

CENTRAL TELEPHONE  
CALL PROCESSING UNIT LEASE  
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This lease between Skamania County Jail located at the following address, 200 Vancouver Ave, Stevenson, WA 98648, herein referred to as Proprietor and Central Telephone Inc. herein referred to as CTI, establishes the right of CTI to place a Call Processing Unit ("CPU") at the mentioned address:

IN CONSIDERATION of mutual covenants contained herein, the parties agree as follows:

CTI agrees to supply the leased premises with a call processing unit, service the equipment and keep same in repair at its own expense during the terms of this lease. CTI further agrees to pay all telephone line charges imposed by Sprint with respect to call processing unit, and pay the Proprietor 38% of the Gross Revenue Received. "CTI" further agrees that it will provide accounting on a monthly basis to proprietor showing how CTI calculated proprietor's percentage of the gross revenue.

The Proprietor agrees (a) to report promptly to CTI any failure of the call processing unit to function properly and/or any other condition which might affect the profitable operation of the said call processing unit (b) that vendor has exclusive rights to CPU units and no units other than Vendor's shall be installed or operated on premises (c) that the aforementioned call processing unit and any replaced equipment remains the property of CTI and that the Proprietor will not permit anyone other than authorized agents of CTI to remove or tamper with said call processing unit. Should CTI elect to remove CPU, CTI will return phone system as it was prior to CTI's installation of the CPU.

This lease shall continue in force for a period of four years from the date hereof; and shall continue in force thereafter for succeeding periods of three years each unless notice of cancellation in writing is delivered not less than 30 days prior to the termination of any current lease period.

The Proprietor may also terminate the lease by giving CTI a 30-day written notice only if CTI has breached its obligation under this lease. Proprietor shall notify CTI of such breach (es) and if CTI does not cure breach (es) within the 30-day period, CTI shall terminate. Written notice should be provided via first class mail to Central Telephone Inc. P.O. Box 25, Goldendale, WA 98620.

In the event of any litigation between the parties to declare or enforce any provision of this lease, or in the event Vendor consults with an attorney in connection with a breach of this lease by Proprietor, the prevailing party (or the Vendor in the event of consultation as described above) shall be entitled to recover from the losing party, in addition to any other recovery and costs, reasonable attorney fees incurred in such litigation, in both the trial and all appellate courts. This lease shall be subject to and governed by the laws of the State of Washington, and any proceeding brought by either party shall be filed in the Superior Court for Skamania County, Washington.

Neither party may transfer or assign this lease or its rights under this lease without written consent of the other party, which will not unreasonably be withheld. The assumption of the Lease by a successor entity to either party, however, shall not be deemed a transfer or assignment for purposes of this section. This Lease shall be binding upon all and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Each party shall indemnify and hold the other party, its officers, agents and employees, harmless from and against any claims or causes of action for personal injury or death to persons or lose or damage to property (including but not limited to personal injury or property damage suffered by either party's own employees or agents, including third parties working or performing services under the direction or control of the indemnifying party), to the extent the result directly or indirectly, from the indemnifying party's negligence or intentional misconduct. The Proprietor shall defend and hold harmless CTI from any claims of personal or property damage made against CTI by parties who have worked or performed services under this Agreement under the direction and control of Proprietor. CTI shall indemnify, defend and hold harmless Proprietor from any claims for personal or property damage made against Proprietor by parties who have worked or performed services under this Lease under the direction and control of CTI.