

CONTRACT AMENDMENT BETWEEN
THE FLORIDA DEPARTMENT OF CORRECTIONS
AND
JPAY, INC.

This is an Amendment to the Contract between the Florida Department of Corrections ("Department") and JPay, Inc. ("Contractor") for the provision of the Agency's Money Transfer Service.

This Amendment:

- Extends the current contract for six (6) months; and
- Revises Section I., A., Contract Term;

Original contract period:	July 22, 2005 through June 30, 2008
Amendment #1:	January 3, 2006 through June 30, 2008
Amendment #2:	April 14, 2008 through June 30, 2011
Amendment #3:	June 30, 2011 through December 30, 2011

In accordance with Section V., CONTRACT MODIFICATION; the following changes are hereby made:

1. Section I., A., Contract Term, is hereby revised to read:

I. A. Contract Term

This Contract began on July 22, 2005, and shall end at midnight June 30, 2012.

The Contract is extended for an additional six (6) months.

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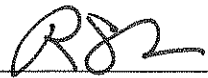
CONTRACT #C2233
AMENDMENT #4

All other terms and conditions of the original Contract and any previous amendments remain in full force and effect.

This Amendment shall begin on the date on which it is signed by both parties.

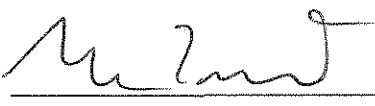
IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their undersigned officials as duly authorized.


CONTRACTOR:
JPAY, INC.

SIGNED BY: 
NAME: Ryan Shapiro
TITLE: CEO
DATE: 11/28/11
FEID #: 01-0756761

DEPARTMENT OF CORRECTIONS

Approved as to form and legality,
subject to execution.

SIGNED BY: 
NAME: **Kenneth S. Tucker**
TITLE: **Secretary
Department of Corrections**
DATE: 12/1/11

SIGNED BY: 
NAME: **Jennifer A. Parker**
TITLE: **General Counsel
Department of Corrections**
DATE: 11/9/11

CONTRACT AMENDMENT BETWEEN
THE FLORIDA DEPARTMENT OF CORRECTIONS
AND
JPAY, INC.

This is an Amendment to the Contract between the Florida Department of Corrections (“Department”) and JPay, Inc. (“Contractor”) for the provision of the Agency’s Money Transfer Service.

This Amendment:

- Extends the current contract for six (6) months;
- Revises Section I., A., Contract Term;
- Revises Section II., B., Description of Services and Responsibilities, to add #3. Utilization of E-Verify;
- Revises Section IV., A., Departments’ Contract Manager, first sentence; and
- Revises Section IV., B., Department’s Contract Administrator, first paragraph.

Original contract period:	July 22, 2005 through June 30, 2008
Amendment #1:	January 3, 2006 through June 30, 2008
Amendment #2:	April 14, 2008 through June 30, 2011

In accordance with Section V., CONTRACT MODIFICATION; the following changes are hereby made:

1. Section I., A., Contract Term, is hereby revised to read:

A. Contract Term

This Contract began on July 22, 2005, and shall end at midnight December 31, 2011.

The Contract is extended for six (6) months.

2. **Section II., B., #3.** Utilization of E-Verify, is hereby added:

3. Utilization of E-Verify

As required by State of Florida Executive Order Number 11-116, the Contractor identified in the Contract is required to utilize the U.S. Department of Homeland Security’s E-Verify system to verify employment eligibility of: all persons employed during the contract term by the Contractor to perform employment duties within Florida; and all persons (including subcontractors) assigned by the Contractor to perform work pursuant to the Contract with the Department. (<http://www.uscis.gov/e-verify>)

2. Section IV., A., Department's Contract Manager, first sentence, is hereby revised to read:

A. Department's Contract Manager

The Contract Manager for this Contract will be:

Michael Deariso
Bureau of Finance and Accounting
Department of Corrections
P.O. Box 13600
Tallahassee, Florida 32317-3600
Telephone: (850) 717-3827
Fax: (850) 488-1196
E-mail: Deariso.michael@mail.dc.state.fl.us

3. Section IV., B., Department's Contract Administrator, first paragraph, is hereby revised to read:

B. The Contract Administrator for this Contract will be:

Chief, Bureau of Procurement & Supply
Department of Corrections
Mailing Address:
501 South Calhoun Street
Tallahassee, FL. 32399-2500
Physical Address:
4070 Esplanade Way
Tallahassee, FL. 32399-2500
Phone: (850) 717-3700
Fax: (850) 488-7189

All other terms and conditions of the original Contract and any previous amendments remain in full force and effect.

This Amendment shall begin on the date on which it is signed by both parties.

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IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their undersigned officials as duly authorized.

CONTRACTOR:
JPAY, INC.

SIGNED BY: RS
NAME: Ryan Shapiro
TITLE: CEO
DATE: 5-24-11
FEID #: 01-0756761

DEPARTMENT OF CORRECTIONS

**Approved as to form and legality,
subject to execution.**

SIGNED BY: Edwin G. Buss
NAME: **Edwin G. Buss**
TITLE: **Secretary
Department of Corrections**
DATE: 6/21/11

SIGNED BY: Jennifer A. Parker
NAME: **Jennifer A. Parker**
TITLE: **General Counsel
Department of Corrections**
DATE: 5-4-11

**CONTRACT AMENDMENT BETWEEN
THE DEPARTMENT OF CORRECTIONS
AND
JPAY, INC.**

This is an Amendment to the Contract between the Florida Department of Corrections ("Department") and JPay, Inc. ("Contractor") for the provision of the Agency's Money Transfer Service.

This Amendment:

- renews the Contract for three (3) years pursuant to **Section I, B., Contract Renewal**; and
- revises the end date of the Contract referenced in **Section I, A., Contract Term**.

Original contract period:
Amendment #1:

July 22, 2005 through June 30, 2008
January 3, 2006 through June 30, 2008

In accordance with **Section V., CONTRACT MODIFICATION**, the following changes are hereby made:

1. **Section I, A., Contract Term**, is hereby revised to read:

The Contract began on July 22, 2005, and shall end at midnight June 30, 2011.

The Contract is in its final renewal period.

All other terms and conditions of the original Contract and previous Amendment remain in full force and effect.

This Amendment shall begin on the date on which it is signed by both parties.

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IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their undersigned officials as duly authorized.

**CONTRACTOR:
JPAY, INC.**

SIGNED
BY:

RS2

NAME:

Ryan Shapiro

TITLE:

CEO

DATE:

3/31/08

FEID #:

01-0756761

DEPARTMENT OF CORRECTIONS

SIGNED
BY:

Richard D. Davison

NAME:

Richard D. Davison

TITLE:

**Deputy Secretary
Department of Corrections**

DATE:

4/14/08

**Approved as to form and
legality, subject to execution**

SIGNED
BY:

Kathleen Von Hoene

NAME:

Kathleen Von Hoene

TITLE:

**General Counsel
Department of Corrections**

DATE:

3/21/08

**CONTRACT AMENDMENT BETWEEN
THE DEPARTMENT OF CORRECTIONS**

AND

JPAY, INC.

This is an Amendment to the Contract between the Florida Department of Corrections (“Department”) and JPAY, Inc. (“Contractor”) for the provision of the Contractor’s Money Transfer Service.

This Amendment:

- revises Section II., B.,1., Responsibilities of the Department, (subsection a.);
- revises Section II., B.,1., Responsibilities of the Department, (subsection d.);
- revises Section II., B.,1., Responsibilities of the Department, (subsection e.);
- revises Section II., B.,1., Responsibilities of the Department, (subsection f.);
- revises Section II., B.,1., Responsibilities of the Department, (subsection g.);
- revises Section II., B.,2., Responsibilities of the Contractor, (subsection a.);
- revises Section II., B.,2., Responsibilities of the Contractor, (subsection b);
- revises Section II., B.,2., Responsibilities of the Contractor, (subsection c.);
- revises Section II., B.,2., Responsibilities of the Contractor, (subsection d.);
- revises Section II., B.,2., Responsibilities of the Contractor, (subsection f.);
- revises Section III., B., Official Payee.

Original Contract period: July 22, 2005 through June 30, 2008

In accordance with Section V., Contract Modifications; the following changes are hereby made:

1. Section II., B.,1., Responsibilities of the Department, (subsection a.) is hereby revised to read:
 - a. The Department will provide the necessary software enhancements needed to accept transfer files from the Contractor to the Department’s bank accounts and into the Inmate Banking System and Court Ordered Payment System (COPS).
2. Section II.,B.,1., Responsibilities of the Department, (subsection d.) is hereby revised to read:
 - d. The Department will timely credit each JPay payment to the designated inmate’s or offender’s accounts and report receipt of said payment to the designated inmate or offender in accordance with Department policy.
3. Section II., B.,1., Responsibilities of the Department, (subsection e.) is hereby revised to read:
 - e. The Department will cooperate with the Contractor in resolving inquiries and complaints arising from the Contractor’s failure to timely transmit any JPay payment to the Department. The Department will be responsible for resolving any inquiries or complaints arising from the Department’s failure to promptly and properly credit the inmate’s or offender’s account.

4. Section II., B.,1., Responsibilities of the Department, (subsection f.) is hereby revised to read:

f. The Department will instruct inmates to supply the Contractor, through the friends and family sending funds via the Contractor, with the required information to properly credit receipts to the inmate's account. The Department will also instruct offenders to supply the Contractor with the required information to properly credit receipts to the offender's accounts.

5. Section II., B.,1., Responsibilities of the Department, (subsection g.) is hereby revised to read:

g. The Department agrees to remit to the Contractor any funds which are received by the Department for an inmate who has been released or offender who has been terminated or is no longer incarcerated or supervised under the authority of the Florida Department of Corrections.

6. Section II., B.,2., Responsibilities of the Contractor, (subsection a.) is hereby revised to read:

a. The Contractor shall provide sufficient JPay promotional material to be posted in every dormitory and public area of each Department correctional facility and every Department Community Corrections' Probation office.

7. Section II., B.,2., Responsibilities of the Contractor, (subsection b.) is hereby revised to read:

b. The Contractor shall receive payments from the public on behalf of inmates of the Department and/or from the public or an offender on behalf of offenders of the Department for transmission via the JPay Correctional Payment Service money transfer system. The Contractor's fee schedule to the public for the money transfers are shown in Attachment A.

8. Section II., B.,2., Responsibilities of the Contractor, (subsection c.) is hereby revised to read:

c. The Contractor will deliver JPay payments to the Department by the second day following (but not including) the day of the transaction by means of an EFT to the Department's designated bank accounts. The Contractor shall be responsible for said funds until the designated receiving bank has certified said funds are on deposit in the Department's account with the bank.

9. Section II., B.,2., Responsibilities of the Contractor, (subsection d.) is hereby revised to read:

d. The Contractor shall provide, as soon as reasonably practicable, the JPay payment information for the Department's inmates or offenders receiving funds with all content and form as mutually agreed upon.

10. Section II.,B., Responsibilities of the Contractor, (subsection f.) is hereby revised to read:

The Contractor agrees to keep the names and identification numbers of inmates and offenders confidential and to make no disclosure thereof to any third party, except as may otherwise be required by law.

11. Section III., B., Official Payee is hereby revised to read:

The name and address of the Department's official payee to whom payment shall be made is as follows:

Department of Corrections
Bureau of Finance and Accounting,
Centerville Station
P.O. Box 13600
Tallahassee, FL 32317-3600

A copy of each monthly remittance shall be forwarded to the Contract Manager listed in Section IV,
Contract Management.


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All other terms and conditions of the original Contract remain in full force and effect.

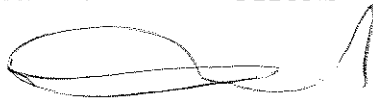
This Amendment shall begin on the date on which it is signed by both parties.

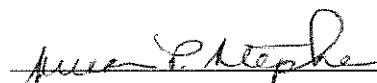
IN WITNESS THEREOF, the parties hereto have caused this Amendment to be executed by their undersigned officials as duly authorized.

**CONTRACTOR:
JPAY, INC.**

SIGNED
BY: 
NAME: Ryan Shapiro
TITLE: CEO
DATE: 12/28/2005
FEID #: 01-0756761

DEPARTMENT OF CORRECTIONS

SIGNED
BY: 
NAME: James V. Crosby, Jr.
TITLE: **Secretary
Department of Corrections**
DATE: 1-3-06

SIGNED
BY: 
NAME: Louis A. Vargas
TITLE: **General Counsel
Department of Corrections**
DATE: 12-15-05

ATTACHMENT A



Fee Schedule for sending money to the Florida Department of Corrections:

SENDING MONEY ONLINE	
Payment Amount	Fee
\$0.01 - \$20.00	\$4.95
\$20.01 - \$100.00	\$7.95
\$100.01 - \$200.00	\$9.95
\$200.01 - \$300.00	\$11.95

SENDING MONEY BY PHONE	
Payment Amount	Fee
\$0.01 - \$20.00	\$5.95
\$20.01 - \$100.00	\$8.95
\$100.01 - \$200.00	\$10.95
\$200.01 - \$300.00	\$12.95

SENDING MONEY VIA ACE CASH EXPRESS STORES	
Payment Amount	Fee
\$0.01 - \$5,000.00	\$7.00

CONTRACT BETWEEN
THE DEPARTMENT OF CORRECTIONS
AND
JPAY, INC.

This Contract is between the Florida Department of Corrections ("Department") and JPay, Inc. ("Contractor") which are the parties hereto.

WITNESSETH

Whereas, the Department is responsible for the inmates and for the operation of, and supervisory and protective care, custody and control of, all buildings, grounds, property and matters connected with the correctional system in accordance with Section 945.04, Florida Statutes;

Whereas, this Contract is Revenue Generating and is not a purchase as contemplated by Section 287, Florida Statutes; and

Whereas, the Contractor is a qualified and willing participant with the Department for the provision of a Correctional Payment Service.

Therefore, in consideration of the mutual benefits to be derived hereby, the Department and the Contractor do hereby agree as follows:

I. CONTRACT TERM AND RENEWAL

A. Contract Term

This Contract shall begin on July 1, 2005, or the date on which it is signed by both parties, whichever is later, and shall end at midnight on June 30, 2008. In the event this Contract is signed by the parties on different dates, the latter date shall control.

This Contract is in its initial term.

B. Contract Renewal

The Department has the option to renew this Contract for one (1) additional three (3) year period after the initial Contract period upon the same terms and conditions contained herein and at the renewal prices indicated in Section III, Compensation. Exercise of the renewal option is at the Department's sole discretion and shall be conditioned, at a minimum, on the Contractor's performance of this Contract and subject to the availability of funds. The Department, if it desires to exercise its renewal option, will provide written notice to the Contractor no later than thirty (30) days prior to the Contract expiration date. The renewal term shall be considered separate and shall require exercise of the renewal option should the Department choose to renew this Contract.

II. SCOPE OF SERVICE

A. Administrative Functions

1. Each party will retain responsibility for its personnel, and any fiscal and general administrative services utilized to support this Contract.
2. Through their designated representatives, the parties shall collaborate, as needed, on the development of policies and operational procedures for the effective management and operation of this Contract.
3. The parties agree that there shall be an implementation period of thirty (30) days to put equipment, procedures and software enhancements in place.
4. Each party shall comply with all laws, orders, rules and regulations applicable to it that are associated with the performance of its duties and obligations under this agreement.

B. Description of Services and Responsibilities

1. Responsibilities of the Department

- a. The Department will provide the necessary software enhancements needed to accept transfer files from the Contractor to the Department's bank account and into the Inmate Banking System.
- b. The Department will provide the Contractor the required bank account information for the successful transmission of an Electronic Funds Transfer (EFT). The Department agrees to notify the Contractor, in writing, giving fourteen (14) days notice, of any change to the bank account information. The address for this notification is as follows:

JPay Inc.
169 E. Flagler Street, Suite 837
Miami, FL 33131
- c. The Department will, upon receipt of written/documented proof of overpayment, promptly refund any overpayment made by the Contractor, for any reason. This is to include duplicate payments, payments refunded to customers by the Contractor and any incorrect payments. At the Contractor's option and in lieu of the foregoing, the Contractor may deduct any such overpayments from future payment amounts transmitted by the Contractor to the Department and formally notify the Department of any such deductions.
- d. The Department will timely credit each JPay payment to the designated inmate's account and report receipt of said payment to the designated inmate in accordance with Department policy.
- e. The Department will cooperate with the Contractor in resolving inquiries and complaints arising from the Contractor's failure to timely transmit any JPay payment to the Department. The Department will be responsible for

resolving any inquiries or complaints arising from the Department's failure to promptly and properly credit the inmate's account.

- f. The Department will instruct inmates to supply the Contractor, through the friends and family sending funds via the Contractor, with the required information to properly credit receipts to the inmate's account.
- g. The Department agrees to remit to the transmitting Contractor representative any funds which are received by the Department for an inmate who has been released or is no longer incarcerated under the authority of the Florida Department of Corrections.
- h. The Department agrees that it shall, to the full extent allowed by law, assume all liability, responsibility and risk of loss associated with its breach of this Contract or its negligence in the performance of its duties hereunder. This clause is not to be construed as an agreement to indemnify the Contractor in any manner.

2. Responsibilities of the Contractor

- a. The Contractor shall provide sufficient JPay promotional material to be posted in every dormitory and public area of each Department correctional facility.
- b. The Contractor shall receive payments, from the public, directed to inmates of the Department for transmission via the JPay Correctional Payment Service.
- c. The Contractor will deliver JPay payments to the Department by the second day following (but not including) the day of the transaction by means of an EFT to the Department's designated bank account. The Contractor shall be responsible for said funds until the designated receiving bank has certified said funds are on deposit in the Department's account with the bank.
- d. The Contractor shall provide, as soon as reasonably practicable, the JPay payment information for the Department's inmates receiving funds with all content and form as mutually agreed upon.
- e. The Contractor will transmit a "Payment Transactions Recap" report to the Contract Manager by the fifteenth day of the month, which indicates the transaction activity during the previous calendar month.
- f. The Contractor agrees to keep the names and identification numbers of inmates confidential and to make no disclosure thereof to any third party, except as may otherwise be required by law.
- g. The Contractor shall be responsible for responding to and resolving inquiries and complaints from senders of funds arising out of the Contractor's failure to timely transmit any JPay payments to the Department.
- h. The Contractor agrees that it shall, to the full extent allowed by law, assume all liability, responsibility and risk of loss associated with its breach of this Contract or its negligence in the performance of its duties hereunder.

C. Monitoring and Evaluation

The Department’s Contract Manager or designated Department staff will perform monitoring during the term of the contract, but not less than once a year to ensure contract compliance. Monitoring shall include periodic review of compliance with contract service delivery including but not limited to, review of the specific contract requirements:

1. Reporting Submission
2. Operational performance

The Contract Manager will provide a written monitoring report to the Contractor within three (3) weeks of the monitoring visit. When issues of non-compliance are identified in the monitoring report, a written Corrective Action Plan (CAP) will be required of the Contractor. The CAP is to be submitted to the Contract Manager within ten (10) days of receipt of the monitoring report. If necessary, a follow-up monitoring visit will be scheduled by the Contract Manager, and will occur within thirty (30) days of the original monitoring visit at which time full compliance must be met. Failure to correct deficiencies after thirty (30) days of receipt of a written monitoring report notating the deficiencies may result in a determination of breach of contract and termination of services.

The Department reserves the right for any Department staff to make scheduled or unscheduled, announced or unannounced visits to the Contractor’s place of business.

III. **COMPENSATION**

A. Payment

The Contractor agrees to pay the Department a transaction fee based upon the number of monthly transactions processed as delineated below:

FROM	TO	TOTAL PER TRANSACTION
1	1,000	\$1.00
1001	4,999	\$1.50
5000	>5000	\$2.00

The Contractor shall make monthly payments equal to the number of transactions processed in the previous calendar month at the rate described above. Payments are due within thirty (30) days following the end of each calendar month and shall coincide with the totals on the monthly “Payment Transactions Recap” report.

B. Official Payee

The name and address of the Department’s official payee to whom payment shall be made is as follows:

Department of Corrections
 Bureau of Finance and Accounting, Inmate Bank
 Centerville Station
 Call Box 13600
 Tallahassee, FL 32317-3600

ATTENTION: Professional Accountant Supervisor

A copy of each monthly remittance shall be forwarded to the Contract Manager listed in Section IV, Contract Management.

C. Travel Expenses

The Department shall not be responsible for the payment of any travel expense for the Contractor that occurs as a result of this Contract.

D. Contractor's Expenses

The Contractor shall pay for all licenses, permits, and inspection fees or similar charges required for this Contract, and shall comply with all laws, ordinances, regulations, and any other requirements applicable to the work to be performed under this Contract.

E. Tax Exemption

The Department agrees to pay for contracted services according to the conditions of this Contract. The State of Florida does not pay federal excise taxes and sales tax on direct purchases of services.

F. Timeframes for Payment and Interest Penalties

Contractors providing goods and services to the Department should be aware of the following time frames:

1. Upon receipt, the Department has five (5) working days to inspect and approve the goods and services and associated invoice, unless the ITB or RFP specifications, or this Contract specifies otherwise. The Department has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the goods or services are received, inspected, and approved.
2. If a payment is not available within forty (40) days, a separate interest penalty, as specified in Section 215.422, Florida Statutes will be due and payable, in addition to the invoice amount, to the Contractor. The interest penalty provision applies after a thirty-five (35) day time period to health care contractors, as defined by rule. Interest penalties of less than one (1) dollar will not be enforced unless the Contractor requests payment. Invoices, which have to be returned to a Contractor because of Contractor preparation errors, may cause a delay of the payment. The invoice payment requirements do not start until the Department receives a properly completed invoice.

IV. CONTRACT MANAGEMENT

A. Department's Contract Manager

The Contract Manager for this Contract will be:

Rhonda Vause, Chief
Bureau of Finance & Accounting
Florida Department of Corrections
P.O. Box 13600
Tallahassee, Florida 32317-3600
Telephone: (850) 410-1907
Fax: (850) 921-5443
Email: vause.rhonda@mail.dc.state.fl.us

The Contract Manager will perform the following functions:

1. Serve as the liaison between the Department and the Contractor;
2. Verify receipt of deliverables from the Contractor;
3. Monitor the Contractor's progress;
4. Evaluate the Contractor's performance;
5. Direct the Contract Administrator to process all amendments, renewals and terminations of this Contract;
6. Review, verify, and approve invoices from the Contractor; and
7. Evaluate Contractor performance upon completion of the overall Contract. This evaluation will be placed on file and will be considered if the Contract is subsequently used as a reference in future procurements.

B. Department's Contract Administrator

The Contract Administrator for this Contract will be:

Lisa M. Bassett, Chief
Bureau of Procurement & Supply
Department of Corrections
2601 Blair Stone Road
Tallahassee, Florida 32399-2500
Telephone: (850) 488-6671
Fax: (850) 922-5330
Email: bassett.lisa@mail.dc.state.fl.us

The Contract Administrator will perform the following functions:

1. Maintain the official Contract file;
2. Process all Contract amendments, renewals, and termination of the Contract; and
3. Maintain the official records of all formal correspondence between the Department and the Contractor.

C. Contractor's Representative

The name, title, address, and telephone number of the Contractor's representative responsible for administration and performance under this Contract is:

Ryan Shapiro, Corrections Specialist
 JPay Inc.
 169 E. Flagler Street, Suite 837
 Miami, FL 33131
 (305) 358-8689 ext. 220
 Email Address: rshapiro@jpay.com

D. Contract Management Changes

After execution of this Contract, any changes in the information contained in Section IV., Contract Management, will be provided to the other party in writing and a copy of the written notification shall be maintained in the official Contract record.

V. **CONTRACT MODIFICATION**

Modifications to the provisions of this Contract, with the exception of Section IV., Contract Management, shall be valid only through execution of a formal Contract amendment.

VI. **TERMINATION**

A. Termination at Will

This Contract may be terminated by either party upon no less than thirty (30) calendar days' notice, without cause, unless a lesser time is mutually agreed upon by both parties. Notice shall be delivered by certified mail (return receipt requested), by other method of delivery whereby an original signature is obtained, or in-person with proof of delivery.

B. Termination for Cause

If a breach of this Contract occurs by the Contractor, the Department may, by written notice to the Contractor, terminate this Contract upon twenty-four (24) hours' notice. Notice shall be delivered by certified mail (return receipt requested), by other method of delivery whereby an original signature is obtained, or in-person with proof of delivery. If applicable, the Department may employ the default provisions in Chapter 60A-1, Florida Administrative Code. The provisions herein do not limit the Department's right to remedies at law or to damages.

C. Termination for Unauthorized Employment

Violation of the provisions of Section 274A of the Immigration and Nationality Act shall be grounds for unilateral cancellation of this Contract.

VII. **CONDITIONS**

A. Records

1. Public Records Law

The Contractor agrees to allow the Department and the public access to any documents, papers, letters, or other materials subject to the provisions of Chapters 119 and 945.10,

Florida Statutes, made or received by the Contractor in conjunction with this Contract. The Contractor's refusal to comply with this provision shall constitute sufficient cause for termination of this Contract.

2. Audit Records

- a. The Contractor agrees to maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the Department under this Contract, and agrees to provide a financial and compliance audit to the Department or to the Office of the Auditor General and to ensure that all related party transactions are disclosed to the auditor.
- b. The Contractor agrees to include all record-keeping requirements in all subcontracts and assignments related to this Contract.

3. Retention of Records

The Contractor agrees to retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertaining to this Contract for a period of five (5) years. The Contractor shall maintain complete and accurate record-keeping and documentation as required by the Department and the terms of this Contract. Copies of all records and documents shall be made available for the Department upon request. All invoices and documentation must be clear and legible for audit purposes. All documents must be retained by the Contractor at the address listed in Section IV., C., Contractor's Representative or the address listed in Section III., B., Official Payee, for the duration of this Contract. Any records not available at the time of an audit will be deemed unavailable for audit purposes. Violations will be noted and forwarded to the Department's Inspector General for review. All documents must be retained by the Contractor at the Contractor's primary place of business for a period of five (5) years following termination of the Contract, or, if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings. The Contractor shall cooperate with the Department to facilitate the duplication and transfer of any said records or documents during the required retention period. The Contractor shall advise the Department of the location of all records pertaining to this Contract and shall notify the Department by certified mail within ten (10) days if/when the records are moved to a new location.

B. Prison Rehabilitative Industries and Diversified Enterprises, Inc. ("PRIDE")

The Contractor agrees that any articles which are the subject of, or are required to carry out this Contract, shall be purchased from PRIDE, identified under Chapter 946, Florida Statutes, in the same manner and under the procedures set forth in Subsections 946.515(2) and (4), Florida Statutes. The Contractor shall be deemed to be substituted for the Department in dealing with PRIDE, for the purposes of this Contract. This clause is not applicable to subcontractors, unless otherwise required by law. Available products, pricing, and delivery schedules may be obtained by contacting PRIDE.

C. Procurement of Materials with Recycled Content

It is expressly understood and agreed that any products or materials which are the subject of, or are required to carry out, this Contract shall be procured in accordance with the provisions of Sections 403.7065 and 287.045, Florida Statutes.

D. Sponsorship

If the Contractor is a nongovernmental organization which sponsors a program financed partially by State funds, including any funds obtained through this Contract, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: "Sponsored by JPay, Inc. and the State of Florida, Department of Corrections." If the sponsorship reference is in written material, the words "State of Florida, Department of Corrections" shall appear in the same size letters or type as the name of the organization.

E. Employment of Department Personnel

The Contractor shall not knowingly engage in this project, on a full-time, part-time, or other basis during the period of this Contract, any current or former employee of the Department where such employment conflicts with Section 112.3185, Florida Statutes.

F. Non-Discrimination

No person, on the grounds of race, creed, color, national origin, age, gender, marital status or disability, shall be excluded from participation in, be denied the proceeds or benefits of, or be otherwise subjected to, discrimination in the performance of this Contract.

G. Americans with Disabilities Act

The Contractor shall comply with the Americans with Disabilities Act. In the event of the Contractor's noncompliance with the nondiscrimination clauses, the Americans with Disabilities Act, or with any other such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Contracts.

H. Indemnification

NOTE: This section is not applicable to contracts executed between state agencies or subdivisions, as defined in Section 768.28, Florida Statutes.

The Contractor shall be liable, and agrees to be liable for, and shall indemnify, defend, and hold the Department, its employees, agents, officers, heirs, and assignees harmless from any and all claims, suits, judgments, or damages including court costs and attorney's fees arising out of intentional acts, negligence, or omissions by the Contractor, or its employees or agents, in the course of the operations of this Contract, including any claims or actions brought under Title 42 USC §1983, the Civil Rights Act.

I. Contractor's Insurance

The Contractor agrees to provide adequate insurance coverage on a comprehensive basis and to hold such insurance at all times during the existence of this Contract. The Contractor accepts full responsibility for identifying and determining the type(s) and extent of insurance necessary to

provide reasonable financial protection for the Contractor and the Department under this Contract. Upon the execution of this Contract, the Contractor shall furnish the Contract Manager written verification of such insurance coverage. Such coverage may be provided by a self-insurance program established and operating under the laws of the State of Florida. The Department reserves the right to require additional insurance where appropriate.

If the Contractor is a state agency or subdivision as defined in Section 768.28, Florida Statutes, the Contractor shall furnish the Department, upon request, written verification of liability protection in accordance with Section 768.28, Florida Statutes. Nothing herein shall be construed to extend any party's liability beyond that provided in Section 768.28, Florida Statutes.

J. Independent Contractor Status

The Contractor shall be considered an independent Contractor in the performance of its duties and responsibilities under this Contract. The Department shall neither have nor exercise any control or direction over the methods by which the Contractor shall perform its work and functions other than as provided herein. Nothing in this Contract is intended to, nor shall be deemed to constitute, a partnership or a joint venture between the parties.

K. Disputes

Any dispute concerning performance of this Contract shall be resolved informally by the Contract Manager. Any dispute that can not be resolved informally shall be reduced to writing and delivered to the Department's Assistant Secretary for Administration. The Assistant Secretary for Administration shall decide the dispute, reduce the decision to writing, and deliver a copy to the Contractor, the Contract Manager and the Contract Administrator.

L. Copyrights, Right to Data, Patents and Royalties

Where activities supported by this Contract produce original writing, sound recordings, pictorial reproductions, drawings or other graphic representation and works of any similar nature, the Department has the right to use, duplicate and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to have others acting on behalf of the Department to do so. If the materials so developed are subject to copyright, trademark, or patent, legal title and every right, interest, claim or demand of any kind in and to any patent, trademark or copyright, or application for the same, will vest in the State of Florida, Department of State for the exclusive use and benefit of the State. Pursuant to Section 286.021, Florida Statutes, no person, firm or corporation, including parties to this Contract, shall be entitled to use the copyright, patent, or trademark without the prior written consent of the Department of State.

The Department shall have unlimited rights to use, disclose or duplicate, for any purpose whatsoever, all information and data developed, derived, documented, or furnished by the Contractor under this Contract. All computer programs and other documentation produced as part of the Contract shall become the exclusive property of the State of Florida, Department of State, and may not be copied or removed by any employee of the Contractor without express written permission of the Department.

The Contractor, without exception, shall indemnify and save harmless the Department and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or unpatented invention, process, or article manufactured or supplied by the Contractor. The Contractor has no liability when such claim is solely and exclusively due to the combination, operation, or use of any article supplied hereunder with equipment or data

not supplied by the Contractor or is based solely and exclusively upon the Department's alteration of the article. The Department will provide prompt written notification of a claim of copyright or patent infringement and will afford the Contractor full opportunity to defend the action and control the defense of such claim.

Further, if such a claim is made or is pending, the Contractor may, at its option and expense, procure for the Department the right to continue use of, replace, or modify the article to render it noninfringing. (If none of the alternatives are reasonably available, the Department agrees to return the article to the Contractor upon its request and receive reimbursement, fees and costs, if any, as may be determined by a court of competent jurisdiction.) If the Contractor uses any design, device, or materials covered by letter, patent or copyright, it is mutually agreed and understood without exception that the Contract prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work to be performed hereunder.

M. Subcontracts

The Contractor is fully responsible for all work performed under this Contract. The Contractor may, upon receiving written consent from the Department's Contract Manager, enter into written subcontract(s) for performance of certain of its functions under this Contract. No subcontract, which the Contractor enters into with respect to performance of any of its functions under this Contract, shall in any way relieve the Contractor of any responsibility for the performance of its duties. All payments to subcontractors shall be made by the Contractor.

If a subcontractor is utilized by the Contractor, the Contractor shall pay the subcontractor within seven (7) working days after receipt of full or partial payments from the Department, in accordance with Section 287.0585, Florida Statutes. It is understood and agreed that the Department shall not be liable to any subcontractor for any expenses or liabilities incurred under the subcontract and that the Contractor shall be solely liable to the subcontractor for all expenses and liabilities under this Contract. Failure by the Contractor to pay the subcontractor within seven (7) working days will result in a penalty to be paid by the Contractor to the subcontractor in the amount of one-half (½) of one percent (1%) of the amount due per day from the expiration of the period allowed herein for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen percent (15%) of the outstanding balance due.

N. Assignment

The Contractor shall not assign its responsibilities or interests under this Contract to another party without prior written approval of the Department's Contract Manager. The Department shall, at all times, be entitled to assign or transfer its rights, duties and obligations under this Contract to another governmental agency of the State of Florida upon giving written notice to the Contractor.

O. Force Majeure

Neither party shall be liable for loss or damage suffered as a result of any delay or failure in performance under this Contract or interruption of performance resulting directly or indirectly from acts of God, accidents, fire, explosions, earthquakes, floods, water, wind, lightning, civil or military authority, acts of public enemy, war, riots, civil disturbances, insurrections, strikes, or labor disputes.

P. Severability

The invalidity or unenforceability of any particular provision of this Contract shall not affect the other provisions hereof and this Contract shall be construed in all respects as if such invalid or unenforceable provision was omitted, so long as the material purposes of this Contract can still be determined and effectuated.

Q. Use of Funds for Lobbying Prohibited

The Contractor agrees to comply with the provisions of Section 216.347, Florida Statutes, which prohibits the expenditure of State funds for the purposes of lobbying the Legislature, the Judicial branch, or a State agency.

R. Verbal Instructions

No negotiations, decisions, or actions shall be initiated or executed by the Contractor as a result of any discussions with any Department employee. Only those communications that are in writing from the Department's staff identified in Section IV., Contract Management, of this Contract shall be considered a duly authorized expression on behalf of the Department. Only communications from the Contractor's representative identified in Section IV., C., which are in writing and signed, will be recognized by the Department as duly authorized expressions on behalf of the Contractor.

S. Conflict of Interest

The Contractor shall not compensate in any manner, directly or indirectly, any officer, agent or employee of the Department for any act or service that he/she may do, or perform for, or on behalf of, any officer, agent, or employee of the Contractor. No officer, agent, or employee of the Department shall have any interest, directly or indirectly, in any contract or purchase made, or authorized to be made, by anyone for, or on behalf of, the Department.

The Contractor shall have no interest and shall not acquire any interest that shall conflict in any manner or degree with the performance of the services required under this Contract.

T. State Licensing Requirements

All entities defined under Chapters 607, 617 or 620, Florida Statutes, seeking to do business with the Department, shall be on file and in good standing with the Florida Department of State.

U. MyFloridaMarketPlace Vendor Registration

All vendors that have not re-registered with the State of Florida since March 31, 2003, shall go to <http://vendor.myfloridamarketplace.com/> to complete on-line registration, or call 1-866-352-3776 for assisted registration.

V. Public Entity Crimes Information Statement

A person or affiliate who has been placed on the Convicted Vendor List following a conviction for a public entity crime may not submit a bid or proposal to provide any goods or services to a public entity, may not submit a bid or proposal to a public entity for the construction or repair of a public building or public work, may not submit bids or proposals for leases of real property to a public entity, may not be awarded or perform work as a Contractor, supplier, subcontractor, or consultant under a Contract with any public entity, and may not transact business with any public

entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

W. Discriminatory Vendors List

An entity or affiliate who has been placed on the Discriminatory Vendor List may not submit a bid or proposal to provide goods or services to a public entity, may not submit a bid or proposal with a public entity for the construction or repair of a public building or public work, may not submit bids or proposals on leases of real property to a public entity, may not perform work as a Contractor, supplier, subcontractor or consultant under a Contract with any public entity and may not transact business with any public entity.

X. Governing Law and Venue

This Contract is executed and entered into in the State of Florida, and shall be construed, performed and enforced in all respects in accordance with the laws, rules and regulations of the State of Florida. Any action hereon or in connection herewith shall be brought in Leon County, Florida.

Y. No Third Party Beneficiaries

Except as otherwise expressly provided herein, neither this Contract, nor any amendment, addendum or exhibit attached hereto, nor term, provision or clause contained therein, shall be construed as being for the benefit of, or providing a benefit to, any party not a signatory hereto.

Z. Cooperative Purchasing

As provided in Section 287.042(16) (a), Florida Statutes, other State agencies may purchase from this Contract, provided that the Department of Management Services has determined that the Contract's use is cost effective and in the best interest of the State. Upon such approval, the Contractor may, at its discretion, sell these commodities or services to additional agencies, upon the terms and conditions contained herein. In addition, other political subdivisions may also purchase from this Contract at the discretion of the Contractor. Entities purchasing from this Contract assume and bear complete responsibility with regard to performance of any contractual obligation or term.

AA. Scope Changes After Contract Execution

During the term of the Contract, the Department may unilaterally require, by written order, changes altering, adding to, or deducting from the Contract specifications, provided that such changes are within the general scope of the Contract.

The Department may make an equitable adjustment in the Contract prices or delivery date if the change affects the cost or time of performance. Such equitable adjustments require the written consent of the Contractor, which shall not be unreasonably withheld.

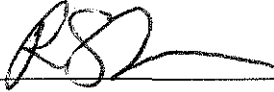
The Department shall provide written notice to the Contractor thirty (30) days in advance of any Department required changes to the technical specifications and/or scope of service that affect the Contractor's ability to provide the service as specified herein. Any changes that are other than purely administrative changes will require a formal Contract Amendment.

Waiver of breach of any provision of this Contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Contract.

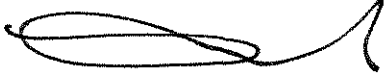
This Contract contains all the terms and conditions agreed upon by the parties.

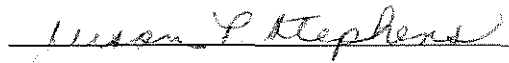
IN WITNESS THEREOF, the parties hereto have caused this Contract to be executed by their undersigned officials as duly authorized.

**CONTRACTOR:
JPAY, INC.**

SIGNED BY: 
NAME: RYAN SHAPIRO
TITLE: Chief Executive
DATE: 7/19/05
FEID #: 010756761

DEPARTMENT OF CORRECTIONS

SIGNED BY: 
NAME: James V. Crosby, Jr.
TITLE: Secretary
Department of Corrections
DATE: 7.22.05

SIGNED BY: 
NAME: Louis A. Vargas
TITLE: General Counsel
Department of Corrections
DATE: 7.8.05