

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made as of MAY 10, 2007 (the "Effective Date") by and between Qwest Corporation a Colorado corporation and successor in interest to U.S. West Communications, Inc. (hereinafter "Qwest" or "Assignor"), FSH Communications, LLC, a Delaware limited liability company (hereinafter "Assignee") and State of South Dakota ("State"). Assignor, Assignee and State are sometimes collectively referred to herein as the "Parties".

WHEREAS, on or about July 1, 2002, Qwest (through its predecessor in interest, U.S. West Communications, Inc.) and State entered into that certain Inmate Telephone Service Agreement, as amended (the "Inmate Agreement").

WHEREAS, subsequent to entering into the Inmate Agreement, Assignor and Assignee entered into certain agreements whereby Assignor agreed to dispose of and Assignee agreed to acquire certain of Assignor's pay telephone business assets and obligations.

WHEREAS, Assignor desires to assign all of its interest, rights and obligations under the Inmate Agreement to Assignee, and Assignee desires to accept assignment of Assignor's interest, rights and obligations under the Inmate Agreement.

WHEREAS, the Parties desire to document the formal Assignment of the Inmate Agreement and State's consent to the Assignment.

NOW, THEREFORE, for good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Effective as of the Effective Date and subject to the terms and conditions hereof, the Assignor transfers, assigns and sets over to the Assignee all of the Assignor's interest in the Inmate Agreement and Assignee assumes all of Assignor's interest in the Inmate Agreement. Notwithstanding anything in the Inmate Agreement to the contrary, this Assignment and State's consent to this Assignment shall release Assignor from any and all obligations of Assignor under the Inmate Agreement.
2. Subject to the terms and conditions hereof, Assignee hereby accepts this Assignment and the assignment of Assignor's interest in the Inmate Agreement. Assignee hereby agrees to perform all obligations of Assignor under the Inmate Agreement and to hold harmless, protect and indemnify Assignor against any and all claims, causes of action, loss, costs, liabilities and expenses related to Assignee's performance or non-performance under the Inmate Agreement.
3. State hereby consents to the assignment of the Inmate Agreement to the Assignee in accordance with the terms and conditions of this Assignment, and joins in this Assignment for the purpose of acknowledging its consent and approval thereto.
4. This Assignment may be executed via facsimile and in several counterparts and all so executed shall constitute one agreement binding on all Parties hereto.

5. This Assignment shall be construed in accordance with laws of the State of South Dakota, without regard to conflicts of law rules, and the parties irrevocably consent to the personal jurisdiction of the courts of South Dakota and irrevocably waive any objections to personal jurisdiction or venue in South Dakota. The federal and state courts of South Dakota shall have exclusive jurisdiction over any disputes arising out of this Assignment or the Inmate Agreement. All actions shall be venued in Hughes County, South Dakota.

IN WITNESS WHEREOF, the Parties hereto have executed the Assignment as of the dates set forth below.

"Assignor"

"Assignee"


**AGREED AND
CONSENTED TO BY:
"State"**

**Qwest Corporation
1801 California
Denver, CO 80202**

**FSH Communications,
LLC
100 W. Monroe St., Suite 2101
Chicago, IL 60603**

**State of South Dakota, for its
Bureau of Information and
Telecommunications
700 Governor Drive
Pierre, SD 57501**


Authorized Signature


Authorized Signature


Authorized Signature

Steven Anderson VP
Print Name and Title

STEVEN LOGGANS-VP
Print Name and Title

Otto Doll
BIT Commissioner
Print Name and Title

5/7/07
Date

5/8/2007
Date

5-23-07
Date

**AMENDMENT ONE
TO AGREEMENT
BETWEEN
FSH COMMUNICATIONS, LLC
AND
STATE OF SOUTH DAKOTA**

State of South Dakota ("State") and FSH Communications, LLC ("FSH"), hereby enter into Amendment One to the Inmate Telephone Service Agreement Number CDS-020515-0007 ("Underlying Agreement"), in which FSH provides the State with Inmate Telephone Communication Services.

MODIFICATIONS:

1. Replace all references to Qwest Corporation ("Qwest") with FSH Communications, LLC ("FSH").

2. **SECTION 1. TERM. CHANGE** to read:

This Agreement is effective July 1, 2007 ("Effective Date"), and shall continue in effect until June 30, 2009. Upon completion of this renewal term, this Agreement will continue on a month-to-month basis under the same terms and conditions unless terminated by either party upon thirty (30) days written notice.

3. **SECTION 3. RESPONSIBILITY OF FSH. ADD 3.5** to read:

Jointly determine with the State on annual basis, periodic mutually agreeable time to review call volumes, revenue performance, and services provided. Any discrepancies noted during the review will be negotiated between the parties. FSH will submit to the State a monthly report summarizing, at minimum, the gross revenue for all completed calls and associated commission. Form and format will be one acceptable by the State.

FSH will coordinate with the authorized contact(s) for the State facilities any service enhancements and or changes at any of the State correctional facilities.

4. **SECTION 6. FUTHER LOCATIONS AND TELEPHONES. ADD** to read:

FSH will agree to continue to provide and maintain all phones, lines, technology, and services and continue to serve the State as the prime vendor of record.

FSH will agree to provide an integrated networked solution with upgraded hardware and software for all of the State DOC facilities. A separate Statement of Work will be developed between FSH and the State which will detail the entire project plan, including timelines and training requirements. A list of all sites affected are listed on Schedule C.

5. **SECTION 7. COMMISSION. CHANGE** to read:

Schedule A: COMMISSION SCHEDULE FOR SOUTH DAKOTA. FSH agrees to pay the State on all billed collect calls for local, intraLATA, interlata, and interstate revenue. Specific detail outlined in the attached revised Schedule A.



6. **SECTION 18. NOTICES. CHANGE to read:**

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

FOR FSH :


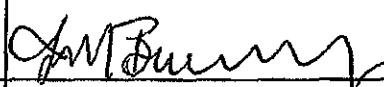
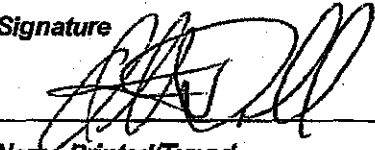
FSH Communications, LLC
 100 W. Monroe St. Suite 2101
 Chicago, IL 60603
 ATTN: Mike Johnson

FOR SPACE PROVIDER:

State of South Dakota BIT
 700 Governor Drive
 Pierre, SD 57501
 ATTN: Otto Doll

Either party may change its address for communications by giving notice in writing.

All other terms and conditions of this Agreement shall remain in full force and effect. The effective date of this Amendment One shall be the date of the last signature shown below.

FSH Communications, LLC	State of South Dakota	State of South Dakota
		
Signature	Signature	Signature
Steve Loggans		
Name Printed/Typed	Name Printed/Typed	Name Printed/Typed
Vice President & General Manager	Jeff Bloomberg	Otto Doll
Title	Title	Title
SEPT 10, 2007	Commissioner BIA	Commissioner BIT
Date	Date	Date
	9/21/07	9-24-07

**SCHEDULE B
COMMISSION SCHEDULE
FOR
STATE OF SOUTH DAKOTA**

FSH agrees to pay Space Provider compensation for Inmate Telephone Service based upon (38%) percent of billed local and intraLATA collect call revenue and (33%) percent of billed interlata and interstate collect call revenue as billed by FSH's underlying telecommunications providers, exclusive of calls where no billing and collection agreements exist.

TYPE OF CALL	COMMISSIONS
Inmate Collect Calls	38%*
Inmate Collect Call (Interlata And Interstate Traffic)	33%**

TYPE OF CALL	SETUP CHARGE	COST PER MINUTE
Inmate Debit Local Calls	\$1.25***	
Inmate Debit IntraLata Calls	\$1.50***	\$.14***
Collect Call IntraLata Calls	\$2.25***	\$.27*** - weekdays \$.25*** - evening, night & weekend
Local Collect Calls	\$2.71***	
Inmate Debit Calls (Interlata And Interstate Traffic)	\$2.00***	\$0.12***
Collect Calls (Interlata And Interstate Traffic)	\$3.50***	\$0.50***
Collect Calls (Interlata And IntraState Traffic)	\$3.00***	\$0.44***

*The 38% is based on billed revenue for collect calls. Should the State of South Dakota elect to impose a 10% commission on the setup charge for collect calls, the State of South Dakota will reduce the commission on the collect call revenue to 33%.

**The 33% is based on revenue for billed collect interLATA and interstate calls.

***Cost does not include tax.

**SCHEDULE C
FACILITY LOCATIONS & EQUIPMENT PROVISIONS
FOR
STATE OF SOUTH DAKOTA**

**State of South Dakota State Penitentiary
Jameson Unit
1600 North Drive
Sioux Falls, SD 57117**

Description	Qty
25' M/M amp cable	4
APC Power strip	2
Panamax-towermax DS 25 Lightning Protection	3
MLLT1	2
4 - KSU - 4 Outlet Surge Suppressor	1
ADTRAN 924 E	1
ADTRAN 924	4
Powerware Ethernet Mon Card	1
PW-5125 1500 RM UPS	1
Dell FS726T Switch	1
B-Line 4 FT Rack	1
Casters	1
Shelf	2

**Mike Durfee State Prison
1412 Wood Street
Springfield, SD 57062**

Description	Qty
25' M/M amp cable	3
APC Power strip	1
Panamax-towermax DS 25 Lightning Protection	1
MLLT1	1
4 - KSU - 4 Outlet Surge Suppressor	1
ADTRAN 924	1
Powerware Ethernet Mon Card	1
PW-5125 1500 RM UPS	1
Adtran Rack Mount HW Kit	3
Dell FS726T Switch	1

**South Dakota Women's Prison
3200 East Highway 34
Pierre, SD 57501**

Description	Qty
Quintum Box 24 Count	1
25' M/f amp cable	2
25' M/M amp cable	2
APC Power strip	1
Panamax-towermax co 25 Lightning Protection	1
Towermax CO 25 Lightning Protection	1
4 - KSU - 4 Outlet Surge Suppressor	1
ADTRAN 924	1
Powerware Ethernet Mon Card	1
PW-5125 1500 RM UPS	1
Adtran Rack Mount HW Kit 1200927L19	1
Dell FS726T Switch (Per Mack Korami)	1
B-Line 4 FT Rack	1
Casters	1
Shelf	1

**Redfield Minimum Unit
17262 West 6th Street
Redfield, SD 57469**

Description	Qty
Quintum Box 8 Count	1
25' M/f amp cable	2
25' M/M amp cable	2
Towermax CO 25 Lightning Protection	1
APC Power strip	1
Panamax-towermax co 25 Lightning Protection	1
Towermax CO 25 Lightning Protection	1
4 - KSU - 4 Outlet Surge Suppressor	1

Yankton Minimum Unit
178 Mickelson Drive
Yankton, SD 57078

Description	Qty
Quintum Box 24 Count	1
25' M/f amp cable	2
25' M/M amp cable	2
APC Power strip	1
Panamax-towermax co 25 Lightning Protection	1
Towermax CO 25 Lightning Protection	1
4 - KSU - 4 Outlet Surge Suppressor	1
ADTRAN 924	1
Powerware Ethernet Mon Card	1
PW-5125 1500 RM UPS	1
Adtran Rack Mount HW Kit 1200927L19	1
Dell FS726T Switch (Per Mack Korami)	1
B-Line 4 FT Rack	1
Casters	1
Shelf	2

Rapid City Minimum Unit
2317 Creek Drive
Rapid City, SD 57703

Description	Qty
Quintum Box 8 Count	1
25' M/f amp cable	2
25' M/M amp cable	2
Towermax CO 25 Lightning Protection	1
APC Power strip	1
Panamax-towermax co 25 Lightning Protection	1
Towermax CO 25 Lightning Protection	1
4 - KSU - 4 Outlet Surge Suppressor	1

Settlement 3-07

RELEASE AND WAIVER OF CLAIMS

THIS RELEASE AND WAIVER OF CLAIMS (hereinafter referred to as "Release") is made this 14th day of March 2007 by the State of South Dakota, FSH Communications, LLC ("FSH") and Qwest Corporation ("Qwest") in consideration of the following:

WHEREAS, In July 2002, State of South Dakota ("South Dakota") and Qwest Communications ("Qwest") entered into an Inmate Telephone Agreement ("South Dakota Agreement") for South Dakota Inmate and Public Payphone Services.

WHEREAS, In August 2004, Qwest sold certain assets related to its Public Access Solutions unit and transferred (to the extent possible under the South Dakota Agreement) the South Dakota Agreement and all of its rights and obligations there under to FSH Communications, LLC ("FSH");

WHEREAS, Page 6, Schedule A, Commission Schedule, of the Agreement described above, reads as follows:

Type of Call Qwest Collect Inmate Telephone commission level 38%
Type of Call T-Netix Collect Inmate Telephone commission level 33%

WHEREAS, FSH and South Dakota mutually agreed to review the inmate telephone records and determine if all completed calls were properly commissioned. During FSH review of the call detail records and billing files for South Dakota, FSH identified some discrepancies in the data reported. FSH notified Qwest of their findings in September 2006, requesting an internal audit and review of the commissions paid at one facility.

WHEREAS, Qwest audited records from the inception of the Agreements through August 23, 2004 (the "Qwest Audit") and concluded that the following facility were not commissioned during said period as follows:

- Mike Dufree State Prison: Total Local and Intralata call revenue for the time period 8/03 through 8/23/04 NOT commissioned \$84,983.21;

WHEREAS, FSH audited records for each facility for the period July 1, 2002 through November 2006 ("FSH Audit") and concluded that the following facility were not commissioned during said period as follows:

- Mike Durfee State Prison: Total Local and intralata call revenue for the time period 8/24/06 through 7/06 NOT commissioned \$169,433.16
- Mike Durfee State Prison: Total Interlata and Interstate call revenue PAID for time period 1/03 through 11/06 \$68,952.13; NOT commissioned \$43,270.18;

NOW THEREFORE, in consideration of the foregoing and of the mutual promises and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENTS

To resolve the underpayment of commissions identified in the Qwest Audit, Qwest will pay South Dakota the sum of \$84,983.21, plus 10% interest (\$31,930.89) through 2/1/07, for a *total amount of \$116,914.10*. (the "Qwest Underpayment Amount")

Qwest represents and warrants to South Dakota that Qwest Underpayment Amount represents full and complete payment due and owing to South Dakota under the South Dakota Agreement for the period of time covered by the Qwest Audit (i.e. prior to August 23, 2004)

FSH will pay South Dakota the sum of \$169,433.16, plus 10% interest (\$28,447.52) through 2/1/07, for a *total amount of \$197,880.68*, for uncommissioned Local and intralata call revenue identified during the FSH Audit. (the "FSH Underpayment Amount")

FSH will pay South Dakota, on behalf of Securus Corporation (formerly known as T-Netix), the sum of \$43,270.18, plus 10% interest (\$12,206.48 through 2/1/07, for a *total amount of \$55,476.66*, for uncommissioned Interlata and Interstate call revenue identified during the FSH Audit. (the "Securus Underpayment Amount")

FSH represents and warrants to South Dakota that FSH and Securus Underpayment Amount represents full and complete payments due and owing to South Dakota under the South Dakota Agreement for the period of time covered by the FSH Audit.

South Dakota, hereby acknowledges the *total combined settlement amount of \$370,271.44* as the full settlement for monies owed by Qwest and FSH for uncommissioned calls under the South Dakota Agreement.

The respective amounts will be paid by Qwest and FSH within three (3) business days of the completed execution hereof.

IN EXCHANGE for such consideration, South Dakota, hereby, on behalf of itself, administrators, assigns and successors, covenants not to sue, and fully and forever releases and discharges FSH, Securus Corporation, Qwest and their affiliates, divisions, successors and assigns, together with their managers, officers, agents, directors, and representatives, from any and all claims for payment for services, demands, rights, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders or liabilities of whatsoever kind or nature in law, equity or otherwise, whether now known or unknown which South Dakota now owns or holds or has at any time heretofore owned or held as against FSH, Securus Corporation and Qwest as it solely relates to the underpayment of commissions at the Mike Durfee State Prison under the South Dakota Agreement for the time period of July 2002 through November 2006, including but not limited to the result of the Qwest Audit and FSH Audit.

THIS RELEASE constitutes the entire agreement concerning the audit and payment of unpaid commissions due under the South Dakota Agreement. This Release supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter covered herein.

IN WITNESS WHEREOF, the State of South Dakota, has caused this Release to be executed and delivered, as of the date first written below.

State of South Dakota

By: David Mitchell

Title: Telecommunications Director

Date: 3/14/2007

Acknowledged and agreed:

FSH Communications LLC

By: _____

Title: _____

Date: _____

Qwest Corporation

By: _____

Title: _____

Date: _____

**AMENDMENT TWO
TO AGREEMENT
BETWEEN
FSH COMMUNICATIONS, LLC.
AND
STATE OF SOUTH DAKOTA**

State of South Dakota ("State") and FSH Communications, LLC ("FSH"), hereby enter into Amendment Two to the Inmate Telephone Service Agreement Number CDS-020515-0007 ("Underlying Agreement"), in which FSH provides the State with Inmate Telephone Communication Services.

MODIFICATIONS:

1. **SCHEDULE B IN AMENDMENT ONE.** The original contract has SCHEDULE A as the Commission Schedule. It was inadvertently inserted as Schedule B in Amendment One. **CHANGE Title to read:**

SCHEDULE A: COMMISSION SCHEDULE FOR STATE OF SOUTH DAKOTA.


2. **SECTION 7. COMMISSION.** To correct the Setup Charges for local and intraLATA collect calls. The Setup Charges of \$3.00 for local collect and \$2.80 for IntraLATA collect have been in effect for the State of SD since 3/05. **CHANGE to read:**

SCHEDULE A: COMMISSION SCHEDULE FOR STATE OF SOUTH DAKOTA. FSH agrees to pay the State on all billed collect calls for local, intraLATA, interlata, and interstate revenue. Specific detail outlined in the attached revised Schedule A.

3. **SCHEDULE A IN AMENDMENT ONE.** The original contract does not include a list of telephones and locations. Schedule D would be sequentially consistent with the original contract. **CHANGE Title to read:**

SCHEDULE D: INMATE TELEPHONE LOCATIONS FOR STATE OF SOUTH DAKOTA.

All other terms and conditions of this Agreement shall remain in full force and effect. The effective date of this Amendment shall be the date of the last signature shown below.

FSH Communications, LLC.	State of South Dakota	State of South Dakota
 Signature	Signature	Signature
Steven Loggins Name Printed/Typed	Name Printed/Typed	Name Printed/Typed
Vice President + GM Title	Title	Title
November 29, 2007 Date	Date	Date

**SCHEDULE A
COMMISSION SCHEDULE
FOR
STATE OF SOUTH DAKOTA**

FSH agrees to pay Space Provider compensation for Inmate Telephone Service based upon (38%) percent of billed local and intraLATA collect call revenue and (33%) percent of billed interlata and interstate collect call revenue as billed by FSH's underlying telecommunications providers, exclusive of calls where no billing and collection agreements exist.

TYPE OF CALL	COMMISSIONS	
Inmate Collect Calls	38%*	
Inmate Collect Call (Interlata And Interstate Traffic)	33%**	
TYPE OF CALL	SETUP CHARGE	COST PER MINUTE
Inmate Debit Local Calls	\$1.25***	
Inmate Debit Intralata Calls	\$1.50***	\$.14***
Collect Call Intralata Calls	\$2.80***	\$.27*** - weekdays \$.25*** - evening, night & weekend
Local Collect Calls	\$3.00***	
Inmate Debit Calls (Interlata And Interstate Traffic)	\$2.00***	\$0.12***
Collect Calls (Interlata And Interstate Traffic)	\$3.50***	\$0.50***
Collect Calls (Interlata And Intrastate Traffic)	\$3.00***	\$0.44***

* The 38% is based on FSH's revenue for billed inmate collect local and intraLATA calls.
 ** The 33% is based on revenue for billed collect InterLATA and interstate calls.
 *** FSH Debit calling—Should the State decide to add a premise imposed commission fee on the FSH debit call set-up fee, the State shall be responsible for covering the amount of that premise imposed commission fee per debit call.
 **** FSH Inmate Collect Calling—Should the State decide to add a premise imposed commission fee on Inmate collect calls, FSH will reduce the cost of that premise imposed commission fee set-up charge on Inmate Collect InterLATA and interstate calls to \$2.00 and the set-up charge on Inmate Collect InterLATA Intrastate calls to \$2.50. FSH will reduce the cost of that premise imposed commission fee set-up charge on Inmate Collect InterLATA Intrastate calls to \$2.00 and the set-up charge on Inmate Collect InterLATA Intrastate calls to \$2.50.

Cost does include tariffed surcharges but does not include taxes.



21420 North 15th Lane
Suite 100
Phoenix, AZ 85027
Office: 623-516-4540
steven.loggans@fshcommunications.com

Steven Loggans
Vice President & General Manager

Express Overnight Mail Delivery

Mr. Jeff Pierce
State of South Dakota
Bureau of Information & Technology
910 E. Sioux Avenue
Pierre, South Dakota 57501-3904

May 15, 2007

Re: Assignment and Assumption Agreement

Dear Mr. Pierce:

Enclosed, please find three copies of the Assignment and Assumption Agreement executed by Qwest Corporation and FSH Communications. After signature, will you please return two fully executed copies to my address above?

I would like to thank you for assistance and patience in getting this matter resolved. As always, if there is anything else we can assist you with, please call James Formanek, Dana Alixander or myself.

Sincerely,

A handwritten signature in cursive script that reads "Steven Loggans".

Steven Loggans

Cc:

