

MASTER SERVICES AGREEMENT

This Master Services Agreement (hereinafter "Agreement") is made and entered into this 24th day of June, 2011 by and between Okanogan County Sheriff's Office ("Customer") of the one part and Pay Tel Communications, Inc., a North Carolina Corporation ("Pay Tel") of the other part,

WHEREAS, Customer and Pay Tel desire to enter into a long term relationship pursuant to which Pay Tel will act as the exclusive agent and provider to Customer of certain equipment and services including inmate telecommunications equipment set forth in Exhibit A (hereinafter sometimes "Services"); and

WHEREAS, Customer understands the financial commitment on the part of Pay Tel in providing and installing equipment associated with such Services and Customer agrees to cooperate and assist Pay Tel as set forth below.

NOW THEREFORE, in consideration of the mutual promises and obligations hereunder, the parties to this Agreement do hereby agree as follows:

1.0 AUTHORITY TO CONTRACT

1.1 Customer warrants that the person(s) signing this Agreement have obtained the requisite authority to authorize them to bind the entity having jurisdiction over the Premises and this authority is sufficient to bind Customer to agreements of the size and nature of this Agreement.

1.2 Customer further warrants that the person(s) signing this Agreement has/have the right to license the use of the Premises in accordance with the provision of this Agreement.

2.0 Location

2.1 This Agreement is for Services at or connected to the premises at the location or locations described in Exhibit B attached hereto (the "Premises") except as set forth below.

3.0 Term

3.1 The term of the Agreement shall commence upon the commencement of Services and shall continue for a period of five (5) years from that date. This Agreement shall be automatically renewed for successive one year (1) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term. Such notice shall be given in strict conformance with Paragraph 9.1 below.

3.2 During the original or any renewed term of this Agreement, Customer shall not allow any other party the right to supply the same or similar Services at the Premises. In addition, Customer acknowledges and agrees during the original or any renewed term of this Agreement that if Customer commences operations at any location other than the Premises described herein, Pay Tel shall have the exclusive right to provide Services at such new location(s) in accordance with the terms and conditions of this Agreement.

3.3 In connection with the provision of Services, Pay Tel shall have the exclusive right during the original or renewed term of this Agreement, to act as agent for the Customer solely with respect to the implementation of Services at the Premises to provide, for example, telecommunications services. In this regard, Customer agrees that it will not authorize any party other than Pay Tel to act as its agent for the purposes of negotiating, obtaining, renewing, or terminating contracts or agreements relating to the installation, operation and provision of Services at the Premises.

4.0 COMMISSIONS

4.1 Pay Tel will make commission payments as set forth in Exhibit C. This Exhibit will be modified as but only to the extent there is a material change in the operation of the facility or the use of Services by the inmates. Customer understands and agrees that any material change in operation or use of Services is not anticipated and that Pay Tel has reasonably relied on projected operation and usage information in establishing its commission rate.

4.2 For purposes of commission calculations, Customer will not be responsible for any losses due to fraudulent calls. However, Customer agrees to assist Pay Tel in efforts to prevent losses and fraud and further agrees to aid in the prosecution of any perpetrators of fraudulent calls whether such perpetrators are inside or outside the Premises.

4.3 Customer understands and agrees that the commission rates and terms contained in this Agreement are based on revenues that were projected based on inmate populations and the continued accessibility of communication equipment by the inmates to allow them to initiate collect, pre-paid collect and debit calls. Customer acknowledges and agrees that it will take no action unreasonably to impede use of the Services by the Inmates and further agrees, to the extent there is any material change in any revenue stream for any reason on which Pay Tel reasonably relied in calculating commission rates to work with Pay Tel to correct the material change and if necessary, amend this Agreement in order to accommodate the interests of both parties.

5.0 EQUIPMENT AND SERVICES PROVIDED BY PAY TEL

5.1 Pay Tel will provide, install and operate equipment at the Premises necessary to provide the Services set forth in Exhibit A attached hereto.

5.2 The placement of any equipment to be provided at the Premises will be determined by Pay Tel in consultation with the Customer and may be adjusted as necessary.

5.3 In the event that Pay Tel provides limited free call services, such services are to be afforded only for the limited purpose of calls to approved entities and in approved locations such as in the intake or holding area. Under no circumstances should free calls be allowed for any other purpose such as the allowance of inmate personal calls after the inmate booking process. Paragraph 4.3 is incorporated into this paragraph by reference.

5.4 Pay Tel agrees to provide Services in full compliance with all applicable rules and regulations of the Federal Communications Commission and any applicable State agency.

5.5 All Services will be provided by Pay Tel at its expense.

5.6 Customer hereby authorizes Pay Tel to contact the local telephone company and any other necessary provider to facilitate the provision of Pay Tel Services. Customer will provide space and necessary utilities, including a dedicated 24-hour 120 volt electrical service line, to support the provision of Services. Pay Tel shall pay all charges imposed by any telephone company with respect to the Services.

5.6 Customer hereby grants to Pay Tel the exclusive right and authority to the extent necessary to contract with a long distance carrier to handle inmate long distance calls at the Premises. Pay Tel agrees to charge operator assisted rates for inmate phone calls that are equal to or less than the tariffed rates regulated by the Federal Communications Commission and any similar State agency.

5.7 Any equipment provided by Pay Tel hereunder associated with the operation of the Services is agreed by Customer to be the personal property of Pay Tel and not fixtures, and it is the express intention of both Customer and Pay Tel that such equipment is and shall continue to be personal property of Pay Tel. All equipment installed by Pay Tel at the Premises shall remain the property of Pay Tel. Upon termination of this Agreement for any reason including, without limitation, termination of this Agreement pursuant to Paragraph 7.1 hereof, Pay Tel shall have the absolute right to enter upon the Premises at any reasonable time to remove its equipment. Pay Tel shall repair any and all damage to the Premises by reason of removal of Pay Tel's equipment.

5.8 Pay Tel agrees to maintain its equipment in good operating condition. In order to do so, Pay Tel shall have the right during normal business hours to enter the Premises to perform necessary maintenance and repairs as well as for purposes of inventory control. To assist Pay Tel, Customer agrees promptly to notify Pay Tel of any malfunctions or loss of equipment.

5.9 Nothing herein shall require or obligate Pay Tel to perform maintenance or repairs to equipment that Pay Tel does not install or separately agree to repair or maintain.

5.10 Pay Tel agrees that its equipment will conform with all applicable local, state and federal requirements concerning the provision of Services to those with disabilities as defined by the Americans With Disabilities Act (hereinafter the "ADA"). Customer shall cooperate with Pay Tel to ensure compliance with all access requirements contained in applicable local, state and federal regulations relating to those with disabilities as defined in the ADA.

6.0 LIMITED LICENSE

This Agreement, among other things, applies to the provision of inmate telecommunications services including telephone calls and emails. Services generally include the monitoring, recording and archiving of calls and emails for use by law enforcement officials in accordance with all applicable laws. In order to allow such services, Customer hereby grants to Pay Tel a limited license to act under authority of Customer. Whether or not any call, email or other electronic information ("Electronic Data") is in Pay Tel's custody or control for any period of time, such custody and/or control shall be deemed under the authority of Customer's law enforcement personnel and any direction from Customer with respect to such Electronic Data to Pay Tel shall be done under a limited license to provide such data to law enforcement officials or to use for legitimate business purposes. Pursuant to this Agreement, Customer grants to Pay Tel a perpetual limited license to a) comply with requests submitted to Pay Tel by any representative of Customer; b) disclose electronic data or physical forms of such data to Customer's representatives; c) utilize such data in order to perform functions necessary to provide Services; d) monitor such data to prevent fraud; e) monitor such data for equipment quality control and maintenance purposes; f) use the data in connection with legitimate business purposes; and g) Pay Tel will notify Customer's designated administrative contact of any requests to Pay Tel from Law enforcement or other authorities as soon as is practically possible.

7.0 TERMINATION

7.1 Customer may terminate this Agreement only in the event that Pay Tel materially fails to perform its obligations under this Agreement. Customer shall be required to give written notice to Pay Tel of said failure in strict conformance with Paragraph 8.1 and Pay Tel shall have a minimum of thirty (30) business days to cure such alleged default. Notwithstanding this thirty (30) day cure provision, this period shall be extended for an additional ninety (90) days if such cure has begun and is being diligently pursued but cannot reasonably be effected within the initial thirty (30) day period.

7.2 Pay Tel may terminate this Agreement at any time upon thirty (30) days written notice to Customer in the event that regulations governing the operation of the Services constitute a material change to the economic assumptions used in connection with Pay Tel's Services under this Agreement. Pay Tel agrees to work in good faith with Customer to renegotiate the terms of this Agreement should regulations governing the operations change the economic assumptions, with the mutual goal of a continuation of Services on terms agreeable to both parties.

8.0 SUCCESSORS IN INTEREST

8.1 Customer agrees that Pay Tel shall have the right to assign this Agreement and that Pay Tel shall have the right to grant a security interest in this Agreement and in any of Pay Tel's equipment on the Premises including any and all telephones and their enclosures and/or pedestals, or other equipment associated with Pay Tel's Services. This Agreement shall be binding upon the successors and assignees of both Customer and Pay Tel, including, without limitation, any financial institution providing financial accommodations to Customer or Pay Tel.

9.0 MISCELLANEOUS PROVISIONS

9.1 All notices required to be given under this Agreement and the attached exhibits shall be sent to Pay Tel and to Customer addressed as shown on the signature page of this Agreement. Notices shall be sent by certified mail, return receipt requested. The date of receipt shall be deemed to be the date of giving such notice.

9.2 This written document, including Exhibit A, Exhibit B and Exhibit C shall constitute the entire understanding of the parties and all prior agreements and understandings are merged herein. This Agreement shall not be modified, changed or altered in any respect except in writing signed by Customer and Pay Tel.

9.3 This Agreement shall be construed in accordance with the laws of the State of Washington.

9.4 In the event that any paragraph or part of the agreement is held to be void or unenforceable under any law or regulation, all other paragraphs and subparagraphs hereof shall be deemed severable and remain in full force and effect.

9.5 The plural number as used herein shall equally include the singular and the masculine, feminine, and neuter genders are interchangeable as required by context.

9.6 Any and all claims or disputes arising out of or relating to this Agreement or the breach thereof shall be decided by binding arbitration in accordance with the commercial rules governing arbitration of the American Arbitration Association. Venue for such arbitration shall be Greensboro, North Carolina unless otherwise agreed by the parties. At the conclusion of this arbitration, the award may be confirmed by order of any court having jurisdiction over the parties.

10.0 LIMITATION OF LIABILITY

ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, PAY TEL SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, ARISING OUT OF ANY CAUSE OR CIRCUMSTANCE INCLUDING WITHOUT LIMITATION, LOSS OR CORRUPTION OF ELECTRONIC INFORMATION DUE TO BREACH OF CONTRACT, NEGLIGENCE OR ANY OTHER FAULT OR CIRCUMSTANCE. FURTHERMORE, PAY TEL'S LIABILITY FOR DIRECT DAMAGES SHALL NOT EXCEED THE AMOUNT OF COMMISSIONS OTHERWISE DUE CUSTOMER DURING THE PERIOD IN QUESTION OR THE PRECEDING ONE YEAR PERIOD, WHICHEVER IS SHORTER.

This Agreement entered into as of the day and year first written above.

Okanogan Sheriff's Office, Washington

PAY TEL COMMUNICATIONS, INC.:

By: Frank T. Rogers (Seal)

By: Vincent Townsend (Seal)

By: FRANK T. ROGERS (Printed)
Authorized Agent for Customer

By: Vincent Townsend (Printed)

Date: 02-08-11

Date: _____

Attest: [Signature]

Attest: _____

Account Representative: George Sheers

Address: 123 5th Avenue
Okanogan, WA 98840

Address: Post Office Box 8179
Greensboro, North Carolina 27419

Phone: 509-422-7200

Phone: 336-852-7419

Fax: _____

Fax: 336-346-1127

EXHIBIT A

EQUIPMENT AND SERVICES

Equipment and services will be provided in accordance with Pay Tel's proposal to Customer.

EXHIBIT B

PROPERTY DESCRIPTION

The Premises which are the subject of the Agreement dated June 24, 2011.

The Okanogan County Corrections Center
149 N. 4th Avenue
Okanogan, WA 98840

EXHIBIT C

RATES AND COMMISSIONS

Customer may choose from the following rate/commission options. Customer may change the option selected once during the term of the contract. Any such change must be requested in writing.

RATES PROPOSED

Call Type	Per Call Charge	Per Minute Rate
Local	\$2.25	\$0.00
IntraLATA	\$3.00	\$0.40
InterLATA	\$3.00	\$0.40
Interstate	\$3.00	\$0.75
International Debit Only	N/A	\$0.95

If the County elects to enable the Investigator Pro™ feature, an additional licensing fee of \$.25 per call (this fee is not included in the above rates and is subject to regulatory approval) is required which will be added to the rates listed above. The license fee will not be included in gross revenue for commissions. (Note: This fee is based on a call duration limit of 15 minutes or less.

Commission Options

Selected Option (Check One)	J.I.G Investigator Pro™	Tech Friends	Commission Offer	Minimum Annual Guarantee
<input checked="" type="checkbox"/>	Included	N/A	65%	\$60,000
<input type="checkbox"/>	Included	Included	56.5%	\$52,000

Pay Tel will pay Customer the commission associated with the selected option on a monthly basis. At the end of each contract year, the total commissions paid will be compared against the Minimum Annual Guarantee (MAG). If the commissions paid for the prior twelve month period are higher than the MAG, then no additional funds are due to customer. If the commissions paid are lower than the MAG, Pay Tel will pay Customer the difference. The MAG is based on an Average Daily Population (ADP) of 165. The MAG will be reviewed annually and adjusted as needed to reflect the prior year ADP.