



# MASTER MANAGED SERVICES AGREEMENT



# MANAGED SERVICES AGREEMENT

This Managed Services Agreement is entered into by and between BTS Technologies, Inc. ("BTS") and all customers currently served by one of the BTS Managed Services suite of products ("Client"), as of the date a managed services schedule is signed by both parties and remains in force during the term of the managed services schedule(s).

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The parties agree as follows:

## STATEMENT OF SERVICES

### Services

BTS provides an innovative approach to the provision, monitoring and management of Voice Systems and Information Technology ("IT") for small, medium and large businesses. The services provided may include managed services, remote back up, internet, hosted applications, server hosting, infrastructure supply and support, financial and consulting services, among others, all such services being designed for BTS' clients to proactively keep IT resources running efficiently. The specific services to be provided and the fees for such services ("Service Fees") are described in one or more Services Schedules attached to this Agreement. The services provided under the Services Schedules, individually and collectively, are referred to herein as the "Services".

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## Services Schedules

Terms and conditions applicable to particular Services (as opposed to those generally applicable to all Services) are identified in the Services Schedules. Each Services Schedule includes a description of the Services to be performed, the applicable Service Fees and the Service-specific terms, conditions, responsibilities and delivery schedules that govern the provision of the relevant Services. Except for Supplemental Services, and unless otherwise agreed to in writing by both parties, the services to be rendered by BTS to Client are limited to those Services specifically described in the Services Schedules. Any revisions to the terms and conditions set forth in the Services Schedules must be mutually agreed upon in writing by both parties. In the event of any conflict between the provisions of a Services Schedule and this Agreement, the specific provisions contained in the Services Schedule are to control.

## Supplemental Services

"Supplemental Services" are limited services and equipment that are needed by Client on a "one-off" or emergency basis and that are not included within the scope of the Services described in the Services Schedules. Client shall pay additional Service Fees for Supplemental Services. BTS shall notify Client of any such additional Service Fees for any Supplemental Services and shall obtain Client's approval prior to providing such Services. BTS shall charge Client for Supplemental Services upon delivery of the Supplemental Services. BTS will use commercially reasonable efforts to provide Supplemental Services; however, BTS has no obligation to determine the need for or to provide any Supplemental Services. All Supplemental Services are provided on an "as-is" basis and exclude warranties of any kind, whether express or implied.

## Additional Services

Client agrees to notify BTS of all new opportunities to provide information systems management and/or other services to Client and, in situations that are mutually beneficial to Client and BTS, to include such services within the scope of this Agreement under one or more new or additional Services Schedules.

## REQUESTS FOR CHANGES

If Client wishes to implement changes in any Services during the term of an applicable Services Schedule, Client must request such changes in writing and deliver the request to BTS. BTS shall review and return the request to Client with a written evaluation of the changes, including the cost of the changes (if any) and the impact the changes will have on the completion of the Services. Following its review of BTS' evaluation, Client may then choose to approve the changes by signing and returning to BTS a copy of BTS' written evaluation, which will then be subject to the terms and conditions of this Agreement and any applicable Services Schedule. No changes in any Services Schedule will be effective until BTS receives such a signed evaluation of a written change request.

## TERM OF AGREEMENT

The Term of this Agreement shall begin on the Effective Date of the Services Schedule and shall continue for the duration of the Term set forth in the attached Services Schedule.

## INTERNAL NETWORK SECURITY COMPROMISE POLICY

BTS and its contractors monitor the availability and performance of their respective internal firewall(s) and web caching system(s). In order to minimize a possible compromise of security, all services and applications exposed to the Internet on BTS' or its contractors servers will be regularly updated with commonly available security hot fixes and best practices. As appropriate, BTS will proactively evaluate, investigate and report security-related incidents to the appropriate authorities and to Client's management. In addition, BTS and its contractors will monitor and manage the anti-virus protection of its servers and applications using one of the nationally recognized anti-virus software systems. This service includes installation of signature updates and application upgrades and follow-up on alerts forwarded by the anti-virus sub-system. The Internal Network Security Compromise Policy applies only to BTS and its contractors hosted, core, and internal networks. Client-owned equipment is not included in the aforementioned policy, and BTS assumes no responsibility for monitoring, updating, evaluating, investigating and reporting as it pertains to client-owned equipment. BTS is able to provide the services under the scope of the Internal Network Security Compromise Policy as they may pertain to client-owned equipment if client agrees in writing to contract such services at an additional charge.

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## TOTAL VOICE SYSTEMS SERVICE

### **Emergency Services – 911 Dialing**

911 Dialing under Voice over IP (VoIP) Service is different than traditional 911 service offered by traditional telecommunications carriers. Most of our clients have access to either basic 911 or Enhanced 911 (E911) service. With E911 service, when you dial 911, your telephone number and registered address are simultaneously sent to the local emergency center assigned to your location, and emergency operators have access to the information they need to send help and call you back if necessary. Clients in locations where the emergency center is not equipped to receive your telephone number and address have basic 911. With basic 911, the local emergency operator answering the call will not have your call back number or your exact location, so you must be prepared to give them this information. Until you give the operator your phone number, he/she may not be able to call you back or dispatch help if the call is not completed or is not forwarded, is dropped or disconnected, or if you are unable to speak. As additional local emergency centers become capable of receiving our customers' information, customers with basic 911 will be upgraded to E911 service. You will not receive notice of the upgrade. Client authorizes disclosure of Client's name and address to third-parties involved with providing 911 Dialing to you, including, without limitation, call routers, call centers and local emergency centers.

### **Notify All Users**

Client should inform any household residents, guests and other third persons who may be present at the physical location where Client utilizes the Service of the important differences in and limitations of Provider 911 Dialing as compared with basic 911 or E911.

### **Registration of Physical Location**

For each phone number that Client uses for the Service, Client must register the physical location where Client will be using the Service with that phone number. When Client moves the Device to another location, Client must register the new location. If you do not register the new location, any call you make using the 911 Dialing feature may be sent to an emergency center near your old address. Client will register the initial location of use when you subscribe to the Service. Thereafter, you may register a new location by following the instructions from the "911" registration link on your web account dashboard features page, or until such feature is available, by contacting the BTS Service Department at 205-290-8301 or [Service@askBTS.com](mailto:Service@askBTS.com). For purposes of the 911 Dialing feature, you may only register one location at a time for each phone line you use with the Service. Regardless of what address you register, emergency calls you make from these devices will be routed to the national emergency response center.

### **Confirmation of Activation Required**

Client's 911 Dialing feature will not be activated for any phone line that Client is using with the Service, unless and until Client receives an email confirming that the 911 Dialing feature has been activated for that phone line.

### **Service Outages**

911 Dialing does not function in the event of a Service outage whether caused by power failure, disruption, Internet outage, disruption of Broadband services, disconnection of account, network changes, or for any other Service outage. If there is an interruption in the power supply, the Service, including 911 Dialing, will not function until power is restored. Following a power failure or other disruption, Client may need to reset or reconfigure the Device prior to utilizing the Service, including 911 Dialing.

### **Reactivation Required After Changes**

911 Dialing does not function if Client changes phone numbers or if Client adds or ports new phone numbers to Client's account, unless and until Client successfully registers Client's location of use for each changed, newly added or newly ported phone number.

### **911 Disclaimer of Liability and Indemnification**

BTS does not have any control over whether, or the manner in which, calls using our 911 Dialing service are answered or addressed by any national or local emergency response center. BTS disclaims all responsibility for the conduct of local emergency response centers and the national emergency calling center. BTS relies on third parties to assist us in routing 911 Dialing calls to local emergency response centers and to a national emergency calling center. BTS disclaims any and all liability or responsibility in the event such third party data used to route calls is incorrect or yields an erroneous result. Neither BTS, Carrier nor their respective officers, employees or agents may be held liable for any claim, damage, or loss, and Client hereby waives any and all such claims or causes of action, arising from or relating to the 911 Dialing service unless such claims or causes of action arose from our gross negligence, recklessness or willful misconduct. You shall defend, indemnify, and hold harmless BTS and Carrier, and their respective

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officers, directors, employees, affiliates and agents and any other service provider who furnishes services to you in connection to the Service, from any and all claims, losses, damages, fines, penalties, costs and expenses (including, without limitation, attorneys fees) by, or on behalf of, you or any third party relating to the absence, failure or outage of the Service, including 911 Dialing, incorrectly routed 911 Dialing calls, and/or the inability of any user of the Service to be able to use 911 Dialing or access emergency service personnel.

## **Alternate 911 Arrangements**

If Client is not comfortable with the limitations of the 911 Dialing service, Client should consider having an alternate means of accessing traditional 911 or E911 services or disconnecting the Service.

## **No 0+ or Operator Assisted Calling**

The Service does not support 0+ or operator assisted calling (including, without limitation, collect calls, third party billing calls, 900 or calling card calls). The Service may not support 311, 511 and/or other x11 (other than certain specified dialing such as 911 and 411, which are provided for elsewhere in this Agreement) services in one or more (or all) service areas.

## **TOTAL VOICE SYSTEMS PROHIBITED USE**

### **Unlawful Use**

Client shall use the Service and the Device only for lawful purposes. BTS reserves the right to immediately disconnect Client's Service without notice, if, in our sole and absolute discretion, we determine that Client has used the Service or the Device for an unlawful purpose. In the event of such disconnection, Client will be responsible for the full month's charges to the end of the current term, including, without limitation, unbilled charges, plus a disconnection fee, if applicable, all of which will become immediately due and payable upon disconnection of your Service. If BTS believes that Client has used the Service or the Device for an unlawful purpose, BTS may forward the relevant communication and other information, including Client's identity, to the appropriate authorities for investigation and prosecution. Client hereby consents to BTS' forwarding of any such communications and information to these authorities. In addition, BTS (or any Carrier) may provide information in response to law enforcement requests, lawful government requests, subpoenas, court orders, etc., and Client hereby consents to any such information disclosures.

### **Inappropriate Conduct**

Client shall not use the Service or the Device in any way that is threatening, abusive, harassing, defamatory, libelous, deceptive, fraudulent, invasive of another's privacy, or any similar behavior. BTS reserves the right to immediately disconnect your Service without notice, if, in BTS' sole and absolute discretion, BTS determines that Client has used the Service or the Device in any of the aforementioned ways. In the event of such disconnection, Client will be responsible for the full month's charges to the end of the current term, including, without limitation, unbilled charges, plus a disconnection fee, if applicable, all of which will become immediately due and payable upon disconnection of Client's Service. If we believe that Client has used the Service or the Device in any of the aforementioned ways, BTS may forward the relevant communication and other information, including Client's identity, to the appropriate authorities for investigation and prosecution. Client hereby consents to our forwarding of any such communications and information to these authorities. In addition, BTS (or any Carrier) may provide information in response to law enforcement requests, subpoenas, court orders, etc., and Client hereby consent to any such information disclosures. Furthermore, BTS reserves all of its rights at law and equity to proceed against anyone who uses the Services illegally or improperly.

### **Use Outside United States**

Although BTS encourages Client to use of the Service to place calls to foreign countries from within the United States and to use the Provider Service as Client travels, BTS does not presently offer or support the Service in any countries other than the United States. BTS Service is designed to work generally with unencumbered high-speed internet connections. However, if the high-speed internet connection Client is using is outside the United States and/or Client's ISP places restrictions on the usage of VoIP services, Services may not be available or may be degraded or otherwise inoperable. No representation or warranty is made as to whether use of the BTS Service is permitted by any other jurisdictions or by any or all the ISPs. Client will be solely responsible for any violations of local laws and regulations or violations of ISP terms of service resulting from such use. BTS reserves the right to disconnect Client's Service immediately if BTS determines, in BTS' sole and absolute discretion, that Client has used the Service or the Device in violation of laws of jurisdictions outside the U.S.

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## INTELLECTUAL PROPERTY RIGHTS

### Ownership

Except for any rights expressly granted herein, this Agreement does not transfer from BTS to Client any right, title or interest in or to any process, system, software or device in which BTS has any intellectual property or other ownership rights ("BTS Technology"). This Agreement in no way limits or restricts BTS or any of its affiliates from developing or marketing on their own or for any third party any BTS Technology without payment of any compensation to Client or any notice to Client. Except for any rights expressly granted herein, this Agreement does not transfer from Client to BTS any right, title or interest in or to any software in which Client has any intellectual property or other ownership rights ("Client Software"). Except for any rights expressly granted herein, this Agreement does not transfer any right, title, or interest in or to any software in which any third party has any intellectual property or other ownership rights ("Third Party Software"). All right, title and interest in and to any Third Party Software remains with the party providing same or with the third party owner, as appropriate.

### Services Software

Where applicable, BTS may install certain software on computers in Client's network for the purpose of delivering Services ("Services Software"). BTS hereby grants to Client a limited, non-exclusive license to use the Services Software for the term of this Agreement and of any applicable Services Schedule, subject to any third-party license terms or other requirements. Upon the termination of an applicable Services Schedule, Client shall return or allow BTS to remove the Services Software from Client's servers and equipment. Client shall not copy or move any Services Software and shall not use the Client Software in any way other than as provided in this Agreement.

### Client Works

Unless otherwise agreed to by the parties in a separate writing, any writing or other work of authorship, regardless of medium, created by BTS at Client's request and specifically described in or otherwise contemplated by any Services Schedule including but not limited to software, source code, blueprints, diagrams, flow charts, specifications or functional descriptions, and specifically including any modifications, enhancements, interfaces (other than interfaces to any BTS software) (individually a "Client Work") is not to be deemed a "work for hire," but rather is and will remain the sole and exclusive property of BTS. To the extent any Client Work for any reason is determined not to be owned by BTS, Client hereby irrevocably assigns, transfers and conveys to BTS all of Client's right, title, and interest in such Client Work, including, but not limited to, all rights of patent, copyright, trade secret, know-how, and or other proprietary and associated rights. Client agrees to execute such documents and take such other actions as BTS may reasonably request to protect BTS' ownership of any such Client Work. However, BTS hereby grants to Client a non-exclusive, perpetual, worldwide license to copy and use such writings or works of authorship for Client's own business purposes or for the business purposes of Client's affiliates. The scope of such license shall not include any BTS software, BTS Technology, or any modifications thereto, or any BTS Work (defined below).

### BTS Work

Any writing or work of authorship, regardless of medium, created or developed by BTS or Client in the course of performing the Services under this Agreement and relating to the BTS Technology, including but not limited to, any modification, enhancement, interface, upgrade, or change to any BTS-supplied software, and all software, source code, blueprints, diagrams, flow charts, specifications, functional descriptions or training materials relating thereto (individually a "BTS Work"), is not to be deemed a "work for hire," but rather is and will remain the sole, exclusive property of BTS. To the extent any BTS Work for any reason is determined not to be owned by BTS, Client hereby irrevocably assigns, transfers and conveys to BTS all of Client's right, title, and interest in such BTS Work, including, but not limited to, all rights of patent, copyright, trade secret, know-how, and or other proprietary and associated rights. Client agrees to execute such documents and take such other actions as BTS may reasonably request to protect BTS' ownership of any such BTS Work.

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## General Skills and Knowledge

Subject to BTS' obligations under this Agreement, BTS may utilize any skills, knowledge or ideas of a general nature acquired during the course of providing the Services, and may independently develop the same or similar deliverables for other clients based on skills, knowledge or ideas of a general nature acquired during the course of providing the Services, including, without limitation, information publicly known or available or that could reasonably be acquired in a similar work performed for another client of BTS.

## CLIENT COVENANTS

### Software Rights

Client asserts it has title to, or license, or rights to use or modify and has license or rights to permit BTS to use, access, or modify any software that Client has requested BTS use, access, or modify as part of the Services. Client shall indemnify BTS and shall hold BTS harmless against any loss, claim, damage or expense, including reasonable attorneys' fees, resulting from any action brought or claim made by any third party claiming superior title or right to any such software or to any component of any such software.

### Access to Resources

Client shall supply BTS necessary access to its personnel, appropriate documentation, records and facilities in order for BTS to timely perform the Services.

### Internet Use

Where BTS' Services include Internet access, Client may access the Internet system for lawful purposes only, and Client shall comply with rules and regulations established by other networks via the system supplied by BTS. Client shall not use BTS' Internet system to transmit any material or to publish any web page (1) that incorporates or otherwise uses without permission any copyrighted works, trademarks, or trade secrets of any other person or entity; (2) that incorporates or otherwise uses any material legally determined to be threatening or obscene; or (3) that otherwise violates any state or federal treaty, statute, or regulation. If BTS reasonably believes that its Internet services are being utilized for any of the above or other unlawful purposes by the Client, or otherwise in contravention of the terms and conditions under which the Internet services are offered, BTS, in its discretion, unless otherwise obligated by applicable law or court order, may immediately discontinue such Services to the Client without liability. Similarly, usage by Client that could possibly result in damage to the hardware, software, or security of BTS, its network, subscribers or the Internet system may result in immediate cancellation of the applicable Services Schedule. In such event, all past due amounts owed by Client plus a termination fee will then become due. Expressly prohibited activities include, but are not limited to: i) downloading software on the Internet system via Services supplied by BTS that interferes with operations of the Internet system or BTS' network system; ii) manipulation of the Internet system to allow operation of programs accessed via the Internet while not actively online; iii) the use of BTS' servers, its clients' servers, or any other network devices and/or network services associated with BTS, to be used to relay mail (defined as using any mail server at BTS for the purpose of having the email appear to come from any BTS managed email gateway), or used in any illegal manner whatsoever which includes such items as SPAM, UCE (unsolicited commercial email), and UBE (unsolicited bulk email).

If Client subscribes to any of BTS' email solutions, Client may relay mail through features provided through such solutions for the sole purpose of security and content filtering.

## CLIENT RESPONSIBILITIES

### Possession of BTS Owned Equipment

Client is responsible for the reasonable care of any BTS owned equipment located at any Client location. In the event any BTS owned equipment is damaged during the course or term of any applicable Services Schedule or is returned damaged or defaced to BTS during or at the end any applicable Services Schedule, Client will be responsible for repair or replacement fees for the damaged or defaced equipment. BTS is responsible for any equipment owned by Client co-located at any BTS location. Upon termination of any applicable Services Schedule, if equipment owned by Client is returned damaged or defaced as a result of acts or omissions of BTS, BTS will be responsible for repair or replacement fees for the damaged or defaced equipment. The parties' obligations under this Section do not apply to hardware failure that occurs during the course of normal use.



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Upon termination or expiration of any applicable Services Schedule, Client shall provide BTS access to Client location(s) to repossess all equipment owned or otherwise subject to repossession by BTS. Payments owed by Client to BTS shall continue under the applicable Services Schedule until such time as all BTS-owned equipment has been obtained or BTS has had a reasonable opportunity to obtain possession.

## **Insurance**

For any BTS owned equipment located at any Client location, Client shall maintain special form insurance against loss, theft, or damage, in an amount not less than such equipment's new replacement value. Client shall deliver written evidence of insurance satisfactory to BTS within 30 days of request, or BTS will have the right, but not the obligation, to obtain insurance in such forms and amounts as BTS deems reasonable to protect BTS' interests, and the expense for said additional insurance shall be billed to Client. BTS will discontinue such insurance charges when Client provides satisfactory evidence of insurance.

For any Client-owned equipment located at any BTS location, Client shall maintain special form insurance against loss, theft, or damage, in an amount not less than such equipment's new replacement value.

Client agrees to keep and give access to BTS all BTS-owned equipment at Client's location in a reasonable operational environment, including without limitation the provision of reasonable lighting, HVAC, security, custodial services, and all minimum requirements set forth in any applicable Services Schedule.

## **Client Contact**

Client shall name an employee to act as the Primary Client Contact for BTS. This Primary Client Contact will be the direct contact to BTS as it relates to all Services provided as described in the Services Schedule. Client shall name a Primary Client Authorization Contact for BTS. This Primary Client Authorization Contact will be authorized to request or approve any Services required by Client outside the Services Schedule.

## **NON-DISCLOSURE AND CONFIDENTIALITY**

### **Confidential Information**

Each party acknowledges that it and its employees or agents may be exposed to or acquire information that is proprietary or confidential to the other party. Each party shall hold such information in strict confidence and shall not disclose any such information to any third party. Such "Confidential Information" includes: (a) any technical information, design, process, procedure, formula, or improvement, as well as any formulae, specifications, designs, business or work processes and procedures, instructions, and other data relating to the development, production of any work done specifically for the Client; and (b) the business plans and financial information, regardless of whether such information would be protected at common law.

### **Non-Confidential Information**

Notwithstanding the preceding provision, Confidential Information does not include: (a) information that at the time of disclosure is, without fault of the recipient, available to the public by publication or otherwise; (b) information that either party can show was in its possession at the time of disclosure and was not acquired, directly or indirectly, from the other; (c) information received from a third party with the right to transmit same without violation of any secrecy agreement with the other party; and (d) information that must be disclosed pursuant to court order or by law.

### **Confidential Agreement**

No copy of this Agreement, discussions, negotiations, terms or conditions relating to the Agreement, or any other information relating to this Agreement may be disclosed to any third party, except by reason of legal, accounting or regulatory requirements, without the prior written consent of the other party.

### **Press Releases**

Notwithstanding the preceding provisions, BTS may publicly refer to Client, orally and in writing, as a Client of BTS, and may provide the publicly releasable titles of any Services Schedules. Any other reference to Client by BTS may be made only in accordance with this Section. The parties shall consult with each other in preparing any press release, public announcement, case study or other form of release of information concerning this Agreement or the transactions contemplated hereby that is intended to provide such



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information to the news media or the public (a "Press Release"). Neither party may issue or cause the publication of any such Press Release without the prior written consent of the other party. However, nothing herein prohibits either party from issuing or causing publication of any such Press Release to the extent that such action is required by applicable law or the rules of any national stock exchange applicable to such party or its affiliates, in which case the party wishing to make such disclosure will, if practicable under the circumstances, notify the other party of the proposed time of issuance of such Press Release and shall consult with and allow the other party reasonable time to comment on such Press Release in advance of its issuance.

## INDEPENDENT CONTRACTOR

Unless otherwise agreed, BTS will perform all Services solely in BTS' capacity as an independent contractor and not as an employee, agent or representative of Client. BTS will not be entitled to any privileges or benefits that Client may provide to its employees, and BTS will remain responsible for payment of all unemployment, social security, federal income (state and local income where applicable) and other payroll taxes or mandatory assessments imposed by any governmental body on employers in regard to those of its employees engaged in the performance of the Services.

Neither BTS nor Client, nor their respective employees or agents, are authorized to act or to appear to act as a representative of the other party, whether in performing the Services or otherwise.

## BILLING AND PAYMENT TERMS

The specific fees for Services are set forth in the Services Schedules. Any services performed outside the Services Schedules will be at BTS' then-current time and material rates unless otherwise mutually agreed to in writing by the parties.

### Pass-Through Expenses

Client shall pay BTS' reasonable out-of-pocket expenses, including travel expenses, lodging, meals, or other similar expenses, which may be incurred by BTS in performing additional Services outside the scope of the Base Services described in the Services Schedules. Any such "Pass-Through Expenses" must be mutually agreed by the parties and will be billed at cost and invoiced monthly, as provided herein.

### Suspension of Service

If Client fails to pay all undisputed amounts owed to BTS under this Agreement when due, and in addition to any other remedies available at law or in equity, BTS may suspend Services under this Agreement until full payment is made. However, BTS may not suspend Services if Client is working diligently and in good faith to resolve a dispute regarding the amount owed. Following any suspension of service under this provision, and after Client makes full payment to BTS, BTS shall restore the Services after validating that all components to be monitored and/or managed under any applicable Services Schedule comply with BTS' level of security, updates and best practices. Client shall pay a "Reactivation Fee" based on the man-hours spent by BTS to validate and bring each monitored and/or managed component up to BTS' standards. BTS' right to suspend payment under this section is in addition to BTS' right to terminate this Agreement for non-payment.

### Taxes

All charges and fees to be paid by Client are exclusive of any applicable sales, use, excise or services taxes ("Taxes") that may be assessed on the provision of the Services. In the event that any Taxes are assessed on the provision of any of the Services, Client shall pay the Taxes directly to the taxing authority or shall reimburse BTS for their payment. The parties shall cooperate with each other in determining the extent to which any Taxes are owed, and shall provide and make available to each other any resale certificates, information regarding out-of-state use of materials, services or sale, and other exemption certificates or information reasonably requested by either party.

## NO SOLICITATION

During the term of this Agreement and for a two year period immediately following the term of this Agreement, Client shall not, directly or indirectly, for itself, or on behalf of any other person, firm, corporation or other entity, whether as principal, agent, employee, stockholder, partner, member, officer, director, sole proprietor, or otherwise, solicit, participate in or promote the solicitation of any BTS employee to leave the employ of BTS, or hire or engage such employee. In the event that Client violates this section, Client shall pay to BTS, as reasonable liquidated damages, an amount equal to 150% of the employee's annualized salary at BTS, including bonuses,

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## WARRANTIES

### Warranty

BTS warrants that the Services will be performed in a workmanlike manner and in accordance with this Agreement and applicable Services Schedules.

### DISCLAIMER OF WARRANTY

EXCEPT FOR THE EXPRESS WARRANTY STATED ABOVE, BTS DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED BY LAW OR ARISING FROM TRADE USAGE OR COURSE OF DEALING, INCLUDING WITHOUT LIMITATION ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE.

## LIMITATION OF LIABILITY

BTS', THIRD PARTY PROVIDER'S, AND CARRIER'S LIABILITY UNDER THIS AGREEMENT IS LIMITED TO THE ACTUAL, DIRECT DAMAGES INCURRED BY CLIENT AND SHALL IN NO EVENT EXCEED THE AMOUNT PAID BY CLIENT FOR SERVICES HEREUNDER IN THE CALENDAR MONTH WHEN THE EVENT OCCURRED. IN NO EVENT SHALL BTS BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT, PUNITIVE OR THIRD-PARTY DAMAGES OR CLAIMS, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST SAVINGS, LOST PRODUCTIVITY, LOSS OF DATA, AND LOSS FROM INTERRUPTION OF BUSINESS, EVEN IF CLIENT KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER THE FORM OF ACTION IS IN CONTRACT, TORT OR OTHERWISE.

## INSURANCE

BTS and Client shall maintain reasonable insurance coverage through their respective carriers. Such insurance must include, at a minimum, general liability and workers compensation coverage. In addition, if any BTS-owned equipment is to be located at Client's location under the terms of any applicable Services Schedule, then Client shall deliver written evidence of insurance satisfactory to BTS within 30 days of the execution of such Services Schedule evidencing BTS' status as an additional insured under a policy providing an amount of coverage against any damage or other loss affecting such BTS-owned equipment and equal to or greater than the full replacement cost of such BTS-owned equipment.

## FORCE MAJEURE

Neither party will be liable for any delay or failure in performance under this Agreement or any Services Schedule due to any cause that is beyond its reasonable control and for which it is without fault or negligence (a "Force Majeure Event"), including, but not limited to, acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, power blackouts affecting facilities other than facilities of a kind commonly protected by redundant power systems, unless such redundant power systems are also affected by any Force Majeure condition, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities, or acts or omissions of transportation common carriers (the "Affected Performance"). Upon the occurrence of a Force Majeure Event, the party whose performance is affected shall give written notice to the other party describing the Affected Performance, and the parties shall promptly confer, in good faith, to agree upon equitable, reasonable action to minimize the impact, on both parties, of such condition, including, without limitation, implementing the disaster recovery services. The parties agree that the party whose performance is affected shall use commercially reasonable efforts to minimize the delay caused by the force majeure events and recommence the Affected Performance. In the event the delay caused by the force majeure event lasts for a period of more than thirty (30) days, the parties shall negotiate an equitable modification to this Agreement or an affected Services Schedule with respect to the Affected Performance. If the parties are unable to agree upon an equitable modification within fifteen (15) days after such thirty (30) day period has expired, then either party will be entitled to serve thirty (30) days notice of termination on the other party with respect only to the Affected Performance. If the Force Majeure Event for the Affected Performance is continuing upon the expiration of such thirty (30) day notice period, the portion of this Agreement or an applicable Service Attachment relating to the Affected Performance will automatically terminate. The remaining portions of the Agreement and all otherwise effective Services Schedules that do not involve the Affected Performance will continue in full force and effect. Client shall pay BTS for that portion of the Affected Performance that was completed or that was in the process of being completed through the effective termination date of Affected Performance.

# MANAGED SERVICES AGREEMENT

## DISPUTE RESOLUTION

### Arbitration Procedures

The parties shall attempt to settle amicably by mutual discussions any disputes, differences, or claims related to this Agreement within sixty (60) days of the date such dispute arises. Failing such amicable settlement, any controversy, claim, or dispute arising under or relating to this Agreement, including the existence, validity, interpretation, performance, termination or breach thereof, shall be settled by arbitration in accordance with the Arbitration Rules (and if Client is a non-U.S. entity, the International Arbitration Rules) of the American Arbitration Association ("AAA"). The arbitration shall be conducted by a single arbitrator selected by mutual agreement of the parties, provided that if the parties are unable to agree on an arbitrator, one shall be selected by the AAA. The arbitration will be conducted in English. The Arbitrator will not have the authority to award punitive damages to either party. The parties shall share equally the expenses of the Arbitrator and the AAA. This Agreement will be enforceable, and any arbitration award will be final, and judgment thereon may be entered in any court of competent jurisdiction. The arbitration will be held in Birmingham, Alabama, or other location as is mutually agreed by the parties. Notwithstanding the foregoing, claims for preliminary injunctive relief, other pre-judgment remedies, and claims for Client's failure to pay for Services in accordance with this Agreement may be brought in a state or federal court in the United States with jurisdiction over the subject matter and parties. This section shall be governed by Title 9 of the U.S. Code.

### Attorneys' Fees

If any action is necessary to enforce or interpret the terms of this Agreement, the substantially prevailing party will be entitled to reasonable attorneys' fees and costs in addition to any other relief to which such party may be entitled.

### Period for Bringing Claim

No claims to be resolved may be made more than six (6) months after the date by which the fault or failure should reasonably have been discovered; failure to make such a claim within the six (6) month period shall forever bar the claim.

### Continued Service

Unless BTS is bringing an action for failure to make payments by Client for Services not otherwise in dispute, BTS shall continue to provide Services under this Agreement, and Client shall continue to make payments to BTS, in accordance with this Agreement, during the period in which the parties seek resolution of the dispute.

## NOTICES

Except as otherwise provided under this Agreement, all notices, demands or requests to be given by any party to the other party shall be in writing and shall be deemed to have been duly given on the date delivered in person, or sent via fax, courier service, electronic mail, or on the date of the third business day after deposit, postage prepaid, in the United States Mail via Certified Mail, return receipt requested, and addressed as set forth below:

#### If to BTS, to:

BTS Technologies  
311 West Valley Avenue  
Birmingham, AL 35209  
Attn: Operations Department  
Fax: (205) 940-6252  
E-mail: service@askbts.com

#### If to Client, to:

Address and Contact to be provided

The address to which such notices, demands, requests, elections or other communications are to be given by either party may be changed by written notice given by such party to the other party pursuant to this Section.

# MANAGED SERVICES AGREEMENT

## GENERAL

### **Waiver**

No delay in exercising, no course of dealing with respect to, and no partial exercise of, any right or remedy hereunder will constitute a waiver of any right or remedy, or future exercise thereof.

### **Assignment**

Unless otherwise agreed in writing, neither this Agreement and associated documents nor any of the rights or obligations hereunder may be assigned, delegated or otherwise transferred by Client without the prior written consent of BTS. Services are for the Client's internal use only and may not be transferred or assigned to third parties without BTS' prior written consent, and any attempt to the contrary will be void. BTS will not deny any reasonable request for Client's transfer or assignment upon satisfactory credit and documentation approval for Client's proposed assignee. Under no circumstances shall Client resell or redistribute this Agreement or the Services provided hereunder. Client acknowledges and agrees that BTS may assign or collaterally assign, in whole or in part, its rights, interests and obligations hereunder without limitation to any of its affiliates, any party providing financing to BTS ("Financing Party") and any successor or assign of BTS or such Financing Party without the consent of Client, provided however, that BTS or its successors shall retain the service obligations contained in all Services Schedules entered into under this Agreement. Client agrees that the holder of any security interest shall not be prevented or impeded by Client from enforcing such security interest and shall not terminate this Agreement without the prior written consent of the assignee. Client shall execute all consents to assignment and/or acknowledgements or any security interest as are requested by BTS to give effect to the foregoing.

Such acknowledgements may contain an Agreement to allow the holder of such security interest to cure faults by BTS under this Agreement and a consent to allow the assignment to the successors-in-interest of the holder of such security interest. This Agreement shall be binding and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

### **Third Party Beneficiary**

Nothing in this Agreement will confer any rights upon any person or entity other than the parties and each of their respective affiliates, successors and permitted assigns.

### **Survival**

The duties and obligations of the parties with respect to proprietary rights, intellectual property rights, and non-disclosure and confidentiality will survive and remain in effect, notwithstanding the termination or expiration of this Agreement.

### **Amendment**

This Agreement may be modified or amended only by a writing signed by both parties.

### **Governing Law**

This Agreement is to be governed by and construed in accordance with the laws of the State of Alabama without regard to its conflicts of laws provisions, Jurisdiction and venue for any action arising under this Agreement is exclusively in the state or federal courts located in Alabama. The parties waive any other choice of venue. Any action arising under this Agreement must be brought within six (6) months after its accrual.

### **Severability**

If any term or provision of this Agreement is declared invalid by a court of competent jurisdiction, the remaining terms and provisions will remain unimpaired, and the invalid terms or provisions are to be replaced by such valid terms and provisions that most nearly fulfill the parties' intention underlying the invalid term or provision.

### **Counterparts**

This Agreement may be executed by facsimile, portable document format (.pdf) or other electronic transmission and in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

# MANAGED SERVICES AGREEMENT

**Entire Agreement**

This Agreement and the Services Schedules set forth the entire understanding of the parties with respect to the subject matter hereof and is binding upon both parties in accordance with its terms. There are no understandings, representations or agreements other than those set forth herein and in the Services Schedules. Each party, along with its respective legal counsel, has had the opportunity to review and modify this Agreement. Accordingly, in the event of any ambiguity, such ambiguity will not be construed in favor of or against either party.