

COMMISSARY SERVICES AGREEMENT

Made on this, the 22 day of February, 2021, by and between these parties:

CTC Commissary, LLC (hereinafter referred to as "CTC"), and

AND

McNairy County Sheriff's Office (hereinafter referred to as "MCNAIRY")

The parties appear to enter into an Agreement by which the McNairy County Jail located at 300 Industrial Park Drive, Selmer, TN 38375, hereinafter referred to as MCNAIRY, and, CTC Commissary, LLC, with principal office located at 4501 Marlena Street, Bossier City, Louisiana, hereinafter referred to as CTC. MCNAIRY states that it desires for CTC to install its Commissary Inmate Services and possibly a Trust Fund Accounting System at MCNAIRY, and CTC desires to provide said services.

1. EXCLUSIVE GRANT

MCNAIRY grants to CTC, an independent contractor, the exclusive right to sell, provide, and market to the inmates at McNairy County Jail commissary products and commissary services. The exclusive right to sell and provide to the inmate commissary services at MCNAIRY shall include but not be limited to food products, non-alcoholic beverages, sundry items, and any and all other products as shall be approved by MCNAIRY.

2. CTC RESPONSIBILITIES

- A. CTC will supply One (1) Intake Kiosk, and mutually agreed upon commissary items of high quality. Installation and service to begin 60-90 days following the execution of this Agreement.
- B. CTC shall be responsible for and therefore pay all Federal, state and local taxes, including sales taxes arising from the operation of its commissary services located at MCNAIRY, and/or any subsequent facility agreed to by the parties.
- C. The commissary products shall be sold to MCNAIRY or the inmates, as applicable, subject to ordinary price increases that might, from time to time, be necessary in CTC's sole discretion, due to market factors beyond the control of CTC, during the term or any renewal period of this agreement.
- D. Shipment and delivery of orders will be on a once weekly basis on dates established by CTC and MCNAIRY. CTC will provide commissary service once per week, using a bagging operation system whereby inmate orders are made by use of City Tele-Coin Company, Inc. telephones and Video, and, processed at our facility, and shipped for delivery.
- E. CTC agrees to provide telephone support and normal maintenance for MCNAIRY.
- F. CTC will provide, should MCNAIRY so desire, a Commissary and Trust Fund Accounting System through "Cactas Cashless Commissary and Trust Fund Accounting System" and any other software necessary to enable MCNAIRY to place orders for commissary products and utilize the commissary system, technical training deemed reasonable by CTC upon initial start-up of the software, instructions for the operating procedures for the software, and normal maintenance as set out herein.
- G. CTC will provide Web Deposit Service to MCNAIRY as requested, by contracting with "Cactas Cashless Commissary and Trust Fund Accounting System" which provides a Web Deposit service allowing an inmate family or friend to electronically transmit money to inmate accounts. The Web Deposit Service allows a family member or friend to transmit money to a particular inmate at

- H. MCNAIRY's facility, and, CTC's website provides a convenient link to "Cactas" website for payment to the inmate's account. Normally, less than an hour after the family member or friend authorizes a Web Deposit transaction, the money is available in the inmate's account. "Cactas" provides all money transmission services on behalf of the inmate and all funds deposited by a family member or friend for the benefit of an inmate at MCNAIRY's facility are processed at "Cactas".
- I. CTC shall also provide a "Rapid Refund Debit Card Release" program to be used at the time of an inmate's release.

3. MCNAIRY RESPONSIBILITIES

- A. MCNAIRY acknowledges that, it either currently has a Trust Account, or is required to open a Trust Account, and it is solely responsible for the control of the Trust Account. MCNAIRY shall have the sole responsibility to ensure that its employees follow and adhere to the accounting system provided by CTC, and the operating procedures presented during the initial training provided by CTC. Specifically, but not limited to balancing of the cash drawers, daily Trust Fund balancing, weekly Trust Fund balancing, and monthly bank reconciliation. MCNAIRY acknowledges that it is the legal owner of all funds in the Trust Fund Account and administers all funds in the Trust Account in its sole discretion, subject to all applicable rules and regulations.
- B. MCNAIRY acknowledges that it is responsible for any loss or damage to any CTC equipment or hardware that is the result of vandalism, theft, or abuse of any nature or kind.
- C. Orders that are below \$100 of CTC's cost, not the inmate sale price total, will be subject to shipping charges via UPS or other applicable freight carrier charges. These charges will be billed to MCNAIRY.
- D. Orders shall be made using telephones and video.
- E. The Parties acknowledge that MCNAIRY has requested, and CTC shall provide a Lobby Kiosk at the facility. MCNAIRY states that based on the its request to install said kiosk, and considering the cost of the kiosk, installation, and, the cost of the service and maintenance arising from the use of the requested kiosk, MCNAIRY agrees to abide by and comply with the following condition. MCNAIRY acknowledges and agrees that should the Lobby Kiosk fail to generate a minimum monthly fee amount, said amount being \$200.00, then, and only then, CTC shall bill the facility in the amount of the minimum monthly fee less the fees actually created by the use of the said Kiosk. In addition, each transaction, whether cash or credit card, deposit or purchase, shall be subject to a Transaction Fee.

4. TERM AND TERMINATION

This Agreement shall become effective as of the commencement date of service, and shall remain in effect for 48 months, this being the initial term, said initial term commencing on the 22 day of February, 2021. The completion date of this agreement shall be on the 22 day of February, 2025. At the initial term completion date, or any subsequent renewal term completion date, CTC or MCNAIRY at its option has the right to refuse this contract, under the terms and conditions set forth herein, by giving certified notice to CTC or MCNAIRY. Any certified notice shall be mailed and received Ninety (90) days prior to a scheduled termination date of this contract, or subsequent renewal term, to the address provided herein. This Agreement, or any renewal thereof, shall continue in force automatically for additional Forty-eight (48) Month periods should no action be taken by either party within the time frame set out herein.

- A. CTC shall pay a commission of Thirty (30%) percent to MCNAIRY for all Gross Sales made by CTC. Gross sales are defined as total gross receipts less all applicable sales taxes, indigent sales, and postage sales. It is understood that all products shall remain the property of CTC until sold.

B. CTC will invoice MCNAIRY weekly upon delivery of all commissary purchases, with payment of the invoice amount due on receipt and accomplished by ACH transfer. CTC's invoice will include the following items:

1. Commissionable sales;
2. Non-commissionable sales (postage stamps, indigent purchases, etc.)
3. Total amount due CTC

MCNAIRY agrees that CTC shall remit to MCNAIRY its commissions on a monthly basis.

5. **INDEPENDENT CONTRACTOR RELATIONSHIP**

The Parties acknowledge and agree that it is the intent of the parties, subject to the applicable terms and conditions set forth in the direct sales to MCNAIRY financial arrangement, to create and establish an independent contractor relationship under the terms and conditions of this Agreement. As stated hereinabove, no employee/employer relationship is created by this Agreement.

6. **ASSIGNMENT**

The Parties agree and affirm that neither CTC nor MCNAIRY may assign or transfer this Agreement, or any part, term, or condition thereof, without the written consent of the other Party, except CTC shall not need MCNAIRY's consent to assign or transfer this Agreement if CTC were to merge into another company or entity, or sell substantially all of its assets.

7. **TITLE TO SOFTWARE AND HARDWARE**

A. MCNAIRY shall have no property interest or ownership in or to the software and technology, and, shall at all times protect the software and technology from copying, removal, tampering, or disclosure to other persons, companies, or entities without the express written consent of CTC.

B. All hardware, if any is supplied, of any nature or kind, shall remain the property of CTC, unless purchased from CTC as evidenced by a written Bill of Sale.

8. **INDEMNIFICATION**

A. The parties shall indemnify each other against any loss, damage, injury or death, caused by the negligent acts or omissions by their agents or employees for losses, damages, injuries or death caused by their negligence, and arising out of the consumption or use of the products sold or services provided. However, nothing contained herein shall require the parties to defend or indemnify each other for losses, damages, injuries or death arising out of the negligence of their respective agents, food suppliers or employees.

B. The party's obligation to hold each other harmless, pursuant to the Agreement, shall be dependent upon promptly notifying each other in writing of any such claims or lawsuits against either CTC or MCNAIRY, in no event later than thirty (30) days after the date of first receiving notice of such claim or lawsuit. Failure of either party receiving such notification, to notify the other party of any such claim or lawsuit within said thirty (30) day period, shall relieve that party of any and all responsibility and liability under the Agreement to indemnify and hold harmless.

9. **INSURANCE**

A. CTC shall maintain insurance for the following risks in such amounts under such policies as appropriate: General Liability (including contract, products completed, operations, and business automobile coverage).

10. **TERMINATION**

A. Failure of any third-party delivery service to deliver a CTC shipment in a timely and satisfactory manner shall not be a cause for termination of this agreement.

B. This Agreement may only be terminated upon the following circumstances:

1. Upon mutual agreement of both MCNAIRY and CTC, upon 60 days written notice.

2. Proper notification as described in Section 4.
3. For cause in the following manner:
 - a) If either party shall refuse, fail, or be unable to perform any of the terms of this agreement for any reason other than excused performance stated in other sections of this agreement. The party claiming such failure shall give the other party written notice of such breach listing the event and necessary documentation supporting such breach.
 - b) Within 30 days, both parties shall meet and discuss the claimed breach, and set forth a mutually agreed upon resolution to such breach and the time-line for correcting such breach in a manner satisfactory to both parties. Such resolution and time-line must be in writing, agreed and signed by both parties.
 - c) If a mutually agreed resolution is not achieved, or if at the end of such time-line, the agreed upon resolution and time-line are not being met; the breached party may cancel this agreement effective ten (10) days after the end of said agreed time-line, or failure to mutually agree to resolution.

11. EXCUSED PERFORMANCE

In case performance of any terms or provisions hereof (other than payment of the monies) shall be delayed or prevented because of compliance with any law, degree, or order of any governmental agency or authority, either local, State, or Federal, or because of riots, war, public disturbances, strikes, lockouts, differences with workmen, fires, floods, acts of God, or any other person whatsoever 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 (other than the payment of monies) during the periods of such suspension of performance of duties hereunder.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties with respect to the provision of Commissary Services and there are no other or further written, or oral understandings or agreements with respect thereto. No variation or modification of this Agreement, and no waiver of its provisions, shall be valid unless in writing and signed by the duly authorized officers of CTC and MCNAIRY. This Agreement supersedes all other agreements between the parties for the provision of Services outlined herein.

13. GOVERNING LAW

Any disputes between the parties hereto, if not settled amicably, shall be brought in a court of competent jurisdiction, and governed by the laws of the State of Tennessee.

14. SEVERABILITY

If any part of this Agreement is determined, by a court of competent Jurisdiction to be partially unenforceable the unenforceability shall not affect the balance of this Agreement.

15. NOTICES

All notices required by this Agreement shall be sent certified mail, FedEx, or UPS, return receipt to the following addresses:

TO MCNAIRY: McNairy County Sheriff's Office
Attn: Sheriff Guy Buck
300 Industrial Park Drive
Selmer, TN 38375

TO CTC: CTC Commissary, LLC
Attn: Jerry Juneau, Sr.
4501 Marlena Street
Bossier City, Louisiana 71111

(Signatures contained on the following page)

THUS DONE AND SIGNED on this 22 day of February, 2021.

McNairy County Sheriff's Office

By: [Signature]
Signature
Guy Buck
Print Name
Sheriff
Title

McNairy County, Tennessee

By: [Signature]
Signature
Larry W. Smith
Print Name
County Mayor
Title

THUS DONE AND SIGNED on this 5th day of March, 2021.

CTC Commissary, LLC

By: [Signature]
Signature
Gerald L. Juneau
Print Name
Managing Member
Title