

**CORRECTIONAL COMMUNICATIONS SERVICES AGREEMENT**

This Correctional Communications Services Agreement made on the 18<sup>th</sup> of March, 2011,

**BETWEEN:**

**City Tele Coin Company, Inc.** (hereinafter referred to as "CTC")

**AND**

**Union County Sheriff's Office** (hereinafter referred to as "UNION")

**WHEREAS**, UNION has requested CTC to perform the services hereinafter described and CTC has agreed to perform such services, subject to the terms and conditions hereinafter set out:

**NOW IN CONSIDERATION** of the payment of fees provided hereinafter and other terms and conditions hereinafter set out, UNION and CTC hereby agree:

**A. THE WORK**

UNION agrees that it is the manager of the Union County Jail, located at 250 American Road, El Dorado, Arkansas 71730, and that said location requires inmate and pay telephone communication services, and that said communications services are to include all local, *interLATA*, *intraLATA*, and interstate telephone services. CTC shall install, service, and maintain inmate and pay telephone services using methods consistent with sound, generally recognized practices ordinarily associated with the type of work to be performed. CTC will be responsible for any and all local, long distance, and equipment charges. CTC shall remit to UNION its portion of the revenues as set out herein below. Parties acknowledge that CTC shall be the exclusive provider of such services during the time this agreement is in force and effect.

**B. COMMISSIONS**

As to any inmate phone that is located within the Union County Jail whereby service to that phone is being provided by CTC successive of cut-over, revenue shall be deemed commissionable and henceforth payable by CTC to UNION commencing with the exact point in time in which the first billable or prepaid call has been initiated from that phone; moreover, such revenue shall remain commissionable and payable on any such phone until service to that phone has been reassigned through contractual re-assignment.

**B.1 RATE** – CTC shall remit to UNION 57% (Fifty-seven Percent) of all *Usage Revenue* generated through *Gross Collect* and *Direct Pay* telephone traffic (local, *intraLATA*, *interLATA*, and interstate) originating from the facility managed by UNION, as listed in Section A. "The Work," and processed by CTC's call processing system. CTC shall issue to UNION a Purchase Discount of 57% (Fifty-seven Percent) on *Prepaid Inmate Calling Cards* at any time such purchase is made by UNION. CTC will pay all said commissions on a monthly basis along with a monthly report of all said monies.

**B.2 REMITTANCE AND ACCEPTANCE** – *Remittance* of commissions shall occur monthly, on or around the Twentieth (20<sup>th</sup>) Day of each month, and shall represent payment for all revenues generated during the month ending immediately prior to said payment. Any objection to a commission payment shall be brought to the attention of CTC by way of written notice by UNION, and shall be made within 30 days after receiving said commission payment. *Acceptance* of said commission payment shall be final and binding if no objections are brought forth after 30 days after receipt thereof.

**C. TERMS**

The initial term of this agreement shall be for period beginning April 27, 2011, with the initial term completed at Twenty-four (24) Months. CTC or UNION, at its option, has the right to renew or refuse this contract, under the terms and conditions set forth by this contract, by giving certified notice to UNION or CTC. Any certified notice is to be mailed sixty (60) days prior to termination date of this contract to the address provided herein. This initial contract shall continue in force and renew automatically for additional Twenty-four (24) Month periods should no action be taken by either party.

**D. ASSIGNMENT**

CTC's interest in and to this service agreement may be transferred or assigned, at the discretion of CTC, to any banking or financial institution to provide the financial requirements needed to provide the equipment and services listed in this agreement, or any other legal entity.

**E. EQUIPMENT**

CTC agrees to provide for UNION adequate equipment with the ability to perform monitoring, recording, and cut off switches.

CTC has the right, and maintains the right, to remove or relocate any telephone equipment, from any location which is the subject of and governed by the terms of this agreement that CTC, in its sole and absolute discretion, determines is not economically profitable. The removal or relocation of the equipment shall not be undertaken until UNION is given ten (10) days written notice of CTC's intent to remove said equipment. The removal of equipment under terms herein shall in no way create or constitute a default of the terms of this contract.

CTC agrees that upon removal or relocation of equipment it will restore the site where said equipment was removed from to its original condition. This excludes ordinary wear and tear, any condition(s) resulting from prior material, and any condition(s) resulting from actions of individuals other than employees or agents of CTC.

CTC agrees to install and maintain at least the minimum number of coin-less inmate telephones as needed at the facility and/or as many as requested by UNION, subject to industry standards.

**F. OBLIGATIONS OF UNION**

UNION agrees to undertake and perform the following:

- (1) Protect the equipment from abuse and report any damage(s), service problem(s), and/or hazardous condition(s) to CTC.
- (2) Provide all necessary power and space for proper installation and maintenance of the equipment.
- (3) Provide safe and secure access to the equipment by CTC and its employees or agents as needed by CTC.
- (4) Allow CTC to affix signs to the equipment, as required by law. Said signs are to be furnished by CTC, and UNION will not allow any other signs, equipment or information to be affixed to the equipment or in the immediate area unless mutually agreed to by both parties.

**G. DEFAULT**

In the event that,

- (a) CTC defaults in payment of any commissions when required to be paid by such party pursuant to this Agreement, and/or
- (b) either party hereto defaults in the performance of any obligation to be performed by such party pursuant to this Agreement and any such default continues for more than thirty (30) days after, the other party shall have given written notice to the party in default specifying such default and demanding that the default be remedied, or in the case of any such default which cannot be remedied with thirty (30) days, if defaulting party fails to proceed promptly to remedy any such default after the other party shall have given such notice; or
- (c) either party hereto shall make voluntary assignment in bankruptcy or proposal to its creditors or take any similar action; or

(d) any bankruptcy, reorganization, proposal, insolvency, receivership, or similar proceeding is instituted against either party hereto or involving substantially all of its property (and, in the case of such proceeding instituted against such party and not consented to by such party, such proceeding is not discontinued or dismissed with thirty (30) days from the date of its commencement);

then, in any such event, the other party may, at its sole option, terminate this Agreement by written notice to such party. No failure of either party hereto to enforce any remedy available to it or delay of such party shall be considered to prohibit such party from enforcing any such remedy. The rights and remedies of the parties hereto contained in this Agreement shall not be exclusive but shall be cumulative, in addition to all other rights and remedies existing at law or in equity available to the parties hereto.

#### **H. GOVERNING LAW**

This Agreement and the rights and obligations of **UNION** and **CTC** hereunder shall be subject to and interpreted in accordance with the laws of the State of Arkansas.

#### **I. NOTICES**

Notices or other communications required to be give under this agreement shall be in writing and may be delivered by courier or prepaid certified mail and addressed as follows:

**(A) Union County Sheriff's Office**  
Attn: Sheriff Mike McGough  
250 American Road  
El Dorado, Arkansas 71730  
Ph: 870-864-1970  
Fx: 870-864-1992

**(B) City Tele Coin Company, Inc.**  
Attn: Jerry Juneau; President & CEO  
4501 Marlena Street  
Bossier City, LA 71111  
Ph: 318-746-1114 or 800-682-0707  
Fx: 318-746-1214

#### **J. EQUIPMENT OWNERSHIP**

**UNION** acknowledges and agrees that **CTC** shall remain the sole and exclusive owner of all inmate telephone equipment, from the interface to, and including, the telephone.

#### **K. HOLD HARMLESS**

**UNION** agrees to defend, hold harmless, and indemnify **CTC** from any and all damages, of any nature and kind, caused by **UNION**, its agents, employees, or assigns, whether the damage be to the person or property, and shall include but not be limited to attorney fees incurred by **CTC** in defense of a claim for damages caused by **UNION**.

**CTC** agrees to defend, hold harmless, and indemnify **UNION** from any and all damages, of any nature and kind, caused by **CTC**, its agents, employees, or assigns, whether the damage be to person or property, and shall include but not be limited to attorney fees incurred by **UNION** in defense of claim for damages caused by **CTC**.

#### **L. REPAIR SERVICE**

**CTC** shall provide reasonable response time for repairs Monday through Friday, 9 a.m. to 5 p.m. **CTC** shall respond within 24 hours after receipt of verbal notice or facsimile notice, as set out herein below, except where it is impossible to restore the service due to acts beyond the control of **CTC** such as riot, fire, war, flood, parts unavailability, and strike.

Verbal notices:	(318) 746-1114
Facsimile notice:	(318) 746-1214
Emergency:	(318) 746-3920 or (318) 747-9208
E-Mail:	jerry@citytelecoin.com

**M. ENTIRE AGREEMENT**

This agreement constitutes the entire agreement between the parties and may be modified or amended only by written agreement signed by both parties.

**N. SEVERABILITY**

If any term, sentence, paragraph, or provision of this agreement or the application thereof, be deemed invalid or unenforceable, the remaining terms, sentences, paragraphs, and provisions shall not be affected and shall remain valid and enforceable to the maximum extent allowed by law and the terms of this agreement.

THUS DONE AND SIGNED on this 18<sup>th</sup> day of March, 20 11.

City Tele Coin Company, Inc.

By:



Gerald L. Juneau

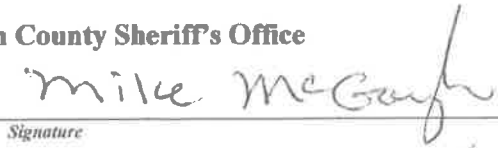
Print Name

President & CEO

Title

Union County Sheriff's Office

By:



Signature

Mike McGough

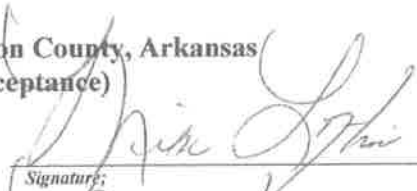
Print Name

Sheriff

Title

Union County, Arkansas  
(Acceptance)

By:



Signature

Mike Lofton

Print Name

Union County Judge

Title

**ATTACHMENT 1**

**Technology Bonus**

CTC shall remit to **UNION**, upon fully executing the Correctional Communications Services Agreement, a Technology Bonus in the amount of \$10,000.00 (Ten Thousand Dollars and Zero Cents).

AMENDMENT 1

CTC and UNION hereby acknowledge that a *Correctional Communications Services Agreement* (the Agreement) was made by and between the parties hereto on March 18<sup>th</sup>, 2011, for a period beginning April 27<sup>th</sup>, 2011, and that the Agreement exists in its original form with no alterations having been made to it until such time as written herein below upon both parties having signed this amendment (Amendment 1) into effect.

NOW IN CONSIDERATION of the terms and conditions as set forth in the Agreement, CTC and UNION hereby amend section **B.1 RATE** (a subsection of 'B. COMMISSIONS') in its entirety as follows:

**B.1 RATE** – CTC shall remit to UNION 57% (Fifty-seven Percent) of all *Usage Revenue* generated through *Gross Collect*, *Direct Pay*, and *Prepaid Inmate Calling Card* telephone traffic (local, *intraLATA*, *interLATA*, and interstate) originating from the facility managed by UNION, as listed in Section A. "*The Work*," and processed by CTC's call processing system.

NOTWITHSTANDING the forgoing, all other provisions and sections of the Agreement remain in full force and effect. Through signature herein below, CTC and UNION agree that this amendment (*Amendment 1*) is in full force and effect and any changes thereto shall only be deemed in effect if made in writing and signed by both parties.

THUS DONE AND SIGNED on this 8<sup>th</sup> day of August, 20 11.

City Tele Coin Company, Inc.

By: \_\_\_\_\_

Signature

Gerald L. Juneau

Print Name

President & CEO

Title

Union County Sheriff's Office

By: \_\_\_\_\_

Signature

Print Name

Title

Specifically, the Agreement has been altered in the following manner... rather than receiving an up-front discount of 57% on their cost for calling cards, UNION will instead receive 57% of the revenue generated on calls that are placed through the use of calling cards.