

Reliance

Telephone, Inc.

INMATE TELEPHONE LOCATION AGREEMENT

STATE OF (MINNESOTA)

COUNTY OF (Fillmore)

This Inmate Telephone Location Agreement made this the 4 day of Jan, 2007 by and between, Fillmore County, a body corporate and political, Preston, Minnesota, hereinafter called LESSOR and Reliance Telephone of Grand Forks Incorporated, 118 Gateway Drive, East Grand Forks, MN 56721, hereinafter called LESSEE, on the following terms and conditions.

1. LESSOR, for and in consideration of the rent hereinafter set out and service provided by LESSEE, does hereby lease to said LESSEE locations upon and within the property known as Fillmore County Jail in Preston, Minnesota and does hereby grant, an exclusive right and license, for a term of (3) years for the purpose of installing and operating collect, phone card or other inmate telephones. This agreement shall be automatically renewed at one year intervals after the first (3) year term unless a notice is given 30 days prior to the termination date. The effective start date is the 5th day of Feb, 2007.
2. The lease payment shall be for each inmate telephone installed in the location.
3. LESSEE shall pay LESSOR a percentage of the gross revenue derived from the operation of the Phones in return for the exclusive right to install and operate the Phones in the premises. Payments to LESSOR shall be on a monthly basis thirty to sixty (30-60) days after the end of each calendar month. The commission payment shall be as per the attached schedule. () **OPTION A:** Gross revenue shall include all of the revenue generated from the actual call traffic from the facility. Or () **OPTION B:** Gross revenue shall be revenue generated by the facility adjusted for expenses (adjusted gross revenue).
4. LESSEE shall, at its sole expense, cause collections to be made from the Phones on a regular basis and shall provide LESSOR, a monthly billing and collection report, certified by an officer of Lessee. Reports shall be in a form and contain sufficient information to allow LESSOR to reasonably monitor and calculate compensation due from LESSEE under the terms of this Agreement.
5. LESSOR and LESSEE hereby agree that:
 - (A) LESSOR shall notify LESSEE of any malfunction of loss if inmate telephone service and shall allow LESSEE access to LESSOR'S place of business during normal business hours for inmate telephone repair, maintenance and collection. Lessee shall promptly repair or replace faulty equipment and otherwise assure inmate telephone service is available at all times.

Best Equipment, Service and Commission Guaranteed

Established in 1983

118 Gateway Drive ♦ East Grand Forks ♦ MN ♦ 56721

Phone: (888) 773-6408 ♦ Fax: (218) 773-7100

Website: www.reliancetelephone.com ♦ E-mail: dave@reliancetelephone.com

Reliance Telephone, Inc.

(B) LESSOR shall exercise reasonable care in preventing damage or destruction to the inmate telephone installed under this Agreement but shall not be liable or responsible for such loss, damage or destruction unless caused by the willful conduct of LESSOR.

(C) The location of the inmate telephones and the space provided shall be such as to make the service available to the jail population and no action which prevents or adversely affects the use of the inmate telephone will be taken by LESSOR or its employees except that access can be unilaterally restricted for disciplinary or security reasons.

(D) All phones, wiring, if any, shall be installed by LESSEE at its expense and LESSOR hereby authorizes LESSEE to contact the local Telephone Company to arrange for removal of existing inmate telephones and the installation of necessary phone lines at LESSEE'S expense. LESSEE shall install telephones at locations specified by LESSOR.

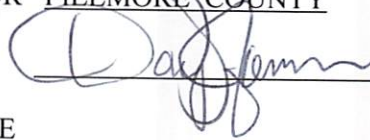
(E) All inmate telephone and other equipment, fixtures and supplies furnished by LESSEE shall remain its property. Upon termination of the Agreement LESSEE shall have the right to enter upon the location to remove all of its property and shall do so upon request of LESSOR.

(F) This agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. This is the sole agreement between the parties hereto superseding all previous agreements and shall bind the parties, their successors and assigns. Each acknowledges the receipts and retention of a fully executed copy hereof.

EXECUTED this 4th day of Jan, 2006, by the undersigned parties.

LESSOR FILLMORE COUNTY

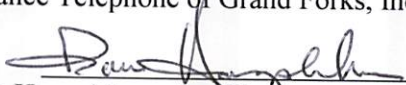
BY



LESSEE

Reliance Telephone of Grand Forks, Inc.

BY



Dave Hangsleben, President

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COMMISSION SCHEDULE 2006

COMMISSION PLAN (A)

(Payment on all traffic sent from the facility)

COLLECT CALL GROSS REVENUE FOR THE MONTH

Applicable Rate

<u>For Volume</u>	<u>For Volume Level</u>
0.00-2,500.00	15%
2,501.00-5,000.00	17%
5,001.00-7,500.00	19%
7,501.00-10,000.00	21%
10,001.00-12,500.00	23%
12,501.00-15,000.00	25%
15,001.00-17,500.00	27%
17,501.00-20,000.00	29%

PHONE CARDS

Phone card traffic commission is at 30% if using .50/min cards, and the above rate schedule if using \$.40/min cards.
There are no surcharges on any phone cards.

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RECEIVED
JAN 8 2007