

INMATE TELEPHONE AGREEMENT

This Inmate Telephone Agreement (the "Agreement") is made as of the May 7, 2012, by and between Barry County Sheriff's Office and BOARD OF COUNTY COMMISSIONERS BARRY COUNTY, MICHIGAN (collectively, the "Customer") and Consolidated Telecom, Inc. ("CTEL Telecom").

1. **Utilization of Facility.** The Customer, for and in consideration of the payment of the Commission (as hereinafter defined) and the services to be provided by CTEL, grants CTEL the exclusive right and license to install and maintain an Inmate Telephone System and inter related hardware and software, inmate pay telephones and inter-related equipment (collectively, the "Equipment") within all facilities owned, operated, or controlled by the customer during the term of this agreement (collectively the "Facility"), upon the terms and conditions set forth in this Agreement. The Customer covenants and agrees to make the Facility available to CTEL for complete installation and operation of the Equipment as soon as possible after the date hereof.

During the term of this Agreement, CTEL shall have the right, from time to time, to replace any portions of the Equipment installed at the Facility, or to increase or decrease the number of items of Equipment within the Facility as is mutually agreed upon by the Customer and CTEL. The Customer shall provide appropriate locations within the living quarters and day rooms of the Facility for installation of the Equipment, to insure the inmates within the Facility have ready access to the Equipment to allow maximum daily usage thereof. The Customer agrees not to take any action of any kind that would adversely affect the inmates' accessibility to the Equipment and usage thereof, other than as required for the security and operation of the Facility.

2. **Compensation.** In consideration of the right to install and operate the Equipment within the Facility, CTEL agrees to provide the Customer with a monthly statement of the commissions owed to customer. The commission rate is 61.5% commission for I-LEC collect calls (traditional collect); 59.5% commission for pre-paid collect/debit collect; 53.5% commission for calling card time from utilization of the Equipment through calls made by inmates within the Facility (the "Commission"). Gross billable calls are defined as all of the completed billable calls. The Commission shall be paid by CTEL to the Customer on a monthly basis or credited for Customers future use to purchase software, hardware or other equipment. Customer shall give CTEL a reasonable time prior to any requested purchases of software, hardware or equipment on Customers behalf.
3. **Payment and Accounting.** CTEL agrees to pay the Customer the Commission either on a monthly basis, in cash or Customer can apply those funds to the purchase of software, hardware or equipment as needed by facility. Any payment made by CTEL to the Customer will be accompanied by a report showing dates of collection and amounts collected from each pay telephone comprising the Equipment. All commission payments shall be final and binding upon the Customer unless written objection thereto is received by CTEL within thirty days of mailing of the commission payment to Customer by CTEL.
4. **Licenses.** All Licenses required by any state, county, city or other governmental authority shall be secured by CTEL, at its sole cost and expense.
5. **Title to Equipment.** During the term of this Agreement, the Equipment installed in the Facility pursuant to this Agreement shall remain the sole and exclusive property of CTEL.
6. **Maintenance and Repair.** During the term of this Agreement, CTEL shall repair and maintain the Equipment in good operating condition, including without limitation, furnishing all parts and labor, at its sole cost and expense. The costs shall include repairs to Equipment caused by any misuses, destruction, damage, vandalism, criminal actions or facility failures. CTEL will provide continuing and ongoing maintenance to the Equipment at its sole cost and expense, and all such maintenance services will be conducted in a timely manner. The Customer shall permit employees or contractors of CTEL reasonable access to the Facility at all times, in order to service, repair and maintain the Equipment. The Customer shall notify CTEL in writing of any misuse, destruction, damage or vandalism to the Equipment, as soon as practicable after ascertaining same.
7. **Liability.** In no event shall the Customer be liable for any damage or destruction to any item of Equipment.

8. **Term of Agreement.** For the convenience of the Parties, the Agreement shall commence on the date of execution by the Customer ("Commencement Date"), and shall automatically terminate, unless renewed in accordance with the terms hereof, at the end of the Customer's fiscal year during which this Agreement is commenced (the "Initial Term"). In addition to the Initial Term, the Customer shall have and is hereby granted a five (5) year Agreement.
9. **Event of default, Termination of Agreement.** In the event either party defaults in the performance of any of its obligations under this Agreement, the non-defaulting party shall give the defaulting party written notice of default setting forth with specificity the nature of the event of default. In the event the defaulting party fails to cure such event of default within thirty days from receipt of said notice of default, the non-defaulting party shall have the right to terminate this Agreement and pursue all notice of default, the non-defaulting party shall have the right to terminate this Agreement and pursue all other remedies available to the non-defaulting party, either at law or in equity. If the performance of this Agreement or any obligation hereunder, is interfered with by reason of any circumstances beyond the reasonable control of the parties, including without limitation, fire, explosion, riots, civil unrest, power failures, injunctions, or acts of God, then the party affected shall be excused from such performance on a day-to-day basis to the extent of such interference, provided the party so affected shall use reasonable efforts to remove such cause of no-performance. In the event any governmental tariff or regulation prevents CTEL from providing services, or such tariffs or regulations make continuation of this agreement impractical for economic reasons or otherwise, then CTEL, at its sole discretion, may terminate this Agreement without liability. In the event of a termination of this Agreement for any reason, the Customer agrees to allow CTEL access to the facility in order to remove the Equipment. CTEL agrees to remove the Equipment within thirty days after termination of this Agreement.
10. **Authority.** Each party to this Agreement warrants and represents that they have the unrestricted right and requisite authority to enter into and execute this Agreement, to bind the respective party, and to authorize the installation and operation of the Equipment.
11. **Miscellaneous.**
- A. Any notice to be given hereunder shall be in writing and shall be delivered by certified mail, postage prepaid, return receipt requested, addressed to the respective addresses of the parties set forth below, and all such notices shall be deemed received when delivered in the manner set forth above

If to Consolidated Telecom: Consolidated Telecom, Inc.

1320 Greenway Dr. Suite #450

Irving, TX 75038

Tel: 972-239-2182 Fax: 972-239-2358

If to Customer: Barry County Sheriff's Office

1212 W. State Street

Hastings, Michigan 49058-9712

Tel: 269-948-4805

- B. This Agreement shall be constructed under and is enforceable under the laws of the State of Michigan.
- C. No waiver by either party of any event of default under this Agreement shall operate as a waiver of any subsequent default under the terms of this Agreement.
- D. If any provision of this Agreement is held to be invalid or unenforceable, the validity or enforceability of the other provisions shall remain.

- E. This Agreement shall be binding upon and inure to the benefit of CTEL and the Customer, and their respective successors and assigns.
- F. This Agreement may be executed in counterparts, each of which shall be fully effective as an original, and all of which together shall constitute one and the same instrument. This Agreement constitutes the entire agreement of the parties. The rights and obligations of the parties shall be determined solely from the terms of this Agreement and any prior or contemporaneous oral agreements are superseded by and merged into this Agreement. This Agreement cannot be varied or modified orally and can only be varied or modified by a written instrument signed by all parties.
- G. In summary CTEL is pleased to offer the following:
 - CTEL shall provide bonus equipment including software and hardware in the amount of \$28,000.00 dollars to Barry County Sheriff's Office. Barry County shall advise CTEL of the hardware, software or equipment purchases and CTEL shall make funds available for their purchase. Additionally, Barry County shall receive \$18,000 dollars in Calling Card time at no charge or offset of commission to facility. The calling card distribution to facility shall be \$2,000 dollars in year 1 and \$4,000 dollars in years (2) two thru (5) five at the contract anniversary date. Facility to receive normal commission rate on collect, prepaid collect and calling card time in addition to the \$4,000 provided on anniversary date of contract in the anniversary month.

Commission Rates

- 61.5 % commission for I-LEC collect calls (traditional collect)
- 59.5 % commission for pre-paid collect/debit collect
- 53.5 % commission for calling cards

The Parties agree to the terms and conditions of this contract and shall bind themselves effective upon execution of the contract.

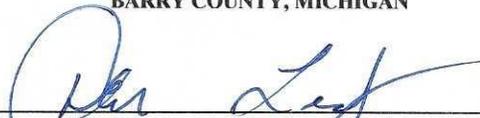
EXECUTED AS OF THE DATE AND YEAR FIRST ABOVE WRITTEN.

CONSOLIDATED TELECOM, INC.

BARRY COUNTY SHERIFF'S OFFICE

BARRY COUNTY, MICHIGAN

By: 

By: 

Name: Jerone Jacobs

Name: Dar Leaf

Title: vice-president

Title: Sheriff

Date: 5-15-2012

Date: 05-07-12