

EXHIBIT 2

ICSolutions Inmate Telephone Services Agreement with Baldwin County, Alabama

PRISON
POLICY INITIATIVE

INMATE TELEPHONE SERVICES AGREEMENT

This Inmate Telephone Services Agreement ("Agreement") is made by and between Inmate Calling Solutions, LLC, d/b/a IC Solutions ("ICS"), having its principal place of business at 2200 Danbury Street, San Antonio, TX 78217, and the Baldwin County Commission ("BCC") with its principle address as set forth on Exhibit A, attached hereto, , and the Baldwin County Sheriff's Office ("BCSO") having its Corrections Center located at the address set forth on Exhibit A, attached hereto (the "Facility").

- 1. Term of Contract.** This Agreement shall commence upon the date inmates within the Facility begin placing telephone calls from the Equipment, which has been estimated to be 2-27-13 (the "Cutover Date") based on this Agreement being fully executed not less than 45 days prior to such date. This Agreement shall remain in force and effect for three (3) years from the date of the bid award. Upon termination of this Agreement, Facility shall immediately cease any use of any Equipment provided hereunder.

At the end of the three (3) year term of the Agreement, ICS agrees to provide service on a month-to-month basis on the same pricing, terms and conditions until the BCC can procure a new Contract through the ITB process.

The BCC may terminate the Agreement in the event of a material breach. The BCC will give a thirty (30) day written notice of the breach. If the specified breach is not corrected by ICS within thirty (30) days, the BCC will have the right to terminate this Agreement without further notice.

- 2. Equipment.** This Agreement applies to the provision of Equipment by ICS within space provided by the BCC at each of the locations listed on Exhibit A, attached hereto (each a "Location"). The term "Equipment" is defined herein as telephone sets and computer systems and software, all as more fully described on Exhibit B, attached hereto. All Equipment shall be installed by properly trained personnel and in a good, workmanlike manner. Any Equipment of ICS installed upon the premises owned, leased or otherwise under the supervision of BCC or BCSO, shall remain in all respects the property of ICS. Notwithstanding the foregoing, any Equipment listed as Additional Technology on Exhibit B shall become the property of BCC at the end of the initial term of this Agreement. ICS shall provide software support & warranty for this Equipment throughout the initial term and each renewal term of this Agreement. ICS reserves the right to remove or relocate Equipment (Excluding Additional Technology), which is subjected to recurring vandalism or insufficient usage. ICS shall not exercise such right of removal or relocation unreasonably and, in any case with at least thirty (30) days prior notice to BCC. Upon removal of Equipment by ICS, ICS shall restore the premise to its original condition, ordinary wear and tear excepted.
- 3. Alteration and Attachments.** BCC and the BCSO shall not make alterations or place any attachments to Equipment and Equipment shall not be moved, removed, rendered inoperable or unusable, or made inaccessible to inmates or users by BCC or BCSO without the express written permission of ICS.
- 4. Training.** ICS shall provide one full day of on-site training plus up to two hours of internet-based training at no cost to BCC or BCSO. Additional training may be provided upon BCC's request based on availability and quotation from ICS.
- 5. Call Rates.** ICS shall provide collect calling services to End-Users, on both a pre-paid and post-billed basis, at the rates and charges set forth on Exhibit C, attached hereto. ICS reserves the right to establish thresholds for the level of collect call credit to be allowed by the billed consumer. Rates and charges may be subject to change based on an order or rule of a regulatory authority having applicable jurisdiction.

6. **Commissions to Facility.** ICS will install, operate and maintain Equipment at no charge to BCC or BCSO. ICS will pay BCSO the commission amounts set forth on Exhibit D, attached hereto (collectively the "**Commissions**"), in consideration of the BCC granting ICS exclusive rights for the installation and operation of Equipment servicing the Locations. No Commissions shall be paid to BCC or BCSO on amounts relating to taxes, regulatory surcharges such as universal service fund, or other fees and charges not applicable to the billed calls.

Commission checks must be submitted to the BCSO on a monthly basis, and must be accompanied by a report that itemizes by facility, minutes of usage, number of calls, total gross revenue, revenue for each telephone, and total commission. Commission payments must be made within forty-five (45) days after the closing of the billing cycle. Mailing Address for commission checks is set forth on Exhibit A, attached hereto.

7. **BCC or BCSO shall:**
- a. Advise ICS of any Location or related premise that has been closed.
 - b. Reasonably protect the Equipment against willful abuse and promptly report any damage, service failure or hazardous conditions to ICS.
 - c. Provide necessary power and power source, at no cost to ICS, and an operating environment with reasonable cooling consistent with general office use.
 - d. Provide suitable space and accessibility for inmates' use of telephone services.
 - e. Permit ICS to display reasonable signs furnished by ICS and not affix or allow to be affixed any other signs, equipment or information to the Equipment.
 - f. Permit reasonable access by ICS to Facility's Locations as reasonably necessary for ICS to install, support and maintain the Equipment.
 - g. Comply with all federal, state and local statutes, rules, regulations, ordinances or codes governing or applicable to the telephone services offered by ICS.
8. **Law and Venue.** The domestic law of the State of Alabama shall govern the construction, interpretation, and performance of this Agreement and all transactions hereunder. All disputes hereunder shall be resolved exclusively in state or federal jurisdictions located in Baldwin County of Alabama.
9. **Notices.** Any notice or demand required hereunder shall be given or made by mail, postage prepaid, addressed to the respective party at the address first set forth above unless otherwise communicated in writing.
10. **Entire Agreement.** This Agreement, including Exhibits A through D and the terms and conditions set forth in the Invitation to Bid (Bid #WG13-01), which is attached hereto as "Exhibit E", constitute the entire Agreement between the parties and may not be modified or amended other than by a written instrument executed by both parties. In the event of a conflict between this Agreement, including Exhibits A through D and the Invitation to Bid as set forth in Exhibit E, the Invitation to Bid shall govern. Any orders placed by BCC or BCSO hereunder shall be incorporated herein by mutual consent of the parties and shall supplement but not supersede the provisions of this Agreement. The BCSO represents and warrants that it has the legal authority to make decisions concerning the provisions of space for telephones placed by ICS at the locations covered by the Agreement and

that ICS may rely thereon. This Agreement supersedes any prior written or oral understanding between the parties.

11. **Risk of Loss.** ICS shall relieve BCC and BCSO of all risk of loss or damage to Equipment during the periods of transportation and installation or operation of the Equipment.
12. **Default.** In the event either party shall be in breach or default of any terms, conditions, or covenants of this Agreement and such breach or default shall continue for a period of thirty (30) days after the giving of written notice thereof by the other party, then, in addition to all other rights and remedies at law or in equity or otherwise, including recovering of attorney fees and court cost, the non-breaching party shall have the right to cancel this Agreement without charge or liability. The waiver of any default hereunder by either party shall not constitute, or be construed as, a waiver of any subsequent default.
13. **Assignment.** This Agreement may be transferred or assigned, in whole or in part, by ICS to any parent, successor, subsidiary, or affiliate of ICS. ICS may sub-contract any portion of its duties hereunder provided, however, it shall remain at all times responsible for such sub-contracted duties. This Agreement may otherwise only be transferred or assigned by a party with the written consent of the other party, which consent shall not be unreasonably withheld or delayed.
14. **Relationship.** The parties hereto are independent contractors, and this Agreement shall not be construed as a contract of agency or employment. Each party shall be solely responsible for compliance with all laws, rules and regulations and payment of all wages, unemployment, social security and any taxes applicable to such party's employees. Each party represents and warrants that: (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; (b) the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate actions; (c) its performance hereunder shall be in compliance with applicable state and federal legal and regulatory requirements.
15. **Indemnification.** ICS shall at all times indemnify and save harmless the BCC and BCSO and their departments, officers and employees, against all liability, claim of liability, loss, cost or damage, including death, and loss of services, on account of any injury to persons or property, occurring from any cause whatsoever in the construction work involved in the contract, and will at ICS's expense defend on behalf of the BCC and BCSO and its departments, officers and employees, either or all, any suit brought against them or any of them, arising from any such cause.

The obligations of ICS under this paragraph shall not extend to the liability of the BCC or BCSO and their departments, their agents or employees arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or (2) the giving of or the failure to give direction or instruction by the BCC or BCSO departments, their agents or employees provided such giving or failure to give direction or instruction is the primary cause of the injury or damage.
16. **Force Majeure.** Either party may suspend all or part of its obligations hereunder and such party shall not otherwise be held responsible for any damages, delays or performance failures caused by acts of God, events of nature, civil disobedience, military action or similar events beyond the reasonable control of such party.
17. **Severability.** If any of the provisions of this Agreement shall be deemed invalid or unenforceable under the laws of the applicable jurisdiction, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of ICS, BCC and the BCSO shall be construed and enforced accordingly.

18. **Special ADA.** ICS will install Equipment in accordance with the Americans with Disabilities Act and any related federal, state and local regulations in effect at the time of installation. ICS shall make any alterations to the Equipment as necessary for its correct operation and/or compliance with applicable laws at no cost to BCC or the BCSO.
19. **Limitation of Liability.** IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOSS OF PROFITS, LOSS OF USE, LOSS OF GOODWILL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES REGARDLESS OF THE FORM OF ANY CLAIM, WHETHER IN CONTRACT OR IN TORT OR WHETHER FROM BREACH OF THIS AGREEMENT, IRRESPECTIVE OF WHETHER SUCH PARTY HAS BEEN ADVISED OR SHOULD BE AWARE OF THE POSSIBILITY OF SUCH DAMAGES.
20. **Warranty.** Subject to BCC AND BCSO's compliance with its obligations hereunder, Equipment shall be free from defects in workmanship and material, shall conform to ICS' published specifications in effect on the date of delivery or as otherwise proposed to BCC in writing, and shall not infringe any patent or trademark. This warranty shall continue while Equipment is in operation at each Location. BCC or BCSO shall provide ICS with prompt written notification as to the specifics of any non-conformity or defect and ICS shall have a commercially reasonable timeframe to investigate such nonconformity or defect. As BCC's sole and exclusive remedy, ICS shall, at ICS' sole option and expense, either: (a) correct any nonconformities or defects which substantially impair the functionality of the Equipment in accordance with the aforesaid specifications; (b) use reasonable efforts to provide a work-around for any reproducible nonconformities or defects which substantially impair the functionality of the Equipment in accordance with the aforesaid specifications; (c) replace such nonconforming or defective Equipment; or (d) promptly refund any amounts paid to ICS by BCC with respect to such nonconforming or defective Equipment upon ICS receipt of such nonconforming or defective Equipment. ICS does not warrant that the operation of the Equipment shall be uninterrupted or error-free. No warranty is made with respect to the use of Equipment on or in connection with equipment or software not provided by ICS. Equipment may contain recycled, refurbished or remanufactured parts which are equivalent to new parts. ICS makes no warranties or representations that it will solve any problems or produce any specific results.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES AND ICSOLUTIONS HEREBY DISCLAIMS ANY OTHER WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. THE FOREGOING SHALL BE THE SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO NONCONFORMING OR DEFECTIVE EQUIPMENT AND SERVICES. NOTHING CONTAINED HEREIN SHALL OBLIGATE ICS TO ENHANCE OR MODIFY THE SERVICES OR EQUIPMENT BEYOND THE SUBSTANTIAL FUNCTIONALITY INITIALLY ACCEPTED BY BCC, WHICH ACCEPTANCE SHALL BE DEEMED TO HAVE OCCURRED UPON THE GENERATION OF CALL REVENUE.

21. **No Hire/No Solicit.** During the term of this Agreement, and for a period of six (6) months thereafter, neither party shall solicit or hire the other party's employees, agents or representatives engaged by such party to perform work relating to this Agreement, without the express written consent of the other party.
22. **Confidentiality.** During the term of this Agreement, each party may disclose to the other certain proprietary information including, without limitation, trade secrets, know how, software, source code, techniques, future product plans, marketing plans, inventions, discoveries, improvements, financial data, business strategies and the terms of this Agreement (collectively, "Confidential Information") of a character identified by the disclosing party as confidential and that should reasonably have been understood by recipient, because of legends or markings, the circumstances of disclosure or the

nature of the information itself, to be proprietary and confidential to the disclosing party. Each party and each of its employees or consultants to whom disclosure is made shall hold all Confidential Information in confidence, and shall not disclose such information to any third party or apply it to uses other than in connection with the performance of this Agreement. Each party shall use the same degree of care that it utilizes to protect its own information of a similar nature, but in any event not less than reasonable duty of care, to prevent the unauthorized use or disclosure of any Confidential Information. A recipient may not alter, decompile, disassemble, reverse engineer, or otherwise modify any Confidential Information received hereunder and the mingling of the Confidential Information with information of the recipient shall not affect the confidential nature or ownership of the same as provided hereunder. The obligations of this paragraph shall survive termination of this Agreement for a period of three (3) years. This Agreement shall impose no obligation of confidentiality upon a recipient with respect to any portion of the Confidential Information received hereunder which is: (a) now or hereafter, through no unauthorized act or failure to act on recipient's part, becomes generally known or available; (b) lawfully known to the recipient without an obligation of confidentiality at the time recipient receives the same from the disclosing party, as evidenced by written records; (c) hereafter lawfully furnished to the recipient by a third party without restriction on disclosure; or (d) independently developed by the recipient without use of the disclosing party's Confidential Information.

Nothing in this Agreement shall prevent the receiving party from disclosing Confidential Information to the extent the receiving party is legally compelled to do so by any governmental or judicial agency having jurisdiction or in accordance with any applicable laws, rules or regulations. ICS understands that the BCC and BCSO are public entities which are required to produce public information.

23. **License to Use Software.** With respect to the Equipment provided under this Agreement, ICS hereby grants to BCC and BCSO a nontransferable, nonexclusive license to install, store, load, execute, operate, utilize and display (collectively, "Use") the runtime versions of the Enforcer[®] software in performance of this Agreement including, where applicable to the purposes hereunder, such Use on computers owned by BCC or BCSO. Such license is specific to the BCC or BCSO and Location(s) for which the ICS Services are provided and may not be transferred other than through an authorized assignment of this Agreement. Upon the termination hereof, this license and all rights of BCC or BCSO to Use the Enforcer[®] software will expire and terminate. BCC OR BCSO will not transform, decompile, reverse engineer, disassemble or in any way modify any of the Enforcer[®] software or otherwise determine or attempt to determine source code from executable code of any elements of the Enforcer[®] software.
24. **Third Party Software.** Third-party software licenses may be contained in certain software included with equipment and may therefore require a click-through acceptance by any users. Such software licenses are incorporated herein by reference and can be made available upon request.
25. **Taxes.** Except as expressly provided for herein, each party shall bear responsibility for its own taxes and such other costs and expenses arising in connection with the performance of their respective obligations hereunder.
26. **Insurance.** At all times during the Term of this Agreement, ICS shall maintain in effect the following types and amounts of insurance:
 - a. General Liability Insurance: \$1,000,000 per occurrence; \$1,000,000 personal injury; \$2,000,000 general aggregate; \$2,000,000 products/completed operations.
 - b. Commercial Automobile Liability: \$1,000,000 Combined Single Limit.

- c. Workers' Compensation: ICS shall comply with all workers' compensation requirements for the jurisdictions in which employees/representatives perform applicable duties.

ICS shall provide certificates evidencing the above coverage amounts upon request from BCC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives on the dates set forth below, and represent and warrant that they have full authority to execute this Agreement on behalf of their respective parties:

Inmate Calling Solutions, LLC ("ICS")

Brendan Philbin
(Signature)

Brendan Philbin
(Printed Name)

Vice President
(Title)

1-15-13
(Date)

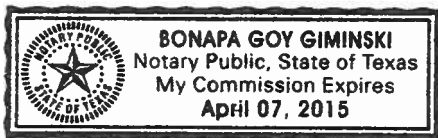
State of Texas)

County of Bexar)

I, BONAPA GOY GIMINSKI a Notary Public in and for said County and State, hereby certify that Brendan Philbin, whose name as Vice President of Inmate Calling Solutions, LLC, d/b/a ICSolutions, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he/she as such officer and with full authority, executed the same voluntarily for and as an act of said limited liability company on the day the same bears date.

GIVEN under my hand and seal on this the 15 day of JANUARY, 2013.

[Signature]
Notary Public
My Commission Expires 4/7/15



ADDITIONAL SIGNATURE AND NOTARY PAGES FOLLOW

Baldwin County Commission ("BCC")

Tucker Dorsey
(Signature)

Tucker Dorsey
(Printed Name)

Chairman
(Title)

6/16/13
(Date)

ATTEST:
David A. Z. Brewer
DAVID A. Z. BREWER



State of Alabama)
County of Baldwin)

I, Monica E. Taylor, a Notary Public in and for said County, in said State, hereby certify that, Tucker Dorsey, whose name as Chairman of the Baldwin County Commission, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said entity on the day the same bears date.

Given under my hand and official seal, this the day of January 16, 2013.

Monica E. Taylor
Notary Public
My Commission Expires

My Commission Expires 09/05/2016



Baldwin County Sheriff's Office "BCSO)

[Handwritten Signature]
(Signature)

Hey Hoss Mack
(Printed Name)

Sheriff
(Title)

1-16-13
(Date)

State of Alabama)
County of Baldwin)

I, *Wanda Gentry*, a Notary Public in and for said County, in said State, hereby certify that, Hoss Mack, whose name as Sheriff of Baldwin County, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said entity on the day the same bears date.

Given under my hand and official seal, this the day of *16th Feb*, 2013.

Wanda Gentry
Notary Public
My Commission Expires

**NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: July 28, 2014
BONDED THRU NOTARY PUBLIC UNDERWRITERS**

Exhibit A – Locations

Principle Business Address (used for all notices hereunder):

Baldwin County Commission
312 Courthouse Square, Suite 12
Bay Minette, Alabama, 36507

Service Locations:

Location Name

Address

Baldwin Corrections Center

200 Hand Avenue
Bay Minette, Alabama, 36507

Equipment to be shipped to:

Baldwin Corrections Center

200 Hand Avenue
Bay Minette, Alabama, 36507

Commissions to be paid to:

Baldwin County Sheriff's Office
Finance Division
111 East 4th Street
Bay Minette, Alabama, 36507

Exhibit B – Equipment & Services

Equipment:

- ✓ Centralized Call Processing
- ✓ 51 x Stainless Inmate Telephones
- ✓ 13 x Visitation phone pairs
- ✓ 1 x Workstation
- ✓ 1 x Printer
- ✓ 2 x TDD\TTY devise
- ✓ 4 x Adtran 924e IP Gateways
- ✓ 1 x Cisco Managed Switch
- ✓ 1 x APC UPS unit with Power Management Module
- ✓ 4 x 66 Terminal Blocks
- ✓ 1 x Rack, Cables & Connector Package

Services:

- ✓ JMS Integration
- ✓ Pre-Call Validation Voice Print
 - Optional : Upgrade to Investigator PRO - \$0.25 per Call Non-Commissionable License Fee
- ✓ Nexidia Word Search
- ✓ Inmate Voice Mail
 - \$1.00 per Message \$0.50 Commission to Facility
- ✓ Automated IVR

Exhibit C – Call Rates

The following rates apply to all calls from Facility locations:

<u>Call Type</u>	<u>Per Call Charge</u>	<u>Per Minute Charge</u>
Local	\$2.75	\$0.00
IntraLATA	\$2.25	\$0.30
InterLATA	\$2.25	\$0.30
Interstate	\$3.95	\$0.89
International*	\$4.00	\$1.00

NOTES: Domestic interstate rates apply for calls to U.S. territories including American Samoa, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands. All non-U.S. destinations are rated as international (* Debit and Debit Card only).

A standard fee of \$6.95 shall apply to all PrePaid Account funding events. Refund fees shall be waived. A Billing Statement Fee of \$2.49 shall be applied to monthly billing cycles that include collect calls.

Call rates shown do not include local, county, state and federal taxes, regulatory fees and billing fees.

Exhibit D – Commissions

ICS shall pay to Facility a Commission of **84.1 %** of the gross revenue generated for all call types from Facility's locations with a guaranteed minimum average Commission of \$55.00 per inmate per month.

Commissions shall be made payable and sent to the address so designated on Exhibit A to this Agreement.