

AMENDMENT #1 TO INMATE TELEPHONE SERVICE AGREEMENT

THIS AMENDMENT 1 is effective as of the date signed by all the parties, shall amend and revise that certain Inmate Telephone Service Agreement (the "Agreement"), dated on May 5, 2011 by and between Value Added Communications, Inc. ("VAC"), and State of South Dakota Department of Corrections ("State"). VAC and the State may be referred to herein individually as the "Party" or collectively as the "Parties." All capitalized terms not defined herein shall have the definitions set forth in the Agreement.

WHEREAS, the State has elected to exercise its two remaining options to extend the Agreement in exchange for a reduction in call rates, as further provided below.

NOW THEREFORE, in consideration of the promises and covenants set forth in this Agreement, and for good and valuable consideration, the sufficiency of which is acknowledged by the Parties' signatures, the Parties agree as follows:

1. Unless terminated earlier pursuant to Section 11 (Default), the Agreement shall continue through the two (2) renewal terms, until June 30, 2014.
2. That as of July 1, 2012, the Calling Rates tables included in Schedule A of the Agreement, shall automatically, without further action of the Parties, be deemed deleted in their entirety and replaced with the Calling Rates tables provided below.

Calling Rates

South Dakota Rates		
Proposed Rates		
Collect	Surcharge	Per Minute Rate
Local	\$2.70	\$0.00
Intra LATA	\$2.52	\$0.23
InterLATA	\$2.70	\$0.38
InterSTATE	\$3.15	\$0.43

Prepaid Collect	Surcharge	Per Minute Rate
Local	\$0.90	\$0.00
Intra LATA	\$1.13	\$0.09
InterLATA	\$1.35	\$0.09
InterSTATE	\$1.35	\$0.09
International	\$4.00	\$1.00
**US Territories	\$0.00	\$0.95

****US Territories: US Virgin Islands, Guam, and Puerto Rico****

Debit Calls	Surcharge	Per Minute Rate
Local	\$1.00	\$0.00
Intra LATA	\$1.13	\$0.09
InterLATA	\$1.35	\$0.09
InterSTATE	\$1.35	\$0.09
International	\$4.00	\$1.00
**US Territories	\$0.00	\$0.95


****US Territories: US Virgin Islands, Guam, and Puerto Rico****

Inmate Voicemail	Flat Fee
60 Sec Message	\$1.00

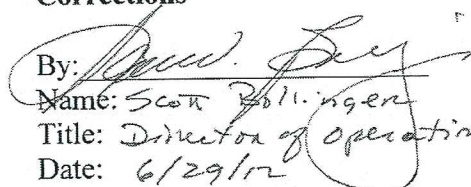
3. Except as set forth above, there are no other revisions or amendments to the Agreement or to the obligations of VAC or the State.
4. In the event of any inconsistencies between the terms and conditions contained in the Agreement and the terms and conditions contained herein, the terms and conditions contained herein shall control.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have duly executed this Amendment as of the last date indicated below.

Value Added Communications, Inc.

By: 
 Name: Jeffrey B. Haidinger
 Title: President
 Date: 6/28/12

State of South Dakota, Department of Corrections

By: 
 Name: Scott Bollinger
 Title: Director of Operations
 Date: 6/29/12