

**STERLING COMMISSARY, LLC
INMATE COMMISSARY SERVICE AGREEMENT**

This is a Service Agreement by and between Sterling Commissary, LLC, with a place of business at 305 W. 3rd Street, Clifton, TX 76634 hereinafter called "Operator" and Clay County Sheriff's Office with a place of business at 215 W. Gilbert Street, Henrietta, TX 76365 hereinafter called "Client".

WITNESSETH:

In consideration of the mutual promises and obligations hereinafter set forth to be performed and observed by each of the parties, the parties hereby covenant and agree as follows:

1. Client does hereby grant to Operator the exclusive right to sell candy, snacks, pastry, beverages, miscellaneous items, clothing, personal hygiene items and food products through Operators Inmate Commissary Program at Client's facility located within the Clay County Jail for a term of five (5) Years beginning on MARCH 15, 2017. The term of this service agreement will continue for like terms once the first term has been completed, unless a 90 day notice before the end of a term is required to terminate this agreement by certified mail as stated in section 9.
2. During said term, or any renewal thereof:
 - a. Operator shall install hardware and software that is furnished by Operator at no cost to the Client. This will include (1) Teller lobby kiosk, (1) Booking Money Manager and FSG Interface provided in conjunction with the Stellar Services Inmate Banking Software Agreement. Client agrees to accept the equipment and furnish adequate space, utilities and utility outlets in such locations as mutually agreed upon by both parties. Operator agrees to pay Client ~~20%~~ ^{25% WRB} of the gross revenue, excluding sales tax. Operator has the right to increase pricing twice per calendar year with written notice to the Client.
 - b. Operator will license, repair and service all equipment on a timely basis at its sole cost and expense. Operator will update software as needed or available. Operator will provide up to 4 hours per month of additional training and software work. Excessive amounts of correcting client created accounting problems will be billed to client at an hourly rate of \$50.00 per hour. Excessive amounts is defined as more than 4 hours of correcting accounting problems per month.
 - c. Client will have the right to review and audit the records of Operator's sales at any of their facilities at any reasonable time on a normal business day with a 5 day advanced notice to the Operator.
 - d. Operator shall be responsible for the determination of wholesale selling prices which are subject to review and approval by Client. Approval of any increases will not be unreasonably withheld. Client shall be responsible for the determination of the products available in client's facility and final retail prices (wholesale plus clients' commission rate). It is the Client's responsibility to pay all invoices upon receipt.
 - e. Client is responsible for any loss or damage to equipment resulting from vandalism, theft or abuse.
 - f. Client will provide IP connections at no charge to the Operator.
 - g. Client shall be solely responsible for the management and operation of the inmate banking software program and inmate commissary program at Client's facility. All persons employed by Operator shall be employees of the Operator and neither the Client nor any agent or employee of the Client shall be or be deemed an employee of the Operator. Client shall be solely responsible

TD Client Initials

WRB Operator Initials

for collection of cash and coins from both booking and lobby kiosks.

- h. All equipment and products shall at all times remain the property of the Operator until the point of sale. Operator shall remove equipment and software promptly upon expiration or termination of the Agreement. The data from the software is the property of the Client and will be returned to Client once removed from hardware.
- i. Client will assume full liability for payment of all sales, use or other taxes on all sales from the Inmate commissary program. Client shall allow no liens to be placed against the Operators property resulting from Client's failure to perform all of its obligations.
- j. Operator shall comply with all laws, regulations, codes and rules of proper governmental authority in connection with installation, maintenance, and use of its inmate commissary program while in the Client's premises and further agrees to procure all licenses and to pay all fees and other charges, which may be required by such laws, regulations, codes and rules.

Cancellation:

- a. In the event that Operator shall default in the payment of any commissions due hereunder or in the performance of any of its obligations hereunder, and such default shall not be cured by Operator within sixty (60) days after receipt by Operator of a written notice sent by certified or registered mail from Client specifying such default, then and in that event and for so long thereafter as such default shall not be cured, Client may terminate this Agreement by sending to Operator by certified or registered mail, a written notice of such termination, specifying the termination date of which shall be no less than sixty (60) days after the date of which such notice shall be received by Operator.
- 4. Operator shall maintain full service to the Client's facilities up to the actual date of termination by either party.
 - 5. This Agreement shall become effective on MARCH 15, 2017, and shall remain in effect for the said period as specified in paragraph 1.
 - 6. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof and supersedes all previous communications, representations, understandings and agreements, oral or written between the parties. This Agreement is binding on Operator's and Client's respective assignees and successors.
 - 7. The parties to this Agreement shall not be liable for failure to perform its part or obligation when the failure is caused by fire, flood, strikes, industrial disturbances, inevitable accident, war, riots, insurrection, or similar occurrences.
 - 8. This Agreement shall be construed, and legal relationships between the parties thereto, shall be determined in accordance with the laws of Texas.
 - 9. All notices required by the term of this Agreement to be sent to the other party shall be in writing and forwarded by certified mail addressed as follows:

 Client Initials

 Operator Initials

Client: Clay County Sheriff's Office
215 W. Gilbert Street
Henrietta, TX 76365

Operator: Sterling Commissary, LLC
305 W. 3rd Street
Clifton, TX 76634

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first written above.

CLAY COUNTY SHERIFF'S OFFICE

By: R. P. Lemons CR

Signature: [Handwritten Signature]

Title: Sheriff

Date: 01-05-17

STERLING COMMISSARY, LLC

By: RYAN BARTOLA

Signature: [Handwritten Signature]

Title: PRESIDENT

Date: 1/5/2017