



# LASSEN COUNTY SHERIFF'S OFFICE

1415 Sheriff Cady Lane Susanville, CA 96130

**Administration**  
Phone: (530) 251-8013  
Fax: (530) 251-2884

**Dispatch**  
Phone: (530) 257-6121  
Fax: (530) 257-9363

**Civil**  
Phone: (530) 251-8014  
Fax: (530) 251-2884

**Adult Detention Facility**  
Phone: (530) 251-5245  
Fax: (530) 251-5243

**Dean F. Growdon**  
Sheriff - Coroner

To: Lassen County Board of Supervisors  
From: John McGarva, Lieutenant  
Re: Inmate Commissary Services Contract  
Agenda Date: January 14, 2020

**Subject:**

Authorize the CAO to sign the contract with Keefe Group

**Discussion:**

California Penal Code Section 4025 states that the sheriff of each county may establish, maintain and operate a store in connection with the county jail and for this purpose may purchase confectionery, tobacco and tobacco users' supplies, postage and writing materials, and toilet articles and supplies and sell these goods, articles, and supplies for cash to inmates in the jail. The sale prices of the articles offered for sale at the store shall be fixed by the sheriff. Any profit shall be deposited in an inmate welfare fund to be kept in the treasury of the county.

In August 2019, command staff from the Sheriff's Office issued a Request for Proposals regarding Inmate Commissary Services. We held a site evaluation in August and received three proposals as of the October 3, 2019 deadline. We held a bid opening at the County Administration Building and an evaluation committee was selected. The proposals were scored based on a compilation of those scores, the committee selected Keefe Group to be the vendor for these services.

On November 12, 2019, the Lassen County Board of Supervisors awarded the bid for Lassen County Jail Inmate Commissary Services to the Keefe Group. After negotiations with Keefe, a contract was drafted and approved as to form by County Counsel. The contact was signed by representatives from the Keefe Group and forwarded to Lassen County for signature. The contact was approved to form by County Counsel and returned to Keefe for signature. On December 23, 2019, the contract was received from Keefe signed by their representative.

**Fiscal Impact:** The services will be implemented at no cost as stated in the proposal. The County will receive a Commission of 38% from purchases made from the Commissary Service.

**Recommendation:** Authorize the CAO to sign the contract.

**KEEFE COMMISSARY NETWORK, LLC**  
**COMMISSARY SERVICES AGREEMENT**

This Agreement ("Agreement") is made by and between KEEFE COMMISSARY NETWORK, LLC ("Keefe"), and Lassen County Sheriff's Office-Jail, located at 1405 Sheriff Cady Lane Susanville, CA 96130, ("Customer") (collectively, the "Parties").

Keefe is in the business of supplying food and other related commissary items and services to inmate commissary departments of correctional facilities throughout the United States, including the Customer; and,

The Parties wish to enter into a Commissary Services Agreement to facilitate the following services which are detailed herein: the ordering of commissary items by inmates; the operation of and payment for commissary; payments to inmate trust accounts; an inmate package program; and transferring funds from inmates' trust accounts to secure release cards upon their release (collectively, "Commissary Services").

Therefore, in consideration of the mutual promises and conditions herein contained, the Parties agree as follows:

1. **OPERATION OF COMMISSARY BY CUSTOMER.** Customer agrees that during the term of this Agreement, it will, at its own expense: (a) provide personnel to operate the computer equipment, as listed in Exhibit A ("Computer Equipment") and the Keefe proprietary software, as also listed in Exhibit A ("Keefe Software"); (b) manage and reconcile the funds in the Inmate Trust Accounts; and (c) deliver the completed commissary orders to the individual inmates.

1.1 **OPERATION OF COMMISSARY BY KEEFE.** Keefe agrees that, on an as-needed basis, it will download all inmate orders for commissary items. Keefe will bag, box, and ship such commissary items to the Customer for distribution to the inmates and invoice Customer for all such purchases in accordance with Section 3.0. In addition, Keefe will keep the Computer Equipment updated with complete information as to commissary items available, pricing, and other terms and conditions of sale.

2. **HARDWARE/SOFTWARE.** During the term of this Agreement, Keefe shall supply Customer with the Computer Equipment and Keefe Software as listed in Exhibit A. Customer agrees to return all Computer Equipment and Keefe Software to Keefe in workable order upon contract termination. Keefe hereby grants to Customer a non-exclusive, royalty-free license to use the Keefe Software during the term of this Agreement. All software supplied by Keefe is proprietary and shall at all times remain the property of Keefe with title and all rights vested in and retained by Keefe. Customer hereby agrees that it will NOT disclose, reproduce, transfer, alter, reverse-engineer, decompile or use the Keefe Software and/or documentation for any purpose, other than those specifically allowed by the terms of this Agreement. All hardware installed by Keefe shall remain the property of Keefe unless otherwise expressly agreed to by the Parties in writing.

3. **PAYMENT.** Keefe will invoice Customer on a weekly basis for all commissary items purchased. Customer shall pay such invoices in accordance with Keefe's standard credit terms (NET 30 DAYS).

4. **COMMISSION.** Customer will be paid a commission for the services to be provided under this Agreement equal to 38% of Adjusted Gross Sales of commissary items. "Adjusted Gross Sales" is defined as gross commissary sales minus the sales of noncommissioned commissary items as listed in **Exhibit B** of this Agreement. In the event that the inmate's trust account funds available to purchase commissary products are inhibited in any way by a change in policy or law, the commission paid to Customer shall be reduced accordingly by Keefe after negotiation with Customer.

5. **MENU.** Commissary item selection and pricing will be agreed upon by Customer and Keefe. Commissary item menu selection and price adjustments shall be reviewed as needed, but no less than annually, by Keefe. All changes must be approved by Customer.

6. **PAYMENT SERVICES.** This Agreement includes Keefe's Access Corrections® Secure Payment Services, the terms of which are memorialized in Exhibit C, entitled "Payment Services", attached hereto and incorporated herein. Keefe will facilitate payments to Inmate Trust Accounts via website, toll-free phone number, walk-in provider(s) and/or kiosk(s) placed in mutually agreeable site(s) within Customer's facility. Customer will provide electrical power to operate the kiosk(s) and Keefe will provide the network connectivity. Keefe will guarantee all transactions and will send, via ACH, monies to the Customer designated bank account in accordance with the terms and conditions provided for in Exhibit C. Except as provided for herein, no fees for this service will be borne by Customer.

7. **SECURE RELEASE SERVICE.** This Agreement includes Keefe's Secure Release™ Service, the terms of which are memorialized in Exhibit D, entitled "Secure Release Prepaid Debit Card Release", attached hereto and incorporated herein. Except as provided for herein, no fees for this service will be borne by Customer.

8. **PACKAGE PROGRAM.** This Agreement includes Keefe's Access Securepak® Inmate Package Program Service. Keefe shall process and deliver orders placed through its Access Securepak website on the terms and conditions provided therein. Customer will be paid a commission for this service equal to 38% of all final Securepak sales made on behalf of inmates at Customer's facility minus any sales tax, returns, processing fee, refunds and/or chargebacks resulting from or arising out of the sales. Keefe shall deliver Securepak orders to Customer's facility once per week [*and the maximum spending limit on each order is \$65.00.*] Customer agrees that Keefe may charge a processing fee for each order which may be amended by Keefe from time to time.

9. **TERM & TERMINATION.** This Agreement shall become effective as of the 1<sup>st</sup> day of January 2020, and shall continue in effect for a period of five (5) years (the "Base Term"). The Agreement will automatically renew for successive one-year terms thereafter, unless either party to this Agreement gives notice in writing to the other party no less than ninety (90) days prior to the expiration of any term or extended term that the party so giving notice does not wish to

extend this Agreement. If either party shall materially breach any of the terms or conditions of this Agreement for any reason other than Excused Performance reasons defined herein, the party claiming such material breach shall give the other party a written notice of such breach. If within thirty (30) days from such notice the material breach has not been cured, or the material breach is such that it may not be cured within thirty (30) days and the party in breach has not commenced the cure within thirty (30) days and continuously pursued the cure, then the injured party may cancel the Agreement. Within thirty (30) days after termination of this Agreement, Customer shall, at Keefe's option, return all Computer Equipment and Keefe Software, and certify such removal and return in writing to Keefe. All monies due the Parties at the time of termination shall be paid to the respective party within thirty (30) days after the effective date of the termination of services.

10. **EXCUSED PERFORMANCE.** In case performance of any term or provision herein (other than payment of money) shall be delayed or prevented because of compliance with any law, decree or order of any governmental agency or authority, either local, state, federal, or because of riots, war, public disturbances, strikes, lockouts, differences with workmen, fires, floods, Acts of God, or any other reason whatsoever that is not within the control of the party whose performance is interfered with and which, by the exercise of reasonable diligence said party is unable to prevent, the party so suffering may at its option suspend, without liability, the performance of its obligations hereunder during the period such cause continues, and extend the term of this Agreement for the period of such suspension of the performance of duties thereunder.

11. **CUSTOMER'S RESPONSIBILITIES.** Customer shall promptly notify Keefe of any changes in Customer's hardware systems, software or operating procedures that interact in any fashion with Keefe's supplied hardware, software or its operating procedures. Customer shall not, during the term of this Agreement nor for one (1) year following its termination or expiration, solicit to hire, hire, or contract with any employee or former employee of Keefe, Trinity Services Group, Inc. or any of their parents or subsidiaries, direct or indirect. In the event that Customer breaches its covenant not to hire an employee or former employee, Customer agrees to pay Keefe an amount equal to the annual salary of such employee.

12. **GOVERNING LAW.** Both parties to this Agreement irrevocably: (i) consent and submit exclusively to the jurisdiction of the courts of the State of Missouri, County of St. Louis, or if it has or can acquire jurisdiction, the United States District Court for the Eastern District of Missouri, (ii) and agree that this Agreement shall be governed by, interpreted and construed in accordance with, the laws of the State of Missouri, without regard to any conflicts of law.

13. **ENTIRE AGREEMENT-WAIVER.** This Agreement and its Exhibits constitute the entire Agreement between the Parties with respect to the provision of Commissary (and Payment, where applicable) Services, and there are no other or further written or oral understandings or agreements with respect thereto. No variation or modification of the Agreement and no waiver of any provision shall be valid unless in writing and signed by the duly authorized officers of both Keefe and Customer. This Agreement supersedes all other agreements, negotiations, conversations and representations between the Parties for the provision of Commissary (and Payment, where applicable) Services.

14. **ASSIGNMENT.** Except in the case of a merger, reorganization, change in control, or sale of all or substantially all assets or equity, neither Party shall have the right to assign or otherwise transfer its rights and obligations under this Agreement except with the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

15. **INDEMNIFICATION.** Keefe shall indemnify Customer against any claim, action, suit, demand, damage, liability, loss, or judgment, including reasonable attorney's fees and costs, which arise out of, relate to or result from Keefe's negligent performance of its obligations under this Agreement, except to the extent such claims, actions, suits, demands, damages, liabilities, losses or judgments are due to the negligent or unlawful conduct, or the willful misconduct of Customer, its agents or employees. Customer shall indemnify Keefe against any claim, action, suit, demand, damage, liability, loss or judgment, including reasonable attorney's fees and costs, which arise out of, relate to or result from Customer's negligent, intentional or willful acts or omissions, except to the extent such claims, actions, suits, demands, damages, liabilities, losses or judgments are due to the negligent or unlawful conduct, or the willful misconduct of Keefe. Each party agrees to provide the other party with reasonable and timely notice of any claim, action, suit, demand, damage, liability, loss or judgment made or brought against the other party arising out of or relating to the Agreement and for which the notifying party is seeking indemnification hereunder. The indemnifying party shall have the right to defend any such claim at its sole cost and expense. Each party will promptly advise the other party of any proposed agreement to compromise or settle any claims and the other party will have ten (10) days to respond to such proposal. These indemnities and remedies shall survive the expiration or other termination of the Agreement.

16. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, NEITHER PARTY SHALL BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, FOR ANY PUNITIVE, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LIQUIDATED OR EXEMPLARY DAMAGES (INCLUDING LOST PROFIT OR BUSINESS INTERRUPTION EVEN IF NOTIFIED IN ADVANCE OF SUCH POSSIBILITY) ARISING OUT OF OR PERTAINING TO THE SUBJECT MATTER OF THIS AGREEMENT OR OUT OF ANY OF THE PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT.

17. **RELATIONSHIP OF THE PARTIES.** Each Party is an independent contractor and is not an employee, employer, agent, partner, joint venture or joint employer of or with the other Party. Nothing in this Agreement shall be construed to give either Party: (a) the power to direct or control the day-to-day activities of the other, (b) the power to create or assume any obligation on behalf of the other, or (c) the power to bind the other in any manner whatsoever.

18. **CONSENT.** Where the consent of either party is required, it shall not be unreasonably withheld or delayed.

19. **CONFIDENTIALITY.** "Confidential Information" includes any non-public, confidential or proprietary information furnished by a Party (the "Disclosing Party") to the other Party (the "Receiving Party") including, but not limited to, information relating to the Disclosing Party's business, product designs, product plans, data, software and technology, financial

information, marketing plans, business opportunities, pricing information, menus, discounts, inventions and know-how. Confidential Information does not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party in violation of this Agreement, (ii) was in the Receiving Party's possession prior to the disclosure of the Confidential Information pursuant to this Agreement without an obligation of confidentiality, (iii) becomes available to the Receiving Party on a non-confidential basis from a third party, provided that the Receiving Party did not know, or have reason to believe, after reasonable investigation, that such source was subject to an obligation not to disclose such information, or (iv) is required to be disclosed by any applicable law or regulation or by order of any governing body or court of competent jurisdiction; provided, however, the Receiving Party must promptly notify the Disclosing Party of the demand for such disclosure so that the Disclosing Party may, in its sole discretion, seek a protective order or take such other appropriate steps to resist or narrow the scope of the disclosure sought by such request. If a protective order or other remedy is not obtained, the Receiving Party may make such disclosure without liability under this Agreement, provided that the Receiving Party furnish only that portion of the Confidential Information which is legally required to be disclosed.

20. **EXCLUSIVITY.** Customer hereby agrees that Keefe has the exclusive right to provide the Commissary Services for Customer.

21. **NOTICES.** All notices to be given under this Agreement shall be in writing and served either personally, by deposit with an overnight courier with charges prepaid, or by deposit in the US mail, first-class postage prepaid by registered or certified mail, addressed to the parties at the addresses stated on the signature page, or at any other address as designated by one party upon notice to the other party. All such notices shall be deemed to have been given (a) upon the first business day following personal delivery, (b) one business day after deposit with an overnight courier, or (c) three business days after deposit in the US mail.

22. **EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION.** The Parties warrant and represent that they shall comply with all federal, state and local laws as required, including but not limited to, Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Act of 1974, as amended. The Parties hereby incorporate the requirements of 41 C.F.R. 60-1.4(a)(7), 60-250.5 and 60-741.5, if applicable.

23. **MISCELLANEOUS.** This Agreement may be executed in two or more counterparts, and each such counterpart and any copies thereof shall be deemed an original. The headings in this Agreement are intended solely for convenience and shall not affect the rights of the Parties under the Agreement. In the event any provision(s) of this Agreement is in conflict with any law, statutory provision or otherwise, such term(s) shall be deemed stricken from this Agreement, but any such invalidity or unenforceability shall not invalidate any of the other terms of this Agreement, and the Agreement shall continue in full force and effect. This Agreement will apply to, be binding on, and inure to the benefit of the successors and permitted assigns of the Parties.

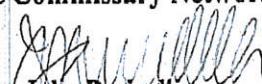
24. **AUTHORITY.** The undersigned representative of each Party warrants that he/she has the full authority to execute this Agreement and bind the Party on whose behalf he/she is executing the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the year and date written below.

**County of Lassen**

By:  
Name: Richard Egan  
Title: County Administrative Officer  
Date:  
Address for Notice:  
1405 Sheriff Cady Lane  
Susanville, CA 96130

**Keefe Commissary Network, LLC**

By:   
Name: John Puricelli  
Title: Executive Vice President  
Date: 12/23/19  
Address for Notice:  
10880 Lin Page Place, St. Louis, MO 63132  
With a copy to:  
General Counsel, TKC Holdings, Inc.  
1260 Andes Blvd., St. Louis MO 63132

**Approved as to Form**

DEC 07 2019  
  
Lassen County Counsel

**Exhibit A**  
**Hardware / Software Featured**

**Description**

Dell Optiplex 7010, Intel i7-3770 3.4 GHz, 8 GB RAM, 1 TBHD (Windows 7)
Dell PE T620, Intel Xeon E5-2603 1.88 GHz, 2 GB RAM, 5x146 GBHD (Server 2008)
Ethernet Cable 10 ft.
Dell Laser B2360dn 1 yr warranty + add'l 2 yr warranty (duplex and networking)
USB Printer Cable 2.0 Type A to Type B Cable - 6.6 ft - *12/12
OpScan 4 Scanner dual side ink/pencil w/ run-time software
Lobby Kiosk - Inducomp
Secure Release - card swipe (ID TECH IDMB-335133B)

**The DELL computer hardware is provided, maintained, and warranted at no additional cost for the life of the commissary agreement.**

**Exhibit B**  
**Noncommissioned Items**

Stamped envelopes

Postage stamps

Indigent Kits

Admission Kits

On-site, special commissary item sales sold by Customer

Refunded items

**Exhibit C**  
**Payment Services**

- 1. Services.** Keefe will provide cash handling services and payment processing services for payments made through kiosks, walk-in retailers, online websites and/or mobile sites, call centers or applications operated by Keefe or such other methods ("Transactions") for crediting account balances held by Customer on behalf of the recipients of funds (the "Services"). Keefe provides the Services in its capacity as a licensed money services business. Keefe represents and warrants to Customer that Keefe is duly licensed to provide the Services and will do so in compliance with applicable laws and regulations.
- 2. Authorization.** Customer authorizes Keefe to act on its behalf in handling cash and to submit Transactions initiated by individuals through the Services to the credit card networks or otherwise for authorization, processing and settlement to Customer for the benefit of designated recipients.
- 3. Responsibilities of Keefe.**
  - a. Keefe will receive payments from the public, directed to recipients by way of the Services.
  - b. Keefe will transfer payment files to Customer on a daily basis. Keefe will deliver payments to Customer by the second business day following (but not including) the day of the transaction by means of an electronic funds transfer ("EFT") to Customer's designated bank account; provided, however, Keefe, in its sole discretion, reserves the right to delay its acceptance of any transaction that Keefe determines to be suspicious and warrants further investigation. Customer acknowledges and agrees that Keefe may reject, terminate or cancel any proposed transaction should Keefe determine the transaction is being made for an improper or illegal purpose.
  - c. Keefe will provide Customer with daily payment information by way of the Keefe Customer interface.
  - d. Keefe will be responsible for responding to and resolving inquiries and complaints from senders of funds arising out of Keefe's failure to timely transmit any payment to Customer.
  - e. Keefe will provide sufficient promotional material to be posted by Customer.
  - f. Keefe, upon receipt of written notice from Customer, shall place limitations on transactions. The limitations will be implemented by Keefe as soon as is reasonably practicable.
  - g. Keefe may contract with a third-party service provider to remove cash from kiosks, to replace receipt paper and to assume responsibility for the funds until deposited into the designated bank account.
- 4. Responsibilities of Customer.**
  - a. Customer will provide Keefe with the required bank account information for transmission of an EFT. Customer agrees to notify Keefe, in writing, giving fourteen (14) days' notice, of any changes to the bank account information.
  - b. Customer will, upon receipt of written documentation of overpayment, promptly, but in no event more than ten (10) business days, refund any overpayment made by Keefe, for any reason. This is to include, but not be limited to, duplicate payments, payments refunded to

customers by Keefe and any incorrect payments. At Keefe's sole option and in lieu of the foregoing, Keefe may offset any such overpayments from future payment amounts transmitted by Keefe to Customer and notify Customer of any such offset.

- c. Upon implementation of the Services, Customer agrees that it will not accept payments designated for recipient accounts. Customer will close any window or other collection method currently used to accept payments within sixty (60) days of kiosk implementation.
- d. Customer will promptly report receipt of each payment to the designated account or recipient in accordance with the Customer's policy.
- e. Customer agrees that it shall, to the full extent allowed by law, assume all liability, responsibility and risk of loss associated with its breach of any of the terms or conditions within this Exhibit C and/or its negligence in the performance of its duties hereunder.
- f. Keefe will provide all labor necessary for and will guarantee the workmanship of the installation of a lobby kiosk including, but not limited to, material handling within the facility and all costs associated with the networking, internet connectivity and electrical enhancements required to install a kiosk at the Customer's location.
- g. Customer agrees that Keefe may determine, in its sole discretion, to suspend, terminate or place restrictions on one or more individual's ability to use the Services.

5. **Rates.** The Services shall be provided at no cost to Customer. Keefe shall charge persons initiating a Transaction a service fee in accordance with its rate schedule which the Customer acknowledges may be amended by Keefe in its sole discretion from time to time.

6. **Exclusivity.** Keefe has the exclusive right to provide the Services for the Customer and the exclusive right to collect and receive money handling fees associated with the Services which fees will belong to Keefe.

7. **Termination.** The Services may be immediately terminated by either Party, in its sole discretion, in the event a Party has not cured a breach of the terms or conditions contained in this Exhibit C within thirty (30) days of written notice of such purported breach from the non-terminating Party. Termination of the Services does not affect either Party's rights or obligations as to any transaction submitted for processing prior to termination.

8. **Refunds/Chargebacks.**

- a. The Parties acknowledge that once Keefe accepts a transaction submitted to the applicable payment network or otherwise for processing, Keefe cannot cancel or change the transaction. Except to the extent required by applicable law, payments processed by Keefe are non-refundable to the individual by Keefe. Individuals may have additional refund or chargeback rights under their cardholder agreement with the card issuer or applicable law.
- b. In the case of chargebacks or returned funds, Keefe will be responsible for pursuing the chargeback through the card association's dispute resolution processes, if appropriate in Keefe's sole discretion. Upon written request from Keefe, Customer agrees to provide requested information needed to pursue the chargeback.
- c. If an individual requests a refund, Keefe will not be responsible for making those funds available if they have been already settled to a designated account by Keefe or are beyond Keefe's control.

- d. If Customer and sender of funds issue inconsistent instructions or requests to Keefe, Customer's instructions will control and Customer will reimburse, defend, indemnify and hold Keefe harmless from any and all losses, costs and expenses (including reasonable attorneys' fees) as a result of complying with Customer's instructions.
- 9. **Damages Cap; No Other Warranty.** OTHER THAN KEEFE'S OBLIGATION FOR ANY FUNDS RECEIVED FROM INDIVIDUALS, IN NO EVENT SHALL KEEFE'S AGGREGATE LIABILITY IN TOTAL FOR ALL CLAIMS ARISING FROM OR RELATING TO THE SERVICES PROVIDED FOR IN THIS EXHIBIT C, EXCEED THE AMOUNT OF SERVICE FEES PAID TO KEEFE FOR THE TRANSACTIONS RELATING TO THE CLAIM. THE FOREGOING LIMITATION APPLIES REGARDLESS OF THE NATURE OF THE CLAIM OR THE FORM OF THE ACTION EMPLOYED, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE. THE SERVICES ARE PROVIDED "AS IS." EXCEPT AS EXPRESSLY STATED IN THIS EXHIBIT C, NEITHER PARTY MAKES, AND EACH PARTY EXPRESSLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES FOR THE SERVICES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR IMPLIED WARRANTIES ARISING FROM THE COURSE OF DEALING OR COURSE OF PERFORMANCE.

**Exhibit D**  
**Secure Release Prepaid Debit Card Release**

1. **Release Services.** Keefe shall provide technical support and coordination for the following Secure Release inmate trust fund release services ("Release Services") for processing inmate trust fund balances to Customer inmates at time of release from the Customer:

*Prepaid Debit Cards* ("Cards"): described as, a debit card which may be used for ATM withdraws and/or pin-based and signature purchases after inmate activation. The Cards will be issued by and the funds will be held by Cache Valley Bank in Logan, Utah. All transactions are processed by a third-party processor - Rapid Financial Solutions.

\* Additional Release Services may be made available to the Customer throughout the term of this Agreement and shall become part of this Agreement with the Customer's acceptance. No Release Services shall be implemented without Customer approval. Another card brand, issuing bank or program manager may be substituted during the term of this Agreement at Keefe's discretion and shall not constitute an "Additional Release Service." The Customer will be notified in advance in writing of any such change.

2. **Maintenance of Designated Account.** Customer agrees to maintain an account at the following bank ("Designated Account") from which funds will be withdrawn by Keefe and sent to Cache Valley Bank, which issues the Cards:

Bank Name: U.S. Bank

Bank Address: 901 Main Street

Routing Number: 121122676

Account Number: 157517099238

Bank Contact Name and Title: Shauntel Thompson, Branch Manager

Bank Contact Phone Number: (530) 257-7295

3. **Authorization to Withdraw Funds from Designated Account.** Customer hereby authorizes Keefe to withdraw funds from the Designated Account without signature or notice to effect all deductions and other transactions due Keefe provided for in this Agreement. Keefe shall notify Customer if at any time there are insufficient funds in the Designated Account to cover any amount that is due and owing to Keefe. Customer shall promptly pay such amount to Keefe. Keefe will withdraw funds from the Designated Account every business day to cover the funds necessary to issue the Cards.

This authorization is to remain in full force and effect until Keefe has received written notification from Customer of its termination in such time and in such manner as to afford Keefe and the bank named above reasonable opportunity to act on it. Customer shall give Keefe no less than three banking business days' notice if the Designated Account is to be changed so as to allow enough time for Keefe to make the necessary system modifications.

4. **Responsibilities of the Customer.** All responsibilities of the Customer are outlined in the "Security Requirements for the Storage of Prepaid Cards", which are attached hereto and

incorporated herein by reference. Keefe reserves the right to modify the "Security Requirements for the Storage of Prepaid Cards"; provided, however, Keefe shall notify the Customer of any such change in advance in writing.

5. **Representation and Warranty of Customer.** Customer represents and warrants that it is lawful in its respective jurisdiction of Lassen County, California to provide the Release Services as detailed in this Agreement, including, but not limited to, charging the inmates a fee for the Release Services.
6. **Fees and Charges.** Keefe shall charge a fee for its role in setting up the bank account with the bank issuing the Cards and for coordinating third party processing services. "Coordination Fees" are in accordance with the fee structure located in the document entitled "Inmate Release Card Program Fees", which is attached hereto and incorporated herein by reference. All fees shall be assessed to the card holder/inmate.
7. **Taxes.** Each party shall be responsible for calculating, collecting and remitting their own Federal, state and/or local taxes, associated with the Release Services.  
**\*Taxes should not be levied on the issuance of a Card unless Customer's laws dictate such.**
8. **Equipment.** Upon expiration or termination of this Agreement, Customer agrees that all equipment and materials remain the property of Keefe and upon expiration or termination of this Agreement Keefe agrees to promptly remove all equipment and materials from the above mentioned Customer. Customer shall be responsible for any unusual wear and tear, lost or stolen equipment as well as any lost, stolen or improperly funded Cards during the term of this Agreement as per the "Security Requirements for the Storage of Prepaid Cards".
9. **Exclusivity.** Customer acknowledges that Keefe has the sole and exclusive right and authority to provide the Release Services for all inmate accounts under the Customer's control and Customer shall not, throughout the term of the Agreement, engage the services of any other company to provide such Release Services.
10. **Fiduciary Responsibility.** Customer agrees that it shall, to the full extent allowed by law, assume all liability for any Customer related job functions that lead to discrepancies/deficiencies associated with any funding, Card loss, improper storage, etc. expressly attributed to the loading, inventorying and distribution of the Cards to the Customer inmates.

## **Security Requirements for the Storage of Prepaid Cards**

The security requirements in this document are based on policies and guidelines developed by the Payment Networks and industry best practices. These requirements must be implemented at all locations that store and distribute instant-issue card products.

### **Card Ordering**

Card orders will be shipped to the designated locations by Rapid or its assignees by bonded and approved carrier. Card orders must be signed for upon arrival. All cards must be placed at the time of receipt into inventory in a secured storage area. An employee designated by management should be appointed to ensure the physical and procedural security policies are implemented.

### **Card Inventory**

Physical security of the cards in inventory must be maintained at all times. Cards must be stored in a controlled environment, such as a safe or locked storage device, with access limited to employees who have successfully passed background screening checks.

An inventory log must account for the number of cards received, cards used, cards spoiled (cards that cannot be used due to damage, tampering or expiration) and remaining cards that should balance to the number of cards on hand at any time. An explanation of spoilage should be included on the log. Any inventory discrepancy must be reported to Rapid as soon as detected.

### **Card Destruction**

Rapid may request return of unused cards in inventory for destruction for any of the reasons listed below.

1. Cards are compromised or tampered with;
2. Card stock expired;
3. Cards are damaged or defective;
4. Program is terminated.

Cards to be returned should be securely packaged. A copy of the inventory log should be included in the shipment. A second copy of the inventory log should be transmitted to Rapid electronically.

Alternatively, the location may destroy any defective or damaged card and certify its destruction by maintaining a detailed inventory log, and destroying the cards using a cross cut shredder that creates pieces no larger than  $\frac{1}{4}$  " by  $\frac{1}{2}$  " in size. A certified report of destruction outlined in Attachment A, attached hereto and incorporated herein by this reference must be submitted to Rapid on a monthly cycle even if no cards were destroyed in that period.

The remainder of this page intentionally left blank.

**Attachment A**  
**Certificate of Destruction of Defective or Damaged Cards**

I \_\_\_\_\_ certify that the cards listed below were either damaged or defective.  
I further certify that the cards below were destroyed using a cross cut shredder that created pieces no  
larger than  $\frac{1}{4}$  " by  $\frac{1}{2}$  " in size.