

STATE OF SOUTH CAROLINA) CONTRACT FOR CORRECTIONAL AND
) NON-CORRECTIONAL PUBLIC PAYPHONES
COUNTY OF RICHLAND) FOR THE STATE OF SOUTH CAROLINA

THIS AGREEMENT is entered into and effective on the date last executed below by and between the South Carolina State Budget and Control Board, Division of the State Chief Information Officer (hereinafter the "CIO") and Sprint Payphone Services, Inc. (hereinafter "Sprint"). The CIO and Sprint shall be jointly referred to herein as the "Parties".

WHEREAS, the CIO issued Request for Proposals Number 2000-07 soliciting competitive sealed proposals for public payphone equipment and services for the State of South Carolina in May of 1999.

WHEREAS, pursuant to Section 1-11-430 of the South Carolina Code of Laws, the CIO and Sprint entered into a contract on May 27, 2000 (hereinafter the "Contract") in which the Parties agreed that Sprint would provide public payphone equipment and services for both correctional and non-correctional locations in the State of South Carolina in accordance with the terms and conditions of the Contract.

WHEREAS, the duration of the Contract was for a period of five (5) years from the date of final acceptance by the CIO of the payphone equipment and services requested by the CIO, with the CIO reserving the right to continue the Contract on a month to month basis.

WHEREAS, on August 29, 2005, Sprint submitted to the CIO a Proposal Prepared for South Carolina Correctional and Non-Correctional Inmate and Public Pay Telephone Services (hereinafter the "Proposal")(consisting of a large, black, three ring binder) which is attached as Exhibit 1 and incorporated into this Agreement.

WHEREAS, the CIO has evaluated Sprint's Proposal.

NOW THEREFORE, the Parties agree to extend the Contract in accordance with the terms set forth in the Contract and the Proposal, including the following:

1. The Parties agree to extend the Contract for a period of two years. The two year extension will not begin until the completion of the Inmate Telephone System Upgrade Implementation Plan ("Implementation Plan"), which is attached as part of Exhibit 1. Work on the Implementation Plan, which shall include all of the upgrades, features, equipment and services set forth in Exhibit 1, will commence on the date the Parties hold a joint meeting to begin planning for these system upgrades, or January 16, 2006, whichever date occurs first. At the end of this two year period, the Contract will continue on a month to month basis subject to the mutual consent of the Parties.

2. Sprint shall utilize the proposed rates and commission structure for correctional payphones as set forth in Exhibit 1. The Parties agree that the proposed rates and commission structure for correctional payphones, and the new zero commission structure for non-correctional payphones, shall become effective on January 2, 2006 even though the Implementation Plan will not be completed by that date. Sprint agrees it will not change or alter the end user rates it charges for calls placed from the correctional or non-correctional payphones without the prior written approval of the CIO.

3. Sprint shall keep in place, at no additional cost to the State, a minimum of 370 non-correctional payphones at locations in the State of South Carolina. Sprint shall work in partnership with the CIO to maximize the effective placement of non-correctional payphones. Sprint shall relocate any non-correctional payphones at the request of the CIO, with the cost of any such move solely the responsibility of Sprint. Sprint may not remove any non-correctional payphones without the prior written approval of the CIO.

4. Sprint shall ensure that all correctional and non-correctional payphones are maintained in good working order and are of suitable quality to provide the necessary services required by the Contract and the Proposal.

5. Sprint shall provide the South Carolina Department of Corrections a one-time Technology Grant of \$75,000, which shall be used for new or additional telecommunications equipment requested from Sprint by the Department of Corrections. This grant shall not be transferred to the Department of Corrections in monetary form.

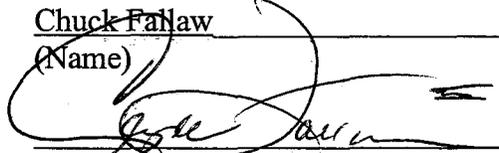
The signatories hereunder warrant and declare that they are duly authorized to execute this Agreement by virtue of their position and title and are signing on behalf of their respective entity by virtue and strength thereof, or of resolution duly considered and passed by a duly authorized and constituted authority or body of their respective entity, and that, furthermore, it is stipulated and agreed by the Parties that this Agreement shall be binding upon their respective entity, officers, employees, agents, affiliated organizations and their heirs, successors and assigns of each.

**SOUTH CAROLINA STATE
BUDGET AND CONTROL BOARD,
DIVISION OF THE STATE CHIEF
INFORMATION OFFICER**

**SPRINT PAYPHONE SERVICES,
INC.**

Chuck Fallaw

(Name)



(Authorized Signature)

Deputy Chief Information Officer

(Title)

12-19-05

(Date)

William E. Cheek

(Name)



(Authorized Signature)

President

(Title)

12/16/05

(Date)