

EXHIBIT 27

Screening Out Family Time:
The For-Profit Video Visitation Industry in Prisons and Jails

Rutherford County, Tennessee City Tele Coin Company Contract

PRISON
POLICY INITIATIVE

CORRECTIONAL COMMUNICATIONS SERVICES AGREEMENT

This Correctional Communications Services Agreement made on the 2ND of MARCH, 20 12

BETWEEN:

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

AND

Rutherford County Sheriff's Office (hereinafter referred to as "RUTHERFORD")

WHEREAS, RUTHERFORD 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, **RUTHERFORD** and **CTC** hereby agree:

A. THE WORK

RUTHERFORD agrees that it is the manager of the Rutherford County Detention Center, located at 940 Salem Highway, Murfreesboro, Tennessee 37129, and that said location requires inmate and pay telephone communication services, and that said communications services are to include all local, *interrelate*, *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 **RUTHERFORD** 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 Rutherford County Detention Center 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 **RUTHERFORD** 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 **RUTHERFORD** 72% (Seventy-two 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 **RUTHERFORD**, as listed in Section A. "The Work," and processed by **CTC**'s call processing system. **CTC** shall issue to **RUTHERFORD** a Purchase Discount of 72% (Seventy-two Percent) on *Prepaid Inmate Calling Cards* at any time such purchase is made by **RUTHERFORD**. **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 commence Twenty (20) Days after installation of equipment. Furthermore, **CTC** shall remit commission payments to **RUTHERFORD** on a monthly basis on or around the 20th day of each month. Any objection to a commission payment shall be brought to the attention of **CTC** by way of written notice by **RUTHERFORD**. *Acceptance* of said commission payment shall be final and binding if no objections are brought forth before the agreement has terminated.

C. TERMS

The initial term of this agreement shall be for period beginning APRIL 1, 2012, with the initial term completed at Forty-eight (48) Months. CTC or RUTHERFORD, 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 RUTHERFORD 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 Twelve (12) 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; however, any such transfer or assignment by CTC must be preapproved by RUTHERFORD.

E. EQUIPMENT

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

In the event that it becomes necessary for CTC to relocate any telephone equipment, from any location which is the subject of and governed by the terms of this agreement, the relocation of the equipment shall not be undertaken until RUTHERFORD is given ten (10) days written notice of CTC's reason & intent to relocate said equipment and both parties agree to an amicable solution to relocation that is mutually beneficial to both parties. The relocation 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 replace and maintain the coin-less inmate telephones that currently exist at all locations inside the facility, as well as install and maintain additional coin-less inmate telephones as needed at the facility and/or as many as requested by RUTHERFORD.

F. OBLIGATIONS OF RUTHERFORD

RUTHERFORD 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 RUTHERFORD 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 within 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

G. DEFAULT (Continued from Page 2)

(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 **RUTHERFORD** and **CTC** hereunder shall be subject to and interpreted in accordance with the laws of the State of Tennessee.

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) TO RUTHERFORD:

(1) Rutherford County Sheriff's Office
Attn: Sheriff Robert F. Arnold
940 New Salem Highway
Murfreesboro, Tennessee 37129
Ph: 615-904-3002
Fx: 615-904-3102

(2) Rutherford County, Tennessee
Attn: Budget and Finance Office
County Courthouse, Room 105
Murfreesboro, Tennessee 37130
Ph: 615-898-7795
Fx: 615-898-7747

(B) TO CTC:

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

RUTHERFORD 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

CTC agrees to defend, hold harmless, and indemnify **RUTHERFORD** 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 **RUTHERFORD** 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 2nd day of MARCH, 20 12.

City Tele Coin Company, Inc.

By: _____

Signature

Gerald L. Juneau

Print Name

President & CEO

Title

Rutherford County Sheriff's Department

By: _____

Signature

Robert F Arnold

Print Name

Sheriff

Title

Rutherford County, Tennessee

By: _____

Signature;

ERNEST G. BURGESS

Print Name

MAYOR

Title

ATTACHMENT 1

Repayment Plan for a Video Visitation System

CTC shall finance a video visitation system for use by **RUTHERFORD**. This attachment (*Attachment "1"*) to the *Correctional Communications Services Agreement* made by and between City Tele Coin Company, Inc. (hereinafter referred to as "CTC") and the Rutherford County, Tennessee Sheriff's Office (hereinafter referred to as "**RUTHERFORD**"), shall set forth a cost schedule and repayment plan. CTC and **RUTHERFORD** hereby acknowledge and agree to the following:

1. CTC will provide upfront funding, in-full, for a Video Visitation System (the "System") to be installed at the Rutherford County Detention Center (the "Site"). CTC shall not be responsible for (i) ancillary costs which may be incurred during system installation; (ii) licenses or fees not included in the purchase price of the System; (iii) construction, alterations, or Site modifications which may be necessary for system installation.
2. The cost for the System is **\$397,894.00** (Three Hundred Ninety-seven Thousand, Eight Hundred Ninety-four Dollars and Zero Cents). **RUTHERFORD** agrees to repay CTC for the System through Forty-eight (48) consecutive monthly commission deductions each in the amount of **\$8,289.46** (the "deduction" or "payment").
 - 2.1 If the final month's payment is less than **\$8,289.46**, CTC shall deduct the lesser amount.
 - 2.2 If the final month's payment is more than **\$8,289.46**, CTC shall deduct payment plus the overage amount, or deduct the overage amount from the following month's commission due **RUTHERFORD**.
 - 2.3 If during any month **RUTHERFORD**'s commission is less than the payment due CTC, CTC will either apply **RUTHERFORD**'s commission amount as a reduced payment and append the System's remaining balance by that month's deficit amount to come due immediately following the scheduled final payment, or CTC will deduct the deficit amount from any future month's commission due **RUTHERFORD** where there is a surplus.
 - 2.4 If for any reason commissions are not due **RUTHERFORD** after the 48th Month, or if commissions due **RUTHERFORD** after the 48th Month are not sufficient enough to deduct any accrued overage amount, then **RUTHERFORD** agrees to repay that exact amount directly to CTC.
 - 2.5 In any case where substantial, prolonged changes in the economy or to regulatory rules create a situation where call volume or revenue amounts are adversely affected so much that monthly deficits are consistent, **RUTHERFORD** and CTC may elect to temporarily renegotiate this repayment plan through addendum signed by both parties.

ATTACHMENT 1

Repayment Plan for a Video Visitation System (Continued)

- 2.6 If for any reason CTC's inmate telephone system or a major portion thereof is removed prior to RUTHERFORD fulfilling payment in full for the System, RUTHERFORD and CTC shall work together to establish a repayment plan structured for direct payment to CTC for the remaining balance of the System.

Upon final payment by RUTHERFORD to CTC, ownership of the Video Visitation System will convert to RUTHERFORD and any and all liens will be released by CTC. The parties agree that the repayment plan set forth in this attachment (Attachment "1") shall survive termination of any agreements made by and between the parties hereto. Any changes to this attachment shall only be made in writing and must be approved and signed by RUTHERFORD and CTC.

THUS DONE AND SIGNED ON THIS, THE 2nd OF March, 20 12.

City Tele Coin Company, Inc.

By: _____

Signature

Gerald E. Juneau

Print Name

President & CEO

Title

Rutherford County Sheriff's Department

By: _____

Signature

ERNEST G. BURGESS

Print Name

MAYOR

Title

Rutherford County, Tennessee

By: _____

Signature;

Print Name

Title