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

Washington County, Idaho Telmate Contract
Second Amendment to
Inmate Telecommunications Location Agreement
Between
Telmate LLC and Washington County Jail

THIS SECOND AMENDMENT ("Amendment") is made and entered into on December 1, 2012 ("Second Amendment Effective Date") by and between Washington County Jail, with a business address at 1262 East Court, Weiser, ID 83672 ("Customer") and Telmate LLC, with its principal place of business at 1096 SE 6th Street, Ontario, OR 97914 ("Telmate").

Recitals

Whereas, Customer and Telmate entered into that certain Inmate Telecommunication Location Agreement dated July 17, 2007 and a First Amendment to that agreement dated November 1, 2011 (collectively the "Agreement") whereby Telmate is obligated to perform certain inmate telephone services at Customer’s facilities;

Whereas, Telmate has developed and wishes to provide to Customer, and Customer wishes to accept, a turnkey video visitation solution to enhance its communications service package.

Whereas, the parties wish to modify certain of the terms of the Agreement, while maintaining the rest of it in full force and effect.

Now, therefore, intending to be bound, the parties hereto agree as follows:

Amendment

1. Term
   In Section 2, first sentence, replace “1 year” with “Ten (10) years”.

2. Telmate Inmate Stations
   a. Telmate will use reasonable commercial efforts to deliver, install, and enable the functionality of three (3) Telmate touchscreen video stations as described in the attached Exhibit A Products Requirement Document ("Equipment") within ninety (90) days following the Second Amendment Effective Date, and Customer shall cooperate in such efforts. Customer appoints Telmate as its exclusive inmate communications agent, charged and authorized with making changes, implementing and updating features, and otherwise establishing such functionality and taking such steps which Telmate considers, in its sole discretion, in best interest and designed to keep Facility using the best features with a state-of-the-art, leading system.

   b. Exhibit A, incorporated herein by reference, sets forth the working requirements and obligations of the parties, as well cooperation required of as Customer’s partner vendors, for complete
implementation of Telmate’s integrated system. Customer recognizes that its cooperation and performance of the requirements set forth therein are preconditions for associated obligations on the part of Telmate and agrees to fulfill the conditions set forth therein. Failure of or delay in performance of a precondition shall excuse Telmate from any delay or failure to perform its corresponding obligation associated with such precondition.

c. Subject to Section 4 of the Agreement, Telmate agrees to pay Customer a monthly commission of thirty-five (35%) percent of the Gross Revenue generated after service, maintenance, connections and Equipment expenses, as a result of services provided to the Facility and its residents through use of the Telmate Touchscreen Video Station(s).

d. Telmate shall own all Equipment as well as all wiring that Telmate installs for the video stations, including but not limited to electrical, Ethernet and conduits.

e. The parties recognize that Telmate has invested or shall invest significant up-front resources, infrastructure and Equipment in establishing and maintaining the Telmate Inmate Stations at Customer’s facility. Such business model relies on a service term of a length necessary for Telmate to recoup such investment and costs without otherwise requiring up-front or any payment from Customer. As such, notwithstanding anything contained in this Amendment or the Agreement to the contrary, the monthly commission rates set forth in subsection (c) above and section 4 of the Agreement shall be decreased to thirty (30%) percent until Telmate has recovered $97,988.00, at which point the commissions shall be returned to their original levels.

3. Operating Guidelines

a. Customer accepts the Products (defined below) subject to the terms and conditions contained in the Agreement. Customer hereby acknowledge that the distribution and sale of the Products have been and are subject to certain rules and regulations (collectively “Regulations”), including regulations established by the Office of the Comptroller of the Currency (OCC), the United States Office of the Treasury Office of Foreign Assets Control (OFAC), as well as the relevant provisions of the Patriot Act and the Bank Secrecy Act, and Customer agrees to comply with such Regulations. Customer and Telmate both agree with the relevant Regulations described herein. Customer agrees to cooperate with Telmate to the extent necessary to ensure continued compliance with such Regulations. Such cooperation shall include, but is not limited to, access to the data necessary for Telmate and/or its banking sponsor to identify all parties related to cash, credit card,
inmate trust or other related transactions related to revenue from sales of prepaid services, trust and/or bail, and revenue being defined as the net of sale price after applicable sales tax, regulatory and compliance surcharges. Customer agrees to help Telmate and/or its banking sponsor to the best of its ability obtain proper identification information on all cardholders when required, screen all cardholders against the OFAC SDN list and to sufficiently monitor card loading and distribution activities. The parties agree to abide by these Regulations and acknowledge that such Regulations are subject to change, and should a material change to these Regulations occur, Telmate agrees to notify Customer of such change. Telmate shall be responsible for ensuring that the Products and the use thereof are compliant with all applicable rules and regulations.

b. “Products” for purposes of this Amendment, shall include the following:
   i. Inmate Communication Services
   ii. Kiosk Products
   iii. Visitation Products
   iv. Touchscreen Products
   v. Merchant and Cash Processing Services
   vi. Exit/Debit Card Program(s)
   vii. Ancillary Fee and Trust Processing
   viii. Facility Information System
   ix. Telmate Inmate Station Products
   x. Any and all other products marketed and/or distributed by Telmate for Customer.

4. General

a. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect as written.

b. Headers are for convenience only and shall have no meaning in the interpretation of this Amendment.

c. This Amendment shall be governed by the laws of the State of Idaho.
IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their duly authorized representatives.

<table>
<thead>
<tr>
<th>TELMATE LLC</th>
<th>WASHINGTON COUNTY JAIL</th>
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<tbody>
<tr>
<td>Sign:</td>
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<tr>
<td>Richard Torgersen</td>
<td>Mike L</td>
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<tr>
<td>Name:</td>
<td>Name:</td>
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<tr>
<td>CEO</td>
<td>Commissioner Chairman</td>
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<td>Title:</td>
<td>Date:</td>
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<td>12/20/2012</td>
<td>12-10-12</td>
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</table>

Attest: Betty J. Thomas Clark

Telmate
APPROVED AS TO LEGAL FORM
P.L.X 12/20/12
Exhibit A

Product Requirements for Telmate Inmate Stations

Telmate's Inmate Station, featuring SNAP (Secure Network Application Platform), is a transformative device for your facility:

✔ **Save Labor:** Telmate's SNAP frees facility staff from a wide range of administrative and labor intensive tasks such as inmate movement to visitation stations, visitation scheduling, collecting and processing inmate commissary orders, inmate balance request reporting (kites for trust balances), prepaid sales, medical scheduling, and more.

✔ **Increase Safety:** Allowing the friends & family to perform tasks via a Web browser or lobby kiosk, and inmates to perform tasks from Telmate's Inmate Station (secure touchscreen stations) results in greater facility and staff safety while at the same time reducing a facility liability and risk.

✔ **Increase Accuracy:** Real-time inmate balance reporting and automated commissary ordering results in quicker completion and greater accuracy of inmate requests.

This document addresses the requirements for:

- Installation
- SNAP (including: Video Visitation, education, games, law resources, Internet, etc.)
- Automated Commissary Ordering and Reporting
- Automated Visitation Scheduling
- Fully Automated Prepaid Sales to Inmates
- Automated Inmate Trust Fund Deposits and Reporting
- Network Details for All Vendors

**Installation**

Telmate requires cooperation with the Facility, staff and related vendors for proper installation of SNAP and Telmate Inmate Stations. The Telmate installation team must have the ability to physically access and work within and around the areas we are upgrading and connecting to this new service.
Secure Network Application Platform - SNAP (including: Video Visitation)

Telmate Offer
As a leader in corrections technology, we are offering you a significant upgrade with a truly revolutionary piece of communications hardware. Telmate will provide the Washington County Jail an upgrade that includes Telmate’s video visitation solution. This includes:

- Three (3) inmate-hardened Telmate touchscreen video stations installed at no cost to the county ($97,988 value).
- An upgraded Telmate lobby kiosk to add ID scanning, photo taking capabilities, and to handle increased traffic for visitation signup and scheduling.
- Telmate service is full turnkey, including: installation, data connectivity, service and maintenance.
- Immediate lifetime upgrades.
- Visitation recording storage (minimum 30 days in video format).
- At a minimum the inmate touchscreen stations provide continuous access to local and remote video visitation, education, games, law resources and secure Web content such as news and sports.
- Inmates are allowed one free video visit per week.
- Onsite video visitation scheduling is free for visits scheduled within 15 minutes of the start of the visitation time window.
- Full facility training and support for the inmate kiosks and the new functionality available within the web-based administration system.
- A single integrated system with Washington County’s existing Telmate inmate phone system.

<table>
<thead>
<tr>
<th>Standard SNAP Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Visit Price</strong></td>
</tr>
<tr>
<td>$0.25/min</td>
</tr>
<tr>
<td><strong># Free/Local Visits Week</strong></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td><strong>Length of Free Visit Session</strong></td>
</tr>
<tr>
<td>30 min</td>
</tr>
<tr>
<td><strong>Remote Visit Price</strong></td>
</tr>
<tr>
<td>$0.66/min</td>
</tr>
<tr>
<td><strong>Games</strong></td>
</tr>
<tr>
<td>$0.10-$0.15/min</td>
</tr>
<tr>
<td><strong>Internet</strong></td>
</tr>
<tr>
<td>$0.10-$0.15/min</td>
</tr>
<tr>
<td><strong>Commissary Ordering</strong></td>
</tr>
<tr>
<td>$0.50/order *</td>
</tr>
<tr>
<td><strong>Received Message</strong></td>
</tr>
<tr>
<td>Free **</td>
</tr>
<tr>
<td><strong>Send Message</strong></td>
</tr>
<tr>
<td>$1.00/message</td>
</tr>
</tbody>
</table>

* Inmate allowed 10 minutes for flat rate charge listed above to complete order. If they exceed time then they will be charged $0.15/min. Average time to order is 3-5 minutes. Charge is to discourage abuse of free service. If Telmate is charged by the commissary provider for services, these costs will be passed along to the inmate as a service charge.

** Inmate is allowed 10 minutes free of charge to read a message. If they exceed time then they will be charged $0.15/min. Average time to read a message is 3-5 minutes. Charge is to discourage abuse of free service. Friends & family members have no such restrictions.
Automated Commissary Ordering and Reporting

Telmate is able to provide commissary ordering via Telmate’s Inmate Video Stations. This service frees up facility officers and staff from the labor-intensive manual process of distributing and collecting order forms, eliminates paper or phone-based filling, and expedites commissary fulfillment. In order to offer this feature, Telmate must have a real-time inmate prepaid sales integration, which requires the following:

- An integration with the commissary vendor will be completed, at no charge to Telmate, no less than 60 days prior to the activation of this feature.
- The commissary vendor will provide and maintain a pick list of inventory items in English, Spanish, and other languages that are required by the facility.
- The commissary vendor will use Telmate’s format and methods to transfer information and maintain the integration.
- Telmate will deduct a transaction fee of $0.50 per commissary order to offset Telmate’s equipment and communication costs. This fee will be automatically deducted from the inmate’s account at time of order processing.
- The commissary vendor will follow Telmate’s service level agreement (SLA) regarding uptime and support. Telmate’s service level agreement typically provides a higher standard of service response time and guaranteed uptime than vendors provide by default. This additionally includes the vendor providing Telmate with a 24/7 contact method for Telmate to use when services are down or impacted, and the providing of log files and the status of specific transactions to help in determining the cause of any integration issues that may arise.
- Telmate’s service level agreement (SLA) and contractual requirements will be included in future commissary provider contracts to help ensure continuing prompt service and support.
- When considering a change in commissary vendors, the facility will give Telmate 6-months advance notice of any change.
- Facility will allow Telmate to review any new RFPs that may affect existing business.

Details for Commissary Vendors

To facilitate commissary ordering from Telmate Inmate Video Stations, Telmate provides the following technical integration API for commissary providers. The web services methods below allow vendors to facilitate real-time ordering through Telmate’s equipment. Alternate integration methods cannot be supported:

- Push the Catalog of commissary items for a class of inmates: 
  `CweCatalogItem[] SetCatalog(CweCatalogItem[] catalog_items)`
- Request the orders ready for processing: 
  `CommissaryTotal[] GetPendingCommissaryTotals()`
  `CweOrder GetCommissaryOrder(string telmate_order_id)`

Note: All the processing of orders against rules (inventory, allowed items, etc) are controlled by the Commissary provider. Telmate Inmate Video Kiosks only enforce the inmate’s balance to prevent over-ordering by the inmate.
Automated Visitation Scheduling

Telmate is able to provide an automated scheduling interface that frees facility staff from the burdensome need to alert an inmate that they have a visitor and to manual connect visits or reschedule visit when an inmate has moved.

To facilitate automated visitation scheduling, Telmate requires accurate and timely JMS data. Without a realtime JMS integration, Telmate cannot accurately track inmate movement and, without timely inmate location data, cannot accurately schedule visitations. In addition, if the inmate is moved after a visitation reservation has been made, Telmate will not be able to reschedule previously calendared visitations. Telmate requires the following JMS integration points to facilitate automated visitation scheduling:

- Vendor will provide Telmate with necessary data as defined and proscribed by Telmate, at no charge to Telmate
- The facility will give Telmate 6 months advance notice when planning on changing JMS vendors
- The facility will allow Telmate to review any RFP that may affect existing business
- The JMS provider will follow Telmate’s SLAs
- Telmate’s SLA and contractual requirement will be included in JMS providers contracts and future facility RFPs regarding JMS services.

Details for JMS Vendors

To facilitate commissary the timely transfer of inmate data into the Telmate system, Telmate provides the following technical integration API for JMS providers. The Web services methods below allow vendors to facilitate real-time ordering through Telmate’s equipment. Alternate integration methods cannot be supported:

- Returns all the currently housed residents (resident_key is the unique key shared with Telmate and other systems):
  Resident[] GetCurrentResidents()
• Add or Update all the currently housed residents, those not included will be set as released. Will return the number of added or updated residents (resident_key, first_name, and last_name are required, available_balance and phone_balance are ignored but can’t be null, phone_pin is ignored):
  int SetCurrentResidents(Resident[] residents)

• Return info about one resident, housed or released (status values are: active or released):
  Resident GetResident(string resident_key)

• Add a currently housed resident (first_name, and last_name are required, resident_key is optional, one will be generated if left blank. If the resident_key matches a released resident, their status will be changed to housed. available_balance and phone_balance are ignored but can’t be null, phone_pin is read-only and will be returned):
  Resident AddResident(Resident resident)

• Update a currently housed resident (resident_key, first_name, and last_name are required, available_balance and phone_balance are ignored but can’t be null, phone_pin is read-only and will be returned):
  Resident UpdateResident(Resident resident)

• Release an inmate (resident_key is the unique key shared with Telmate and other systems):
  int ReleaseResident(string resident_key)

• Set the photo for a resident (the photo’s filename and its content must be base64 encoded):
  Resident SetResidentPhoto(string resident_key, Photo photo)

Telmate additionally requires a secure network connection to safely exchange data. Please see the section titled “Network Details for All Vendors” at the end of this document.

Fully Automated Prepaid Sales to Inmates

The Telmate Inmate Prepaid Account eliminates the need for calling cards and traditional collect call procedures, while saving your facility time and money. The inmate simply transfers funds from their trust accounts into their calling account right from any inmate phone, inmate kiosk, or commissary. Their friends & families are also able to deposit funds into an inmate’s calling account with a wide-variety of deposit options. The feature also helps eliminate the use of prepaid cards as inmate currency, which can lead to gambling, extortion, and theft within facility walls.

Telmate is able to provide inmate phone prepaid sales through both Telmate’s inmate phones and inmate touchscreen kiosks (video stations). This service frees up facility officers and staff from the burden of collecting and processing inmate prepaid requests manually and expedites the order process for an inmate from days to seconds allowing them to reach friends & family members immediately.

In order to provide this feature, Telmate must have a real-time inmate prepaid sales integration, which requires the following:

• A real-time integration with the inmate accounting vendor / commissary vendor at no charge
- The accounting vendor will process real-time inmate prepaid sales at no charge to Telmate and without additional charges to inmates. Telmate already has integrations for this with all major commissary providers.
- Telmate will provide a detailed "Inmate Prepaid Sales Report" via email on a monthly basis.
- The reports will be for a single calendar month.
- Telmate will deduct the monthly inmate prepaid sales from the monthly commission check.
- Telmate reserves the right to invoice weekly should the sales volume be high.

Automated Inmate Trust Fund Deposits and Reporting

Telmate needs inmate accounting (trust) and other services outlined in the above sections so that we can help offset the high cost of providing video visitation at no cost to the facility and meet the state requirements for providing free onsite visits. Telmate is better suited for providing this service than the commissary or inmate account provider because Telmate's solution notifies an inmate when money is deposited to their account, we provide the inmate with real-time inmate accounting via our Telmate Inmate Station and are fully integrated with all major commissary providers. In order to provide full functionality for this feature set, Telmate requires the following:

- The inmate accounting vendor handling the facility's inmate accounting must provide an integration, at no charge to Telmate, within 60 days of amendment signing.
- The inmate accounting vendor will provide real-time trust balance reporting.
- Telmate will be exclusive provider for accepting all of trust, bail and other payment/deposit services for the facility for at least an additional five (5) years beyond the existing contract term.
- The facility will not accept direct payments for trust, bail and other services.
- Standard fees when our Inmate Video Station solution is provided to your facility
  - Cash Deposit via Kiosk: 3.95% with a $3.95 minimum
  - Credit Deposit via Kiosk: 9% plus $6.95
  - Live Operator Assisted Deposit: 9% plus $8.95
  - Automated Toll Free Deposit: 9% plus $6.95
- Telmate will send an ACH transfer to Facility for Trust and Other Services payments twice each month.
- Payments will be made within 3-5 business days after the reporting period. Reporting periods are from the 1st to 15th of each month, and the 16th to the end of each month.
- Telmate will provide an electronic report of Trust and Other Services Deposits monthly with transfer
- JMS and/or Commissary with whom we must integrate to provide these services will follow Telmate's SLAs for services necessary to deliver this product.
- The inmate accounting vendor will follow Telmate's Service Level Agreement regarding uptime and support. Telmate's service level agreement typically provides a higher standard of service response time and guaranteed uptime than vendors provide by default. This additionally includes the vendor providing Telmate with a 24/7 contact method for Telmate to use when services are down or impacted, and the providing of log files and the status of specific transactions to help in determining the cause of any integration issues that may arise.
Details for Inmate Accounting Vendors

To facilitate trust transfers from Telmate Inmate Video Stations, Telmate provides the following integration features for inmate accounting providers in order to allow them to support real-time ordering through Telmate’s equipment. Alternate integration methods cannot be supported:

- Send the inmates current available trust balance (the trust balance is read to the inmate before they request a transfer and used to enforce a maximum purchase limit):
  ```csharp
  Resident SetAvailableBalance(string resident_key, float available_balance)
  ```
- Get all inmate transfer requests not yet confirmed (negative transfers are receivables to the Telmate account):
  ```csharp
  Transfer[] GetPendingTransfers()
  ```
- Confirm transfers (negative amounts may be altered to reflect available balance. This can be used to adjust down an inmate’s request to a new balance, or because of reserved amounts on the inmate’s total balance. Adjusting to zero will essentially deny the transfer request):
  ```csharp
  Transfer[] ConfirmPendingTransfers(Transfer[] transfers)
  ```

Telmate requires that it be allowed to accept trust deposits through our lobby kiosk, website, and live customer service. This requires the Commissary or Trust Accounting provider to consume the following services:

- Get all inmate transfer requests not yet confirmed (positive transfers are receivables to the commissary/trust account):
  ```csharp
  Transfer[] GetPendingTransfers()
  ```
- Confirm Pending Transfers:
  ```csharp
  Transfer[] ConfirmPendingTransfers(Transfer[] transfers)
  ```

Telmate additionally requires a secure network connection to safely exchange data. Please see the section titled “Network Details for All Vendors” at the end of this document.

Network Details for All Vendors

Integrating with Telmate requires a secure network connection. Telmate offers a secure Web service for other service providers to interact with (consume). This Web service is hosted on the public Internet and secured with a username, password and HTTPS. The commissary and inmate accounting service providers must have the ability to connect to this service in real-time.

Details for Vendors

A secure network connection with Telmate requires one of the following network setups:

- Direct access to the public Internet from the Commissary and Trust Providers
- Secure VPN setup between Telmate servers and the network hosting commissary/inmate accounting/jms software. Telmate supports the following VPN encryption methods:
  - Handshake Phase 1 Options: IKE, Group2 Diffie-Hellman, 3DES, MD5
  - Handshake Phase 2 Options: ESP, 3DES, MD5 (no PFS)