

INMATE TELEPHONE SERVICE AGREEMENT

-2001

This Inmate Telephone Service Agreement ("Agreement") is made by and between Global Tel*Link, Inc., having its principal place of business at 2609 Cameron Street, Mobile, Alabama 36607 ("Company") and Asotin County Jail having its principal place of business at 838 Fifth Street, Clarkston, Washington 99403 ("Premise Provider").

14th Aug. 96.

1. Term. This Agreement shall be in effect for five (5) years, commencing from the date of execution below. If the parties execute this Agreement on different dates, the date of execution shall be the later of said dates.

2. Equipment. This Agreement applies to the installation, management, operation and maintenance of inmate telephones, enclosures, and related equipment furnished by the Company at the time of execution of the Agreement or during the term of this Agreement, whether existing, newly installed or renovated, located at: 838 Fifth Street, Clarkston, WA 99403 and all other facilities under the control of Premise Provider (Facility).

The term "Equipment" is defined herein as the inmate telephone set(s) and related equipment, including but not limited to guard posts, concrete pads, mast poles, and site preparation. Where guard posts, concrete pads, enclosures, pedestals, bumper pads, or other property of the Company are installed upon the premises owned or controlled by Premise Provider or any of its agencies or affiliates, such property shall remain in all respects that of the Company. The Company reserves the right to remove or relocate equipment which is subjected to recurring vandalism or insufficient traffic and/or revenue to warrant the continuation of service. Such a right of removal or relocation shall not be exercised unreasonably by the Company. The Company will notify the Premise Provider in writing of its intention to remove or relocate prior to such action. Upon removal of equipment by the Company, the Company shall restore said premise to its original condition, ordinary wear and tear excepted. However, the Company shall not be liable for holes placed in walls, pillars, or floors or other conditions on the premises which resulted from the proper installation of equipment described herein. The Premise Provider may not make alterations or attachments to the Equipment provided under this agreement, unless otherwise mutually agreed upon by all parties.

3. Services. At no cost to the Customer, the Company shall provide all management services necessary to implement this Agreement; and shall be responsible for furnishing, installing, repairing and servicing the Equipment; the establishment (if and to the extent required by the Company) and compliance with all tariffs and all rules, regulations, orders and policies of federal and state regulatory authorities applicable to the payphone and automated operator services provided by the Company; the establishment and maintenance of all billing and payment arrangements with the local and interexchange carriers; the processing of all telephone call records; the performance (alone or through others) of all validation, billing, outclearing and

collection services; and the handling of all billing and other inquiries, fraud control, and all other services essential to the performance of the Company's obligations under this Agreement. The Company shall use its best efforts to keep non-billable and uncollectible charges to a minimum.

4. Compensation. Remuneration shall be twenty five (25%) of the net revenue collected by the Company for phones covered by this Agreement. Net revenue is defined as total gross revenue billed, less local line charges, long distance charges, validation charges, billing and collection charges, unbillables, and uncollectables. Payments shall be paid monthly and mailed directly to the Premise Provider.

5. Rates. The telephone rate structure and surcharge rates shall not exceed the maximum rates as authorized by the state's telecommunication regulatory authority and the Federal Communications Commission (FCC). Any rate changes mandated by the state/local regulatory authority and/or the FCC which adversely affect this Agreement shall entitle the Company to, at its option, renegotiate or cancel this Agreement in accordance with Paragraph 18 below.

6. Records & Confidentiality. The Company shall maintain records sufficient to permit proper determination of funds due the Premise Provider. Such records shall be made available to the Premise Provider for review upon request. During and after the term of this Agreement, including any renewal period(s), the Company shall recognize and protect the confidentiality of all information regarding the inmate telephone station location provided by Premise Provider, including revenue and remuneration paid to the Premise Provider, and shall not disclose such information to any party other than the Premise Provider and the Company, except through the express, written consent of the Premise Provider.

The revenue payment and reporting cycle will be a maximum of 45 days following the end of the previous month. Both summary and detail reports will be provided. The original reports and payment will be mailed directly to the Premise Provider. The following information will be provided for each location by telephone number:

- Total Calls
- Total minutes of use
- Type of call (intra-lata/inter-lata) (credit card/collect)
- Total usage of revenue

7. Further Assurances. During the term of this Agreement, including any renewal period(s), Premise Provider agrees to:

(a) Reasonably protect the Equipment against willful abuse and promptly report any damage, service failure or hazardous conditions to the Company.

(b) Provide, at its expense, necessary power and power source, and provide suitable space, accessible to the users.

(c) Permit reasonable access to its respective facilities without charge or prejudice to Company employees or representatives, patrons, or consignees.

(d) Premise Provider represents and warrants that he/she has legal authority to enter into this Agreement and to make all decisions concerning the providing of space and the installation and use of the Equipment at the Facility; and agrees that during the term of this Agreement, including any renewal period(s), the Company shall have the exclusive right to provide inmate and/or payphone service at the Facility provided, however, that the Company may choose not to exercise this exclusive right.

(e) During the term of this agreement, Premise Provider agrees it will not allow other pay telephones or inmate telephones to either remain or be installed at the facility's property. This is to include any additional inmate telephones required to facilitate Premise Provider's expansion at it's present or future location(s) during the term of this Agreement and any extensions of this Agreement.

8. Title. Title to Equipment hereunder shall be and at all times remain in the Company.

9. Relocation. Equipment shall not be disconnected or moved by Premise Provider from the location in which it is installed. By agreement of all parties, installed Equipment may be relocated by the Company.

10. Notices. Any notice, demand, request, approval or other communication (a "notice") which, under the terms of this Agreement or by law, must or may be given by either party, must be in writing, and must be given by personally delivering or mailing the same by registered or certified mail, return receipt requested, to the respective parties as follows:

To Company:

To Premise Provider:

Global Tel*Link, Inc.
2609 Cameron Street
Mobile, AL 36607
Phone: (334) 479-4500
Fax: (334) 473-4588

Asotin County Jail
838 Fifth Street
Clarkston, WA 99403
Phone: (509) 758-1668
Fax: (509) 751-5946

11. Governing Law. The construction, interpretation and performance of this agreement and all transactions under it shall be governed by the domestic laws of the State of Washington.

12. Indemnification. Each party shall indemnify the other from any loss, cost, damage, expense, or liability arising out of the performance of this Agreement and caused, in whole or in part, by the acts or omissions, negligence or fault, of the indemnifying party, except to the extent such loss, cost, damage, expense, or liability arises from the acts of omissions, negligence or fault

of the other party; provided, however, that the Company shall not be liable for interruption of telephone service from any cause.

13. Risk of Loss. The Company and its insurers, if any, shall relieve Premise Provider of all risks of loss or damage to the Equipment during the periods of transportation, installation and operation of the Equipment. However, Premise Provider shall be responsible for loss or damage to Equipment in its possession caused by fault or negligence of Premise Provider or its employees.

14. Default. In the event any party shall be in breach or default of any terms, conditions, or covenants of this agreement and such breach or default shall continue for a period of thirty (30) days after the giving of written notice thereof to any party by the other, then in addition to all other rights and remedies of law or equity or otherwise, the offended party shall have the right to cancel this agreement without charge of liability.

15. Assignment. This agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns; provided, however, that neither party shall assign this Agreement or any interest herein without the other's prior written consent, except that the Company shall have the right to assign this Agreement or any interest herein at any time to any parent, successor, subsidiary, or affiliate of the Company without the consent of the Customer.

16. Independent Contractor. The Premise Provider acknowledges that it is an independent contractor and that nothing contained in this Agreement or the relationship of the parties is intended to or shall create a partnership or joint venture or agency relationship of any kind between the parties. This agreement shall not be constructed as a contract of agency or employment. Premise Provider shall be solely responsible and liable for compliance with all laws, rules and regulations and payment of all wages, unemployment, social security and other payroll taxes relating to Premise Provider's employees including contribution from such persons, when required by law.

17. Solicitation. The Premise Provider acknowledges that no officer or employee of the Company has been employed, induced, or directed by Premise Provider to solicit or secure this agreement with the Company upon agreement, offer, understanding, or implication involving any form of remuneration whatsoever. Premise Provider agrees, in the event of an allegation of substance (the determination of which will be solely made by the Company) that there has been a violation hereof, Premise Provider will cooperate in every reasonable manner with the Company in establishing whether the allegation is true. Notwithstanding any provisions of this agreement to the contrary, if a violation of this provision is found to have occurred and is deemed material by the Company, the Company may terminate this agreement.

18. Force Majeure. Neither party to this Agreement shall be responsible or liable to the other for delays or inability to act or perform their obligations under this contract due to circumstances, events or acts of others beyond their reasonable control, including, but not limited to, acts of God, fire, flood, storm, hurricane, tornado, theft of equipment, or changes in regulatory rules or regulations affecting the ability of either party to reasonably carry out its obligations under this Agreement. It is agreed and understood that this Agreement will be subject to termination by

either party upon sixty (60) days notice to the other should there be imposed upon Premise Provider or Company any rule or regulation by any state, federal or local regulatory agency which would substantially adversely affect the operation of the equipment or service provided hereunder.

19. Renewal. This Agreement shall be renewed for two (2) additional five (5) year period(s) after the original term, unless either party provides written notice of its intention not to renew this Agreement at least ninety (90) days prior to the expiration of the original or any renewal term. Such notice will be sent to the address set forth in Section 10.

20. Dispute Resolution. Premise Provider and Company agree that any disputes or claims arising under this Agreement shall be resolved through alternative dispute resolution means in the following manner:

- (a) Initially, the parties shall engage in non-binding mediation. Mediation shall be held in Mobile, Alabama, USA or such other site as is mutually agreed to by the parties. The mediator shall be jointly appointed by the parties and shall have expertise in commercial dispute resolution.
- (b) In the event the dispute or claim is not satisfactorily resolved through mediation within 90 (ninety) days of notice of such claim or dispute by a party, the parties agree to submit such dispute or claim to binding arbitration. Arbitration shall be held in Mobile, Alabama, USA or such other site as is mutually agreed to by the parties. If Premise Provider is a foreign (non-US) corporation and delivery of the goods under this agreement is to a foreign (non-US) destination, then the commercial arbitration rules of the International Chamber of Commerce shall apply. In all other instances the commercial arbitration rules of the American Arbitration Association shall apply. Any judgment, decision or award by the arbitrators shall be final and binding on the parties and may be enforced in any court having jurisdiction over a party against whom any such judgment, decision or award is to be enforced. The parties specifically and knowingly waive any rights under State or Federal constitutions or statutes which grant a party the right to trial by jury for any claims that might arise under this agreement or which purports to give a party the right to appeal an arbitrator's judgment, decision or award.
- (c) The parties shall bear their own costs and expenses (including attorney's fees) for any mediation or arbitration, unless otherwise directed by the mediator or arbitrator.

21. Entire Agreement. This Agreement constitutes the entire agreement between the Premise Provider and the Company and supersedes all other agreements between the parties pertaining to the subject matter hereof.

22. Amendment. No course of dealing between the parties, their employees, agents or representatives, shall vary any of the terms hereof. This Agreement may be modified, amended, or supplemented only by a written agreement executed by the parties.

23. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original, and all of which shall be one and the same contract.

IN WITNESS WHEREOF, the foregoing Agreement has been executed by the parties hereto, this 14th day of August, 1996.

Company

Premise Provider

Global Tel*Link Corporation

Asotin County Jail

[Handwritten Signature]
Signature

[Handwritten Signature]
Signature

TERESA RIDGEWAY
Name

RONALD F. LAVIGNIS
Name

Asst. SGT.
Title

CHIEF COMMANDER
Title