

CENTRACORE PROPERTIES TRUST
AMENDED AND RESTATED AUDIT COMMITTEE CHARTER
ADOPTED MARCH 1, 2005

PREFACE

CentraCore Properties Trust (the Company) has previously established an Audit Committee (the "Audit Committee") comprised of three independent members of its Board of Trustees. In accordance with the Rules of the New York Stock Exchange, the Audit Committee has prepared and presented this amended and restated Audit Committee Charter (the "Charter"), to the Board of Trustees of the Company (the "Board") for approval by the Board. In connection with the ongoing review and preparation of this Charter, the members of the Audit Committee reviewed and discussed with management, outside auditors and legal counsel for the Company the role of the Audit Committee, the purposes to be served by this Charter and the issues addressed in the Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees (the "Blue Ribbon Report"), the requirements of the Sarbanes-Oxley Act of 2002 (the "Act") and the rules and regulations of the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange ("NYSE") applicable to audit committees. The Audit Committee recognized in its deliberations and in the drafting of this Charter that the Company has one financial officer, no internal audit employees and a business process associated with the acquisition and holding of real properties which are leased on a triple-net basis to tenants wholly responsible for the operation, maintenance and use of the properties. Accordingly, the Company has elected to outsource its internal audit function to a third party provider (the "Internal Auditor") which provider does not also function as the Company's independent outside auditor. This Internal Auditor shall conduct its reviews of the Company's financial records and report to the Company and the outside auditor in a manner that is consistent with agreed upon procedures. It is expected that this Charter will evolve and be reviewed at least annually by the members of the Audit Committee. All changes to this Charter will be approved by the Audit Committee and by the Board.

In recognition of the limited scope of the Company's business operations, the Audit Committee has determined it can best achieve the purposes of the NYSE Audit Committee Rules and effectively implement the insights summarized in the Blue Ribbon Report by organizing this Charter based upon the five Guiding Principles for Audit Committee Best Practices enumerated by the Blue Ribbon Committee in the Blue Ribbon Report as common sense fundamentals applicable to every corporation regardless of size or scope of operations. In lieu of enumerating as a part of this Charter the specific listing requirements of the New York Stock Exchange, the applicable provisions of the Act and the applicable rules and regulations of the SEC, this Charter obligates the Audit Committee and the Board to adhere to all such laws, rules and regulations applicable to the Company, as the same may be amended, modified or superseded from time to time.

Unless a Chairman is elected by the full Board, the members of the Audit Committee shall designate a Chairman by the majority vote of the full Audit Committee membership. The Chairman will chair all regular sessions of the Audit Committee and set the agendas for Audit Committee meetings. In fulfilling its responsibilities, the Audit Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Audit Committee to the extent such delegation is permitted by the rules and regulations of the New York Stock Exchange, the SEC and the Audit Committee rules and regulations under the Act. Each member of the Audit Committee shall be independent and financially literate in accordance with the requirements of the NYSE. The Audit Committee may designate for Board approval one or more of its members who so qualify as an "audit committee financial expert" as defined by the SEC.

GUIDING PRINCIPLE NUMBER ONE: THE AUDIT COMMITTEE'S KEY ROLE IN MONITORING THE OTHER COMPONENT PARTS OF THE AUDIT PROCESS.

General Oversight of Financial Reporting

The Audit Committee shall assure that direct communication between the Audit Committee and its Chairman with the Chief Financial Officer of the Company, the Internal Auditor, and with the outside auditors is available and is conducted on a regular basis. The Chief Financial Officer is the only financial and accounting officer of the Company and the Audit Committee shall periodically review, with the Chairman of the Board and Chief Executive Officer of the Company and with the outside auditors, the Internal Auditor (consistent with agreed upon procedures), and outside legal counsel, the quality and effectiveness of the Company's internal controls and the adherence of the Chief Financial Officer and management to the internal controls.

The Audit Committee shall meet four times each year in conjunction with the regularly scheduled meetings of the Board and shall schedule a special meeting during the fourth quarter of each year to review all relevant year end issues with the Chief Financial Officer and outside auditors and to plan for year end financial reporting, the annual audit and preparation of the annual report of the Company. In addition, the Audit Committee or the Chairman of the Audit Committee shall also meet or communicate with the Chief Financial Officer, the Internal Auditor, or the outside auditors as and when necessary regarding any significant matter occurring between regularly scheduled meetings of the Audit Committee.

The Audit Committee shall review the Company's financial statements and financial reporting as follows:

- Meet to review and discuss with management and the outside auditors the Company's Annual Report on Form 10-K, including the related audited financial statements and management's discussion and analysis of financial condition and results of operations ("MD&A") prior to the filing of the Company's Annual Report on Form 10-K and the dissemination of the Company's annual report. This review and discussion should include consideration of the quality of the Company's accounting policies and principles as applied in its financial reporting, including review of estimates, reserves and accruals, review of judgment areas, review of audit adjustments, whether or not recorded, and such other inquiries as may be appropriate. Based on the review, the Audit Committee shall make a recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K.
- Meet to review and discuss with management, the Internal Auditor and the outside auditors the quality and effectiveness of the Company's internal controls, management's assessment of the internal controls over financial reporting and management's report thereon as well as the outside auditor's related review and attestation report.
- Meet to review and discuss with management and the outside auditors the Quarterly Reports on Form 10-Q, including the related quarterly financial information and MD&A prior to the filing of the Company's Quarterly Reports on Form 10-Q.
- The Chairman or the Audit Committee will review and discuss with management all earnings press releases prior to publication and dissemination as well as financial information and earnings guidance provided to analysts and rating agencies.

Review of Audit Committee Responsibilities and Charter

The Audit Committee shall review with the Chief Financial Officer, the Internal Auditor, outside auditors and outside legal counsel, at least once each year and otherwise as necessary, this Charter and all requirements of the New York Stock Exchange, the SEC, the Act and other laws and rules pertaining to the Audit Committee and this Charter. The review shall include recommendations to the Board of any prospective changes to this Charter or to the scope of the Audit Committee's activities deemed appropriate due to any changes in such requirements or the Company's Business Plan, operations or personnel.

Company and Audit Committee Reporting

The management of the Company shall prepare, in consultation with the Internal Auditor, outside auditors and outside legal counsel, and each member of the Audit Committee shall review and approve, prior to the filing thereof, the Audit Committee Report contemplated by the rules adopted by the SEC (17 CFR 229.306) and the disclosure relating to the Audit Committee to be included in each proxy statement to be filed by the Company. To preserve the safe harbors afforded by the rules of the SEC for the benefit of the Company and the members of the Audit Committee, it shall be the policy of the Company not to treat and to not request the treatment of such reported Audit Committee information as soliciting material and to not incorporate any such information by reference into any filing under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended. The Audit Committee shall report to the Board all actions taken by the Audit Committee in accordance with this Charter and shall, from time to time, make recommendations to the Board as contemplated by this Charter.

Continuing Review and Oversight of Company Risks and Exposures

The Audit Committee shall regularly review with the Chief Financial Officer, the Internal Auditor, outside auditors and outside legal counsel, the laws, rules and regulations, including in particular any amendments thereto, pertaining to the Company's financial statements and to the Audit Committee and any significant risks or exposures to the Company as a result thereof. The Audit Committee shall regularly review with management of the Company all special risks and exposures of the Company which arise from its operations and implementation of its Business Plan. The Audit Committee shall review with management of the Company, the Internal Auditor (consistent with agreed upon procedures) and with the outside auditors all steps taken by the Company to minimize any such risks or exposures to the Company.

GUIDING PRINCIPLE NUMBER TWO: INDEPENDENT COMMUNICATION AND INFORMATION FLOW BETWEEN THE AUDIT COMMITTEE AND THE CHIEF FINANCIAL OFFICER.

The Audit Committee shall receive a report from the Chief Financial Officer on all financial accounting, reporting and compliance matters at each meeting of the Audit Committee. The Audit Committee shall regularly review with the Chief Financial Officer the internal controls of the Company and shall separately review them with the Chief Executive Officer of the Company as well as the Internal Auditor (consistent with agreed upon procedures) and the outside auditor.

The Chairman of the Audit Committee shall ensure that the Chief Financial Officer and/or the Internal Auditor meets with the Audit Committee or its Chairman outside the presence of other management of the Company on a quarterly basis and on any occasion requested by the Chief Financial Officer, the Internal Auditor or any member of the Audit Committee. The Chief Financial Officer shall be charged with the responsibility to promptly report to the Audit Committee any matters which come to the Chief Financial Officer's attention which could have a meaningful effect on the Company's periodic or annual financial reports.

GUIDING PRINCIPLE NUMBER THREE: INDEPENDENT COMMUNICATION AND INFORMATION FLOW BETWEEN THE AUDIT COMMITTEE AND THE OUTSIDE AUDITORS.

Relationship with the Outside Auditors

The Audit Committee shall review the performance of the outside auditors and have sole authority with respect to the engagement of the outside auditors to audit the financial statements of the Company and, if appropriate, the termination of that relationship. The Audit Committee shall also have sole authority with respect to determining the compensation to be paid to the outside auditors. The Audit Committee shall oversee the outside auditors' relationship with the Company by discussing with the outside auditors the nature, scope and rigor of the audit process, receiving and reviewing audit reports and providing the auditors full access to the Committee (and the Board) to report on appropriate matters. The Audit Committee shall approve, in advance, all audit and allowable non-audit services to be provided to the Company by its outside auditors. The responsibility to pre-approve audit and non-audit services may be delegated by the Audit Committee to one or more members of the Audit Committee;

provided that any decision made by such member or members must be presented to the full Audit Committee at its next scheduled meeting.

At least annually, the Audit Committee will discuss with the outside auditors and separately with management of the Company the timing and process for implementing the rotation of the lead audit (or coordinating) partner, the concurring (or reviewing) audit partner, and any other active audit engagement team partner at the outside auditor, and consider whether there should be regular rotation of the audit firm itself.

Independence of Outside Auditors

The Audit Committee shall confirm at least annually and at any time upon a request therefor by the Chief Financial Officer or any member of the Audit Committee, the independence of the outside auditors and shall receive from the outside auditors a written statement delineating all relationships between the outside auditor and the Company, all services performed for the Company by the firm of outside auditors during the period covered by the statement and the fees associated therewith, and a representation to the Company to the effect that the outside auditors are independent accountants with respect to the Company within the meaning of relevant rules and regulations applicable to the Company. The Audit Committee shall review the written statement of the outside auditors with the Chief Financial Officer and shall consider such statement and other information in connection with the delivery by the Audit Committee of a report to the Board as to the independence of the outside auditors. The Audit Committee shall set clear hiring policies for employees or former employees of the outside auditors. At a minimum, these policies will provide that any public accounting firm may not provide audit services to the Company if the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller, or any person serving in an equivalent position for the Company was employed by the audit firm and participated in any capacity in the audit of the Company within one year of the initiation of the current audit.

Communication with the Outside Auditors

The Audit Committee shall receive a report from the outside auditors on all financial accounting, reporting and compliance matters at each meeting of the Audit Committee. The Chairman of the Audit Committee shall ensure that a representative of the outside auditors meets with the Audit Committee or its Chairman outside the presence of other management of the Company on a regular basis and on any occasion requested by the outside auditors or by any member of the Audit Committee. The Audit Committee shall periodically, but at least annually, review with the outside auditors the quality and effectiveness of the Company's internal controls and the adherence of the Chief Financial Officer and the Internal Auditor to the internal controls as well as any material issues raised by the most recent internal quality-control review, or peer review, of the outside auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the outside auditor.

The outside auditors shall be charged with the responsibility to promptly report to the Audit Committee and the Board any matters which come to the attention of the outside auditors which could have a meaningful effect on the Company's periodic or annual financial reports. The outside auditors shall report to the Audit Committee all critical accounting policies and practices to be used, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the outside auditor, and other material written communications between the outside auditor and management including any management letter or schedule of unadjusted differences. The Audit Committee shall consult with the Chief Financial Officer and the outside auditors regarding the audit plan and the fees of the outside auditors for the annual audit.

Review of Audit Results by the Audit Committee

Upon completion of the annual audit by the outside auditors, the Audit Committee shall review with the Chief Financial Officer, the Internal Auditor (consistent with agreed upon procedures) and the outside auditors any significant findings and recommendations of the outside auditors, the audit results and all matters to be communicated to the Audit Committee under audit standards of the Public Accounting Oversight Board.

GUIDING PRINCIPLE NUMBER FOUR: CANDID DISCUSSIONS WITH MANAGEMENT AND OUTSIDE AUDITORS REGARDING ISSUES IMPLICATING JUDGMENT AND IMPACTING QUALITY.

The Audit Committee shall ensure that the Chief Financial Officer provides the Audit Committee with a summary of or information regarding any matters involving any significant changes to the financial statements and disclosure documents prior to the filing thereof, the emergence or elimination of high risk issues, any changes in accounting principles, financial reporting policies or accounting treatment for significant transactions and any significant variance between the Company budget and actual operations.

The Audit Committee shall discuss with the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Internal Auditor (consistent with agreed upon procedures) and the outside auditors any significant matter provided to or brought to the attention of the Audit Committee. Management of the Company shall ensure that all significant matters affecting the Company's financial reporting, internal controls and compliance are presented to the Audit Committee by the Chief Financial Officer. The Chairman of the Board, the Chief Executive Officer of the Company and the Chairman of the Compensation Committee shall communicate to the Chairman of the Audit Committee any significant issues relating to the Chief Financial Officer or the Internal Auditor or to the adherence to internal controls by the personnel of the Company at any time any such issue comes to their attention.

The Audit Committee has established, and shall periodically review, a whistleblower complaint procedures policy for the Company which establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters in connection with the Company and the confidential, anonymous submission by officers and employees of the Company of concerns regarding questionable accounting or auditing matters in connection with the Company.

The Audit Committee shall review with the outside auditor and the Internal Auditor (consistent with agreed upon procedures) any audit problems or difficulties encountered and management's response thereto. The Audit Committee shall have responsibility for overseeing the resolution of any disagreements among management and the outside auditors.

The Audit Committee has the authority to engage independent counsel and other advisors, as it determines necessary to carry out its duties, and the Company shall provide appropriate funding, as determined by the Audit Committee, to carry out its duties.

GUIDING PRINCIPLE NUMBER FIVE: DILIGENT AND KNOWLEDGEABLE AUDIT COMMITTEE MEMBERSHIP.

The Audit Committee shall be comprised of independent members of the Board who meet all of the membership requirements of the Act, and the NYSE and SEC Audit Committee rules and regulations. Each member of the Audit Committee shall present to the Company appropriate information that evidences such member's satisfaction of these requirements. The Audit Committee shall request the outside auditors and outside legal counsel to periodically provide to the members of the Audit Committee any information or educational materials believed to be helpful in carrying out the duties and responsibilities of a member of the Audit Committee. Management of the Company shall endeavor to inform the Audit Committee of all new matters that pertain to the responsibilities and role of members of the Audit Committee. The members of the Audit Committee shall review and evaluate, at least annually, the performance of the Committee and the individual members thereof and report the results of the evaluation to the Board.