

KITSAP COUNTY INMATE TELECOMMUNICATION LOCATION AGREEMENT

This Inmate Telecommunication Location Agreement ("Agreement") is made as of the Effective Date (defined below), by and between Kitsap County ("Customer"), whose address is 614 Division Street, MS-21, Port Orchard, WA 98366, and Telmate, LLC ("Telmate").

WHEREAS, Telmate is engaged in the business of operating, vending, and maintaining coin operated and non-coin operated inmate phone, video and electronic communications equipment and systems ("Equipment") and,

WHEREAS, Customer desires to utilize the service, expertise, and Equipment of Telmate,

NOW, THEREFORE, in consideration of the mutual promises and covenants set out herein, Telmate and Customer hereby agree as follows:

1. **Agreement.** Customer grants to Telmate the exclusive right and license to install, implement, maintain, and derive revenue from the use of Equipment that provides for detainee/inmate/resident electronic communications located at the incarceration facilities commonly known as Kitsap County (Sheriff's Office Jail) and Kitsap County Juvenile Corrections Facility (each a "Facility", collectively the "Facilities"), and whose physical addresses are 614 Division Street, Port Orchard, WA 98366 and 1338 Old Clifton Road, Port Orchard, WA 98366 respectively. Customer authorizes Telmate to make changes, implement and update features, and otherwise establish such functionality and take such steps which Telmate considers, in its discretion, in best interest and designed to keep Facility using the best features with a state-of-the-art, leading system.

2. **Contract Representatives.** All written notices, reports and correspondence required or allowed by this Agreement shall be sent to the following:

County: Kitsap County Dept. of Information Services
Bud Harris, Director
614 Division Street, MS-21
Port Orchard, WA 98366
Phone: 360-337-4405
Fax: 360-337-7052

County: Kitsap County Sheriff's Office
Ned Newlin, Chief of Corrections
614 Division Street, MS-33
Port Orchard, WA 98366
Phone: 360-337-7107
Fax: 360-337-5780

Telmate: Telmate, LLC
Kevin O'Neal, President
1108 SE 6th Street
Ontario, OR 97914
Phone: 208-739-8333
Fax: 208-379-7498

3. **Term.** This Agreement shall commence on the date of last signature by a party below ("Effective Date") and shall end eight (8) years thereafter ("Initial Term"). The terms and conditions of this Agreement shall continue as to any Telmate Equipment installed at the request of Customer, before the expiration of this Agreement. If the normal business operation of either Facility is interrupted for any reason (for example, due to act of God, an inmate riot, or strike) the expiration of the Term of this Agreement shall be extended for a period of time equal to the period of such interruption or stoppage of business operations.

4. **Renewal.** After the eight (8) year Initial Term, this Agreement shall automatically renew for additional terms of two (2) years time period each thereafter (each a "Renewal Term"), upon the terms and conditions herein set forth, unless written notice is sent by either party at least sixty (60) days prior to the end of the then current Term (Initial Term and Renewal Terms collective comprise the "Term"). Customer agrees to provide Telmate written advance notice of 180 days prior to Customer releasing any RFP that includes all or part of services offered by Telmate, during any Initial Term or contract Renewal Term. Upon receipt of a notice of non-renewal from Customer, Telmate has the right to match the financial and service conditions of any binding competitive proposal under consideration, and upon written notice of Telmate's promise to match same proposal, Telmate may retain the business for an additional Renewal Term.

5. **Commissions.** In consideration for the right to install, maintain, and operate the Equipment within the Facilities, Telmate agrees to pay Customer a monthly commission of fifty percent (50%) of the Gross Revenue received as a result of collect calls and a monthly commission of forty-six (46%) of the Gross Revenue received as a result of pre-paid calls and a monthly commission of twenty-five (25%) of the gross payphone revenue received, in all cases made through use of Telmate's Equipment. Telmate shall pay such commissions on all calls including Intralata, Interlata, Interstate, Intrastate, Local, and International calls. Commissions will be based on Revenues from all completed calls. "Gross Revenue" excludes Taxes, Government Imposed Fees or Charges, and any applicable Billing or Security Fees. Telmate will pay Customer a monthly commission of fifty percent (50%) of the net revenue (to be mutually agreed by the parties and memorialized in an executed Statement of Work) generated as a result of services provided using the Telmate Inmate Kiosk. Such commissions shall be paid by Telmate to Customer by check on a monthly basis. Such payment shall be made no later than 45 days following the month in which the revenues were generated from Equipment. Said commissions checks will be made payable to Customer and mailed to Customer's address set forth in the opening paragraph above. All such commission payments shall be final and binding unless written objection thereto is received by Telmate from Customer within thirty (30) days of payment by Telmate to Customer. Revenues generated as result of pre-paid calls and payphone usage shall be allocated to the Information Services Department of the Customer. All other revenues shall be allocated to the Sheriff's Office Jail, which include but are not limited to the revenues generated as a result of services provided using the Telmate Inmate Kiosk systems.

6. **Amount and Location of Equipment.** The exact location(s) of the Equipment at Customer's Facilities shall be as per the mutual written agreement of the parties hereto, attached to this document as depicted in **Schedule A**.

7. **Rates.** The parties to this Agreement shall mutually agree on the rates charged for any and all collect calls and any and all prepaid calls made with the use of the Equipment. The rates shall be set out in the **Schedule B** attached to this Agreement as if set out in full herein.

8. **Exclusivity.** During the term of this Agreement and during any renewal of this Agreement, Customer grants to Telmate the exclusive right and license to install, maintain, and operate telecommunication Equipment governing all inmate calls and video and electronic communications, including local and long distance, including but not limited to collect calls, debit calls, within any facility

owned or operated by Customer. During the Term of this Agreement Customer shall not provide to any third party access to Telmate's Equipment.

9. Entire Agreement. This Agreement sets forth the entire understanding of Telmate and Customer and supersedes all prior agreements, arrangements, and communications, whether oral or written with respect to the subject matter herein, including but not limited to the Kitsap County Inmate Telecommunication Location Agreement (KC-390-07) between Kitsap County Corrections and Pinnacle Public Services LLP dated September 1, 2007. This Agreement may be modified or amended only in writing signed by both Parties.

10. Maintenance of Equipment. During the Term of this Agreement, Telmate will repair and maintain its Equipment in good operating condition and shall exclusively maintain its Equipment in such condition by furnishing all necessary parts and labor reasonably necessary for the successful operation of the Equipment. Telmate has the exclusive access to open, adjust, remove, disconnect, repair, replace, or alter the Equipment. Customer shall permit employees or contractors of Telmate reasonable access in order to provide such service, repair, and maintenance on Equipment. Telmate's Equipment shall remain the sole property of Telmate. Upon termination of this Agreement, Telmate shall have the right to enter upon the premises to remove the Equipment, except that any network wiring provided to the Facilities by Telmate hereunder shall become the property of the Customer. Customer shall notify Telmate of any misuse, destruction, damage, or vandalism to the equipment as soon as practicable. Customer shall exercise reasonable care to prevent damage or destruction of Telmate's Equipment.

11. Surveillance. Telmate and Customer realize and agree that the Equipment may allow Customer to monitor, eavesdrop, and/or otherwise record inmates' use of the Equipment. CUSTOMER UNDERSTANDS AND AGREES TELMATE HAS MADE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE LEGALITY OF SUCH MONITORING AND/OR EAVESDROPPING.

12. Default and/or Termination of Agreement. If Customer or Telmate default in their performance of any obligations hereunder, the non-defaulting party may notify the defaulting party in writing of such default with specific attention to detail. The defaulting party must cure such default within sixty (60) days from receipt of notice of default, otherwise the non-defaulting party shall have the right to terminate this Agreement and pursue all legal and equitable remedies available to the non-defaulting party. If any governmental tax, fee, regulation, or tariff, or any other law prevents Telmate from providing the services agreed to hereunder or make the continuation of this Agreement economically impracticable then Telmate may, at its own discretion, terminate this Agreement without liability. On any termination of this Agreement Customer shall allow Telmate reasonable access to Facilities in order to remove its Equipment. Telmate agrees to remove its Equipment within 30 days after such termination.

13. Liability Indemnification. Customer assumes the risk of liability arising from or pertaining to the possession, operation, or use of Equipment. Customer shall indemnify and hold Telmate harmless from and against any and all claims, costs, expenses, damage, and liabilities, arising from or pertaining to the use, possession, or operation of Equipment or from any negligent or deliberate act or omission that occurs resulting from its obligations under this Agreement. Telmate will protect, save and hold harmless Customer or any employees thereof, from and against all claims, suits, actions, costs, damages, or expenses arising from any negligent or deliberate act or omission that occurs resulting from its obligations under this Agreement. In the case of negligence of both Customer and Telmate, any damages allowed shall be levied in proportion to the percentage of negligence attributable to each party. Telmate does not assume any liability for any acts or omissions of Customer or Customer's agents, or employees. Customer hereby releases Telmate and/or agrees to indemnify Telmate and hold Telmate harmless from any and all claims against Customer of any kind or nature whatsoever, arising out of or resulting from the use and/or operation of the Equipment by Customer or the inmates, or prior vendors of the Equipment, including any expenses and attorney's fees which Telmate may incur in defending any such claims. (Prefer to retain the current contract language for this section.)

14. **Confidentiality.** Customer acknowledges that in the course of discussions leading up to this Agreement, and in performing the work and installing and maintaining the Equipment pursuant to this Agreement, Telmate may make information available to Customer or Customer may otherwise learn of trade secret or confidential information of Telmate (collectively, "Confidential Information"). Confidential Information is all Telmate Equipment including hardware, software, and back-end systems. Video visitation recordings are not considered Confidential Information hereunder.

Customer specifically acknowledges and agrees that the Equipment and proprietary Software platform furnished by Telmate is considered by Telmate to be Confidential Information, is owned by Telmate, is considered by Telmate to be a proprietary trade secret and, unless required otherwise by law, Customer shall not disclose Confidential Information without providing Telmate with advanced, written notice and sufficient opportunity to limit or oppose such disclosure by any and all legal means. Customer also acknowledges that, unless required by law, the unauthorized use or disclosure of any Confidential Information, to the Equipment and proprietary Software platform, will cause irreparable harm to Telmate. Both parties acknowledge that Customer, as a public agency, is generally required by law to make all of the records and information in its possession or under its control, including this contract, freely available for public inspection and copying upon request pursuant to the Public Records Act, Chapter 42.56 RCW. Further, both parties acknowledge that Customer may be required to disclose records and information in its possession or under its control under a variety of other circumstances, including, but not limited to, for purposes of audit or regulatory examination or pursuant to compulsory legal process such as court order or subpoena. If Customer receives a request or demand from any outside party (other than from a regulator or auditor of Customer) for disclosure of any Confidential Information of Telmate, Customer shall, to the extent allowed by law, promptly advise Telmate of the request or demand, so that Telmate may take whatever action it, in its sole discretion, determines may be necessary to protect its confidentiality, commercial or proprietary interests, such as seeking a protective order preventing or limiting disclosure of the records and information. Customer shall provide such reasonable assistance in this effort as may be requested by Telmate and be permitted by law. Notwithstanding any other provision of this Agreement, Customer agrees that, in the event Telmate terminates this Agreement due to a breach by Customer of any or all of these Confidential Information provisions, then Customer shall pay to Telmate the amount of revenue that Telmate would have received under this Agreement but for the termination (as such amount is determined based on past performance).

15. **Authority.** Customer and Telmate warrant and represent to each other they have the authority to enter into this binding Agreement and to bind itself to such Agreement.


16. **Assignment.** Customer may not sell, lease, assign, or otherwise transfer any of the rights or obligations hereunder to a third party without the prior written agreement of Telmate. Telmate may sell, lease, assign, or otherwise transfer any of its rights or obligations hereunder to any third party on ninety (90) days written notice to Customer, except in the case of business reorganization, merger, or acquisition, which shall be permitted without the ninety (90) days notice requirement.

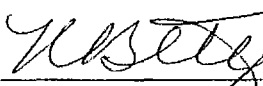
17. **Notices.** All notices provided for in this Agreement shall be in writing and shall be sent Certified Mail, Return Receipt Requested, to the parties at the addresses set out in Section 2 (2. Contract Representatives) above or any other address as specified by a party by prior written notice to the other party. Said notice shall be deemed received upon receipt thereof by addressee.

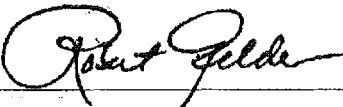
18. **Miscellaneous.** This Agreement shall be construed under and governed by the laws of the State of Washington. Proper venue shall only be the courts in or around Kitsap County. No waiver by either party of any event of default under this Agreement shall operate as a waiver of any subsequent default under the terms of this Agreement. If any provision of this Agreement is held to be invalid or unenforceable, the validity or enforceability of other provisions shall remain unaffected. This Agreement shall be binding upon and inure to the benefit of Customer, and Telmate, and both parties' successors and assigns. This Agreement cannot be modified other than by written instruments signed by Customer and Telmate.

DATED this 13th day of February, 20 12.

Kitsap County, WA
Customer

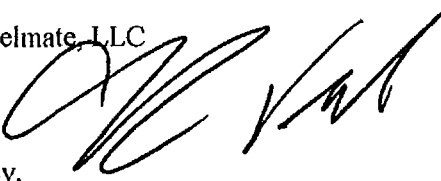
By, 
Bud J. Harris, Director
Dept. of Information Services

By, 
Ned Newlin, Chief of Corrections
Kitsap County Sheriff's Office

By,  2/13/12
Robert Gelder, Chair
Board of County Commissioners

DATED this 7th day of February, 20 12.

Telmate, LLC

By, 
Kevin O'Neil, President
Telmate LLC

SCHEDULE A

EQUIPMENT LOCATIONS

Coin/Pay Telephones:	19 Coin/Pay	Locations
	3604799411	Recovery Center, 1975 Fuson Road, Bremerton
Bremerton	3606929161	Fairgrounds Campus, 1200 NW Fairgrounds Road,
Bremerton	3606929163	Fairgrounds Campus, 1200 NW Fairgrounds Road,
Bremerton	3606983277	Fairgrounds Campus, 1200 NW Fairgrounds Road,
Bremerton	3606983947	3337 NW Byron, Silverdale Waterfront Park, Silverdale
Bremerton	3606983967	Fairgrounds Campus, 1200 NW Fairgrounds Road,
Bremerton	3606983998	Fairgrounds Campus, 1200 NW Fairgrounds Road,
	3606989961	Main Courthouse, 614 Division Street, Port Orchard
	3606989988	3337 NW Byron, Silverdale Waterfront Park, Silverdale
Seabeck	3608309403	Wild Cat Lake County Park, 9205 NW Holly Road,
Orchard	3608769837	Givens Community Center, 1026 Sidney Avenue, Port
	3608769861	Main Courthouse, 614 Division Street, Port Orchard
	3608769959	Main Courthouse, 614 Division Street, Port Orchard
	3608769975	Main Courthouse, 614 Division Street, Port Orchard
	3608769985	Main Courthouse, 614 Division Street, Port Orchard
	3608769988	Main Courthouse, 614 Division Street, Port Orchard
	3608956964	Administration Building, 619 Division Street, Port Orchard
Street,	3608959810	Main Sheriff Detention Facility, Booking, 614 Division Port Orchard
	3608959845	Juvenile Administration Facility, 1338 Old Clifton Road, Port Orchard
Inmate Telephones:		Main Sheriff Detention Facility, Booking 614 Division Street, Port Orchard

30 Lines

Locations

3608769803, 3608769806	614 Division Street
3608769813, 3608769814	
3608769817, 3608769823	
3608769824, 3608769830	
3608769832, 3608769834	
3608769838, 3608769841	
3608769850, 3608769852	
3608769855, 3608769872	
3608769887, 3608769905	
3608769911, 3608769918	
3608769920, 3608769921	
3608769925, 3608769928	
3608769930, 3608769956	
3608769958, 3608769973	

3608769978, 3608769980

32 Inmate Instruments Main Detention Facility

1AA	New Facility, First Floor Pod A
1AB	New Facility, First Floor Pod A
1AC	New Facility, First Floor Pod A
1BA	New Facility, First Floor Pod B
1BB	New Facility, First Floor Pod B
1BC	New Facility, First Floor Pod B
1CA	New Facility, First Floor Pod C
1CB	New Facility, First Floor Pod C
1CC	New Facility, First Floor Pod C
1DA	New Facility, First Floor Pod D
1DB	New Facility, First Floor Pod D
1DC	New Facility, First Floor Pod D
2AA	New Facility, Second Floor Pod A
2AB	New Facility, Second Floor Pod A
2AC	New Facility, Second Floor Pod A
2BA	New Facility, Second Floor Pod B
2BB	New Facility, Second Floor Pod B
2BC	New Facility, Second Floor Pod B
2CA	New Facility, Second Floor Pod C
2CB	New Facility, Second Floor Pod C
2CC	New Facility, Second Floor Pod C
2DA	New Facility, Second Floor Pod D
2DB	New Facility, Second Floor Pod D
2DC	New Facility, Second Floor Pod D
Booking	Main Facility, Booking
Holding 1	Main Facility, Holding
Holding 6	Main Facility, Holding
POD SA C	Main Facility, Special Holding
POD SB C	Main Facility, Special Holding
POD SD C	Main Facility, Special Holding
WRK RLS ML	Work Release Facility, Female
WRK RLS MU	Work Release Facility, Male

Telmate will install and maintain the following "TPhone" visitation set:

Dorm A	1 TPhone	40 inmates
Dorm B	1 TPhone	40 inmates
Dorm C	1 TPhone	40 inmates
Dorm D	1 TPhone	40 inmates
Central A	1 TPhone	Classification
Central B	2 TPhone	Classification
Central C	2 TPhone	Classification
Central D	2 TPhone	Classification
South Pod C	1 TPhone	12 inmates
South Pod D	1 TPhone	8 inmates
East Pod A	1 TPhone	20 inmates
East Pod B	1 TPhone	14 inmates

East Pod C 1 TPhone 12 inmates
 East Pod D 1 Tphone 12 inmates
 Visitation Lobby 7 TPhone

In addition, at no additional charge, Telmate will install and maintain an Integrated Voice Recognition (IVR) feature for the Kitsap County Sheriff's Office Jail to provide friends & family with visitation scheduling and inmate information.

Juvenile Detention Facility 1338 Old Clifton Road, Port Orchard

5 Lines Locations

Port Orchard 3608959744, 3608959745 Juvenile Detention Facility, 1338 Old Clifton Road,
 3608959746, 3608959747
 3608959792

10 Instruments Juvenile Detention Facility

A POD A, east end of detention building
 B POD B, east end of detention building
 C POD C, east end of detention building
 D POD D, west end of detention building
 E POD E, west end of detention building
 F POD F, west end of detention building
 G POD G, west end of detention building
 H POD H, west end of detention building
 INTAKE Detention Building Intake
 VISITING Admin Building – Near Front Counter

**SCHEDULE B
 RATES**

Collect Rate	Local	IntraLATA	IntraLATA Evenings, Weekend & Holiday	InterLATA	InterSTATE
Message Charge	\$3.00	\$2.80	\$2.80	\$3.95	\$3.95
Per Minute	\$0.00	\$0.16	\$0.16	\$0.49	\$0.69
Bill Statement Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prepaid					
	Local	IntraLATA	IntraLATA Evenings, Weekend & Holiday	InterLATA	InterSTATE

Message Charge	\$2.00	\$3.50	\$3.50	\$5.00	\$7.50
Per Minute	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bill Statement Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Coin Payphone					
	Local	IntraLATA	IntraLATA	InterLATA	InterSTATE
			Evenings, Weekend & Holiday		
Message Charge	\$0.50	\$0.00	\$0.00	\$0.00	\$0.00
Per Minute	\$0.00	\$0.35	\$0.35	\$0.35	\$0.35
Bill Statement Fee	N/A	N/A	N/A	N/A	N/A
International					
	\$10.00				
Per Minute	\$0.00				
Bill Statement Fee	\$0.00				

Rates for video visitation are as follows:

One "on-site" 30 minute visit will be provided at no cost per week. These visits are not cumulative.

Additional "on-site" social visiting would be at an additional fee of \$0.25 / min in 30 minute blocks. (\$7.50).

Remote (off site) video visiting will soon be available to friends, family, and others via the internet. This video visit may be conducted from any high speed internet connection with an available web cam, microphone, & speakers. The fee for this service will be \$0.66 / min in 30 minute blocks. (\$20.00).

Rates for other features not yet established above shall be set by Telmate with input and assistance by Customer. Telmate shall propose rates, or rate changes, and Customer shall have thirty (30) days to provide additional input or objection. Telmate's initially proposed rates shall be applicable during such thirty (30) day period with the mutually agreed upon changes taking place thereafter.