

INMATE TELEPHONE LOCATION AGREEMENT

STATE OF Minnesota)

COUNTY OF Benton)

This Inmate Telephone Location Agreement made for the 17th day of May, 1996, by and between, Benton County, a body corporate and politic, 531 Dewey, Foley, MN 56329 hereinafter called LESSOR and Reliance Telephone of Grand Forks, Incorporated, 118 Gateway Drive, East Grand Forks, MN 56721; hereinafter called LESSEE, on the following terms and conditions:

1. LESSOR, for and in consideration of the rent hereinafter set out and service provided by LESSEE, does hereby lease to said LESSEE locations upon and within the property known as Benton Cty Law Enforcement and does hereby grant, an exclusive right and license, for a term of three (3) years for the purpose of installing and operating coin or credit card operated or other inmate telephone. This agreement shall be automatically renewed, after the initial three year period and may be terminated by either party at any time thereafter, with or without cause, upon thirty days written notice.

2. The lease payment shall be for all inmate telephones installed in the location.

3. LESSEE shall pay LESSOR a percentage of the gross revenue derived from the operation of the Phones in return for the exclusive right to install and operate the Phones in the Premises. Payments to Lessor shall be on a monthly basis thirty to sixty (30-60) days after the end of each calendar month. The commission payment shall be as per the attached schedule (A). Gross revenue shall include all of the revenue generated from the actual call traffic from the facility. The LESSEE minimum revenue guarantee shall be \$4.75 per prisoner, per day. The calculation shall be based on the LESSOR's prisoner population report that is submitted to the state. The LESSOR shall be paid commission on the minimum guaranteed revenue or the actual revenue, whichever is largest for each month.

4. LESSEE shall, at its sole expense, cause collections to be made from the Phones on a regular basis and shall provide LESSOR a monthly billing and collection report, certified by an officer of Lessee. Reports shall be in a form and contain sufficient information to allow LESSOR to reasonably monitor and calculate compensation due from LESSEE under the terms of this Agreement. Pursuant to Minnesota Statutes § 16B.06, Subd. 4, the LESSEE agrees that the County, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as is reasonably necessary, shall have access to and the right to examine, audit, excerpt and transcribe any books, documents, papers and records that are pertinent to the accounting practices and procedures of the LESSEE and involve transactions relating to this Agreement. LESSEE will maintain said records for a minimum period of three years from the date of termination of this agreement.

5. LESSOR and LESSEE hereby agree that:

(a) LESSOR shall notify LESSEE of any malfunction or loss of inmate telephone service and shall allow LESSEE access to LESSOR'S place of business during normal business hours for inmate telephone repair, maintenance and collection. Lessee shall promptly repair or replace faulty equipment and otherwise assure inmate telephone service is available at all times.

(b) LESSOR shall exercise reasonable care in preventing damage or destruction to the inmate telephone installed under this Agreement but shall not be liable or responsible for such loss, damage or destruction unless caused by the willful conduct of LESSOR.

(c) The location of the inmate telephones and the space provided shall be such as to make the service available to the jail population and no action which prevents or adversely affects the use of the inmate telephone will be taken by LESSOR or its employees except that access can be unilaterally restricted for disciplinary or security reasons.

(d) All phones, wiring, if any, shall be installed by LESSEE at its expense and LESSOR hereby authorizes LESSEE to contact the local telephone company to arrange for removal of existing inmate telephones and the installation of necessary phone lines at LESSEE'S expense. LESSEE will install telephones at locations specified by LESSOR.

(e) All inmate telephone and other equipment, fixtures and supplies furnished by LESSEE shall remain its property. Upon termination of the Agreement LESSEE shall have the right to enter upon the location to remove all of its property and shall do so upon request of LESSOR.

(f) Independent Contractor.

Nothing contained in this Agreement is intended or should be construed as creating the relationship of co-partners or joint venturers between the LESSOR and the LESSEE (Parties). No tenure or any rights or benefits, including Worker's Compensation, Unemployment Insurance, medical care, sick leave, vacation leave, severance pay, PERA, or other benefits available to either Party's employees shall accrue to the other Party's employees for performing services under this Agreement.

(g) Indemnification and Insurance.

Each Party agrees it will defend, indemnify and hold harmless the other, its officers and employees against any and all liability, loss, costs, damages and expenses which either Party may hereafter sustain, incur or be required to pay arising out of the other Party's performance or failure to adequately perform its obligations pursuant to this Agreement.

The LESSEE will provide its own Workers' Compensation insurance.

(h) Data Practices.

All data collected, created, received, maintained, or disseminated for any purposes by the activities of either Party pursuant to this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as amended, the Minnesota Rules implementing said Act now in force or as adopted, as well as federal regulations on data privacy.

(i) Nondiscrimination.

During the performance of this Agreement, each Party agrees to the following:

No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, sexual preference, creed or national origin be excluded from full employment rights or participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.

- (j) This is the sole agreement between the parties hereto superseding all previous agreements and shall bind the parties, their successors and assigns. Each acknowledges the receipt and retention of a fully executed copy hereof.

EXECUTED this 4th day of June, 19 96, by the undersigned parties.

LESSOR

Benton Cty Law Enforcement

BY Quane Gandy

LESSEE

Reliance Telephone, Inc.

BY Dave Hangleben

President, Dave Hangleben