

SCHEDULE B
COMMISSION SCHEDULE
FOR
GRANT COUNTY JAIL

VAC agrees to pay Space Provider compensation for Inmate Telephone Service at the rate of 17% commission for all local and intraLATA, interLATA, Interstate, and International collect, debit, and prepaid collect call revenue as billed by VAC's underlying telecommunications providers, exclusive of calls where no billing and collection agreements exist.

Commission Checks will be remitted to the following:

Office of County Commissioners
Grant County Courthouse
P.O. Box 37
Ephrata, Washington 98823

SCHEDULE C
TERMINATION LIABILITY
FOR
GRANT COUNTY JAIL

TELEPHONE EQUIPMENT INVESTMENT: Termination liability applies to new Telephone installations only. This charge does not apply to installed Telephones that are temporarily removed for purposes of construction, for safety reasons, or due to closure of a facility. In the event of removal of Telephones for reasons other than for the reasons stated above, the termination charge shall be \$318.45 (three hundred and eighteen dollars and forty-five cents) for each new inmate telephone, prorated by each month the inmate telephone is in service after the installation date. Termination charges may also apply for the unamortized associated expenses of the ancillary equipment installed on premises that are used to support the functions of the Telephones.

Net Unamortized Capitol:	\$173.69 / Set
Installation Cost:	\$144.76 / Set
Removal Cost:	<u>\$N/A / Set</u>
	\$318.45 / Set

ASSIGNMENT OF CONTRACTS

The undersigned, QWEST CORPORATION ("Assignor"), for and in consideration of assuming its obligations as referred to below and other good and valuable consideration, hereby acknowledged as received, hereby GRANTS, BARGAINS, SELLS, TRANSFERS, ASSIGNS and CONVEYS unto VALUE-ADDED COMMUNICATIONS, INC. ("Assignee") all of Assignor's right, title and interest in and to the INMATE TELEPHONE AND PUBLIC TELEPHONE SERVICE AGREEMENT #SEA-930708-0016(the "Contract"), with such assignment being agreed to by GRANT COUNTY JAIL (the, "Customer"), as required by the Contract. The effective date of each assignment is the date set forth above the signature lines.

TO HAVE AND TO HOLD each Contract unto Assignee, its successors and assigns forever, and Assignor, its successors and assigns, hereby covenants and agrees with Assignee, its successors and assigns, that Assignor has good and marketable title to each Contract, that Assignor has the power and authority to transfer its rights in each Contract to Assignee; and the Contract is free and clear of all security interests, liens, claims, and encumbrances of any kind or nature. Assignor shall perform all services under each Contract through the effective date.

Assignor represents it has all rights, title and interest to assign each Contract subject only to the consent of the Customer. Assignor agrees to cooperate with Assignee as reasonably requested by Assignee to evidence the transfers provided herein.

EXECUTED as of the _____ day of March, 2010.

ASSIGNOR:

QWEST CORPORATION

Ken Beck
Signature

KEN BECK
Printed Name

DIRECTOR
Title

03.10.10
Date

CUSTOMER:

GRANT COUNTY JAIL

Frank De Trolo
Signature

FRANK DE TROLO
Printed Name

SHERIFF
Title

03/10/2010
Date

ASSIGNEE:

VALUE-ADDED COMMUNICATIONS, INC.

[Signature]
Signature

Mark Turner
Printed Name

President / COO
Title

3/8/10
Date

AMENDMENT ONE
TO
AGREEMENT
BETWEEN
VALUE-ADDED COMMUNICATIONS, INC.
AND
GRANT COUNTY JAIL

Grant County Jail ("County") and Value-Added Communications, Inc. ("VAC") hereby enter into Amendment One ("Agreement") to the Inmate Telephone Service Agreement ("Underlying Agreement"), in which VAC provides the County with Inmate Telephone Communication Services.

RECITALS: VAC and County had entered into an Inmate Telephone Service Agreement with an effective date of 4/13/2010.

MODIFICATIONS:

SCHEDULE B: Add the following:

In addition to the aforementioned commission rate of 17%, VAC will provide to County an annual incentive of \$18,000 for use of inmate benefit programs or projects. The breakdown on dollar value assessment is:


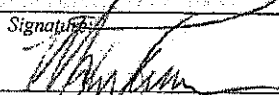
\$27,000 for time remaining on prior contract
\$90,000 for five year contract commitment
TOTAL = \$117,000

County agrees that VAC may deduct equipment and installation monies for the video visitation project in the amount of \$60,417.91.

Total incentive remaining on the contract for inmate use benefit is \$56,582.09. Prorated over 5 years this represents a benefit of \$11,316.41 per year. County will work with VAC when projects or programs are identified.

Should benefits be paid and an early termination of the contract occur at no fault of VAC then County agrees to reimburse VAC at the prorated amount remaining on the contract.

All other terms and conditions of this Agreement shall remain in full force and effect. The effective date of this Amendment shall be May 1, 2011.

GRANT COUNTY JAIL	VALUE-ADDED COMMUNICATIONS, INC.
Signature: 	Signature: 
Name Printed/Typed: Tom JONES	Name Printed/Typed: Mark Turner
Title: SHERIFF	Title: President/COO
Date: 05-04-29-11	Date: 4/20/11



INMATE TELEPHONE SERVICE AGREEMENT

This Agreement is made and entered into by and between Value-Added Communications, Inc. (VAC) a Delaware corporation with a principal place of business at 3801 E. Plano Parkway, Plano, Texas, 75074 and Grant County Jail (Space Provider) for the provision of Inmate Telephone service (Telephones) and ancillary inmate communications (equipment) as defined herein ("Agreement"). For purposes of clarity, inmate telephones will be referred to as "Telephones" in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants made herein, the parties agree as follows:

1. TERM. This Agreement is effective on the latest signature date ("Effective Date"), and shall continue in effect for a period of five (5) years ("Initial Term") from the Effective Date. Upon completion of the Initial Term, this Agreement shall be automatically renewed for successive periods of one (1) year each under the same terms and conditions, unless terminated by either party upon ninety (90) days advance written notice prior to the end of the Initial term or the current renewal period.

2. SCOPE OF AGREEMENT

2.1 In consideration of compensation provided herein, Space Provider grants to VAC exclusive right to install and maintain Telephones within its building or on its private property ("Location") during the term of this Agreement. VAC reserves the right to establish rates for telephone services. This Agreement applies to all Telephone(s) currently installed ("existing") and to all future installations ("new").

2.2 This Agreement includes all other premises, whether now existing (if a competing provider has a contract and equipment at such premises, this clause applies at the earliest termination opportunity) or subsequently acquired, under the control of Space Provider within VAC's service areas. Space Provider will advise VAC in writing, of newly opened, acquired, or available premises, promptly, so VAC can evaluate installation of its Telephones at these premises.

2.3 In consideration of the compensation paid to Space Provider under this Agreement, Space Provider expressly waives carrier selection rights and VAC expressly reserves the right to select and/or contract for the local, intraLATA and interLATA carrier selections for the telephones subject to this Agreement and intended for placement at Space Provider locations.

3. RESPONSIBILITY OF VAC

VAC agrees to:

3.1 Install Inmate Telephones at locations mutually agreed upon by both parties.

3.2 Jointly determine with Space Provider the appropriate number of Inmate Telephones to be installed at each location.

3.3 Service and repair Inmate Telephones provided by VAC, at VAC's expense, except as otherwise agreed upon herein.

3.4 Comply with the Americans with Disabilities Act (ADA) as it relates to the VAC -provided equipment.

3.5 Supervise the installation and ongoing maintenance of the inmate call platform, and as such is the primary contact for any service issue or need which may occur at the facility.

4. RESPONSIBILITY OF SPACE PROVIDER

Space Provider agrees to:

- 4.1 Provide adequate space for Telephones and associated equipment and easy accessibility for use during the normal operating hours of Space Provider. In the event Space Provider is not the owner of the premises, Space Provider shall, where necessary, obtain permission from the building owner or owner's agent for the placement of VAC's Inmate Telephones, and shall be responsible for any fees for use of required riser cable and electric power.
 - 4.2 Maintain the area around the Inmate Telephones and ensure safe and ready access to the users of the Inmate Telephones and to VAC.
 - 4.3 Allow VAC access to perform maintenance during the established hours of accessibility jointly agreed to by Space Provider and VAC, except when access must be denied to ensure the safety of VAC service personnel and/or to maintain institutional control.
 - 4.4 Space Provider agrees to allow VAC access to and use of house cable and inside wire at no cost, in order to install and provide telephone service. Any new house cable or inside wire required during the contract term will be at the sole expense of the Space Provider, unless otherwise negotiated with VAC. Light fiber is not defined as house cable or inside wire. Any expense incurred as a result of the expected use of light fiber will be at the sole expense of the Space Provider unless otherwise negotiated with VAC.
 - 4.5 Any relocation, expansion, addition, or deletion of Telephones and equipment, for reasons other than safety, resulting in extraordinary expense and expected to be paid for by VAC, must be agreed to by VAC in advance of the cost being incurred or alternatively, the cost be paid by Space Provider.
 - 4.6 Exercise reasonable care to prevent the loss through theft and any damage to the Telephones from any source.
 - 4.7 Space Provider may, at its option, purchase and provide enclosures at their own expense for Telephones. In the event Space Provider elects to provide enclosures, Space Provider shall be responsible for installation and maintenance of said enclosures.
 - 4.8 Space Provider warrants that it has the authority to enter into this Inmate Telephone Service Agreement with VAC. Space Provider further warrants that the Telephones as mentioned in Schedule A, attached hereto and incorporated herein by this reference, are on property owned by the Space Provider or if Space Provider is not the owner of the premises, Space Provider has obtained permission from the building owner or owner's agent to enter into this Agreement.
- 5. OWNERSHIP.** VAC is and shall remain the owner of the Telephones provided by VAC whether or not physically attached to real estate.
- 6. FURTHER LOCATIONS AND TELEPHONES.** The parties may add location(s) and Telephone(s) to this Agreement, but additions will not be made without the express agreement of the parties. Additions may be evidenced by a written memorandum between the parties, but VAC's business office records, unless clearly erroneous, will be binding on the parties. Additions will not change the initial or any renewal terms or the expiration date of this Agreement.

7. **COMMISSION.** VAC agrees to pay Space Provider a commission in accordance with Schedule B, attached hereto and incorporated herein by this reference. Payment shall be in the form of commission checks made payable to Space Provider.
8. **REMOVAL OF TELEPHONES.** VAC reserves the right, at its sole discretion, to remove any or all Telephones, in the event that placement at Space Provider's location(s) is not economically viable. VAC shall provide Space Provider thirty (30) days written notice of its election to remove any or all Telephones. If VAC removes Telephones under this paragraph, Space Provider shall not be liable for termination charges for the Telephones removed. Space Provider shall be entitled to receive any commissions earned before the VAC removal of such Telephones.
9. **TERMINATION LIABILITY.** If Telephones are removed by Space Provider, during the term of this Agreement, Space Provider shall be liable to VAC for a termination charge as set forth in Schedule C, attached hereto and incorporated herein by this reference. This provision shall not apply to the temporary removal of Telephones by Space Provider or upon Space Provider's request, for space remodeling, construction work, or for safety reasons.
10. **LIMITATION OF LIABILITY.** In the event of a service interruption caused by VAC, VAC liability shall be limited to the use of reasonable diligence under the circumstances, for restoration of service. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST STATION REVENUES, LOSS OF PROFITS OR OTHER COMMERCIAL OR ECONOMIC LOSS ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION NEGLIGENT PERFORMANCE OR FAILURE TO PERFORM, EXCEPT AS SET FORTH UNDER THE TERMINATION LIABILITY PROVISION HEREIN.
11. **EXCUSED PERFORMANCE.** Space Provider shall not be subject to Termination Liability if the cause of removal is directly related to the cessation of Space Provider's business operations. Neither party shall be held liable for any delay or failure in performance of any part of this Agreement caused by circumstances beyond the reasonable control of the party affected, including, but not limited to, acts of the elements or natural disasters, strikes, power failures, civil or military emergencies or acts of legislative, judicial or other civil authorities.
12. **DEFAULT.** If either party fails to perform its obligations under this Agreement, failure shall constitute default and, in such event, written notice shall be given to provide an opportunity to remedy such default. Should the defaulting party fail to remedy such default within 10 days from date of such notice, the non-defaulting party shall have the right, in addition to all other rights and remedies available at law or in equity, to terminate this Agreement in whole or in part.
13. **ADVERTISING/PUBLICITY.** Space Provider may not make any disclosure to any other person or any public announcement regarding this Agreement or any relation between VAC (and/or any of its affiliate's) names, marks, codes, drawings, or specifications without VAC's prior written consent, unless required by law.

VAC shall have the right to terminate this Agreement and any other agreements between the parties if Space Provider violates this provision.
14. **INSURANCE.** At all times during the term of this Agreement, VAC and its subcontractors shall maintain in effect the following types and amounts of Insurance:
 - i. Employers' Liability Insurance - \$5,000,000 per incident and \$1,000,000 per person.
 - ii. Commercial General Liability Insurance with Bodily Injury Liability and Property Damage Liability Combined Single Limit - \$5,000,000 per incident and \$1,000,000 per person.

- iii. Commercial Automobile Liability as follows: Combined Bodily Injury and Property Damage Single Limit - \$5,000,000 combined single limit for each incident and \$1,000,000 per person.
- iv. Workers' Compensation – VAC shall comply with all Workers' Compensation requirements in the states in which VAC will provide services to Space Provider under this Agreement.

15. INDEMNIFICATION. VAC shall indemnify and save harmless the Space Provider from any and all claims, demands, suits, actions, proceedings, loss, cost and damages of every kind and description, including, but not limited to, reasonable attorney's fees and/or litigation expenses, which may be brought or made against or incurred by Space Provider on account of loss or damage to any property or for injuries or death of any person, caused by, arising out of, or contributed to, in part by reasons of any negligent act, omission, professional error, fault, mistake, or negligence of VAC, its employees, agents, representatives, or sub-contractors, their employees, agents or representatives in connection with or incidental to the performance of this Agreement, or arising out of worker's compensation claims, unemployment compensation claims, or unemployment disability compensation claims of employees of VAC and/or its sub-contractors or claims under similar such laws or obligations. VAC's obligations under this section shall not extend to any liability caused by the negligence of Space Provider, or its employees.

16. NOTICES. Any notices or other communications to be given under this Agreement shall be sent to the following persons:

FOR Grant County:	FOR VAC:
Captain Pete McMahon	Joanna Howard, Account Executive
Grant County Jail	3801 E. Plano Parkway, Suite 100
Ephrata, Washington 98823	Plano, Texas 75074

Copy to: **VAC Legal Department**
 Attn: Mark Turner
 3801 E. Plano Pkwy, Suite 100
 Plano, TX 75074

- 17. REGULATORY.** The parties acknowledge that underlying telecommunications services may be provided by regulated telecommunications providers and, where applicable, provider tariffs, catalogs and price lists may apply.
- 18. LAWFULNESS OF AGREEMENT.** The parties acknowledge that this Agreement is subject to applicable federal, state, and local laws, rules, regulations, court orders, and governmental agency orders governing the provision of inmate telecommunications services.
- 19. NONWAIVER.** The failure of either party to enforce strict performance of any provision of this Agreement shall not be construed as a waiver of its right to assert or rely upon such provision or any other provision of this Agreement.
- 20. GOVERNING LAW.** This Agreement shall be interpreted, construed and enforced in all aspects in accordance with the laws of the State in which the inmate telephone and public telephone service is provided.
- 21. SUCCESSORS AND ASSIGNS.** This Agreement shall be fully binding upon, inure to the benefit of and be enforceable by each party, their successors and assigns. No assignment of any right or interest in this Agreement (whether by contract, operation of law or otherwise) shall release or relieve either party of any of its obligations or liabilities under this Agreement.

22. ASSIGNMENT. Neither party shall assign its rights nor delegate its duties under this Agreement without the prior written consent of the other party; except, either party may assign this Agreement to a parent, subsidiary or affiliated company by providing thirty (30) days written notice to the other party.


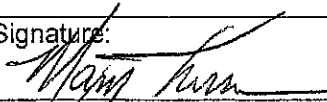
23. AMENDMENTS AND MODIFICATIONS. Amendments and modifications to this Agreement, except for additions or deletions of Telephones as described above, must be in writing and signed by an authorized representative of each Party.

24. SEVERABILITY. In the event that a court, governmental agency, or regulatory body with proper jurisdiction determines that this Agreement or a provision of this Agreement is unlawful, this Agreement, or that provision of the Agreement to the extent it is unlawful, shall terminate. If a provision of this Agreement is terminated but the parties can legally, commercially and practicably continue without the terminated provision, the remainder of this Agreement shall continue in effect.

25. RELATIONSHIP OF THE PARTIES. VAC is an independent contractor of Space Provider. VAC represents that it has or will secure, at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the Space Provider. All personnel engaged in work under this Agreement shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. It is further agreed by VAC that it shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither VAC nor any employee of VAC shall be deemed an officer, employee, or agent of the Space Provider.

26. NON-APPROPRIATIONS CLAUSE. VAC acknowledges that the Space Provider is a governmental entity, and the Agreement validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of the Space Providers obligations under this Agreement, then this Agreement shall automatically expire without penalty to the Space Provider after written notice to VAC of the unavailability and non-appropriation of public funds. It is expressly agreed that the Space Provider shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this Agreement, but only as an emergency fiscal measure.

27. ENTIRE AGREEMENT. This Agreement, including all schedules, amendments and exhibits, constitutes the entire Agreement between the parties and supersedes all prior agreements and oral or written representations with respect to the subject matter hereto.

Space Provider: Grant County	Value-Added Communications, Inc.
Signature: 	Signature: 
Name Printed/Typed: Frank DeTrolia	Name Printed/Typed: Mark Turner
Title: Sheriff	Title: President/COO
Date: 03/29/2010	Date: 4/13/2010
Federal Tax ID Number	

SCHEDULE A
INMATE / PUBLIC TELEPHONE LOCATIONS
FOR

GRANT COUNTY JAIL

Telephone No.	Address	City	State	Date Installed
509 754 9003		Ephrata	Washington	
509 754 5586		Ephrata	Washington	
509 754 5576		Ephrata	Washington	
509 754 5577		Ephrata	Washington	
509 754 5578		Ephrata	Washington	
509 754 5579		Ephrata	Washington	
509 754 5580		Ephrata	Washington	
509 754 5581		Ephrata	Washington	
509 754 5583		Ephrata	Washington	
509 754 5584		Ephrata	Washington	
509 754 5585		Ephrata	Washington	
509 754 5587		Ephrata	Washington	
509 754 5587		Ephrata	Washington	