



INMATE TELEPHONE SERVICE AGREEMENT

This Agreement is made and entered into by and between FSH Communications, LLC ("FSH"), a Delaware corporation, and Jefferson County Jail ("Space Provider") with a principal place of business at 81 Eikins Road, Port Hadlock, Washington 98339 for the provision of inmate and/or public pay telephone service (Telephones) and ancillary inmate communications (equipment) as defined herein ("Agreement"). For purposes of clarity, inmate telephones and public pay 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 FSH exclusive right to install and maintain Telephones within its building or on its private property ("Location") during the term of this Agreement. FSH 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 FSH's service areas. Space Provider will advise FSH in writing, of newly opened, acquired, or available premises, promptly, so FSH 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, where applicable, and FSH 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 FSH

FSH agrees to:

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

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

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- 4.3 Allow FSH access to perform maintenance during the established hours of accessibility jointly agreed to by Space Provider and FSH, except when access must be denied to ensure the safety of FSH service personnel and/or to maintain institutional control.
- 4.4 Space Provider agrees to allow FSH 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 FSH. 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 FSH.
- 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 FSH, must be agreed to by FSH 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 FSH. 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.** FSH is and shall remain the owner of the Telephones provided by FSH 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 FSH'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.** FSH 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.** FSH 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. FSH shall provide Space Provider thirty (30) days written notice of its election to remove any or all Telephones. If FSH 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 FSH removal of such Telephones.

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- 9. TERMINATION LIABILITY.** If Telephones are removed by Space Provider, during the term of this Agreement, Space Provider shall be liable to FSH 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 FSH, FSH 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 FSH (and/or any of its affiliate's) names, marks, codes, drawings, or specifications without FSH's prior written consent, unless required by law.
- FSH 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, FSH 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.

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iv. Workers' Compensation - FSH shall comply with all Workers' Compensation requirements in the states in which FSH will provide services to Space Provider under this Agreement.

15. INDEMNIFICATION. FSH 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 FSH, 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 FSH and/or its sub-contractors or claims under similar such laws or obligations. FSH'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 JEFFERSON COUNTY JAIL:	FOR FSH:
Steve Richmond, Jail Commander	Joanna Howard, Account Executive
81 Elkins Road	3215 S. 116 th Street, Suite 121
Port Hadlock, Washington 98339	Tukwila, WA 98168

Copy to: FSH Legal Department
Attn: Michael L. Johnson, Esq.
100 W. Monroe, Suite 2101
Chicago, IL 60603

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

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- 3.3 Service and repair Telephones provided by FSH, at FSH's expense, except as otherwise agreed upon herein.
- 3.4 Comply with the Americans with Disabilities Act (ADA) as it relates to the FSH -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.
- 3.6 Inmate Call Control Platform Features to be provided, with appropriate initial training and follow up support, to include:
- Automated Station-to-Station Collect Call Processing
 - Positive Collect Call Acceptance
 - Inmate Name Recording (Stored by PIN, if PIN is used)
 - PrePaid Collect Calling Option
 - Call Blocking
 - Incoming Call Block
 - Call Duration Control
 - Automated Operating Hours Control
 - 3-Way Detection
 - Call Branding with facility name
 - Rate Quoting
 - Work Station with Administrative and Reporting Software
 - Printer
 - Keyboard
 - Mouse
 - Flexible Call Detail Reporting
 - Optional PIN Feature with Allowed Calling List
 - Debt Calling Function
 - Alert function which notifies investigators of targeted calling activity

4. RESPONSIBILITY OF SPACE PROVIDER

Space Provider agrees to:

- 4.1 Provide adequate space for Telephones 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 FSH's Telephones, and shall be responsible for any fees for use of required riser cable and electric power.
- 4.2 Maintain the area around the Telephones and ensure safe and ready access to the users of the Telephones and to FSH.

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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. FSH is an independent contractor of Space Provider. FSH 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 FSH that it shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither FSH nor any employee of FSH shall be deemed an officer, employee, or agent of the Space Provider.

26. NON-APPROPRIATIONS CLAUSE. FSH 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 FSH 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. CANCELLATIONS. FSH and the Space Provider agree that this Agreement is subject to the cancellation provisions of A.R.S. §38-511.

28. 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: Jefferson County Jail	FSH Communications, LLC
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Signature: <i>Steven S. Richmond</i>	Signature: <i>Steven Loggans</i>
Name Printed/Typed STEVEN S. RICHMOND	Name Printed/Typed: Steven Loggans STEVEN LOGGANS
Title JAIL SUPERINTENDENT	Title: Vice President and General Manager
Date 3-11-08	Date MARCH 20, 2008
Federal Tax ID Number 91-6001322	

Confidential Access to the Public or as required by Law



SCHEDULE A

**INMATE / PUBLIC TELEPHONE LOCATIONS
FOR**

JEFFERSON COUNTY JAIL

Customer Name	Street Address	City	State Code	Postal Code	Telephone No
Jefferson County Jail	81 Elkins Road	Port Hadlock	WA		360 388 9782
Jefferson County Jail	81 Elkins Road	Port Hadlock	WA		360 388 9793
Jefferson County Jail	81 Elkins Road	Port Hadlock	WA		360 388 9784
Jefferson County Jail	81 Elkins Road	Port Hadlock	WA		360 388 6785
Jefferson County Jail	81 Elkins Road	Port Hadlock	WA		360 388 6786
Jefferson County Jail	81 Elkins Road	Port Hadlock	WA		360 388 9808 (ccin)

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SCHEDULE B

**COMMISSION SCHEDULE
FOR
JEFFERSON COUNTY JAIL**

FSH agrees to pay Space Provider compensation for Inmate Telephone Service based upon thirty-four percent (34%) of local and intraLATA, and where applicable interLATA, Interstate, and International collect, debit, and prepaid collect call revenue as billed by FSH's underlying telecommunications providers, exclusive of calls where no billing and collection agreements exist.

Commission Checks will be remitted to the following:

Jefferson County Jail

Attention: Steve Richmond

81 Elkins Road

Port Hadlock, Washington 98339

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SCHEDULE C

**TERMINATION LIABILITY
FOR**

JEFFERSON 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 Capital:	\$173.69 / Set
Installation Cost:	\$144.76 / Set
Removal Cost:	\$N/A / Set
	\$318.45 / Set

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