EXECUTIVE DOCUMENT SUMMARY

State Form 41221 (R10/4-06)

Instructions for completing the EDS and the Contract process.

1. Please read the guidelines on the back of this form.
2. Please type all information.
3. Check all boxes that apply.
4. For amendments / renewals, attach original contract.
5. Attach additional pages if necessary.

5308

7/22

1. EDS Number:	2. Date prepared:
D12-8-073	5/16/2011

3. CONTRACTS & LEASES

- X Professional/Personal Services
- ___ Grant
- ___ Lease
- ___ Attorney
- ___ MOU
- ___ QPA _____
- ___ Contract for procured Services
- ___ Maintenance
- ___ License Agreement
- X Amendment# 3
- ___ Renewal # _____
- ___ Other _____

FISCAL INFORMATION

4. Account Number:	5. Account Name:
13500-10615.	CORRECTIONS DEPARTMEN
6. Total amount this action: $0.00	7.New contract total: $0.00
8. Revenue generated this action: $433,333.00	9.Revenue generated total contract: $433333.00

10.New total amount for each fiscal year :

Year 2008	$0.00	Year 2013	$0.00
Year 2009	$0.00	Year 2014	$0.00
Year 2010	$0.00	Year 2015	$0.00
Year 2011	$0.00	Year 2016	$0.00
Year 2012	$0.00		

TIME PERIOD COVERED IN THIS EDS

11. From (month, day, year):	12. To (month, day, year):
7/1/2011	10/24/2015

13. Method of source selection:

___ Bid/Quotation ___ Emergency ___ Negotiated X Special Procurement

___ RFP# _____ ___ Other *(specify)* _____

AGENCY INFORMATION

14. Name of agency:	15. Requisition Number:
Department of Correction	

16. Address: Department of Correction
Central Office
302 W WASHINGTON ST RM E334
INDIANAPOLIS, IN 46204

AGENCY CONTACT INFORMATION

17. Name:	18. Telephone #:
Amanda Copeland	317/232-1926

19. E-mail address: acopeland@idoc.in.gov

COURIER INFORMATION

20. Name:	21. Telephone #:
Nicholas Law	317-232-5672

22. E-mail address: nlaw@doc.in.gov

VENDOR INFORMATION

23 Vendor ID # 0000221871

24. Name:	25. Telephone #:
JPAY INC	305-358-8689

26. Address: 169 E FLAGLER ST #837
MIAMI, FL 33131

27. E-mail address: danny@jpay.com

28. Is the vendor registered with the Secretary of State? (Out of State Corporations, must be registered) X Yes ___ No

29. Primary Vendor: M/WBE	30. If yes, list the %:
Minority: ___ Yes X No	Minority: _____ %
Women: ___ Yes X No	Women: _____ %
31 Sub Vendor:M/WBE	32. If yes, list the %:
Minority: ___ Yes X No	Minority: _____ %
Women: ___ Yes X No	Women: _____ %
33. Is there Renewal Langunge in the document? X Yes ___ No	34. Is there a "Termination for Convenience" clause in the document? X Yes ___ No

35. Will the attached document involve data processing or telecommunications systems(s)? X Yes: IOT or Delegate has signed off on contract

36. Statutory Authority *(Cite applicable Indiana or Federal Codes)*:
IC 11-8-2-5

37. Description of work and justification for spending money. *(Please give a brief description of the scope of work included in this agreement.)*

This Amendment extends for three additional years the no cost contract, and provides for commissions which will allow the contract to generate revenue for the State. The amendment removes certain services for electronic media which the IDOC will bid out, and other extends services being provided under the contract, which the IDOC requires. The term extension is necessary for the IDOC to generate revenue and the vendor to re-coup its investement into equipment installed pursuant to the contract.

38. Justification of vendor selection and determination of price reasonableness:

REVENUE GENERATING. Services are at no cost to the IDOC, and will generate revenue for the IDOC. Commissions are in line with those obtained by other agencies for similar services.

RECEIVED
JUN 08 2011
OAG-ADVISORY

39. If this contract is submitted late, please explain why: *(Required if more than 30 days late.)*

40. Agency fiscal officer or representative approval	41. Date Approved	42. Budget agency approval	43. Date Approved
Michael Gilbertson	5-20-11		6/1/2011
44.Attorney General's Office approval	45. Date Approved	46. Agency representative receiving from AG	47. Date Approved
	6-9-11		

23482-003

EXECUTIVE DOCUMENT SUMMARY

State Form 41221 (R10/4-06)

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5. Attach additional pages if necessary.

1. EDS Number:	2. Date prepared:
D12-8-073	5/16/2011

3. CONTRACTS & LEASES

- [X] Professional/Personal Services
- [ ] Grant
- [ ] Lease
- [ ] Attorney
- [ ] MOU
- [ ] QPA
- [ ] Contract for procured Services
- [ ] Maintenance
- [ ] License Agreement
- [X] Amendment# 3
- [ ] Renewal #
- [ ] Other

FISCAL INFORMATION

13500

4. Account Number: 1000-10815.	5. Account Name:
6. Total amount this action: $0.00	7.New contract total: $0.00
8. Revenue generated this action: $400,000.00	9.Revenue generated total contract: $400000.00

10.New total amount for each fiscal year :

Year 2008	$0.00	Year 2013	$0.00
Year 2009	$0.00	Year 2014	$0.00
Year 2010	$0.00	Year 2015	$0.00
Year 2011	$0.00	Year 2016	$0.00
Year 2012	$0.00		

TIME PERIOD COVERED IN THIS EDS

11. From (month, day, year):	12. To (month, day, year):
7/1/2011	10/24/2015

13. Method of source selection:

- [ ] Bid/Quotation
- [ ] Emergency
- [ ] Negotiated
- [X] Special Procurement
- [ ] RFP#
- [ ] Other *(specify)*

AGENCY INFORMATION

14. Name of agency:	15. Requisition Number:
Department of Correction	

16. Address: Department of Correction
Central Office
302 W WASHINGTON ST RM E334
INDIANAPOLIS, IN 46204

AGENCY CONTACT INFORMATION

17. Name:	18. Telephone #:
Amanda Copeland	317/232-1926

19. E-mail address: acopeland@idoc.in.gov

COURIER INFORMATION

20. Name:	21. Telephone #:
Nicholas Law	317-232-5672

22. E-mail address: nlaw@doc.in.gov

VENDOR INFORMATION

23 Vendor ID # 0000221871

24. Name:	25. Telephone #:
JPAY INC	305-358-8689

26. Address: 169 E FLAGLER ST #837
MIAMI, FL 33131

27. E-mail address: danny@jpay.com

28. Is the vendor registered with the Secretary of State? (Out of State Corporations, must be registered) [X] Yes [ ] No

29. Primary Vendor: M/WBE	30. If yes, list the %:
Minority: [ ] Yes [X] No	Minority: %
Women: [ ] Yes [X] No	Women: %
31 Sub Vendor:M/WBE	32. If yes, list the %:
Minority: [ ] Yes [X] No	Minority: %
Women: [ ] Yes [X] No	Women: %
33. Is there Renewal Langunge in the document? [X] Yes [ ] No	34. Is there a "Termination for Convenience" clause in the document? [X] Yes [ ] No

35. Will the attached document involve data processing or telecommunications systems(s)? [X] Yes: IOT or Delegate has signed off on contract

36. Statutory Authority *(Cite applicable Indiana or Federal Codes)*:
IC 11-8-2-5

37. Description of work and justification for spending money. *(Please give a brief description of the scope of work included in this agreement.)*

This Amendment extends for three additional years the no cost contract, and provides for commissions which will allow the contract to generate revenue for the State. It removes certain services which the State will bid out, and extends services being provided under the contract. The extension is necessary for the State to generate revenue and the vendor to re-coup its investement into equipment installed pursuant to the contract.

38. Justification of vendor selection and determination of price reasonableness:
Services are at no cost to the Department, and will generate revenue for the State. Commissions are in line with those obtained by other agencies for similar services.

39. If this contract is submitted late, please explain why: *(Required if more than 30 days late.)*

40. Agency fiscal officer or representative approval	41. Date Approved	42. Budget agency approval	43. Date Approved
44.Attorney General's Office approval	45. Date Approved	46. Agency representative receiving from AG	47. Date Approved

23482-003

AMENDMENT #3
EDS# D12-8-073

THIS IS THE THIRD AMENDMENT TO THE CONTRACT (this "Third Amendment") between the Indiana Department of Correction (the "State") and JPay, Inc., 12864 Biscayne Blvd. Suite 243, Miami FL 33181 (the "Contractor") dated October 25, 2007. The State and Contractor are collectively referred to in this Third Amendment as the "Parties".

RECITALS

Whereas the Parties have entered into a Contract dated as of October 25, 2007 (the "Contract"); all capitalized terms used but not otherwise defined herein shall have the meanings specified in the Contract), pursuant to which Contractor has provided services for the State during a Pilot Period.

Whereas the Contract was amended on November 17, 2008 in which the term of the Contract was extended until January 24, 2009, pursuant to which the State had an additional three months to further evaluate the Contractor's services and assess whether the Pilot Period has been a success.

Whereas the Contract was amended on January 24, 2009 in which the scope of Contractor's duties were changed and the term of the Contract was extended until October 24, 2012.

Whereas the Parties now desire to amend the Contract to modify the Duties of the Contractor and the respective obligations of the Parties as hereinafter provided.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual undertakings and covenants hereinafter set forth, the Parties agree to amend the Contract as follows:

1. The Contractor's address is changed to JPay, Inc., 12864 Biscayne Blvd. Suite 243, Miami FL 33181.

2. The contract term is extended to October 25, 2015. The entire Contract will begin October 25, 2007 and shall end on October 24, 2015.

3. Section 1 of the Contract is hereby amended in its entirety to read as follows:

1. Duties of the Parties

- The Contractor shall deploy, if not already deployed, for each Indiana Department of Correction facility, an electronic trust account payment system, a release debit card system, and a "lock box" service. Contractor shall be the exclusive provider of these services during the Contract term.

- The "lock box" service includes the collection of money orders from the public and other approved entities for payment to offender trust fund accounts. The Indiana Department of Correction agrees to announce to the public within forty-five (45) days of the execution of this Amendment, that it will cease accepting money orders from the public at its facilities for the purpose of funding offender trust accounts, and will direct the public to submit money orders directly to the Contractor for processing. For the term of the Agreement, the Indiana Department of Correction agrees that its website's homepage will state that all money orders must be submitted directly to the Contractor for processing. Notwithstanding the aforementioned, the Indiana Department of Correction reserves the right to accept and process money orders from the public on an individual or case by case basis as it deems appropriate. This "lock box" service shall be at no cost to the State. The State shall receive a commission on any fees charged to the public for processing money orders using the "lock box" service.

- Contractor agrees to verify each trust account payment against the recipient offender's visitor list. Contractor will be responsible for all refunds due to customers who are not on the recipient offenders' visitor lists with respect to payments made through Contractor's services. The IDOC shall provide Contractor with a visitor list via FTP at least once a day and Contractor will enhance the software for the lockbox system to support the visitor list requirement. If a customer's name is already on a visitor list, but is simply misspelled, then Contractor will correct the spelling on the customer's accounts. For three months following implementation of the "lock box" payment system Contractor shall provide the IDOC with the necessary materials and support to allow the IDOC to notify persons sending money orders directly to IDOC facilities that the IDOC will no longer be accepting money orders.

- Contractor may deploy at any adult IDOC facility inbound and outbound electronic messaging services through a secure wireless or wired network kiosk based system. The IDOC reserves the right to stop deployment of inbound and/or outbound electronic messaging at any facility based on a request from the facility's superintendent.

- Contractor may deploy at any IDOC correctional facility video visitation services through a secure wireless or wired network system. The IDOC reserves the right to stop deployment of video visitation at any facility based on a request from the facility's superintendent.

- Any rights of Contractor under the Contract to provide a kiosk based system for the delivery of services shall not be exclusive for all services capable of being delivered through a kiosk based system, except for those services for which Contractor has expressly contracted to provide in this Amendment.

- Any rights of Contractor whether express or implied under the Contract, for Contractor to provide electronic media and electronic media players to IDOC

facilities, are hereby removed from the Contract, and considered waived and forfeited by Contractor.

- Any additional services, not expressly mentioned in this Amendment, but which may be deployed under the Contract, including, but not limited to, electronic prepaid debit and phone payment system; electronic community correction payment system; electronic parole payment system; electronic grievance system; and cash accepting kiosks, and any future applications that may be deployed on the kiosks, are hereby removed from the Contract, and all contractual rights thereto are considered waived and forfeited by Contractor.

- The Contractor shall follow the fee schedule as laid out in Exhibit B, attached hereto and incorporated herein by reference. The Contractor shall not change the fee schedule without the prior written approval of the State. The State reserves the right to negotiate the fee schedule at any time for adjustments.

- Contractor agrees to pay the State commissions for transactions related to this Contract as more set forth and described in Exhibit B, attached hereto and incorporated by reference. Contractor agrees the IDOC will receive for the period July 1, 2011 to June 30, 2012, and for equivalent period of each subsequent year of the contract term, at least $100,000 in commissions based on the commissions set forth herein. If $100,000 in commissions is not received by the IDOC during the period July 1, 2011 to June 30, 2012, or equivalent period thereafter, Contractor agrees to pay the IDOC the difference between the actual commissions received in that period and $100,000, with payment due no later than 60 days after June 30, 2012, or the equivalent date thereafter.

- Contractor will pay all commissions directly to the State, and shall notify the State of the amount and date of each commission payment. The State will provide to Contractor the address for the State to which the commission shall be paid. Contractor will provide a report with each commission payment, indicating by IDOC facility and by each service the relevant commissions. Contractor shall pay the commissions owed by Contractor hereunder to the State on a monthly basis, prior to the 30th day of the following month.

- The State agrees to assign a Project Manager to be the point of contact regarding any and all issues pertaining to Contractor's services. The Project Manager will ensure that Contractor has access to the facility locations for the offender kiosk systems and ensure that appropriate State personnel will assist in a timely and efficient deployment of the Contractor's services. The Project Manager will also be available to consult for all ongoing project related items including Offender Kiosk System maintenance and technical issues. The Contractor shall assign an individual as point of contact with the relevant authority who shall be the point of contact for the State's Project Manager.

- Before Contractor installs any kiosk system using wireless technology, it will obtain pre-approval from the Indiana Department of Correction and the Indiana Office of Technology. Contractor shall provide the Indiana Department of Correction with the relevant specifications of its system to ensure its wireless system is secure and unable to be accessed or otherwise compromised by offenders. Contractor shall meet all State inside-cable plant standards for any wired installations.

- Upon completion of Contractor's work on a kiosk system, the Indiana Office of Technology will inspect and approve the work product. After said inspection, the Indiana Office of Technology will begin a three (3) signature approval process consisting of signatures by the Indiana Office of Technology, the Contractor, and the Superintendent of each State facility before placing the kiosk system into production.

- Contractor will work with the Indiana Office of Technology (IOT) to determine if there is available port density at each State facility. Contractor will be responsible for all hardware an installation associated with the services and equipment being provided, including, if required, all hardware and installation from the data ports and power outlets to the kiosks (e.g, from the RJ-45 data port and power outlet to kiosks).

- Contractor shall provide any necessary wiring required to deploy the services, contingent upon approval by the State, approval from the Indiana Department of Technology and such work conforming to the IOT standards.

- All software and applications developed by State staff shall be the property of the State and shall be turned over at the end of the contract term.

- All data and equipment pertaining to Contractor's services shall be owned and controlled by the Contractor. Contractor grants the State an irrevocable right and license to access the data during the term of this Contract and for a period of ninety (90) days following the termination of this Contract. All data and appropriate code books will be transferred to the IDOC within the 90 day period.

- All data entered into the Contractor system pertaining to the services of this contract shall be maintained with no deletions. The State shall have access to any and all data pertaining to the services of this contract.

- All data pertaining to the offender population shall be the property of the State and available to the State at its request.

- The Contractor or Sub-contractor performing payment processing must comply with all Payment Card Industry (PCI) Requirements.

- The Contractor will be responsible for all maintenance to its kiosk system and other systems it uses to provide services. The Contractor shall adhere to a timeline of 24 hours or less for fixing any major outage, interruption, or downtime with the services, and a timeline of 72 hours or less for any minor problems. Contractor shall provide the name of Contractor's agent for said maintenance and provide each facility with the name of the person to contact in the advent of a maintenance issue occurring.

- The Contractor will be responsible for the cost of any replacement or damaged kiosks, regardless of causation. The Contractor will be responsible for the costs associated in re-positioning kiosk units.

- The Contractor will be responsible for the training of all State staff that will have access or contact with Contractor's services. The Contractor will work with Indiana Department of Correction Training Division for implementation of all staff training programs. In addition, the Contractor will provide instruction to offenders in the operation of the kiosks and other systems being installed.

- The Parties agree to work together to promote the above-mentioned services through a print marketing campaign, promotion on the State's website, instructional videos and any other campaigns agreed to by the parties.

- The Contractor will be responsible for the marketing costs associated with the services provided.

- The Contractor will submit a copy of any current litigation affecting the operations and management that is pending resolution within thirty (30) calendar days of contract execution.

- All representatives of the Contractor and/or sub-contractor shall comply with all established State policy and procedures to include all correctional facility entrance and exit procedures, and personal and/or property searches. In addition, all representatives of the Contractor and/or sub-contractor shall possess photo identification at all times while working on State property, and shall have a written inventory of all equipment upon entrance to a correctional facility property. This written inventory may be held by State staff until the representative of the Contractor and/or sub-contractor exits State property.

- The Contractor may assign its rights and obligations under the Contract to any entity that controls, is controlled by, or is under common control with such Party upon prior approval of the State.

- The State recognizes that the Contractor has significant costs in satisfying several obligations under the Contract. Costs associated with deploying the Offender Kiosk Network include expenses for material, supplies, storage, capital purchases, labor and administrative overhead. Contractor will track all costs associated with

each facility deployment. These costs will amortize over a 48 month period starting from the date equipment is put into service and revenue is being realized. In the event the Contract is terminated by the State prior to the end of the Contract, all unamortized costs Contractor has experienced from deployment of infrastructure will be reimbursed in full. The deployed network and all offender kiosks will remain the property of the Contractor and be removed within a negotiated timeframe. The Contractor shall provide quarterly documentation to the State of all costs and expenses as set forth in this Clause.

- With respect to the facilities having inbound and outbound electronic messaging, the Contractor agrees to provide to each IDOC offender determined to be indigent by IDOC Policy and Procedure two (2) outbound electronic messages a month at no cost to the State.

- Contractor agrees to cooperate, and to work toward a suitable arrangement, with any vendor contracted by the State whose system interfaces with the approved systems.

4. "Exhibit B" which was attached and incorporated in the Second Amendment is hereby deleted from the Contract and replaced with "Exhibit B" which is attached to and hereby incorporated in this Third Amendment.

5. Section 30 of the Contract is hereby amended in its entirety to read as follows:

30. Notice to Parties

Whenever any notice, statement or other communication is required under this Contract, it shall be sent to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:
Bruce C. Lemmon, Commissioner
302 W. Washington St. Room E334
Indianapolis, IN 46204

B. Notices to the Contractor shall be sent to:
Ryan Shapiro, CEO
JPay, Inc.
12864 Biscayne Blvd. #243
Miami, FL 33181

6. This contract is to remain a "no cost" contract to the State. The total remuneration of this contract is not to exceed zero $0.00 dollars.

The terms of this Third Amendment shall supersede and replace any terms provisions in the Contract which are inconsistent with the terms of this Third Amendment. All other

matters previously agreed to and set forth in the Contract and not affected by this Third Amendment shall remain in full force and effect.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

Non -Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the Contractor, or that he/she is the properly authorized representative, agent, member or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Contract other than that which appears upon the face of this Contract.

In Witness Whereof, Contractor and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below hereby agree to the terms thereof.

JPay, Inc.:

By: _____
Printed Name: RYAN SHAPIRO
Title: CEO
Date: 5-11-11

(Where Applicable)

Attested By: _____
ERROL FELDMAN
GENERAL COUNSEL
5/11/11

Indiana Department of Correction:

_____ (for)
Bruce C. Lemmon, Commissioner

Date: 5-13-11

Indiana Office of Technology

By: _____ for
Printed Name: Brian Arrowood
Title: Chief Information officer
Date: 23-May-2011

Department of Administration

_____ (for)
Robert D. Wynkoop, Commissioner

Date: 5/26/2011

APPROVED as to Form and Legality:
Office of the Attorney General

_____ (for)
Gregory Zoeller, Attorney General

Date: 6-9-11

State Budget Agency

_____ (for)
Adam M. Horst, Director

Date: 6/7/2011

Exhibit B

EX B

FEE SCHEDULE

Electronic Payments

Sending Money With a Credit/Debit Card		
Deposit Amount	**Internet Fee**	**Phone Fee**
$0.01 - $20.00	$3.95	$4.95
$20.01 - $100.00	$6.95	$7.95
$100.01 - $200.00	$8.95	$9.95
$200.01 - $300.00	$10.95	$11.95

Sending Money With Cash (when applicable)			
Deposit Amount	**Kiosk Fee**	**Cash Agent Fee**	**Ace Cash Express Fee**
$0.01 - $5,000.00*	N/A	$8.95	$5.00

Sending Money With a US Postal Money Order	
Deposit Amount	**Processing Fee**
$0.01 - $1,000.00	**$1.95**

eMessaging

Inbound Electronic Messaging	
Stamps	**Fee**
10 Stamps	$4.00
21 Stamps	$8.00
43 Stamps	$16.00

Outbound Electronic Messaging	
Stamps	**Fee**
1 Stamp	$0.30
5 Stamps	$1.35
10 Stamps	$2.70

Exhibit B

Release Debit Card Transactions

Fees Assessed to the Released Prisoner	
Transaction	**Fee**
ATM Withdrawal (Domestic)	$2.00
ATM Decline (Domestic)	$0.50
ATM Withdrawal (International)	$4.00
ATM Decline (International)	$1.50
Release Card Purchase (PIN & Signature) (Domestic)	$0.70
Release Card Decline (PIN & Signature) (Domestic)	$0.50
Release Card Purchase (PIN & Signature) (International)	$3.00
Release Card Decline (PIN & Signature) (International)	$1.50
Monthly Service Charge	$0.50
Replacement Card	$5.00
Account Closure	$9.95
Expedited Card Replacement	$30.00
Automated Customer Service (per minute)	$0.25
Inactivity Fee (charged monthly if account is inactive for 90 days)	$2.99
Live Customer Service	$1.00
Statement (Print)	$1.50

Video Visitation

Charge for Customer per Video Visitation Session	
Minutes	**Fee**
0-25 Minutes (5 minutes free connect time is provided before the session begins allowing the session to last up to 30 minutes)	$9.95
Each Additional 30 Minutes	$9.95

Exhibit B

COMMISSION SCHEDULE

IDOC Commissions

Commissions Paid by Contractor to State: for Messaging and Video Visitation	
Type of Service	**Commission Amount**
Electronic Inbound Messaging	$0.04 per message
Electronic Outbound Messaging	$0.03 per message
Video Visitation	$1.00 per session

Commissions Paid by Contractor to State: Fees for Sending Money With a Credit/Debit Card				
Deposit Amount	**Internet Fee**	**Commission**	**Phone Fee**	**Commission**
$0.01 - $20.00	$3.95	$0.25 per trans.	$4.95	$0.25 per trans.
$20.01 - $100.00	$6.95	$0.25 per trans.	$7.95	$0.25 per trans.
$100.01 - $200.00	$8.95	$0.25 per trans.	$9.95	$0.25 per trans.
$200.01 - $300.00	$10.95	$0.25 per trans.	$11.95	$0.25 per trans.

Commissions paid by Contractor to State: Ace Cash Express Fee/Cash Agent Fee				
Deposit Amount	**Kiosk Fee**	**Cash Agent Fee**	**Ace Cash Express Fee**	**Commission**
$0.01 - $5,000.00*	N/A	$8.95	$5.00	$.25 per trans.

Commissions paid by Contractor to State: Sending Money With a US Postal Money Order	
Deposit Amount	**Lock Box Commission**
$0.01 - $1,000.00	**$1.45 per money order**

SJ 2/19/09

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FEB 16 8:44 By

4115 4/7

1. EDS Number:	2. Date prepared:
D12-8-073	1/26/2009

3. CONTRACTS & LEASES

X Professional/Personal Services
__ Grant
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__ Contract for procured Services
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X Amendment# 2
__ Renewal #
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Year 2008	$0.00
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__ RFP# __ Other (specify)

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16. Address: Department of Correction
Central Office
302 W WASHINGTON ST RM E334
INDIANAPOLIS, IN 46204

AGENCY CONTACT INFORMATION

17. Name: Joseph Fistrovich	18. Telephone #: 317/232-1062

19. E-mail address: jfistrovich@idoc.in.gov

COURIER INFORMATION

20. Name: Nicholas Law	21. Telephone #: 317-232-5672

22. E-mail address: nlaw@doc.in.gov

VENDOR INFORMATION

23 Vendor ID # 0000221871

24. Name: JPAY INC	25. Telephone #: 305-358-8689

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29. Primary Vendor: M/WBE Minority: __ Yes X No Women: __ Yes X No	30. If yes, list the %: Minority: __ % Women: __ %
31 Sub Vendor: M/WBE Minority: __ Yes X No Women: __ Yes X No	32. If yes, list the %: Minority: __ % Women: __ %
33. Is there Renewal Language in the document? X Yes __ No	34. Is there a "Termination for Convenience" clause in the document? X Yes __ No

35. Will the attached document involve data processing or telecommunications systems(s)? X Yes: IOT or Delegate has signed off on contract

36. Statutory Authority *(Cite applicable Indiana or Federal Codes)*:
IC 11-8-2-5

37. Description of work and justification for spending money. *(Please give a brief description of the scope of work included in this agreement.)*
This Amendment extends a one year pilot for electronic kiosk systems at IDOC facilities that provide electronic funds transfer, electronic mail messaging, offender debit cards, and video visitation to IDOC offenders, for 48 months.

38. Justification of vendor selection and determination of price reasonableness:
Services are at no cost to the Department. The vendor will pay for the venture by fees charged to offender users. Vendor cleared as sole source: it provides all kiosk services under single umbrella without sub-contractor relationships for components.

RECEIVED
MAR 05 2009
OAG-ADVISORY

39. If this contract is submitted late, please explain why: *(Required if more than 30 days late.)*

40. Agency fiscal officer or representative approval: Joseph Fistrovich	41. Date Approved: 1/27/09	42. Budget agency approval: X Eric Miller	43. Date Approved: 3/3/09
44. Attorney General's Office approval: X SWG	45. Date Approved: 3/6/09	46. Agency representative receiving from AG	47. Date Approved

23482-002

AMENDMENT #2
EDS# D12-8-073

THIS SECOND AMENDMENT TO THE CONTRACT (this "Second Amendment") is entered into as of the 24th day of January, 2009 (the "Effective Date") between the Indiana Department of Correction (the "State") and JPay, Inc., 12864 Biscayne Blvd. Suite 243, Miami FL 33181 (the "Contractor"). The State and Contractor are collectively referred to in this Second Amendment as the "Parties."

RECITALS

Whereas the Parties have entered into a Contract dated as of October 25, 2007 (the "Contract"; all capitalized terms used but not otherwise defined herein shall have the meanings specified in the Contract), pursuant to which Contractor has provided services for the State during a Pilot Period,

Whereas the Contract was amended on November 17, 2008 in which the term of the Contract was extended until January 24, 2009, pursuant to which the State had an additional three months to further evaluate the Contractor's services and assess whether the Pilot Period has been a success,

Whereas the Contractor has completed the Pilot Period and provided services to the satisfaction and approval of the State,

Whereas the Contract's terms allow for the Contract to be extended beyond the Pilot Period,

Whereas the Parties now desire to amend the Contract to reflect changes to the Duties of the Contractor and to extend the term of the Contract as hereinafter provided:

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual undertakings and covenants hereinafter set forth, the Parties agree to amend the Contract as follows:

The Contract term is extended for forty eight (48) months in addition to the 12 month original term. The entire Contract term shall begin on 10/25/2007 and end on 10/24/2012.

The following paragraphs under Clause 1. Duties of the Contractor are removed from the Contract in their entirety:

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- The Contractor will initially deploy the Kiosk System, Outbound messaging, video visitation, Commissary ordering, trust fund system to the following pilot facilities:
  Miami Correctional Facility
  Pendleton Juvenile Correctional Facility
  Putnamville Correctional Facility
  Rockville Correctional Facility

- The Department reserves the right to increase the number of pilot facilities for the above mentioned services up to 15 facilities during pilot program. The addition of facilities to be used during the pilot will be at the discretion of the Department.

- The Contractor will deploy at the kiosk pilot sites a debit release card system. The debit release card system requires a third party company to assist Contractor in the deployment; therefore it is at the States discretion to omit from the pilot project if necessary, but needs to be included in the implementation plan.

- The Contractor will deploy the Electronic Payment Service and the Inbound Messaging function at all 31 Department of Correction facilities.

- The Contractors shall provide printers at their cost for all facility mail rooms to support the inbound messaging function.

- The Contractor shall follow the fee schedule as laid out in Exhibit B attached hereto and incorporated herein. The Contractor shall not change the fee schedule without the approval of the Department. The Department reserves to right to negotiate the fee schedule at anytime for adjustments.

- The Contractor will pay for any additional switches needed for the kiosk hookups only at the four pilot facilities mentioned above. The Contractor will work with IOT to install the switches as needed at each of the four pilot facilities.

The following paragraphs are added to the Contract under "Clause 1. Duties of the Contractor" in their entirety:

- The Contractor will deploy, if not already deployed, at each State Facility, an Electronic Trust Account Payment System, Electronic Prepaid Debit and Phone Payment System, Electronic Community Correction Payment System, Electronic Parole Payment System, Lobby Kiosks, Release Debit Card System, and Inbound Messaging System.

- Within six (6) months of the Effective Date, the Department agrees to mandate all trust account payments through the Contractor's Electronic Trust Account Payment System. Upon executing the mandate, Contractor agrees to verify each trust account payment against the offender's visitor list. Department shall provide Contractor with a visitor list via FTP at least once a day.

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- The Department agrees to work with Contractor to actively promote the Contractor's services on the Department's website.

- As determined by the Parties on a facility by facility basis, Contractor shall deploy an offender kiosk system consisting of Outbound Messaging, Video Visitation, Trust Fund System, Commissary Ordering, Electronic Media, and Electronic Grievance System (collectively "Offender Kiosk System"). Any additional applications deployable on the Offender Kiosk System shall be determined by the Parties on a case by case basis.

- The Parties shall agree to a deployment schedule to determine the order in which the facilities will receive a kiosk system. This deployment schedule may be modified by mutual agreement of the Parties.

- The Contractor shall follow the fee schedule as laid out in Exhibit B attached hereto and incorporated herein. The Contractor shall not change the fee schedule without the prior written approval of the State. The State reserves the right to negotiate the fee schedule at anytime for adjustments.

- Contractor will work with IOT to determine if there is available port density at each State Facility.

- Contractor will be responsible for all hardware and installation associated with the kiosks from the data ports and power outlets to the kiosks (i.e. from the RJ-45 data port and power outlet to the kiosk).

- Contractor shall remit payment to the State for all switches installed at the Pilot Facilities within thirty (30) days following the execution of this Second Amendment. Contractor shall also provide any switches needed to complete the network setup for Offender Kiosk installations.

- The State will be responsible for maintaining all data connectivity from the data ports to the Contractor's servers.

- The Contractor shall provide any necessary wiring required to deploy the Offender Kiosk System contingent upon approval of the State, approval by the Indiana Department of Technology, and such work conforming to the IOT standards.

- The State recognizes that the Contractor has significant costs in satisfying several obligations under the Contract. Costs associated with deploying the Offender Kiosk Network include expenses for material, supplies, storage, capital purchases, labor and administrative overhead. Contractor will track all costs associated with each facility deployment. These costs will amortize over a 48 month period starting from the date equipment is put into service and revenue is being realized. In the event the Contract is terminated by the State prior to the end of the

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Contract, all unamortized costs Contractor has experienced from deployment of infrastructure will be reimbursed in full. The deployed infrastructure will become property of the State and all offender kiosks will remain the property of the Contractor and be removed within a negotiated timeframe.

- The Contractor may assign its rights and obligations under the Contract to any entity that controls, is controlled by, or is under common control with such Party upon prior approval of the State.

- During the full term of the Contract, the Contractor shall be the exclusive provider of any of the services under the Contract including any future applications that may be deployed on the Offender Kiosk System.

- Contractor must meet all State inside-cable-plant standards. Upon completion of Contractor's work IOT will inspect and approve the work product. After said inspection, IOT will begin a three (3) signature approval process consisting of IOT, Contractor, and the Superintendent for each State Facility before placing the kiosks into production.

- Contractor agrees to provide to each IDOC offender determined to be indigent by IDOC Policy and Procedure two (2) outbound electronic messages a month at no cost to the offender or to the State.

Section B of the "Continuity of Services" clause (Clause #12) of the original Contract is hereby amended to read:

B. The Contractor shall, upon the State's written notice:
   1. Furnish phase-in, phase-out services for up to one hundred eighty (180) days after this Contract term expires, or after the Contract is terminated by either party, and
   2. Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.

EXHIBIT A AND EXHIBIT B which were attached and incorporated in the Contract are hereby deleted from the Contract and replaced with EXHIBIT B which is attached to and hereby incorporated in this Second Amendment.

All other matters previously agreed to and set forth in the original Contract shall remain in full force and effect.

The total remuneration of this contract is not to exceed zero $0.00 dollars.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

RS

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the Contractor, or that he/she is the properly authorized representative, agent, member or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Contract other than that which appears upon the face of this Contract.

In Witness Whereof, Contractor and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below hereby agree to the terms thereof.

JPay, Inc.:

By: RSS
Printed Name: RYAN J SHAPIRO
Title: CEO
Date: 1/23/09

(Where Applicable)

Attested By: _____

Indiana Department of Correction:

Edwin G. Buss, Commissioner

Date: 2.4.09

Indiana Office of Technology

By: William Piers for
Printed Name: Gerry Weaver
Title: Chief Information officer
Date: 19-Feb-2009

DEPARTMENT OF ADMINISTRATION

Mark A. Bumgarner FOR (or)
Mark W. Everson, Commissioner

Date: 2/20/2009

State Budget Agency

Eric Miller (for)
Christopher A. Ruhl, Director

Date: 3/3/09

APPROVED as to Form and Legality:
Office of the Attorney General

Susan W. Gard (for)
Gregory F. Zoeller, Attorney General

Date: 3/6/2009

EXHIBIT B
FEE SCHEDULE

Electronic Payments

Paid for by family and friends

Sending Money With a Credit/Debit Card		
Deposit Amount	Internet Fee	Phone Fee
$0.01 - $20.00	$3.95	$4.95
$20.01 - $100.00	$6.95	$7.95
$100.01 - $200.00	$8.95	$9.95
$200.01 - $300.00	$10.95	$11.95

Sending Money With Cash			
Deposit Amount	Lobby Kiosk	MoneyGram	Ace Cash Express
$0.01 - $5,000.00*	$3.00	$6.95	$5.00

* Limit depends on cash location. Lobby Kiosks accept up to $300.00 per transaction.

Sending Money With a Money Order	
Deposit Amount	Lock Box
$0.01 - $5,000.00	$3.00

Inbound Electronic Messaging

Price	Stamps
$4.00	10 Stamps
$8.00	21 Stamps
$16.00	43 Stamps

Outbound Electronic Messaging

Price	Stamps
$0.30	1 Stamp

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$1.35	5 Stamps
$2.70	10 Stamps

Release Debit Card Transactions

Fees are assessed to the released prisoner for transactions listed below.

	Domestic (Decline)	International (Decline)
ATM Withdrawal	$2.00 ($0.50)	$4.00 ($1.50)
Purchase (PIN & signature)	$0.70 ($0.50)	$3.00 ($1.50)

Monthly Service Charge	$0.50	Automated Customer Service	$0.25*
Replacement Card	$5.00	Inactivity Fee	$2.99**
Account Closure	$9.95	Live Customer Service	$1.00
Expedited Card Replacement	$30.00	Statement (Print)	$1.50

* per minute, ** charged monthly if account is inactive for 90 days

Video Visitation

For a 25 minute session, a $12.50 fee is charged to the friend or family member account. (5 minutes of free connect time is provided before the session begins allowing the session to last up to 30 minutes).

The option to extend the session for an additional 30 minutes is offered to the friend or family member at the end of the session (the above rates apply to an extension).

RS

10/31

EXECUTIVE DOCUMENT SUMMARY

State Form 41221 (R10/4-06)

Instructions for completing the EDS and the Contract process.

1. Please read the guidelines on the back of this form.
2. Please type all information.
3. Check all boxes that apply.
4. For amendments / renewals, attach original contract.
5. Attach additional pages if necessary.

OCT 28 2008

3877 11/09

1. EDS Number: D12-8-073	2. Date prepared: 10/20/2008

3. CONTRACTS & LEASES

- X Professional/Personal Services
- ___ Grant
- ___ Lease
- ___ Attorney
- ___ MOU
- ___ QPA
- ___ Contract for procured Services
- ___ Maintenance
- ___ License Agreement
- X Amendment# 1
- ___ Renewal #
- ___ Other

FISCAL INFORMATION

4. Account Number:	5. Account Name:
6. Total amount this action: $0.00	7. New contract total: 0.00
8. Revenue generated this action: $0.00	9. Revenue generated total contract: $0.00

10. New total amount for each fiscal year:

Year 2008	$0.00
Year 2009	$0.00
Year	$
Year	$

TIME PERIOD COVERED IN THIS EDS

11. From (month, day, year): 10/25/2007	12. To (month, day, year): 1/24/2009

13. Method of source selection:
- ___ Bid/Quotation
- ___ Emergency
- ___ Negotiated
- X Special Produrement
- ___ RFP#
- ___ Other *(specify)*

AGENCY INFORMATION

14. Name of agency: Department of Correction	15. Requisition Number:

16. Address: Department of Correction
Central Office
302 W WASHINGTON ST RM E334
INDIANAPOLIS, IN 46204

AGENCY CONTACT INFORMATION

17. Name: Joseph Fistrovich	18. Telephone #: 317/232-1062

19. E-mail address: jfistrovich@idoc.in.gov

COURIER INFORMATION

20. Name: Nicholas Law	21. Telephone #: 317-232-5672

22. E-mail address: nlaw@doc.in.gov

VENDOR INFORMATION

23 Vendor ID # 0000221871

24. Name: JPAY INC	25. Telephone #: 305-358-8689

26. Address: 169 E FLAGLER ST #837
MIAMI, FL 33131

27. E-mail address: danny@jpay.com

28. Is the vendor registered with the Secretary of State? (Out of State Corporations must be registered) X Yes ___ No

29. Primary Vendor: M/WBE Minority: ___ Yes X No Women: ___ Yes X No	30. If yes, list the %: Minority: ___ % Women: ___ %
31 Sub Vendor: M/WBE Minority: ___ Yes X No Women: ___ Yes X No	32. If yes, list the %: Minority: ___ % Women: ___ %
33. Is there Renewal Language in X Yes ___ No	34. Is there a "Termination for Convenience" clause in the document? X Yes ___ No

35. Will the attached document involve data processing or telecommunications systems X Yes: IOT or Delegate has signed off on contract

36. Statutory Authority *(Cite applicable Indiana or Federal Codes)*:
IC 11-8-2-5

37. Description of work and justification for spending money. *(Please give a brief description of the scope of work included in this agreement.)*
This Amendment extends the 1 year pilot for electronic funds transfer, inbound mail messaging for the Department, and an offender kiosk system at 4 pilot locations for three additional months to allow the IDOC to complete its evaluation of the services.

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NOV 17 2008
OAG-ADVISORY

38. Justification of vendor selection and determination of price reasonableness:
Services are at no cost to the Department. Vendor will pay for venture by fees charged to users Vendor cleared as sole source. They provide all services without sub-contractor relationships for components.

39. If this contract is submitted late, please explain why: *(Required if more than 30 days late.)*

40. Agency fiscal officer or representative approval [signature]	41. Date Approved 10/24/08	42. Budget agency approval X [signature]	43. Date Approved 11/14/08
44. Attorney General's Office approval X SWG	45. Date Approved 11-17-08	46. Agency representative receiving from AG	47. Date Approved

000023482001

23482-001

AMENDMENT #1
EDS# D12-8-073

This is an amendment to the Contract (the "Contract") entered into by and between the Indiana Department of Correction (the "State") and JPay, Inc., 10800 Biscayne Blvd. Suite 770, Miami FL 33131 (the "Contractor") dated July 1, 2007.

Whereas the Contractor is nearing completion of a one-year, Pilot Period in which it has delivered services to the Department of Correction at no charge to the State, and

Whereas the contract terms allow for the contract to be renewed upon a successful pilot period, and

Whereas the State requires additional time beyond the original contract term to further evaluate Contractor's services and assess whether the pilot period has been a success,

Now therefore, in consideration of the mutual undertakings and covenants hereinafter set forth, the parties agree to amend the Contract to extend the original contract term for three (3) additional months. The entire contract term shall begin on October 25, 2007 and end on January 24, 2009.

The total remuneration of this contract is not to exceed zero $0.00 dollars.

All other matters previously agreed to and set forth in the original Contract and not affected by this Amendment shall remain in full force and effect.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the Contractor, or that he/she is the properly authorized representative, agent, member or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Contract other than that which appears upon the face of this Contract.

In Witness Whereof, Contractor and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below hereby agree to the terms thereof.

J-Pay, Inc.:

By: _____
Printed Name: Daniel Shapiro
Title: COO
Date: 10-24-08

(Where Applicable)

Attested By: _____

Indiana Department of Correction:

_____, Controller for
Edwin G. Buss, Commissioner,
Date: 10/24/08

Indiana Office of Technology

By: _____
Printed Name: Wm Pierce
Title: Director of Procurement
Date: 30-Oct-2008

Department of Administration

_____ (for)
Carrie Henderson, Commissioner
Date: 11/10/2008

State Budget Agency

_____ (for)
Christopher A. Ruhl, Director
Director
Date: 11/14/08

APPROVED as to Form and Legality:
Office of the Attorney General

_____ (for)
Stephen Carter, Attorney General
Date: 11-17-2008

COPY ORIGINAL CONTRACT

10/5/10

EXECUTIVE DOCUMENT SUMMARY

State Form 41221 (R10/4-06)

Instructions for completing the EDS and the Contract process.

1. Please read the guidelines on the back of this form.
2. Please type all information.
3. Check all boxes that apply.
4. For amendments / renewals, attach original contract.
5. Attach additional pages if necessary.

12/7
3207

1. EDS Number:	2. Date prepared:
D12-8-073	9/25/2007 LP

3. CONTRACTS & LEASES

- X Professional/Personal Services
- ___ Grant
- ___ Lease
- ___ Attorney
- ___ MOU
- ___ QPA _____
- ___ Contract for procured Services
- ___ Maintenance
- ___ License Agreement
- ___ Amendment# _____
- ___ Renewal # _____
- ___ Other _____

FISCAL INFORMATION

4. Account Number:	5. Account Name:
6. Total amount this action: $0.00	7.New contract total: 0.00
8. Revenue generated this action: $0.00	9.Revenue generated total contract: $0.00

10.New total amount for each fiscal year :

Year 2008 $0.00
Year _____ $_____
Year _____ $_____
Year _____ $_____

TIME PERIOD COVERED IN THIS EDS

11. From (month, day, year):	12. To (month, day, year):
10/1/2007	9/30/2008

13. Method of source selection:

___ Bid/Quotation ___ Emergency ___ Negotiated
___ RFP# _____ ___ Other *(specify)* _____ X Special Prodrurement

AGENCY INFORMATION

14. Name of agency:	15. Requisition Number:
Department of Correction	

16. Address: Department of Correction
Central Office
302 W WASHINGTON ST RM E334
INDIANAPOLIS, IN 46204

AGENCY CONTACT INFORMATION

17. Name:	18. Telephone #:
Kristen Tusing	317/233-4755

19. E-mail address: ktusing@doc.in.gov

COURIER INFORMATION

20. Name:	21. Telephone #:
Kristen Tusing	317-233-4755

22. E-mail address: ktusing@doc.in.gov

VENDOR INFORMATION

23 Vendor ID # 0000221871

24. Name:	25. Telephone #:
JPAY INC	305-358-8689

26. Address: 169 E FLAGLER ST #837
MIAMI, FL 33131

27. E-mail address: danny@jpay.com

28. Is the vendor registered with the Secretary of State? (Out of State Corporations must be registered) X Yes ___ No

29. Primary Vendor: M/WBE	30. If yes, list the %:
Minority: ___ Yes X No	Minority: _____ %
Women: ___ Yes X No	Women: _____ %
31 Sub Vendor:M/WBE	32. If yes, list the %:
Minority: ___ Yes X No	Minority: _____ %
Women: ___ Yes X No	Women: _____ %
33. Is there Renewal Language in	34. Is there a "Termination for Convenience" clause in the document?
X Yes ___ No	X Yes ___ No

35. Will the attached document involve data processing or telecommunications systems X Yes: IOT or Delegate has signed off on contract

36. Statutory Authority *(Cite applicable Indiana or Federal Codes)*:
IC 11-8-2-5

37. Description of work and justification for spending money. *(Please give a brief description of the scope of work included in this agreement.)*
The Contractor will provide a 1 year pilot for electronic funds transfer, inbound mail messaging for the Department, and an offender kiosk system at 4 pilot locations.

RECEIVED
OCT 25 2007
OAG-ADVISORY

38. Justification of vendor selection and determination of price reasonableness:
Services are at no cost to the Department. Vendor will pay for venture by fees charged to users. Vendor cleared as sole source. They provide all services without sub-contractor relationships for components.

39. If this contract is submitted late, please explain why: *(Required if more than 30 days late.)*

40. Agency fiscal officer or representative approval	41. Date Approved	42. Budget agency approval	43. Date Approved
	9-27-07		10/22/07
44. Attorney General's Office approval	45. Date Approved	46. Agency representative receiving from AG	47. Date Approved
EAB	10-25-07		

23482-000

PROFESSIONAL/PERSONAL SERVICES CONTRACT
EDS# D12-8-073

This Contract ("this Contract"), entered into by and between Indiana Department of Correction, 302 W. Washington St. Rm E334, Indianapolis, IN 46204 (the "State") and JPay, Inc., 169 E. Flagler St #837, Miami, FL 33131 (the "Contractor"), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

1. **Duties of Contractor.** .Contractor shall provide services set forth in Exhibit A attached hereto and incorporated herein. In additions, the Contractor agrees to the following conditions:

- The Contractor will initially deploy the Kiosk System, Outbound messaging, video visitation, Commissary ordering, trust fund system to the following pilot facilities:
  Miami Correctional Facility
  Pendleton Juvenile Correctional Facility
  Putnamville Correctional Facility
  Rockville Correctional Facility

- The Department reserves the right to increase the number of pilot facilities for the above mentioned services up to 15 facilities during pilot program. The addition of facilities to be used during the pilot will be at the discretion of the Department.

- The Contractor will deploy at the kiosk pilot sites a debit release card system. The debit release card system requires a third party company to assist Contractor in the deployment; therefore it is at the States discretion to omit from the pilot project if necessary, but needs to be included in the implementation plan.

- The Contractor will deploy the Electronic Payment Service and the Inbound Messaging function at all 31 Department of Correction facilities.

- The Contractor shall follow the fee schedule as laid out in Exhibit B attached hereto and incorporated herein. The Contractor shall not change the fee schedule without the approval of the Department. The Department reserves to right to negotiate the fee schedule at anytime for adjustments.

- The Contractor shall work with Department staff to implement the trust fund system and incorporate the system within the Kiosk function.

- All software and applications developed by Department staff shall be the property of the State and shall be turned over at the end of the contract term.

- The Contractor shall provide the State with a detailed time-line Implementation Plan ("IP") and associated project time-line within fifteen (15) calendar days of contract execution.

- The Contractors shall provide printers at their cost for all facility mail rooms to support the inbound messaging function.

- The Contractor will work with Department staff and the Indiana Office of Technology (IOT) to project kiosk layout and connectivity requirements.

- The Contractor will provide IOT with agreed upon and Department approved kiosk layouts, appropriate specification for all electrical connections and connectivity requirements. The Contractor will work with IOT to coordinate line drops for kiosk locations.

- The State will cover costs associated with line drops to the kiosks.

- The Contractor will pay for any additional switches needed for the kiosk hookups only at the four pilot facilities mentioned above. The Contractor will work with IOT to install the switches as needed at each of the four pilot facilities.

- All data entered into the Contractor system pertaining to the services of this contract shall be maintained with no deletions. The State shall have access to any and all data pertaining to the services of this contract.

- All data pertaining to the offender population shall be the property of the State and available to the State at its request.

- The Contractor will be responsible for the training of all State staff that will have access or contact with the above mentioned services. The Contractor will work with Department's Director of Training for implementation of all staff training programs.

- The Contractor will purchase any additional servers needed to run services for the above mentioned and will work with IOT for installation. The Contractor will provide server maintenance to the purchased servers. The Contractor will gain access to the purchased servers through IOT.

- The Contractor will pay the server housing fees associated with the servers needed for services.

- The Contractor will be responsible for all maintenance to kiosk units.

- The Contractor will work with IOT for connectivity line issues.

- The Contractor will be responsible for the cost of any replacement or damaged kiosks. The Contractor will be responsible for the costs associated in repositioning kiosk units.

- The Contractor will be responsible for the advertisement costs associated with the services provided.

- The Contractor will submit a copy of any current litigation affecting the operations and management that is pending resolution within thirty (30) calendar days of contract execution.

- All representatives of the Contractor and/or sub-contractor shall comply with all established Department policy and procedures to include all correctional facility entrance and exit procedures, and personal and/or property searches. In addition, all representatives of the Contractor and/or sub-contractor shall possess photo identification at all times while working on State property, and shall have a written inventory of all equipment upon entrance to a correctional facility property. This written inventory may be held by State staff until the representative of the Contractor and/or sub-contractor exits State property.

- The Contractor or Sub-contractor performing payment processing must comply with all Payment Card Industry (PCI) Requirements.

2. Consideration.

The Contractor will not be paid by the State for performing the duties set forth above. Total remuneration under this contract shall not exceed Zero dollars ($0.00).

3. Term.

This Contract shall be effective for a period of one (1) year pilot period. The Contract shall be effective upon execution of the Contract. At the completion of a successful pilot period, this contract may be renewed for one (1) four (4) year period.

4. Access to Records.

The Contractor and its subcontractors, if any, shall maintain all books, documents, papers, accounting records, and other evidence pertaining to all costs incurred under this Contract. They shall make such materials available at their respective offices at all reasonable times during this Contract, and for three (3) years from the date of final payment under this Contract, for inspection by the State or its authorized designees. Copies shall be furnished at no cost to the State if requested.

5. Assignment; Successors.

The Contractor binds its successors and assignees to all the terms and conditions of this Contract. The Contractor shall not assign or subcontract the whole or any part of this Contract without the State's prior written consent. The Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the State, provided that the Contractor gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one party.

6. Audits.

The Contractor acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC 5-11-1, et. seq. and audit guidelines specified by the State.

7. Authority to Bind Contractor.

The signatory for the Contractor represents that he/she has been duly authorized to execute this Contract on behalf of the Contractor and has obtained all necessary or applicable approvals to make this Contract fully binding upon the Contractor when his/her signature is affixed, and accepted by the State.

8. Changes in Work.

The Contractor shall not commence any additional work or change the scope of the work until authorized in writing by the State. Contractor shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories hereto. This Contract may only be amended, supplemented or modified by a written document executed in the same manner as this Contract.

9. Compliance with Laws.

A. The Contractor shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Contract shall be reviewed by the State and the Contractor to determine whether the provisions of this Contract require formal modification.

B. The Contractor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State as set forth in IC § 4-2-6 *et seq.*, IC § 4-2-7, *et. seq.*, the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004. If the Contractor is not familiar with these ethical requirements, the Contractor should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at http://www.in.gov/ethics/. If the Contractor or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Contract immediately upon notice to the Contractor. In addition, the Contractor may be subject to penalties under IC §§ 4-2-6, 4-2-7, 35-44-1-3, and under any other applicable laws.

C. The Contractor certifies by entering into this Contract that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State. The Contractor agrees that any payments currently due to the State may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Contract suspended until the Contractor is current in its payments and has submitted proof of such payment to the State.

D. The Contractor warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Contractor agrees that the State may delay, withhold, or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Contract.

E. If a valid dispute exists as to the Contractor's liability or guilt in any action initiated by the State or its agencies, and the State decides to delay, withhold, or deny work to the Contractor, the Contractor may request that it be allowed to continue, or receive work, without delay. The Contractor must submit, in writing, a request for review to the Indiana Department of Administration (IDOA) following the procedures for disputes outlined herein. A determination by IDOA shall be binding on the parties. Any payments that the State may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest, except as permitted by IC § 5-17-5.

F. The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Contract and grounds for immediate termination and denial of further work with the State.

G. The Contractor affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.

H. As required by IC 5-22-3-7:

(1) The Contractor and any principals of the Contractor certify that (A) the Contractor, except for de minimis and nonsystematic violations, has not violated the terms of (i) IC 24-4.7 [Telephone Solicitation Of Consumers], (ii) IC 24-5-12 [Telephone Solicitations] , or (iii) IC 24-5-14 [Regulation of Automatic Dialing Machines] in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) the Contractor will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.

(2) The Contractor and any principals of the Contractor certify that an affiliate or principal of the Contractor and any agent acting on behalf of the Contractor or on behalf of an affiliate or principal of the Contractor (A) except for de minimis and nonsystematic violations, has not violated the terms of IC 24-4.7 in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and (B) will not violate the terms of IC 24-4.7 for the duration of the Contract, even if IC 24-4.7 is preempted by federal law.

10. Condition of Payment.

All services provided by the Contractor under this Contract must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, local laws, ordinances, rules and regulations. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Contract or performed in violation of and federal, state or local statute, ordinance, rule or regulation.

11. Confidentiality of State Information.

The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected information. The Contractor covenants that data, material and information gathered, based upon or disclosed to the Contractor for the purpose of this Contract, will not be disclosed to or discussed with third parties without the prior written consent of the State.

The parties acknowledge that the services to be performed by Contractor for the State under this contract may require or allow access to data, materials, and information containing Social Security numbers or other personal information maintained by the State in its computer system or other records. In addition to the covenant made above in this section and pursuant to 10 IAC 5-3-1(4), the Contractor and the State agree to comply with the provisions of IC 4-1-10 and IC 4-1-11. If any Social Security number(s) or personal information (as defined in IC 4-1-11-3) is/are disclosed by Contractor, Contractor agrees to pay the cost of the notice of disclosure of a breach of the security of the system in addition to any other claims and expenses for which it is liable under the terms of this contract.

Attached hereto and incorporated herein by reference as Exhibit C is a copy of Contractor's internal privacy/confidential information policy. Contractor agrees to comply with such internal privacy/confidential information policy with regard to data, materials, and information disclosed or otherwise provided to Contractor by the State under the terms of this contract.

12. Continuity of Services.

A. The Contractor recognizes that the service(s) to be performed under this Contract are vital to the State and must be continued without interruption and that, upon Contract expiration, a successor, either the State or another contractor, may continue them. The Contractor agrees to:

1. Furnish phase-in training, and
2. Exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

B. The Contractor shall, upon the State's written notice:
   1. Furnish phase-in, phase-out services for up to sixty (60) days after this Contract expires, and
   2. Negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.

   The plan shall specify a training program and a date for transferring responsibilities for each division of work described in the plan, and shall be subject to the State's approval. The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services called for by this Contract are maintained at the required level of proficiency.

C. The Contractor shall allow as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the services required by this Contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.

D. The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations).

13. Debarment and Suspension.

A. The Contractor certifies by entering into this Contract that neither it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State. The term "principal" for purposes of this Contract means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Contractor.

B The Contractor certifies that it has verified the state and federal suspension and debarment status for all subcontractors receiving funds under this Contract and shall be solely responsible for any recoupment, penalties or costs that might arise from use of a suspended or debarred subcontractor. The Contractor shall immediately notify the State if any subcontractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the subcontractor for work to be performed under this Contract.

14. Default by State.

If the State, sixty (60) days after receipt of written notice, fails to correct or cure any material breach of this Contract, the Contractor may cancel and terminate this Contract and institute the appropriate measures to collect monies due up to and including the date of termination.

15. Disputes.

A. Should any disputes arise with respect to this Contract, the Contractor and the State agree to act immediately to resolve such disputes. Time is of the essence in the resolution of disputes.

B. The Contractor agrees that, the existence of a dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this Contract that are not affected by the dispute. Should the Contractor fail to continue to perform its responsibilities regarding all non-disputed work, without delay, any additional costs incurred by the State or the Contractor as a result of such failure to proceed shall be borne by the Contractor, and the Contractor shall make no claim within ten (10) working days following notification in writing by either party of the existence of a dispute, then the following procedure shall apply:

1. The parties agree to resolve such matters through submission of their dispute to the Commissioner of the Indiana Department of Administration. The Commissioner shall reduce a decision to writing and mail or otherwise furnish a copy thereof to the Contractor and the State within ten (10) working days after presentation of such dispute for action. The presentation may include a period of negotiations, clarifications, and mediation sessions and will not terminate until the Commissioner or one of the parties concludes that the presentation period is over. The Commissioner's decision shall be final and conclusive unless either party mails or otherwise furnishes to the Commissioner, within ten (10) working days after receipt of the Commissioner's decision, a written appeal. Within ten (10) working days of receipt by the Commissioner of a written request for appeal, the decision may be reconsidered. If no reconsideration is provided within ten (10) working days, the parties may mutually agree to submit the dispute to arbitration or mediation for a determination, or otherwise the dispute may be submitted to an Indiana court of competent jurisdiction.

2. The State may withhold payments on disputed items pending resolution of the dispute. The unintentional nonpayment by the State to the Contractor of one or more invoices not in dispute in accordance with the terms of this Contract will not be cause for Contractor to terminate this Contract, and the Contractor may bring suit to collect these amounts without following the disputes procedure contained herein.

16. Drug-Free Workplace Certification.

The Contractor hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. The Contractor will give written notice to the State within ten (10) days after receiving actual notice that the Contractor or an employee of the Contractor in the State of Indiana has been convicted of a criminal drug violation occurring in the workplace. False certification or violation of this certification may result in sanctions including, but not limited to, suspension of contract payments, termination of this Contract and/or debarment of contracting opportunities with the State for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total contract amount set forth in this Contract is in excess of $25,000.00, the Contractor hereby further agrees that this Contract is expressly subject to the terms, conditions, and representations of the following certification:

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds $25,000.00, shall be valid, unless and until this certification has been fully executed by the Contractor and made a part of the contract or agreement as part of the contract documents.

The Contractor certifies and agrees that it will provide a drug-free workplace by:

A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace, and specifying the actions that will be taken against employees for violations of such prohibition;

B. Establishing a drug-free awareness program to inform its employees of (1) the dangers of drug abuse in the workplace; (2) the Contractor's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will (1) abide by the terms of the statement; and (2) notify the Contractor of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

D. Notifying the State in writing within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction;

E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and

F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

17. Employment Option.

If the State determines that it would be in the State's best interest to hire an employee of the Contractor, the Contractor will release the selected employee from any non-compete agreements that may be in effect. This release will be at no cost to the State or the employee.

18. Force Majeure.

In the event that either party is unable to perform any of its obligations under this Contract or to enjoy any of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, all obligations under this Contract shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this Contract.

19. Funding Cancellation.

When the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Contract, this Contract shall be canceled. A determination by the Director of the State Budget Agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

20. Governing Laws.

This Contract shall be construed in accordance with and governed by the laws of the State of Indiana and suit, if any, must be brought in the State of Indiana.

21. Indemnification.

The Contractor agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission of the Contractor and/or its subcontractors, if any, in the performance of this Contract. The State shall **not** provide such indemnification to the Contractor.

22. Independent Contractor.

Both parties hereto, in the performance of this Contract, shall act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

The Contractor shall be responsible for providing all necessary unemployment and workers' compensation insurance for the Contractor's employees.

23. Information Technology Enterprise Architecture Requirements.

If the Contractor provides any information technology related products or services to the State, the Contractor shall comply with all IOT standards, policies and guidelines, which are online at http://iot.in.gov/architecture/. The Contractor specifically agrees that all hardware, software and services provided to or purchased by the State shall be compatible with the principles and goals contained in the electronic and information technology accessibility standards adopted under Section 508 of the Federal Rehabilitation Act of 1973 (29 U.S.C. 794d) and IC 4-13.1-3. Any deviation from these architecture requirements must be approved in writing by IOT in advance. The State may terminate this Contract for default if the Contractor fails to cure a breach of this provision within a reasonable time.

24. Insurance.

A. The Contractor shall secure and keep in force during the term of this Contract, the following insurance coverages, covering the Contractor for any and all claims of any nature which may in any manner arise out of or result from Contractor's performance under this Contract:

1. Commercial general liability, including contractual coverage, and products or completed operations coverage (if applicable), with minimum liability limits of $700,000 per person and $5,000,000 per occurrence unless additional coverage is required by the State. The State is to be named as a additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Contract.

2. Automobile liability with minimum liability limits of $700,000 per person and $5,000,000 per occurrence. The State is to be named as an additional insured on a primary, non-contributory basis.

3. The Contractor shall provide proof of such insurance coverage by tendering to the undersigned State representative a certificate of insurance prior to the commencement of this Contract and proof of Workers compensation coverage meeting all statutory requirements of IC 22-3-2. In addition, proof of an "all states endorsement" covering claims occurring outside the State is required if any of the services provided under this Contract involve work outside of Indiana.

B: The Contractor's insurance coverage must meet the following additional requirements:

1. The insurer must have a certificate of authority issued by the Indiana Department of Insurance.

2. Any deductible or self-insured retention amount or other similar obligation under the insurance policies shall be the sole obligation of the Contractor.

3. The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above. The duty to indemnify the State under this Contract shall not be limited by the insurance required in this Contract.

4. The insurance required in this Contract, through a policy or endorsement(s), shall include a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State agency.

Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract. The Contractor shall furnish a certificate of insurance and all endorsements to the State before the commencement of this Contract.

25. Key Person(s).

A. If both parties have designated that certain individual(s) are essential to the services offered, the parties agree that should such individual(s) leave their employment during the term of this Contract for whatever reason, the State shall have the right to terminate this Contract upon thirty (30) days prior written notice.

B. In the event that the Contractor is an individual, that individual shall be considered a key person and, as such, essential to this Contract. Substitution of another for the Contractor shall not be permitted without express written consent of the State.

C. Nothing in sections A and B, above shall be construed to prevent the Contractor from using the services of others to perform tasks ancillary to those tasks which directly require the expertise of the key person. Examples of such ancillary tasks include secretarial, clerical, and common labor duties. The Contractor shall, at all times, remain responsible for the performance of all necessary tasks, whether performed by a key person or others.

Key person(s) to this Contract is/are N/A

26. Licensing Standards.

The Contractor, its employees and subcontractors shall comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules or regulations governing services to be provided by the Contractor pursuant to this Contract. The State will not pay the Contractor for any services performed when the Contractor, its employees or subcontractors are not in compliance with such

applicable standards, laws, rules or regulations. If any license, certification or accreditation expires or is revoked, or any disciplinary action is taken against an applicable license, certification or accreditation, the Contractor shall notify the State immediately and the State, at its option, may immediately terminate this Contract.

27. Merger & Modification.

This Contract constitutes the entire agreement between the parties. No understandings, agreements, or representations, oral or written, not specified within this Contract will be valid provisions of this Contract. This Contract may not be modified, supplemented or amended, except by written agreement signed by all necessary parties.

28. Minority and Women's Business Enterprises Compliance.

The Contractor agrees to comply fully with the provisions of 25 IAC 5 and any participation plan that may have been submitted to the State. The following MBE's and WBE's listed on the Minority and Women's Business Enterprises Division directory of certified firms will be participating in this Contract.

MBE/WBE	PHONE	COMPANY NAME	SCOPE OF PRODUCTS and/or SERVICES	UTILIZATION DATE	AMOUNT
N/A					

The Contractor must obtain the approval of the Division before changing any MBE/WBE participation plan submitted in connection with this Contract.

29. Nondiscrimination.

Pursuant to the Indiana Civil Rights Law, specifically including IC 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Contractor covenants that it shall not discriminate against any employee or applicant for employment relating to this Contract with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee or applicant's: race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Furthermore, Contractor certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services.

30. Notice to Parties.

Whenever any notice, statement or other communication is required under this Contract, it shall be sent to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:
J. David Donahue, Commissioner
Indiana Department of Correction
302 W. Washington St. Room E334
Indianapolis, IN 46204

B. Notices to the Contractor shall be sent to:
Ryan Shapiro, CEO
JPay, Inc.

169 E. Flagler St., Suite 837
Miami, FL 33131

C. As required by IC 4-13-2-14.8, payments to the Contractor shall be made via electronic funds transfer in accordance with instructions filed by the Contractor with the Indiana Auditor of State.

31. Order of Precedence; Incorporation by Reference.

Any inconsistency or ambiguity in this Contract shall be resolved by giving precedence in the following order: (1) This Contract, (2) attachments prepared by the State, and (3) attachments prepared by the Contractor. All of the foregoing are incorporated fully by reference. All attachments, and all documents referred to in this paragraph are hereby incorporated fully by reference.

32. Ownership of Documents and Materials.

All documents, records, programs, data, film, tape, articles, memoranda, and other materials not developed or licensed by the Contractor prior to execution of this Contract, but specifically developed under this Contract shall be considered "work for hire" and the Contractor transfers any ownership claim to the State and all such materials will be the property of the State. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited. During the performance of this Contract, the Contractor shall be responsible for any loss of or damage to these materials developed for or supplied by the State and used to develop or assist in the services provided while the materials are in the possession of the Contractor. Any loss or damage thereto shall be restored at the Contractor's expense. The Contractor shall provide the State full, immediate, and unrestricted access to the work product during the term of this Contract.

33. Payments.

A. All payments shall be made in arrears in conformance with State fiscal policies and procedures and, as required by IC 4-13-2-14.8, by electronic funds transfer to the financial institution designated by the Contractor in writing unless a specific waiver has been obtained from the Indiana Auditor of State. No payments will be made in advance of receipt of the goods or services that are the subject of this Contract except as permitted by IC 4-13-2-20.

B. If Contractor is being paid in advance for the maintenance of equipment and/or software, pursuant to IC 4-13-2-20(b)(14), Contractor agrees that if it fails to perform the maintenance required under this Contract, upon receipt of written notice from the State, it shall promptly refund the consideration paid, pro-rated through the date of non-performance.

34. Penalties/Interest/Attorney's Fees.

The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest or attorney's fees, except as permitted by Indiana law, in part, IC 5-17-5, IC 34-54-8, and IC 34-13-1.

Notwithstanding the provisions contained in IC 5-17-5, any liability resulting from the State's failure to make prompt payment shall be based solely on the amount of funding originating from the State and shall not be based on funding from federal or other sources.

35. Progress Reports.

The Contractor shall submit progress reports to the State upon request. The report shall be oral, unless the State, upon receipt of the oral report, should deem it necessary to have it in written form. The progress reports shall serve the purpose of assuring the State that work is progressing in line with the schedule, and that completion can be reasonably assured on the scheduled date.

36. Renewal Option.

This Contract may be renewed under the same terms and conditions, subject to the approval of the Commissioner of the Department of Administration and the State Budget Director in compliance with IC 5-22-17-4. At the completion of a successful pilot period, this contract may be renewed for one (1) four (4) year period.

37. Security and Privacy of Health Information.

The Contractor agrees to comply with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in all activities related to this Contract, to maintain compliance throughout the life of this Contract, to operate any systems used to fulfill the requirements of this Contract in full compliance with HIPAA and to take no action which adversely affects the State's HIPAA compliance.

The parties acknowledge that the Department of Health and Human Services has issued the Final Rule, as amended from time to time, on the Standards for Privacy of Individually Identifiable Health Information, as required by HIPAA. To the extent required by the provisions of HIPAA and regulations promulgated thereunder, the Contractor covenants that it will appropriately safeguard Protected Health Information (PHI), as defined by the regulations, which is made available to or obtained by the Contractor in the course of its work under this Contract. The Contractor agrees to comply with applicable requirements of law relating to PHI with respect to any task or other activity it performs for the State as required by the final regulations.

38. Severability.

The invalidity of any section, subsection, clause or provision of this Contract shall not affect the validity of the remaining sections, subsections, clauses or provisions of this Contract.

39. Substantial Performance.

This Contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any written amendments or supplements.

40. Taxes.

The State is exempt from most state and local taxes and many federal taxes. The State will not be responsible for any taxes levied on the Contractor as a result of this Contract.

41. Termination for Convenience.

This Contract may be terminated, in whole or in part, by the State whenever, for any reason, the State determines that such termination is in its best interest. Termination of services shall be effected by delivery to the Contractor of a Termination Notice at least thirty (30) days prior to the termination

effective date, specifying the extent to which performance of services under such termination becomes effective. The Contractor shall be compensated for services properly rendered prior to the effective date of termination. The State will not be liable for services performed after the effective date of termination. The Contractor shall be compensated for services herein provided but in no case shall total payment made to the Contractor exceed the original contract price or shall any price increase be allowed on individual line items if canceled only in part prior to the original termination date.

42. Termination for Default.

A. With the provision of thirty (30) days notice to the Contractor, the State may terminate this Contract in whole or in part if the Contractor fails to:

1. Correct or cure any breach of this Contract;
2. Deliver the supplies or perform the services within the time specified in this Contract or any extension;
3. Make progress so as to endanger performance of this Contract; or
4. Perform any of the other provisions of this Contract.

B. If the State terminates this Contract in whole or in part, it may acquire, under the terms and in the manner the State considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

C. The State shall pay the contract price for completed supplies delivered and services accepted. The Contractor and the State shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the State determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

D. The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or equity or under this Contract.

43. Travel.

No expenses for travel will be reimbursed unless specifically permitted under the scope of services or consideration provisions. Expenditures made by the Contractor for travel will be reimbursed at the current rate paid by the State and in accordance with the State Travel Policies and Procedures as specified in the current Financial Management Circular. Out-of-state travel requests must be reviewed by the State for availability of funds and for appropriateness per Circular guidelines.

44. Waiver of Rights.

No right conferred on either party under this Contract shall be deemed waived, and no breach of this Contract excused, unless such waiver is in writing and signed by the party claimed to have waived such right. Neither the State's review, approval or acceptance of, nor payment for, the services required under this Contract shall be construed to operate as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract, and the Contractor shall be and remain liable to the State in accordance with applicable law for all damages to the State caused by the Contractor's negligent performance of any of the services furnished under this Contract.

45. Work Standards.

The Contractor shall execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If the State becomes dissatisfied with the work product of or the working relationship with those individuals assigned to work on this Contract, the State may request in writing the replacement of any or all such individuals, and the Contractor shall grant such request.

46. State Boilerplate Affirmation Clause.

The State swears or affirms that it has not altered, modified or changed the State's Boilerplate contract clauses (as defined in the March 2007 OAG/ IDOA *Professional Services Contract Manual*) in any way except for the following clauses:

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the Contractor, or that he/she is the properly authorized representative, agent, member or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Contract other than that which appears upon the face of this Contract.

In Witness Whereof, Contractor and the State have, through their duly authorized representatives, entered into this Contract. The parties, having read and understood the foregoing terms of this Contract, do by their respective signatures dated below hereby agree to the terms thereof.

(Contractor:)

By: RS

Printed Name: Ryan Shapiro

Title: CEO

Date: 9/24/07

Indiana Department of Correction:

J. David Donahue, Commissioner

Date: 9-28-07

Indiana Office of Technology

Gerry Weaver, Chief Information Officer

Date: 12-Oct-2007

Department of Administration

Mark A. Hampton (for)
Carrie Henderson, Commissioner

Date: 10/18/2007

State Budget Agency

Deanna Thorne (for)
Christopher Ruhl, Director

Date: 10/22/07

APPROVED as to Form and Legality:
Office of the Attorney General

Elizabeth A. Brown (for)
Stephen Carter, Attorney General

Date: 10-25-07

Exhibit A

TERM SHEET FOR DEPLOYMENT OF SERVICES

This term sheet ("Term Sheet") outlines JPay Inc's proposal to deploy its services at the Indiana Department of Corrections. This Term Sheet is an expression of intent only, does not express an agreement of the parties, and is not binding on the parties; it is meant to be used as a negotiation aid by the parties. The parties do not intend to be bound unless and until they execute a definitive service agreement regarding the services and transactions contemplated on this Term sheet.

Agency:	Indiana Department of Correction (the "Department")
Company:	JPay Inc. (the "Company")
Services:	The Company will initially deploy services at the following pilot facilities: (i) Miami Correctional Facility; (ii) Pendleton Juvenile Correctional Facility; (iii) Putnamville Correctional Facility; and (iv) Rockville Correctional Facility. However, the Company may deploy its services at other facilities dependent upon the approval of the DOC Description. The Company will deploy its (i) electronic payment service; (ii) release debit card service; (iii) electronic messaging service; (iv) video visitation service; and (v) commissary ordering service. The company will deploy electronic payment and inbound messaging state-wide.
Pilot Program:	Term. The term of the pilot program will be for one (1) year. Termination. Upon the expiration of the successful pilot program, the Company and the Department will have the option to amend and renew the current agreement and enter into a statewide service agreement (the "Service Agreement") unless the Department gives the Company thirty (30) days written notice.
Service Agreement:	Term. The term of the Service Agreement shall commence on the date the pilot program ends and be renewed for one (1) four (4) year term.
Assignment:	The Company may assign its rights and obligations under this Agreement to any entity that controls, is controlled by, or is under common control with such Party.
Exclusivity:	During the full term of the Pilot and Service Agreement, the Company shall be the sole provider of the release debit card service, electronic messaging service, video visitation service and commissary ordering service.
Requirements:	The Department will provide the Company with inmate information such as: name, id, location (up to the cell location), schedule and visiting rights. Inmate information should be updated at least once a day and provided via FTP or web service.

The Company shall hold all information as confidential. It shall not sell, distribute, or otherwise share the information with any other person or entity. The financial account information accumulated by parties is not to be used for anything other then the functions associated with the services in the contract.

The Department will provide the means for the Company to physically install a kiosk such as: dedicated and isolated power and network cables, a network connection with sufficient data capacity, and a network outlet (RJ45) and CAT 5 cable.

The Department will insure full connectivity between all kiosks and the Company's server (including internal routing on the Department's networks).

The Department will insure a minimum of 10 MBP for each kiosk.

Access: The Company shall have full access to its kiosks installed within the Department. The Company may remove or relocate a kiosk at any time from the Department with the Departments approval.

Maintenance: The Company will have maintenance personnel access the kiosk onsite and remotely. The Department will provide the Company with a secure connection to access a proxy server (or servers) from the Internet. This proxy will have access to all kiosks within the Department's networks.

This Term Sheet is non-binding and is intended solely as a summary of the terms that are currently proposed by the parties. The parties agree to negotiate in good faith a definitive agreement pursuant to this Term Sheet.

Electronic Payment Fees:

SENDING MONEY ONLINE	
Payment Amount	Fee
$0.01 - $20.00	$3.95
$20.01 - $100.00	$6.95
$100.01 - $200.00	$8.95
$200.01 - $300.00	$10.95

SENDING MONEY BY PHONE	
Payment Amount	Fee
$0.01 - $20.00	$4.95
$20.01 - $100.00	$7.95
$100.01 - $200.00	$9.95
$200.01 - $300.00	$11.95

SENDING MONEY VIA MONEYGRAM CASH STORES	
Payment Amount	Fee
$0.01 - $5,000.00	$8.95

SENDING MONEY VIA ACE CASH EXPRESS STORES	
Payment Amount	Fee
$0.01 - $5,000.00	$5.00

Inbound Electronic Messaging Fees

- Senders pay averages of $0.40 to $0.37 per letter (1 page max)

PURCHASING E-POSTAGE FOR INBOUND MAIL	
Price	Stamps
$4.00	10 Stamps
$8.00	21 Stamps
$16.00	43 Stamps

Outbound Electronic Messaging Fees

- Inmates pay $0.30 per letter (3 page max)

Video Visitation Fees

- Senders or Inmates pay $0.50 per minute
- No Connect Fees apply

Release Debit Card Fees

- Cardholder Fees are the following:

Domestic PIN POS Transaction Fee [a]	$0.70
Domestic ATM Transaction Fee [a,b]	$2.00
International PIN POS Transaction Fee [a]	$3.00
International ATM Transaction Fee [a,b]	$4.00
Domestic and International PIN POS Decline Fee [a]	$0.50
Domestic and International ATM Balance Inquiry and Decline Fee [a,b]	$0.50
Monthly Account Maintenance Fee [c]	$0.50
Live Agent Support Fee	$1.00
Currency Conversion Fee [d]	1%
Card Replacement Fee	$5.00
Expedited Card Replacement Fee	$30.00
Card Balance Reimbursement Fee [e]	$9.95
Statement Fee	$1.50
IVR Balance Inquiry Fee [f]	$0.50

a. Any POS or ATM transaction that you make in the fifty United States or in the District of Columbia is considered a Domestic POS Transaction or a Domestic ATM transaction. All other POS or ATM transactions are considered International POS Transactions or International ATM Transactions.
b. If you use an ATM not owned by us, the ATM owner or operator may charge you an additional fee. Such fees will be deducted from your Card Balance and may be charged even if you do not complete a withdrawal or transfer (for example, if you make a balance inquiry).
c. Monthly Account Maintenance Fee is waived for first two (2) full calendar months from Card activation.
d. This fee is charged if you use the Card for a transaction in a currency other than US dollars. A currency exchange may require additional fees paid to us or the currency agent.
e. This fee is charged to your Card Balance when your remaining Card Balance is refunded to you upon termination or expiration of the Card.
f. This fee will be waived for the first 2 IVR Balance Inquiries; this fee will commence from the 3rd IVR Balance Inquiry.

Exhibit C: Contractor's internal policy/confidentiality information policy Proprietary Information/Confidentiality Agreement

The following confirms and memorializes an agreement that JPAY Inc., a Delaware corporation (the "Company") and I, _____, have had since the commencement of my employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that I may have had prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for my employment by Company:

1. I have not entered into, and I agree I will not enter into, any agreement either written or oral in conflict with this Agreement or my employment with Company. I will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose my own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company. Further, I have not retained anything containing any confidential information of a prior employer or other third party, whether or not created by me.

2. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights , *sui generis* database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of my employment with Company to and only to the fullest extent allowed by applicable State labor law (collectively "Inventions") and I will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, I will also disclose anything I believe is excluded by Section 2870 so that the Company can make an independent assessment. I hereby make all assignments necessary to accomplish the foregoing. I shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. I hereby irrevocably designate and appoint Company as my agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in my behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by me. If anything created by me prior to my employment relates to Company's actual or proposed business, I have listed it on Appendix A in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of my employment or otherwise on behalf of Company, I use or (except solely on Appendix A pursuant to this Section 2) disclose my own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and I hereby grant Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exploit and exercise all such confidential information and intellectual property rights.

3. To the extent allowed by law, paragraph 2 includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively "Moral Rights"). To the extent I retain any such Moral Rights under applicable law, I hereby ratify and consent to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. I will confirm any such ratifications, consents and agreements from time to time as requested by Company.

4. I agree that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) I develop, learn or obtain during the term of my employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute "Proprietary Information." I will hold in confidence and not disclose or, except within the scope of my employment, use any Proprietary Information. However, I shall not be obligated under this paragraph with respect to information I can document is or becomes readily publicly available without restriction through no fault of mine. Upon termination of my employment, I will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that I may keep my personal copies of (i) my compensation records, (ii) materials distributed to shareholders generally and (iii) this Agreement. I also recognize and agree that I have no expectation of privacy with respect to Company's telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice.

5. Until one year after the term of my employment, I will not encourage or solicit any employee or consultant of Company to leave Company for any reason (except for the bona fide firing of Company personnel within the scope of my employment).

6. I agree that during the term of my employment with Company (whether or not during business hours), I will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and I will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

7. I agree that this Agreement is not an employment contract for any particular term and that I have the right to resign and Company has the right to terminate my employment at will, at any time, for any or no reason, with or without cause. In addition, this Agreement does not purport to set forth all of the terms and conditions of my employment, and, as an employee of Company, I have obligations to Company which are not set forth in this Agreement. However, the terms of this Agreement govern over any inconsistent terms and can only be changed by a subsequent written agreement signed by the President of Company.

8. I agree that my obligations under paragraphs 2, 3, 4 and 5 of this Agreement shall continue in effect after termination of my employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on my part, and that Company is entitled to communicate my obligations under this Agreement to any future

employer or potential employer of mine. My obligations under paragraphs 2, 3 and 4 also shall be binding upon my heirs, executors, assigns, and administrators and shall inure to the benefit of Company, it subsidiaries, successors and assigns.

9. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of New York without regard to the conflict of laws provisions thereof. I further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable New York law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by me is void. I also understand that any breach of this Agreement will cause irreparable harm to Company for which damages would not be a adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY ME.

_____, 2007

Employee

_____

Signature

_____

Accepted and Agreed to:

_____

By _____

APPENDIX A

PRIOR MATTER