This Amendment to Contract No. CDOC6840 is made by the Washington State Department of Corrections, hereinafter referred to as "Department" or "DOC", and Value-Added Communications, Inc. hereinafter referred to as "VAC", for the purposes set forth herein.

WHEREAS the parties have expressed interest in moving the hosting of the platform used to support the Inmate Calling Services (ICS) equipment; and

WHEREAS the parties desire to establish a sound plan to implement reduced ICS rates for telephone calls placed by Department offenders, to be compliant with and in accordance with Order 15-136 adopted by the Federal Communications Commission (FCC) on October 22, 2015 ("FCC Order");

WHEREAS the parties agree to eliminate the current Minimum Amount Guaranteed (MAG) and establish a revenue sharing amount calculated as a percentage of total revenue;

WHEREAS the parties desire to memorialize the end date of the Contract, which is extended to align with the termination date of other offender communications services, thereby facilitating the Department's intent to pursue competitive procurement of bundled communication services at the end of the Contract term;

NOW THEREFORE, in consideration of the terms and conditions contained herein the Department and VAC agree as follows:

1. VAC will complete, at its own expense, the following changes to the inmate telephone system and associated equipment supplied by VAC under the Contract:

   a. Update of hosting platform. Update the current platform used to support the inmate telephone equipment to a hosted solution. This includes an update to all software and hardware used in connection with the platform, including, but not limited to, the monitoring and recording systems to be compatible with the most current version of the Microsoft Windows operating system. A list specifying the upgrade is provided in Exhibit B to this Amendment. On-site training for the new system will be provided to Department personnel at VAC's expense on an as needed basis as communicated to VAC by the Department Contract Manager; and

   b. Removal of unused equipment. Remove all equipment and supplies replaced by VAC in response to Department requests for technology refreshes, as allowed in the Contract. Removal of equipment will be completed at VAC's expense, within ten (10) business days of the technology refresh.

2. Effective March 17, 2016, VAC will reduce the rates and charges for intrastate and interstate inmate telephone calls made using the inmate telephone system (ITS) to rates and charges that are no greater than those allowed by Order 15-135 adopted by the FCC on October 22, 2015.

The parties hereby agree that the rates charged to users of the ICS will at no time exceed the following:

   a. Inmate Telephone Service Call Rates. The per-minute-of-use call rate shall not exceed the maximum rates authorized by the Washington Utilities and Transportation Commission (UTC) and the FCC. Interstate and intrastate ITS calls, whether made using a collect, debit,
prepaid/ AdvancePay™ format, or any other format shall at no time exceed the maximum eleven cents ($0.11) per minute of use.

The rates charged are exclusive of taxes, and other amounts collected by VAC on behalf of, or paid to, third parties, including but not limited to payments in support of statutory or regulatory programs mandated by governmental or quasi-governmental authorities, such as the Federal Universal Service Fee, and any costs incurred by VAC in connection with such programs.

b. Ancillary Fees. VAC may charge certain ancillary fees, which at no time shall exceed the maximum rates as authorized by the state UTC and the FCC Order. The parties agree that the maximum allowed fees shall be:

| Fee for automated payment for credit card, debit card, and bill processing fees | $3.00 per use |
| Fee for payment using live operator | $5.95 per use |
| Fee for paper bill/statement | $2.00 per use |
| Fee for use of third-party money transmitter (e.g., MoneyGram, Western Union, credit card processing, transfers from third-party commissary accounts) | The exact fee from the third-party provider passed through directly to customer with no markup |

3. Elimination of the MAG. The parties hereby agree to the complete elimination of the MAG effective March 17, 2016. The prorated MAG, due to the Department for the period of January 1, 2016 through March 16, 2016, shall be paid to the Department no later than April 30, 2016.

Effective March 17, 2016 the MAG and other commission and revenue share payable by VAC under the Contract will be replaced with a fifty six percent (56%) call revenue sharing amount calculated monthly, as further described below. Call revenue shall mean all revenue generated by every completed intrastate call that is accepted by an end user and billed via a local exchange carrier or prepaid to VAC. Call revenue on which monthly revenue share will be paid does not include: (i) taxes and tax-related surcharges; (ii) credits; (iii) ancillary fees; (iv) revenue from interstate calls; and (v) any amount Company collects for, or pays to, third parties, including but not limited to payments in support of statutory or regulatory programs mandated by governmental or quasi-governmental authorities, such as the Federal Universal Service Fee, and any costs incurred by Company in connection with such programs. This call revenue sharing amount shall be due to the Department in quarterly payments in arrears due no later than the 30th day of each of these months: July, October, January, and April. Final call revenue sharing payments due under the Contract shall be paid within 60 days of the Contract end date.

4. Contract Termination Date. The Department previously intended to pursue competitive solicitation of the ICS to begin following the end of the original Contract term. However, the Department delayed competitive procurement due to uncertainty in the ICS market associated with pending FCC proceedings. In light of a recent partial stay granted for the FCC Order, and in an effort to align contract termination dates for offender communications services, including telephone services, so as to facilitate competitive procurement of bundled communication services at the end of this Contract term, the parties agree that the Contract term shall extend until December 31, 2018 or until full implementation of a new Contract resulting from the competitive solicitation, whichever is later.
Department agrees to give VAC ninety (90) days advanced written notice of the full implementation date.

5. VAC Cooperation at End of Contract. Upon final termination of CDOC6840, VAC agrees to reasonably cooperate with the Department and any new Contracted vendor in accomplishing an efficient and effective transfer of responsibilities. All equipment and supplies currently owned or serviced by VAC under the current Contract at the time of full implementation of the new Contract will be removed within ten (10) business days of full implementation. The removal of equipment and supplies will be conducted at VAC’s own expense.

All other terms and conditions remain in full force and effect. The effective date of this amendment is the date of final execution.

THIS AMENDMENT, consisting of three pages and two (2) exhibits is executed by the persons signing below who warrant that they have the authority to execute the Contract amendment.

VALUE-ADDED COMMUNICATIONS, INC.

(Signature)
Jeffery B. Haidinger
(Printed Name)
President and COO
(Title) 3/2/16
(Date)

DEPARTMENT OF CORRECTIONS

(Signature)
John R. Nispel
(Printed Name)
Acting Contracts Administrator
(Title) 3/2/16
(Date)

Approved as to Form:
This amendment format was approved by the office of the Attorney General.
Approval on file.
EXHIBIT A

Inmate Telephone Handsets

WINTEL 70905SE Cord-On-Top Inmate Telephone

- Built-in user controlled volume "LOUD" button for ADA mandated volume control (must be user-controlled volume amplification AND volume must reset to normal with on-hook to meet ADA requirements).
- 180 rotating swivel elbow with at least 1,000# pull strength
- Allows for handsets with extremely short cords to be hung.
- Raised bump on 5' digit key.
- Heavy duty 14 gauge brushed stainless steel provides rugged vandal resistant telephone housing designed and built for inmate use.
- Confidencer technology, built into every dial, filters out background noise at the user's location, allowing better sound to the called party.
- All-in-one electronic dial features modular incoming line and handset connections for quick maintenance. Carbon and DuraClear® Handsets have separate 4-pin connections.
- Heavy chrome metal keypad bezel, buttons, and hookswitch lever withstand abuse and vandalism.
- Armored handset cord is equipped with a steel lanyard (1000# pull strength) and secured with a 14 gauge retainer bracket for maximum vandal resistance.
- Handset has sealed transmitter and receiver caps, suitable for heavy use and abuse locations.
- Pin-in-head security screws minimize tampering
- Hearing aid compatible and FCC registered
- US: 1DATE05BITC-254, IC: 3267A-ITC254
EXHIBIT B

Upgraded Inmate Telephone Service Platform

Focus HMP

- Focus HMP (Host Media Processing) Single Tenant System hosted in Data Center
- V-Track V5 Secure Investigative Interface with Expanded Feature Set
- WebITS Secure Administrative Interface
- Import of Existing Call Records and Recordings
- Hosted Correctional Industries Commissary IVR
- Full Compatibility with existing Washington DOC Interfaces
  - STG (Security Threat Group) Data Exchange
  - Commissary Ordering via Inmate Phones
  - Inmate Mugshot Data Exchange
  - OMNI JMS (Jail Management System) Interface