duty which may be due to any jurisdiction or governmental entity as a result of the purchase of the Shares.

## 13.02. ASSIGNABILITY; PARTIES IN INTEREST.

(a) The parties hereto may assign any and all of its rights hereunder to a wholly-owned subsidiary and such assigning party shall advise the other parties hereto of any such assignment and shall designate such party as the assignee of this Agreement. Any such assignee shall assume all of such assigning party's duties, obligations and undertakings hereunder, but such assigning party shall remain liable hereunder.

(b) All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective transferees, heirs, successors, assigns and legal or personal representatives of the parties hereto.

13.03. ENTIRE AGREEMENT; AMENDMENTS. This Agreement, including the exhibits, schedules, lists and other documents and writings referred to herein or delivered pursuant hereto (including without limitation the Escrow Agreement and the Option Agreement), contains the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or therein. Except as provided herein, this Agreement supersedes all prior agreements and undertakings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by all parties or their respective transferees, heirs, successors, assigns or legal personal representatives. Any condition to a party's obligations hereunder maybe waived, but only by a written instrument signed by the party entitled to the benefits thereof. The failure or delay of any party at any time or times to require performance of any provision or to exercise its rights with respect to any provisions hereof, shall in no manner operate as a waiver of or affect such party's right at a later time to enforce the same.

13.04. HEADINGS. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretations of this Agreement.

13.05. SEVERABILITY. The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

13.06. NOTICES. All notices, request, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand; mailed (registered or certified mail, postage prepaid, return receipt requested); or by nationally recognized courier service as follows:

If to CCA UK:

Corrections Corporation of America (U.K.) Limited  
10 Burton Hills Boulevard  
Nashville, Tennessee 37215  
Attention: Darrell K. Massengale

With a copy to:

Elizabeth E. Moore, Esq.  
Stokes Bartholomew Evans & Petree, P.A.  
424 Church Street, Suite 2800  
Nashville, Tennessee 37219

If to JJFMS:

Juvenile and Jail Facility Management Services, Inc.  
10 Burton Hills Boulevard  
Nashville, Tennessee 37215  
Attention: John D. Ferguson

With a copy to:

Elizabeth E. Moore, Esq.  
Stokes Bartholomew Evans & Petree, P.A.  
424 Church Street, Suite 2800  
Nashville, Tennessee 37219

If to PMSI:

Prison Management Services, Inc.  
10 Burton Hills Boulevard  
Nashville, Tennessee 37215  
Attention: John D. Ferguson

With a copy to:

Elizabeth E. Moore, Esq.  
Stokes Bartholomew Evans & Petree, P.A.  
424 Church Street, Suite 2800  
Nashville, Tennessee 37219

If to Sodexho:

Sodexho Alliance, S.A.  
3, avenue newton  
78180 Montigny-le-Bretonneux  
FRANCE  
Attention: Jean-Pierre Cuny

With a copy to:

Howard K. Fuguet, Esq.  
Ropes & Gray  
One International Place  
Boston, Massachusetts 02110

If to Prison Realty:

Prison Realty Trust, Inc.  
10 Burton Hills Boulevard  
Nashville, Tennessee 37215  
Attention: John D. Ferguson

With a copy to:

Elizabeth E. Moore, Esq.  
Stokes Bartholomew Evans & Petree, P.A.  
424 Church Street, Suite 2800  
Nashville, Tennessee 37219

If to CCA:

Corrections Corporation of America  
10 Burton Hills Boulevard  
Nashville, Tennessee 37215  
Attention: John D. Ferguson

With a copy to:

Elizabeth E. Moore, Esq.  
Stokes Bartholomew Evans & Petree, P.A.  
424 Church Street, Suite 2800  
Nashville, Tennessee 37219

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

13.07. GOVERNING LAW. This Agreement shall be governed by and be interpreted under the laws of Tennessee (except as matters relating to the transfer of shares may be governed by the laws of the United Kingdom or Australia) without regard to the conflicts of law principles thereof. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the Tennessee courts, the non-exclusive jurisdiction of the United States District Court for the Southern District of New York, the

English courts and the Australian courts over any action or proceeding to enforce any right under this Agreement.

13.08. COUNTERPARTS. This Agreement may be executed simultaneously in one or more counterparts, with the same effect as if the signatories executing the several counterparts had executed one counterpart, provided, however, that the several executed counterparts shall together have been signed by Sodexo and the Sellers. All such executed counterparts shall together constitute one and the same instrument.

[signatures continued on the following page]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the parties hereto on the date first above written.

SODEXHO ALLIANCE, S.A.

By: /s/ Jean-Pierre Cuny  
-----  
Title: Senior Vice President  
-----

PRISON REALTY TRUST, INC.

By: /s/ John D. Ferguson  
-----  
Title: President/Chief Executive Officer  
-----

CORRECTIONS CORPORATION OF AMERICA

By: /s/ John D. Ferguson  
-----  
Title: President/Chief Executive Officer  
-----

PRISON MANAGEMENT SERVICES, INC.

By: /s/ Darrell K. Massengale  
-----  
Title: President/Chief Executive Officer  
-----

SELLERS:

CORRECTIONS CORPORATION OF AMERICA  
(U.K.) LIMITED

By: /s/ Gay E. Vick  
-----  
Title: Director  
-----

(Signature Page Continued)

JUVENILE AND JAIL FACILITY MANAGEMENT  
SERVICES, INC.

By: /s/ Darrell K. Massengale

-----  
Title: President/Chief Executive Officer  
-----



SCHEDULE 2.02

(Intentionally Omitted)

EXHIBIT A  
ESCROW AGREEMENT

(Intentionally Omitted)

EXHIBIT B  
OPTION AGREEMENT

(Intentionally Omitted)

Included in this filing as Exhibit 10.3

EXHIBIT 8.05

FORM OF OPINION

(Intentionally Omitted)

EXHIBIT 8.05

FORM OF OPINION

(Intentionally Omitted)

EXHIBIT 9.05

FORM OF OPINION

(Intentionally Omitted)

## OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement") is made and entered into as of September 11, 2000, by and between JUVENILE AND JAIL FACILITY MANAGEMENT SERVICES, INC., a Tennessee corporation, or its designee ("JJFMS"), and SODEXHO ALLIANCE, S.A., a French societe anonyme, or its designee ("Sodexho").

## W I T N E S S E T H:

WHEREAS, pursuant to the terms of that certain Stock Acquisition Agreement, dated September 11, 2000 (the "Stock Acquisition Agreement"), Sodexho has acquired from Corrections Corporation of America (U.K.) Limited, a company incorporated in England and Wales whose registered number is 2147489 ("CCA UK"), 5000 "A" Ordinary Shares and 2500 "B" Ordinary Shares in the capital stock of U.K. Detention Services Limited, a company incorporated in England and Wales whose registered number is 2147491 ("UKDS"), which shares (the "Transferred UKDS Shares") collectively represent fifty percent (50%) of the issued and outstanding shares of UKDS;

WHEREAS, pursuant to the terms of the Stock Acquisition Agreement, Sodexho has acquired from JJFMS 22,500 "C" class shares in the capital of Corrections Corporation of Australia Pty. Ltd. A.C.N. 010 921 641, an Australian corporation ("CCA Australia"), which shares (the "Transferred CCA Australia Shares") collectively represent fifty percent (50%) of the issued and outstanding shares of CCA Australia; and

WHEREAS, in connection with the transactions described above, Sodexho desires to grant and JJFMS desires to accept the grant of: (i) an option to purchase fifty percent (50%) of the Transferred UKDS Shares, which would represent twenty-five percent (25%) of the aggregate issued and outstanding shares of UKDS (the "UKDS Option Shares"); and (ii) an option to purchase fifty percent (50%) of the Transferred CCA Australia Shares, which would represent twenty-five percent (25%) of the aggregate issued and outstanding shares of CCA Australia (the "CCA Australia Option Shares" and, collectively with the UKDS Option Shares, the "Option Shares").

NOW, THEREFORE, for and in consideration of the premises and the mutual promises, covenants, agreements, and conditions in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of UKDS Option. Subject to the terms and conditions of this Agreement, and assuming that the Transferred UKDS Shares have first been acquired by Sodexho from CCA UK at a Closing pursuant to the Stock Acquisition Agreement, and in reliance upon the representations, warranties, covenants and agreements contained herein, Sodexho hereby grants to JJFMS the option to purchase all, but not less than all, of the UKDS Option Shares (the "UKDS Option").

2. Grant of CCA Australia Option. Subject to the terms and conditions of this Agreement, and assuming that the Transferred CCA Australia Shares have first been acquired by Sodexo from JJFMS at a Closing pursuant to the Stock Acquisition Agreement, and in reliance upon the representations, warranties, covenants and agreements contained herein, Sodexo hereby grants to JJFMS the option to purchase all, but not less than all, of the CCA Australia Option Shares (the "CCA Australia Option," and collectively with the UKDS Option, the "Options").

3. Purchase Price of Shares. During the period beginning on the date of this Agreement and ending on 11:59 p.m., Nashville, Tennessee time, on the date which is eighteen (18) months from the date of this Agreement (the "Initial Period"), (i) the aggregate purchase price of the UKDS Option Shares shall be Two Million U.S. Dollars (\$2,000,000)(US); and (ii) the aggregate purchase price of the CCA Australia Option Shares shall be Two Million U.S. Dollars (\$2,000,000)(US). During the period beginning on the day immediately following the end of the Initial Period and ending on 11:59 p.m., Nashville, Tennessee time, on the day of the second anniversary of the date of this Agreement (the "Subsequent Period"), (i) the aggregate purchase price of the UKDS Option Shares shall be Two Million One Hundred Thousand U.S. Dollars (\$2,100,000)(US); and (ii) the aggregate purchase price of the CCA Australia Option Shares shall be Two Million One Hundred Thousand U.S. Dollars (\$2,100,000)(US). The purchase price shall be payable by bank wire transfer or such other form of payment as may be acceptable to JJFMS and Sodexo.

4. Term. Subject to the terms and conditions of this Agreement, including, without limitation, Section 8 hereof, the Options shall be exercisable and paid for by JJFMS on or before 11:59 p.m., Nashville, Tennessee time, on the day of the second anniversary of the date of this Agreement, after which such right to purchase any of the Option Shares shall terminate.

5. Exercise of Option; Closing. Subject to the terms and conditions of this Agreement, the UKDS Option shall be exercised by JJFMS with respect to all, but not less than all, of the UKDS Option Shares and the CCA Australia Option shall be exercised by JJFMS with respect to all, but not less than all, of the CCA Australia Option Shares, by giving notice of exercise to Sodexo in accordance with Section 9 of this Agreement. Delivery of the UKDS Option Shares and the CCA Australia Option Shares and payment therefor (each, a "Closing") shall take place at the offices of Ropes & Gray, in Boston, Massachusetts, at 10:00 a.m., Boston, Massachusetts time, on the tenth Business Day, as hereinafter defined, following the date such notice of exercise is given, or at such other date, time, and/or place as JJFMS and Sodexo may mutually agree. As used in this Agreement, "Business Day" means any Monday, Tuesday, Wednesday, Thursday, or Friday on which banking institutions in the City of Boston, Massachusetts are not authorized or obligated by law or executive order to close. Notwithstanding any other provision of this Agreement, the UKDS Option and the CCA Australia Option must be exercised and paid for together, and neither one may be exercised without the exercise of the other option at the same time. It is understood with respect to the Closing following any exercise of both the UKDS Option and the CCA Australia Option, that copies of all consents of third parties and governmental bodies and agencies necessary for the transfer of the UKDS Option Shares and all such consents necessary for the transfer of the CCA Australia Option Shares shall have been furnished to JJFMS, it being understood that once the



consents necessary for the transfer of the UKDS Option Shares have been obtained the Closing shall proceed with respect to the transfer of said UKDS Option Shares (assuming the other conditions to the transfer of said UKDS Option Shares shall have been satisfied) and it being understood that once the consents necessary for the transfer of the CCA Australia Option Shares have been obtained, the Closing shall proceed with respect to the transfer of said CCA Option Australia Shares (assuming the other conditions to the transfer of said CCA Australia Option Shares shall have been satisfied), and if at any time the third parties and governmental consents for the transfer of all the Option Shares have been obtained and all other conditions have been satisfied, then the Closing shall occur with respect to the transfer of all the UKDS Option Shares and CCA Australia Option Shares. In the event that Sodexo for some reason does not purchase the Transferred UKDS Shares by the termination date set forth in the Stock Acquisition Agreement, provisions in this Agreement regarding the UKDS Option and the UKDS Option Shares shall be disregarded and of no effect. In the event that Sodexo for some reason does not purchase the Transferred CCA Australia Shares by the termination date set forth in the Stock Acquisition Agreement, provisions in this Agreement regarding the CCA Australia Option and the CCA Australia Option Shares shall be disregarded and of no effect.

6. Representations and Warranties of JJFMS. Recognizing that Sodexo will be relying on the information and on the representations and warranties set forth herein, JJFMS hereby acknowledges, represents and warrants to Sodexo as follows:

(a) JJFMS has full power and authority to execute, enter into and perform this Agreement and all agreements, instruments and documents contemplated hereby and to carry out the transactions contemplated hereby. This Agreement is a valid and binding obligation of JJFMS, enforceable against it in accordance with its terms, subject to the limitations imposed by bankruptcy, insolvency, moratorium, or similar laws or provisions of general application, and to availability of equitable remedies (whether enforcement is sought in a court of law or equity).

(b) JJFMS is the sole party in interest in acquiring the Options and, if the UKDS Option and the CCA Australia Option are exercised, will be acquiring the UKDS Option Shares and the CCA Australia Option Shares solely for its own investment and not with a view to the resale or distribution thereof. JJFMS has no present or contemplated agreement, understanding, intent, arrangement or commitment providing for or which is likely to compel the transfer, pledge, sale or disposition of the Option Shares. JJFMS will not attempt to sell, transfer, convey or otherwise dispose of all or any part of the Option Shares except in accordance with applicable law and the various agreements to which it is a party.

(c) Neither the execution and delivery of this Agreement, nor the carrying out of any of the transactions contemplated hereby or thereby, will in any material respect contravene, violate, or result in the breach of, any agreement or instrument to which JJFMS is a party or by which it is bound, or of any law or governmental order, rule or regulation which is applicable to JJFMS or will result in the creation or imposition of any security interest, mortgage, lien, encumbrance or charge upon any of the properties or assets of JJFMS. No consents or approvals of any persons or entities, governmental or otherwise, are required which have not been obtained in

respect of the execution and delivery of this Agreement and the carrying out of the transactions contemplated hereby or thereby on the part of JJFMS, it being understood that approvals of governmental bodies may be required to permit the exercise of the Options and the acquisition of the Option Shares thereby.

(d) JJFMS understands and agrees that the Option Shares have not been registered under the securities laws of any jurisdiction. JJFMS further understands and agrees that the Options and any exercise thereof must comply with all applicable securities laws, as such laws exist on such dates that the Options may be exercised. JJFMS also understands and agrees that the Options may never be exercisable if compliance with such securities laws may not be achieved.

(e) JJFMS understands and agrees that Sodexho will rely upon the representations made in this Agreement and related documents and that Sodexho is fully entitled to rely upon each and all of the same without further inquiry.

(f) JJFMS understands that governmental agency approvals may be required to permit the exercise of the Option and acquisition of the Option Shares thereby.

7. Representations and Warranties of Sodexho. Recognizing that JJFMS will be relying on the information and on the representations and warranties set forth herein, Sodexho hereby acknowledges, represents and warrants to JJFMS as follows (assuming that Sodexho has first acquired the Transferred CCA Australia Shares and the Transferred UKDS Shares from JJFMS at a Closing under the Stock Acquisition Agreement):

(a) Sodexho has full power and authority to execute, deliver, enter into, and perform this Agreement and all agreements, instruments, and documents contemplated hereby and to carry out the transactions contemplated thereby. This Agreement is a valid and binding obligation of Sodexho, enforceable against each in accordance with its terms, subject to the limitations imposed by bankruptcy, insolvency, moratorium or similar laws or provisions of general application, and to the availability of equitable remedies (whether enforcement is sought in a court of law or equity).

(b) Sodexho is the sole owner of the Option Shares, free and clear of any liens, claims, encumbrances, and charges, and has full power to sell, transfer, and convey the same to JJFMS.

(c) Neither the execution and delivery of this Agreement, nor the carrying out of any of the transactions contemplated hereby, will in any material respect result in any violation of or be in conflict with any term of any material agreement or instrument to which Sodexho is a party or by which either is bound, or of any law or governmental order, rule or regulation which is applicable to Sodexho or will result in the creation or imposition of any security interest, mortgage, lien, encumbrance or charge upon any of the properties or assets of Sodexho. No consents or approvals of any persons or entities, governmental or otherwise, are required which have not been obtained in respect of the execution and delivery of this Agreement or the Option Shares and the

carrying out of the transactions contemplated hereby on the part of Sodexho, it being understood that approvals of governmental bodies may be required to permit the exercise of the Options and the acquisition of the Option Shares thereby.

8. Survival. The representations, warranties and agreements of the parties contained herein shall survive the execution and delivery of this Agreement and the purchase of the Option Shares by JJFMS.

9. Assignment. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither the Options nor any interest therein may be transferred, assigned, pledged, hypothecated, or otherwise conveyed, except (i) by operation of law as a result of a merger or consolidation of JJFMS with Prison Realty Trust, Inc. ("Prison Realty") or a wholly-owned subsidiary thereof; or (ii) with the prior written consent of Sodexho, and subject to agreements among Sodexho, JJFMS and Prison Realty.

10. Conditions to Closing.

(a) The obligations of Sodexho to consummate the transactions contemplated by this Agreement are subject to the conditions that the representations and warranties set forth in Section 5 hereof are true and correct on and as of the date hereof and that JJFMS shall have complied with all covenants and agreements and satisfied all conditions on its part to be performed or satisfied prior to Closing and that all governmental body approvals that are required are obtained by the Closing. Sodexho may request a certificate to the foregoing effect, dated as of the date of Closing, signed by JJFMS.

(b) The obligations of JJFMS to consummate the transactions contemplated by this Agreement are subject to the conditions that the representations and warranties set forth in Section 6 hereof are true and correct on and as of the date hereof and that Sodexho shall have complied with all covenants and agreements and satisfied all conditions on its part to be performed or satisfied prior to Closing and that all governmental body approvals that are required are obtained by the Closing. JJFMS may request a certificate to the foregoing effect, dated as of the date of Closing, signed by Sodexho.

11. Notices. All notices, request, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand; mailed (registered or certified mail, postage prepaid, return receipt requested); or by nationally recognized courier service as follows:

If to JJFMS:

Juvenile and Jail Facility Management Services, Inc.  
10 Burton Hills Boulevard  
Nashville, Tennessee 37215  
Attn: Chief Executive Officer and President

With a copy to:

Elizabeth E. Moore, Esq.  
Stokes Bartholomew Evans & Petree, P.A.  
424 Church Street, Suite 2800  
Nashville, Tennessee 37219

If to Sodexho:

Sodexho Alliance, S.A.  
3 avenue Newton  
78180 Montigny-le-Bretonneux  
FRANCE  
Attn: Jean-Pierre Cuny

With a copy to:

Howard K. Fuguet, Esq.  
Ropes & Gray  
One International Place  
Boston, Massachusetts 02110

12. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other term or provision hereof, and this Agreement in such event shall be construed in all respects as if any invalid or unenforceable provisions were not included in this Agreement.

13. Governing Law. This Agreement shall be governed by and be interpreted under the laws of the State of New York without regard to the conflicts of law principles thereof. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York over any action or proceeding to enforce any right under this Agreement. The parties further acknowledge that irrevocable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the parties shall be entitled to an injunction to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in the United States District Court for the Southern District of New York. This being in addition to any other remedy to which they may be entitled at law or equity. The English language version of all documents related to the transactions contemplated hereby shall govern.

14. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to

the subject matter hereof, except for such additional agreements as are contained in that certain Stock Acquisition Agreement and in any agreements related thereto.

15. Amendment. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties to this Agreement. This Agreement may be terminated at any time by an instrument in writing signed by the parties to this Agreement.

16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

17. Section Headings. The section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

18. Waiver. No delay or omission on the part of either party hereto in exercising any right hereunder shall operate as a waiver of such right or any other right under this Agreement; however, any of the terms or conditions of this Agreement may be waived in writing at any time by the party hereto which is entitled to the benefit thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SODEXHO:

SODEXHO ALLIANCE, S.A.

By: /s/ Jean-Pierre Cuny

-----  
Title: Senior Vice President  
-----

JJFMS:

JUVENILE AND JAIL FACILITY MANAGEMENT  
SERVICES, INC.

By: /s/ Darrell K. Massengale

-----  
Title: President/Chief Executive Officer  
-----