

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

AMENDMENT 2 TO CONTRACT NUMBER RS151

The Texas Juvenile Justice Department, hereinafter "TJJD" and Pegasus Schools, Inc., 896 Robin Ranch Road, Lockhart, Texas 78644, hereinafter "Service Provider," acknowledge that they have previously entered into a contract for the provision of non-secure residential specialized program services, located at 896 Robin Ranch Road, Lockhart, Texas 78644. This contract is identified as contract number RS151, will expire on August 31, 2015 unless renewed per Section IV. Article 10.

Both parties wish to continue the relationship that exists without a lapse in services. Service Provider agrees to continue to provide services under the aforementioned existing contract and TJJD agrees to continue to use Service Provider's services during the term of this extension. The parties hereto agree to be bound by the terms of the existing contract subject to the following changes:

1. Pursuant to Section IV. General Terms and Conditions, Article 10: Contract Renewal, this contract is hereby renewed for additional one (1) year, beginning on **September 1, 2015 through August 31, 2016.**
2. The total amount paid by TJJD for services rendered under the contract for the period September 1, 2015 through August 31, 2016 shall not exceed **\$2,759,400.00 (two million, seven hundred fifty-nine thousand, four hundred dollars and zero cents).**
3. Service Provider's Statement of Work Narrative is replaced with the attached "Contract Requirements FY 16" issued by the TJJD Youth Services Contracts Manager and executed July 10, 2015 and "Statement of Work Narrative FY 2016" executed by Service Provider May 27, 2015, which are incorporated into the contract by reference.
4. Section III. Certifications is amended by adding the following:

ARTICLE 19: Verification of Worker Eligibility Clause FOR SERVICE OR CONSTRUCTION CONTRACTS ONLY

1. If Service Provider is not enrolled in the U.S. Department of Homeland Security's E-Verify system ("E-Verify") at time of contract award, Service Provider shall:
 - a. Enroll in the E-Verify program within 30 calendar days of contract award; and thereafter
 - b. Use E-Verify to initiate, within 3 business days after the date of hire, verification of employment eligibility of all new hires of Service Provider employed during the contract term to perform duties within Texas and all persons (including subcontractors) assigned by the Service Provider to perform work pursuant to this contract, within the United States.
2. If Service Provider is enrolled in E-Verify at time of contract award, Service Provider shall use E-Verify to initiate, within 3 business days after the date of hire, verification of employment eligibility of all new hires of Service Provider employed during the contract term to perform duties within Texas and all persons (including subcontractors) assigned by the Service Provider to perform work pursuant to this contract, within the United States
3. Service Provider shall comply with the requirements of the E-Verify program Memorandum of Agreement (MOU). If the Department of Homeland Security (DHS) or the Social Security Administration (SSA) terminates Service Provider's MOU and denies access to the E-Verify system in accordance with the terms of the MOU, TJJD may terminate this contract.
4. Service Provider shall include the requirements of this clause, including this paragraph (appropriately modified for identification of the parties), in each subcontract under this contract that is for services or construction.

5. Service Provider shall provide, upon request of TJJD, an electronic or printed image of the confirmation or non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for each of Service Provider's employees, subcontractors, and subcontractors' employees that meet the criteria above.
6. If Service Provider fails to comply with the requirements of this clause, TJJD may terminate this contract, withhold payment, or impose other administrative error sanctions.
7. The requirements of this clause only apply to contracts for services or construction.

For the Texas Juvenile Justice Department:



David Reilly, Executive Director

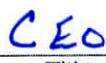


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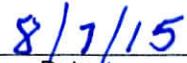
For the Service Provider:



Signature

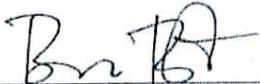


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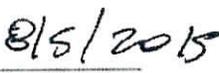


Date

Approved as to form:



TJJD Attorney



Date