

INMATE TELECOMMUNICATIONS AGREEMENT

This Inmate Telecommunications Agreement (hereinafter "Agreement"), made and entered into this 9th day of January 2004 by and between Gordon County, a political subdivision of the State of Georgia, hereinafter referred to as "Gordon County," and Pay Tel Communications, Inc. of the other part, hereinafter referred to as "Pay Tel."

WHEREAS, Gordon County and Pay Tel desire to enter into a contractual relationship pursuant to which Pay Tel will act as the exclusive agent and provider of inmate telecommunications equipment and services (hereinafter sometimes "Services"); and

WHEREAS, Gordon County understands the financial commitment on the part of Pay Tel in providing equipment associated with such services and agrees to cooperate and assist Pay Tel as set forth below.

NOW THEREFORE, in consideration of the mutual promises and obligations hereunder, the parties to this Agreement do hereby agree as follows:

1.0 AUTHORITY TO CONTRACT

1.1 Gordon County warrants that it owns the Premises and has the authority to enter into this Agreement.

2.0 Location

2.1 This Agreement is for Services at or connected to the premises at the location or locations described in Exhibit A attached hereto (the "Premises").

3.0 Term

3.1 The term of the Agreement shall commence on the date first written above and shall continue for a period of five (5) years from that date. The parties agree that this Agreement may be renewed and/or extended should both parties desire to renegotiate the terms of this Agreement at the expiration of the initial term

3.2 During the original or any renewed term of this Agreement, Gordon County shall not grant the right of installing Services upon the Premises to any other company or person. If during the original or any renewed term of this Agreement Gordon County should commence operations at any location other than Premises described herein, Pay Tel shall have the exclusive right to provide Services at such new location(s) in accordance with the terms and conditions of this Agreement.

3.3 In addition to Services, Pay Tel shall have the exclusive right during the original or renewed term of this Agreement, to act as inmate telecommunications agent for Gordon County as to all inmate telecommunication Services upon the Premises. In this regard, Gordon County agrees that it will not authorize any party other than Pay Tel to act as its agent for the purposes of negotiating, obtaining, renewing, or terminating contracts or agreements relating to the installation, operation and provision of inmate telecommunications equipment and services at the Premises.

4.0 COMMISSIONS

4.1 The commission payment shall be the following percentages of gross billable revenues: thirty-five percent (35%) of the local collect calls, thirty-five percent (35%) of intra-lata collect calls, thirty-five percent (35%) of the inter-lata intra-state calls, and thirty-five percent (35%) of the inter-lata inter-state calls. Pay Tel will charge \$2.20 per call for local collect calls. These percentages shall be effective from the date of the signing of this Agreement up and through June 30, 2004. During the remaining term of this Agreement, the parties agree that the percentages and the local collect call rate shall be renegotiated prior to each and every 1st day of July (the beginning of the Gordon County fiscal year). The agreed upon rates shall be reduced to writing and approved by both parties prior to the 1st of July of each year during the term of this Agreement.

4.2 Gordon County shall not be responsible for any losses due to fraudulent calls. Gordon County agrees to assist Pay Tel in any efforts to prevent such fraud and further agrees to aid in the prosecution of any perpetrators of fraudulent calls.

4.3 Gordon County acknowledges and agrees that the aforesaid commission rates are based on revenue projections calculated by reference to usage during normal inmate awake hours and Gordon County, its agents and/or employees agree that no action will be taken unreasonably to impede such usage.

5.0 EQUIPMENT AND SERVICES PROVIDED BY PAY TEL

5.1 Pay Tel will provide, install and operate equipment, including but not limited to coinless inmate telephones, which Pay Tel may operate now or in the future at the Premises.

5.2 The quantity and the placement of the equipment to be provided at the Premises shall be determined by Pay Tel in consultation with Gordon County and may be adjusted as necessary.

5.3 Pay Tel agrees to provide Services in full compliance with all applicable rules and regulations of the Georgia Public Service Commission and the Federal Communications Commission

5.4 All of the Services will be provided by Pay Tel at its expense and Gordon County hereby authorizes Pay Tel to contact the local telephone company in accordance with the attached "Agency Agreement" in order to arrange for removal of existing telephone equipment and the provision of Pay Tel Services. Gordon County will provide space and a dedicated 24-hour 120-volt electrical service line to the equipment in connection with the provision of Services. Pay Tel shall pay all line and other charges imposed by any telephone company with respect to the Services.

5.5 Gordon County hereby grants to Pay Tel the exclusive right and authority to contract with a long distance carrier to handle all inmate long distance calls at the Premises. Pay Tel agrees to charge operator-assisted rates for inmate phone calls that are equal to or less than the tariffed rates regulated by the Georgia Public Service Commission and the Federal Communications Commission.

5.6 Any equipment provided hereunder and all telephones and their enclosures and/or pedestals, and other equipment associated with their operation are agreed by Gordon County to be personal property and not fixtures and it is the express intention of both Gordon County and Pay Tel that such equipment described herein are and shall continue to be personal property of Pay Tel. All equipment installed by Pay Tel at the Premises shall remain the property of Pay Tel. Upon termination of this Agreement for any reason including, without limitation, termination of this Agreement pursuant to § 6.1 hereof, Pay Tel shall have the absolute right to enter upon the Premises at any reasonable time to remove its equipment. Pay Tel shall repair any and all damage to the Premises by reason of removal of Pay Tel's equipment.

5.7 Pay Tel agrees to maintain the equipment in good operating condition. Pay Tel shall have the right during normal business hours to enter the Premises to examine the equipment for purposes of inventory control and to perform necessary maintenance and repairs. Gordon County shall notify Pay Tel of any malfunctions or loss of equipment.

5.8 Pay Tel agrees to conform with all applicable local, state and federal requirements concerning the provision of Services to those with disabilities as defined by the Americans With Disabilities Act (hereinafter the "ADA"). Gordon County shall cooperate with Pay Tel to ensure compliance with all access requirements contained in applicable local, state and federal regulations relating to those with disabilities as defined in the ADA.

6.0 TERMINATION

6.1 Gordon County may terminate this Agreement in the event that Pay Tel materially fails to perform its obligations under this Agreement and said material failure shall continue for a period of thirty (30) days after written notice to Pay Tel of said failure is given pursuant to Paragraph 8.1.

6.2 Pay Tel may terminate this Agreement at any time upon thirty (30) days written notice to Gordon County in the event that regulations governing the operation of the Services prevent Pay Tel from performing its obligations under this Agreement.

6.3 Pay Tel may terminate this Agreement in the event that the anticipated distribution (intra, and inter-lata) of calls or permissible charges for calls, differs by more than ten percent (10%) from the actual distribution or charges for calls and such difference persists for more than three (3) months. In the event that Pay Tel determines that such revenue differences exist, Pay Tel agrees to notify Gordon County of such differences and both parties agree to work in good faith towards an amendment to this Agreement that would accommodate the interests of both parties.

6.4 Pay Tel also may terminate this Agreement, either in whole or in part, at any time upon sixty-(60) days written notice in the event that Pay Tel deems the provision of telecommunications Services to any particular facility to be unprofitable. If Pay Tel terminates this Agreement as to any less than all of the facilities covered by this Agreement, such termination shall not affect Pay Tel's right to continue providing Services at such other facilities as are not covered by such termination.

7.0 SUCCESSORS IN INTEREST

7.1 Gordon County agrees that Pay Tel shall have the right to assign this Agreement and that Pay Tel shall have the right to grant a security interest in this Agreement, including any of Pay Tel's equipment on the Premises including any and all telephones and their enclosures and/or pedestals, or other equipment associated with Pay Tel's Services. Any such assignment of this Agreement or granting of a security interest in this Agreement shall not be done without the prior written consent of and approval by Gordon County.

8.0 MISCELLANEOUS PROVISIONS

8.1 All notices required to be given under this Agreement and the attached exhibits shall be sent to Pay Tel and to Gordon County addressed as shown on the signature page of this Agreement. Notices shall be sent by certified mail, return receipt requested. The date of mailing shall be deemed to be the date of giving such notice.

8.2 This written document, including Exhibit A and the Agency Agreement, shall constitute the entire understanding of the parties and all prior agreements and understandings are merged herein. This Agreement shall not be modified, changed or altered in any respect except in writing signed by Gordon County and Pay Tel.

8.3 This Agreement shall be construed in accordance with the laws of the State of Georgia.

8.4 In the event that any paragraph or part of the agreement is held to be void or unenforceable under any law or regulation, all other paragraphs and subparagraphs hereof shall be deemed severable and remain in full force and effect.

8.5 The plural number as used herein shall equally include the singular and the masculine, feminine, and neuter genders as required by context.

8.6 Venue for any and all claims or disputes arising out of or relating to this Agreement or the breach thereof shall be with the appropriate court having jurisdiction in Gordon County, Georgia.

(INTENTIONALLY LEFT BLANK)

This Agreement entered into as of the day and year first written above.

GORDON COUNTY

By: Roy L. Davis (Seal)

By: Roy L. Davis (Printed)
Roy Davis, Chairman
Gordon County Board of Commissioners

Date: 1/12/04

Attest: Annette Bury

Address: Post Office Box 580
Calhoun, Georgia 30703

Phone: 706-629-3795
Fax: 706-629-9516

CONSENTED TO BY:

Jerry Davis
Jerry Davis, Sheriff
Gordon County, Georgia

PAY TEL COMMUNICATIONS, INC.

By: Vincent Townsend (Seal)

By: Vincent Townsend (Printed)

Date: 1/5/04

Attest: Mary Euchar

Account Representative: Randy Chester

Address: Post Office Box 8179
Greensboro, North Carolina 27419

Phone: 800-729-8355
Fax: 800-776-8423

EXHIBIT A

PROPERTY DESCRIPTION

The Premises which are the subject of the Agreement dated JAN 9, 2004

Gordon County Jail
101 Piedmont Street
Calhoun, Georgia 30701