



## CONTRACT

(state revenue contract with an individual, business, non-profit, or government entity of another state or country and from which the state receives monetary compensation)

<b>Begin Date</b> October 1, 2012	<b>End Date</b> September 30, 2017	<b>Agency Tracking #</b> 32901-31188	<b>Edison ID</b> 34543
<b>Procuring Party Legal Entity Name</b> JPay, Inc.			<b>Procuring Party Registration ID</b> 158218
<b>Service Caption</b> Inmate Trust Fund Management and other services			
<b>Ownership/Control</b> <input type="checkbox"/> African American <input type="checkbox"/> Asian <input type="checkbox"/> Hispanic <input type="checkbox"/> Native American <input type="checkbox"/> Female <input type="checkbox"/> Person w/Disability <input type="checkbox"/> Small Business <input type="checkbox"/> Government <input type="checkbox"/> NOT Minority/Disadvantaged <input checked="" type="checkbox"/> Other:			
<b>Selection Method &amp; Process Summary</b> (mark the correct response to confirm the associated summary)			
<input type="checkbox"/> RFP	The procurement process was completed in accordance with the approved RFP document and associated regulations.		
<input type="checkbox"/> Competitive Negotiation	The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.		
<input type="checkbox"/> Alternative Competitive Method	The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.		
<input checked="" type="checkbox"/> Non-Competitive Negotiation	The non-competitive procuring party selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.		
<input type="checkbox"/> Other	The procuring party selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with <u>all</u> interested parties or <u>all</u> parties in a predetermined "class."		
<b>Agency Contact &amp; Telephone #</b>  William Anderson 615 253-8104		<b>OCR USE - RV</b>	

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
TENNESSEE DEPARTMENT OF CORRECTION  
AND  
JPAY, INC**

This Contract, by and between the State of Tennessee, Department of Correction, hereinafter referred to as the 'State' and JPay, Inc., hereinafter referred to as the "Procuring Party," is for the provision of inmate trust fund management and other services, as further defined in the "SCOPE OF SERVICES."

The Procuring Party is a For-Profit Corporation.

Procuring Party Place of Incorporation or Organization: Delaware

**A. SCOPE OF SERVICES:**

- A.1. Services. JPay, Inc. shall provide money transfer to inmate trust accounts, inmate kiosks, and related applications at TDOC locations found in Exhibit B. JPay shall follow the fee schedule and product description as laid out in Exhibit C attached hereto and incorporated herein. Upon mutual agreement by the parties, additional TDOC facilities may be added to the pilot. Inmate kiosks shall provide the following applications:
- a. Inbound and Outbound eMessaging
  - b. Video Visitation
  - c. Media Downloads
  - d. Inmate and Staff Communications
  - e. Bank Statements and Balance
- A.2. Implementation. JPay shall provide the TDOC a detailed implementation plan and associated project time-line with fifteen (15) calendar days of Agreement execution. Pay shall work with TDOC staff to project kiosk layouts and connectivity requirements.
- A.3. Maintenance. JPay will be responsible for all maintenance to inmate kiosks including the cost of any repair or replacement to damaged kiosks due to normal wear and tear and any costs associated in repositioning the inmate kiosks.
- a. JPay will notify TDOC before changes are made to JPay software regardless of its applicability to this agreement.
  - b. JPay will maintain a current Money Transmitter License during the life of the Agreement.
- A.4. Promotion. The TDOC agrees to work with JPay to promote the services through posters, flyers, publications and/or information to be published on the TDOC website. JPay agrees to provide twenty-six (26) MP3 Players for evaluation at no cost to DOC. JPay understands these will be given to inmates selected by TDOC.
- A.5. Confidentiality. JPay agrees to keep all information about inmates confidential and to make no disclosure thereof to any third party, except as may otherwise be required by law. Pay agrees to give TDOC prompt notice of any such disclosure. JPay agrees to retain all data pertaining to this agreement a minimum of 5 years.

A.6. **Exclusivity.** During the term of this Agreement, JPay shall be TDOC's exclusive provider of any of the services described in Section 1 above.

**B. CONTRACT PERIOD:**

This Contract shall be effective for the period beginning October 1, 2012, and ending on September 30, 2017.

**C. PAYMENT TERMS AND CONDITIONS:**

Remit to the State Monthly.

**D. STANDARD TERMS AND CONDITIONS:**

D.1. **Required Approvals.** The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.2. **Modification and Amendment.** This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.3. **Termination for Convenience.** The Contract may be terminated by either party by giving written notice to the other, at least thirty (30) days before the effective date of termination. Said termination shall not be deemed a breach of contract by the State. Should the State exercise this provision, the State shall have no liability to the Procuring Party. Should either the State or the Procuring Party exercise this provision, the Procuring Party shall be required to compensate the State for satisfactory, authorized services completed as of the termination date and shall have no liability to the State except for those units of service which can be effectively used by the Procuring Party. The final decision, as to what these units of service are, shall be determined by the State. In the event of disagreement, the Procuring Party may file a claim with the Tennessee Claims Commission in order to seek redress.

Upon such termination, the Procuring Party shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. **Termination for Cause.** If either party fails to properly perform or fulfill its obligations under this Contract in a timely or proper manner or violates any terms of this Contract, the other party shall have the right to immediately terminate the Contract. The Procuring Party shall compensate the State for completed services.

D.5. **Subcontracting.** Neither the Procuring Party nor the State shall assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the other. If such subcontracts are approved, they shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings).

D.6. **Conflicts of Interest.** The Procuring Party warrants that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Procuring

Party in connection with any work contemplated or performed relative to this Contract other than as required by section A. of this Contract.

- D.7. Nondiscrimination. The State and the Procuring Party hereby agree, warrant, and assure that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the State or the Procuring Party on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law.
- D.8. Records. The Procuring Party shall maintain documentation for its transactions with the State under this Contract. The books, records, and documents of the Procuring Party, insofar as they relate to work performed or money paid under this Contract, shall be maintained for a period of three (3) full years from the final date of this Contract and shall be subject to audit, at any reasonable time and upon reasonable notice, by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.10. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

Claims against the State of Tennessee, or its employees, or injury damages expenses or attorney's fees are heard and determined by the Tennessee Claims Commission or the Tennessee Board of Claims in the manner prescribed by law (*Tennessee Code Annotated*, Sections 9-8-101 *et seq.*, 9-8-301 *et seq.*, and 9-8-401 *et seq.*). Damages recoverable against the State of Tennessee shall be expressly limited to claims paid by the Board of Claims or the Claims Commission pursuant to *Tennessee Code Annotated*, Section 9-8-301 *et seq.*

- D.11. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.12. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.13. State and Federal Compliance. The Procuring Party and the State shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.14. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Procuring Party agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Procuring Party acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

- D.15. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.16. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.17. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

William M. Anderson, Director of Contracts Administration  
Department of Correction  
6<sup>th</sup> Floor, Rachel Jackson Building  
320 Sixth Avenue North  
Nashville, TN 37243-0465  
Telephone # 615.741.1000 ext. 8104  
FAX # 615.741.4605

The Procuring Party:

Greg Levine, Executive Vice President  
JPAY, Inc.  
12864 Biscayne Blvd. Suite 243  
Miami, FL 33181  
glevine@jpay.com  
Telephone # 954.862.6906

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

**IN WITNESS WHEREOF,**

**JPAY, INC.:**



---

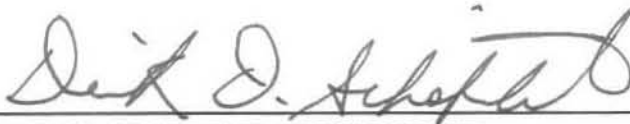
Ryan Shapiro CEO

DATE

---

PRINTED NAME AND TITLE OF PROCURING PARTY SIGNATORY (above)

DEPARTMENT OF CORRECTION:



12-28-12

---

DERRICK D. SCHOFIELD, COMMISSIONER

DATE

**EXHIBIT C - FEE SCHEDULE, PRICING AND SERVICES**

SUBSCRIPTION	TDOC COMMISSION	TDOC
Cost per eMessaging stamp	4%	\$ .40 (with discount for volume purchases)
Cost per Inmate Grievance	0	\$0.00
Video Visit (30 minute call)	\$0.25 per completed visit	\$9.95
Inmate Scheduling Module	0	\$0.00
MP3 Price; per song	4.5% (on song sale price; not including sales tax (if applicable))	Range from \$1.06 to \$1.99 (plus sales tax if applicable; other fees included)
MP3 Price; per album (or mini-album)	4.5% (on album sale price; not including sales tax (if applicable))	Varies - however, the inmate will receive a discount for a full album purchase vs. purchasing the songs that are on the album individually. Sales tax (if applicable) will be additional
JP3 Player (4GB)	Not Available	Not Available
JP4 Player (8GB)	\$5.00 per player sold	\$47.99
JP4 Player (16GB)	\$5.00 per player sold	Not Available at this time
JP5 - Tablet	\$10.00 per player sold	TBA
Money Transfer		Via www.JPay.com / Via800 phone number
Credit / Debit Card		
\$0.01 - \$20.00	\$0.50 per transaction	\$3.90 / \$4.90
\$20.01 - \$100.00	\$0.50 per transaction	\$6.90 / \$7.90
\$100.01 - \$200.00	\$0.50 per transaction	\$8.90 / \$9.90
\$200.01 - \$300.00	\$0.50 per transaction	\$10.90 / 11.90
Walk-In Location (Cash Deposit)		
\$0.01 - \$5,000.00	\$0.50 per transaction	\$8.95
Lobby Kiosk (up to \$100)		
Cash Fee	\$0.50 per transaction	
Credit Card Fee	\$0.50 per transaction	\$6.95 flat rate
Lockbox		
\$0/01 - \$1,000.00	0	Free



**TENNESSEE DEPARTMENT OF CORRECTION INSTITUTIONS**

**EXHIBIT B**

**Charles B. Bass Correctional Complex (CBCX)**

(formerly Middle Tennessee Correctional Complex)  
7177 Cockrill Bend Blvd.  
Nashville, TN 37243-0470

**Lois M. DeBerry Special Needs Facility (DSNF)**

7575 Cockrill Bend Blvd.  
Nashville, TN 37243-0469

**Mark H. Luttrell Correctional Center (MLCC)**

6000 State Road  
Memphis, TN 38134-7697

**Morgan County Correctional Complex (MCCX)**

(formerly Brushy Mountain Correctional Complex - Morgan)  
541 Wayne Cotton Morgan Drive  
Post Office Box 2000  
Wartburg, TN 37887

**Northeast Correctional Complex – Main (NECX)**

(formerly Northeast Correctional Center)  
5249 Highway 67 West P. O. Box 5000  
Mountain City, TN 37683-5000

**Northeast Correctional Complex – Annex (NECX)**

(formerly Carter County Work Camp)  
188 Old Railroad Grade Rd.  
Roan Mountain, TN 37687

**Northwest Correctional Complex – Site #1 (NWCX)**

(formerly Northwest Correctional Center)  
960 State Route 212  
Tiptonville, TN 38079

**Northwest Correctional Complex – Site #2 (NWCX)**

(formerly Lake County Regional Correctional Facility)  
960 State Route 212  
Tiptonville, TN 38079

**Riverbend Maximum Security Institution (RMSI)**

7475 Cockrill Bend Blvd.  
Nashville, TN 37243-0471

**Southeastern Tennessee State Regional Correctional Facility (STSRCF)**

(a/k/a Bledsoe County Correctional Complex)  
1045 Horsehead Road  
Pikeville, TN 37367

**Tennessee Prison for Women (TPFW)**

3881 Stewarts Lane  
Nashville, TN 37243-0468

**Turney Center Industrial Complex (TCIX)**

1499 R.W. Moore Memorial Hwy.  
Only, TN 37140-4050

**Turney Center Industrial Complex - Annex (TCIX)**

(formerly Wayne County Boot Camp)  
P. O. Box 182  
245 Carroll Road  
Clifton, TN 38425

**West Tennessee State Penitentiary – Site #1 (WTSP)**

P.O. Box 1150  
480 Green Chapel Road  
Henning, TN 38041-1150

**West Tennessee State Penitentiary – Site #2 (WTSP)**

(formerly West Tennessee High Security Facility)  
P. O. Box 1150  
Henning, TN 38041-1150