



SOLUTIONS SERVICES AGREEMENT

This Agreement, dated effective Wednesday October 9, 2017 ("Agreement Date") is entered into by and between Marshall County Sheriff's Office (hereafter "PARTICIPANT") and Encartele, Inc., a Nebraska corporation (hereafter "CONTRACTOR"). PARTICIPANT and CONTRACTOR are sometimes referred to individually as a "PARTY" or collectively as the "PARTIES".

RECITALS

WHEREAS, PARTICIPANT desires to acquire correctional service solutions (hereinafter referred to as "SERVICES" provided by CONTRACTOR, as indicated in Attachment "A" of this Agreement for its Facility(s) (the FACILITY"); and

WHEREAS, CONTRACTOR is a qualified vendor of the SERVICES being offered; and

WHEREAS, PARTICIPANT desires to enter into an agreement with CONTRACTOR for the SERVICES being offered for the FACILITY.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained herein, it is mutually agreed as follows:

DEFINITIONS

Contractor Provided Service - Correctional Service Solutions for which CONTRACTOR provides dedicated equipment for the purpose of providing proprietary Services as indicated in Attachment "A" of this Agreement.

Commission - The royalty payment paid to the PARTICIPANT for the right to provide SERVICES at the FACILITY.

Telephone Call - Any LEC Collect, Direct Collect, PIN Debit or Calling Card Call terminated and billed from an inmate telephone.

LEC Collect Call - A collect telephone call whereby the called party accepts charges for a call and agrees to pay for the call by being billed on their Local Telephone Company's telephone bill.

Direct Collect Call - A collect telephone call whereby the called party accepts charges for a call and agrees to pay for the call with deposited funds held on account by the CONTRACTOR.

PIN Debit Call - A telephone call whereby the calling party pays for the call prior to it being placed.

Calling Card Call - A telephone call paid for by purchasing a calling card and utilizing a PIN number to validate the funds available for the call.

Inmate Telephone - A telephone instrument provided by CONTRACTOR and utilized by inmates to place telephone calls from within the FACILITY.

Gross Billed Revenue - Total revenue billed for the specific services provided by CONTRACTOR without any deductions associated with the cost incurred by CONTRACTOR to deliver the SERVICES.

Inmate Telephone System - A controllable telecommunications system that processes and terminates telephone calls initiated by inmates from within a confinement facility.

Facility - The physical location where the SERVICES are installed and provided. This includes the current location(s) as well as any future location(s) that are constructed and/or moved in to during the term of this Agreement.

SCOPE OF WORK

PARTICIPANT hereby authorizes CONTRACTOR to provide all equipment necessary to provide said SERVICES at the FACILITY and attest that there are no other service agreements in place that directly conflict with the SERVICES being offered.

All equipment provided and utilized by CONTRACTOR for the provision of Contractor Provided Services offered to PARTICIPANT shall remain the property of CONTRACTOR. At the termination of this Agreement all equipment provided and utilized by CONTRACTOR for the provision of Contractor Provided Services shall be removed by CONTRACTOR at its expense from the FACILITY.

PARTICIPANT agrees to provide adequate space at the FACILITY to facilitate the installation of any and all equipment needed for providing the offered SERVICES.

During the term of this Agreement, CONTRACTOR shall be the exclusive provider of the SERVICES offered and contracted for the FACILITY.

CONTRACTOR agrees to provide the SERVICES at no cost to PARTICIPANT and provide service to the equipment necessary for providing the SERVICES and keep said equipment in repair at its own expense during the term of this Agreement. Contractor shall provide periodic maintenance service at its own cost.

COMMISSIONS

PARTICIPANT shall receive commissions for the SERVICES offered as outlined in the following table.

DESCRIPTION	COMMISSION	PAID ON
IceNet Inmate Telephone Service	Fifty Seven Percent (57%)	Gross Billed Revenue

Should PARTICIPANT elect to directly purchase and sell prepaid calling cards, PARTICIPANT will order said calling cards from CONTRACTOR and be invoiced by CONTRACTOR for the face amount of the cards ordered less the commission percentage associated with the cards for IceNet Inmate Telephone Service. PARTICIPANT will then submit payment for the calling cards to CONTRACTOR on net twenty (20) day terms. Should PARTICIPANT fail to make payment on the calling cards that PARTICIPANT ordered within the terms specified, CONTRACTOR has the right to deduct any unpaid calling card invoice amounts from future commissions. CONTRACTOR agrees that no sales tax will be charged on calling card orders provided that PARTICIPANT supplies its tax exemption certificate to CONTRACTOR.

Should PARTICIPANT elect to sell and distribute calling cards through their associated commissary provider, CONTRACTOR will sell said calling cards to the commissary provider for the full-face amount of the cards ordered less the commission percentage associated with the cards. PARTICIPANT agrees that commissions earned on the calling cards sold through the commissary provided will be paid by the commissary provider to the PARTICIPANT.

The first commission payment due to PARTICIPANT shall be remitted sixty (60) days following the end of the month in which the installation occurred, and subsequent commission payments due to PARTICIPANT shall be remitted monthly.

CONTRACTOR shall provide PARTICIPANT with access to its reporting website whereby PARTICIPANT can produce the following reports:

- Call Detail reports
- Commission reports

PARTICIPANT shall review the monthly report and report any discrepancies to CONTRACTOR for immediate rectification.

GUARANTEED ANNUAL REVIEW

CONTRACTOR shall annually conduct a complete review of the performance of service and operations under this Agreement. The purpose of this annual review is to improve efficiency and productivity under this Agreement, and to assure the expectations of CONTRACTOR and PARTICIPANT and the current service solutions of PARTICIPANT are met. With the approval of PARTICIPANT and CONTRACTOR, the terms of this Agreement may be annually amended by written addendum pursuant to the guaranteed annual review.

CONTRACT TERMS AND TERMINATION

Term - The contract term shall be FIVE (5) years commencing on October 4, 2017, and terminating SIXTY (60) months from the commencing date. CONTRACTOR agrees to extend to PARTICIPANT the option of extending the term of this contract for one (1) additional five (5) year period. This renewal or extension shall be upon the same commission then in effect, unless otherwise changed and agreed upon by both parties, and shall be automatically renewed at the end of the original term. If PARTICIPANT intends not to exercise its option, it shall notify CONTRACTOR in writing at least ninety (90) days prior to expiration of this contract.

Termination - In the event CONTRACTOR is purchased or otherwise acquired by another company, PARTICIPANT has the right to terminate this Agreement provided PARTICIPANT must provide written notice of such termination within ten (10) days following receipt of notice of such purchase or acquisition. Further, in the event of the bankruptcy of CONTRACTOR, PARTICIPANT may terminate this Agreement after PARTICIPANT obtains the service of a new inmate phone service provider. The Agreement may be terminated by either party for cause. In such case, the party requesting termination has to define in writing the reason for said termination and has to allow the other party the opportunity to cure the said reason within thirty (30) days. If the said

reason is not cured within the thirty day time-frame, the party requesting the termination may terminate the Agreement.

NO THIRD-PARTY BENEFICIARIES

The parties do not enter into this contract for the benefit of any person other than the parties to this contract, nor do they intend that any person be or become a third party beneficiary to this contract.

ASSIGNMENT AND SUBCONTRACTING

This contract and the covenants and agreements contained herein shall be binding upon and inure to the benefit of successors and assigns of the parties hereto and may not be assigned by either party hereto without the prior written consent of the other party. Any attempt to assign this contract in violation of this Paragraph is void and of no effect.

LIABILITY LIMITATION

Notwithstanding anything to the contrary in this Agreement, neither CONTRACTOR nor PARTICIPANT shall be liable to the other for any indirect, incidental, special or consequential damages, loss of profit or income, or loss of data, regardless of cause, Contractor's total liability to Participant is to provide the equipment, service and commissions to PARTICIPANT as is required in this Agreement.

FORCE MAJEURE

CONTRACTOR shall be excused from performance under this Agreement to the extent such performance is prevented by any act of government or regulatory action, war, civil disobedience, terrorism, labor strike, or failure of a third party to perform. In addition, CONTRACTOR shall be excused from performance due to the failure, fluctuation or outage of electrical power, heat, air-conditioning or equipment failure or similar event beyond its reasonable control; provided that CONTRACTOR shall use reasonable efforts to return to full performance as expeditiously as possible.

CONTRACTOR reserves, but shall not unreasonably exercise, the right to renegotiate the terms of this Agreement upon 60 days advance written notice to PARTICIPANT when any government body, or its regulatory agents, change service rates, adopt restrictive regulations, or mandate operations by law, or where inmate population or capacity of Participant facility materially changes. PARTICIPANT acknowledges that the services provided by CONTRACTOR are subject to federal, state, and local regulatory requirements, and CONTRACTOR must perform in compliance therewith.

NOTICES

All notice or other communications required or permitted to be given under this contract shall be in writing and shall be deemed to have been duly given if delivered personally by hand, via overnight courier, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the appropriate party at the following address or such other address as may be given in writing to the parties:

PARTICIPANT:

Marshall County Sheriff's Office
2369 Jessup Ave.
Marshalltown, IA 50158
Attn: Sheriff Steve Hoffman

CONTRACTOR:

Encartele, Inc.
8210 South 109th Street
La Vista, NE 68128
Attn: Scott Moreland

SOLE AND EXCLUSIVE AGREEMENT; MODIFICATION

This contract represents the sole and exclusive agreement between the parties hereto, and this contract shall not be changed, modified or amended except by a written agreement executed by the parties.

NON-ASSUMPTION OF LIABILITY

Neither party shall be liable to anyone for the acts or failures to act of either party, its agents or employees. Further, notwithstanding anything herein to the contrary, neither party shall be liable to the other, or to an inmate or inmate's family, for any incidental, indirect, special, consequential or other damages or for lost profits even if advised in advance of the possibility of such. If CONTRACTOR is unable to perform due to events beyond its reasonable control, CONTRACTOR shall be relieved of its obligations so affected only for as long as such circumstances prevail.

INDEMNIFICATION BY CONTRACTOR

CONTRACTOR will indemnify and shall keep, save and hold harmless PARTICIPANT from and against loss and any all claims, demands, causes of action, damages, costs or liability arising from or out of any breach of this contract by CONTRACTOR.

RESOLUTION OF PROBLEMS AND DISPUTES

If either party believes the other party has violated the terms of this contract, the party having such belief shall notify the other party, in writing, of the alleged violation. The parties shall then meet and confer on the issue within five (5) day(s) of receipt of the written notice.

NON-WAIVER OF BREACHES

The waiver of any breach of this contract by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

CONFIDENTIALITY

The terms of this contract shall be kept confidential, except as required by law.

GOVERNING LAW AND VENUE

This contract shall be governed by the laws of the State of Nebraska (without regard to the choice of law provisions thereof) and the parties agree that venue for any legal proceedings or otherwise shall exclusively be in the state and federal courts located in Douglas County, Nebraska.

UNENFORCEABILITY OF PORTION OF CONTRACT AND SEPARATION OF OTHER PROVISIONS OF CONTRACT

If any provisions contained in this contract are held to be unenforceable by a court of law or equity, this contract shall be construed as if such provision did not exist, and the enforceability of such provisions shall not be held to render any other provision or provisions of this contract unenforceable.

EFFECT OF HEADINGS

Section and paragraph headings used herein are provided solely for purposes of convenience, and are not intended to limit or define the meaning of the text to which they apply, or to be used in construing or interpreting this contract.

COUNTERPARTS

This contract may be executed in one or more counterparts, each of which is to be deemed an original, and all of which constitute, collectively, one agreement.

IN WITNESS WHEREOF, this contract has been executed by each of the parties by their duly authorized legal representatives.

MARSHALL COUNTY SHERIFF'S OFFICE

<u>X</u> <u>Steve Hoffman</u> SIGNATURE	<u>STEVE HOFFMAN</u> PRINTED NAME
<u>SHERIFF</u> TITLE	<u>10-11-17</u> DATE

ENCARTELE INC.

<u>X</u> <u>Scott Maveland</u> SIGNATURE	<u>Scott Maveland</u> PRINTED NAME
<u>President</u> TITLE	<u>11-21-17</u> DATE

ATTACHMENT "A"

SERVICE DELIVERABLES AND VALUES

The following listed items are to be installed to the PARTICIPANT at no cost. These figures provide a valuation of equipment and service deliverables to be provided to the PARTICIPANT.

Service/Product Description	Unit Value	Quantity	Total Value
Service/Product as per pervious Agreement			
CIDNET Inmate Communications Device	\$1,500.00	17	\$25,500.00
50 Inch Cellcast Broadcast Unit	\$1,100.00	9	\$11,000.00
PIN Debit Interface with Commissary	\$3,500.00	1	\$3,500.00
	Total Valuation:		\$37,400.00

HOURLY LABOR RATES

Software Installation and Set Up	\$200.00
CIDNET Platform Training	\$200.00
Hardware Installation and Set Up	\$200.00

COMMISSION PAYMENT

Fifty Seven Percent (57%) commission will be paid on Gross Billed Revenue.