



Master Services Agreement

This agreement is effective as of signature date between Louisiana Competitive Telecommunications, Inc. (herein called "KAPTTEL"), with office at 110 North Irving Avenue, Kaplan, LA 70548 and _____ located at _____ (herein called "Customer").

1. STATEMENT OF SERVICES: KAPTTEL will provide equipment and services described in the proposal and the KAPTTEL quotation attached.

2. WARRANTIES: KAPTTEL warrants to Customer that all Services furnished by KAPTTEL will be performed in a timely, professional manner as described herein. KAPTTEL hereby assigns to customer all manufacturers' standard warranties with respect to any Equipment purchased by Customer. KAPTTEL MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND THE WARRANTIES CONTAINED IN THIS SECTION ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY (INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE).

3. INSURANCE: KAPTTEL agrees, during the term of this agreement, to maintain at KAPTTEL's expense all necessary insurance for its employees, including but not limited to workers compensation, employer's liability, disability, and unemployment insurance

4. INDEPENDENT CONTRACTOR: KAPTTEL shall perform services only as an independent contractor and nothing shall be construed to be inconsistent with this relationship or status. Under no circumstances shall KAPTTEL be construed to be an employee of Customer and KAPTTEL shall not be entitled to participate in Customer profit sharing, pension, or other plans for the benefit of Customer employees. It is agreed that this agreement is not an agency or employment agreement. Customer shall not be liable to pay wages, withhold any taxes, provide any insurance or otherwise be obligated as an employer.

5. SECURITY: KAPTTEL agrees that it will at all times comply with all customary and reasonable security regulations in effect from time to time at Customer premises, and externally for materials belonging to Customer or to the project.

6. ADJUSTMENTS: The quote is based on the information received by KAPTTEL from Customer. Afterward KAPTTEL will schedule a kick off meeting. If it is determined during the kick off phase of the implementation that additional resources may be needed to perform additional services, KAPTTEL and Customer will allow for agreement modifications to accommodate the changes.

7. TERM: This Agreement shall commence on the date of this Agreement and shall continue until the equipment is implemented or for a period of ____ years. This Agreement shall be renewed automatically for successive one (1) year periods, unless one party notifies the other in writing, not less than thirty (30) days

prior to the anniversary date of this Agreement, of its intention to cancel. In the event of early termination by Customer, the customer agrees to pay 100% of the remaining rental/lease as an early termination fee.

"Remaining Lease" shall mean the number of months remaining multiplied by the average monthly recurring revenue.

8. TERMINATION: Customer shall have the right to terminate this Agreement, in whole or in part, only for default by KAPTEL, by giving KAPTEL written notice by certified mail of items that KAPTEL is in default and Customers' election and desire to terminate this agreement. KAPTEL shall have 45 days to rectify customer issues. Such termination shall become effective after 45 days, should KAPTEL not resolve stated default issues with customer. KAPTEL will stop work immediately on the terminated portion of this Agreement. If this Agreement is so terminated, Customer shall be liable for payment in accordance with the payment provisions of this Agreement for services rendered prior to the effective date of termination and for which payment has not been made. KAPTEL shall have the right to terminate this Agreement only for just and reasonable cause upon thirty (30) days written notice to Customer of such cause for termination.

9. LETTER OF AGENCY: Where applicable, the Letter of Agency executed in connection with this Agreement shall be valid during the Term of this Agreement for all telephone and data circuits purchased hereunder that are ported to KAPTEL.

10. TAXES: The Products & Services provided hereunder may be subject to taxes including, without limitation, sales, use, gross receipts, and/or excise taxes; access fees, universal service fund assessments, 911 fees/E911, franchise fees, bypass fees, and/or other local, State and Federal taxes, surcharges, assessments or charges (however described or designated) which are imposed on KAPTEL's provision and/or Customer's use of the Services (collectively, "Tax" or "Taxes"). Taxes will be separately stated on the Customer's invoice. Customer shall be responsible for all Taxes (excluding property taxes on rented/leased equipment from KAPTEL) related to the provision or use of the Services. Any Taxes imposed by a local jurisdiction (e.g., Parish and/or County and municipal taxes) will only be recovered from those Customers residing in the affected jurisdictions. In the event that Customer believes that, with respect to the Services provided hereunder, Customer is Tax-exempt under Federal or State law, Customer shall submit to KAPTEL written verification of Customer's Tax-exempt status including exemption certificates or State resale certificates acceptable to KAPTEL and to the relevant jurisdiction.

11. 911 SERVICES: KAPTEL REQUIRES CUSTOMER TO PROVIDE THE PHYSICAL ADDRESS WHERE PRODUCTS AND SERVICES ARE INSTALLED. FOR E911, THIS ADDRESS IS USED TO ROUTE E911 CALLS TO THE LOCAL EMERGENCY CENTER. IN THE EVENT OF A POWER OUTAGE, CUSTOMER'S TELEPHONE SERVICE WILL CONTINUE TO OPERATE AS USUAL FOR UP TO EIGHT HOURS WITH THE BACKUP BATTERY PROVIDED BY KAPTEL. THE DURATION OF SERVICE DURING A POWER OUTAGE WILL DEPEND ON BATTERY BACKUP. IF THE DEVICE, TERMINAL ADAPTER THAT SUPPLIES YOUR TELEPHONE SERVICE IS DISCONNECTED OR REMOVED AND/OR THE BATTERY IS NOT CHARGED OR IS DAMAGED, SERVICE, INCLUDING ACCESS TO 911 OR E911, WILL NOT BE AVAILABLE. KAPTEL USES YOUR TELEPHONE SERVICE ADDRESS TO IDENTIFY YOUR LOCATION FOR E911 SERVICE. IF THE DEVICE, TERMINAL ADAPTER INSTALLED IN YOUR BUSINESS IS MOVED, THE E911 DISPATCH MAY NOT RECEIVE YOUR CORRECT ADDRESS. PLEASE NOTIFY KAPTEL IF YOU WOULD LIKE TO MOVE OR RELOCATE YOUR TELEPHONE SERVICE. IT CAN TAKE UP TO 2 BUSINESS DAYS FOR YOUR NEW ADDRESS TO BE UPDATED.

12. CUSTOMER PROPRIETARY NETWORK INFORMATION ("CPNI"): Both Parties agree that any CPNI exchanged between them in the performance of this Agreement shall be kept confidential and used strictly in accordance with applicable law.

13. RECORDING OF CALLS: If Customer or any Customer employee records any telephone call or conversation using KAPTEL Equipment or Services provided by KAPTEL, Customer is responsible for ensuring that Customer and its employees, agents or contractors comply with all applicable law. Recording a conversation without the other party's consent may be illegal in certain States. KAPTEL HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES AND MAKES NO REPRESENTATIONS OF ANY KIND REGARDING THE QUALITY OF ANY RECORDING MADE USING ANY KAPTEL EQUIPMENT. KAPTEL AND ANY KAPTEL RELATED PARTIES SHALL HAVE NO LIABILITY IF THE RECORDING MADE USING KAPTEL EQUIPMENT FAILS OR IS OF POOR QUALITY. Customer shall indemnify, defend and hold harmless KAPTEL, its Affiliates, employees, directors and shareholders and the KAPTEL Related Parties from any and all claims arising from or related to recordings made using any KAPTEL provided Equipment. Customer is solely responsible for any additional equipment that may be necessary (e.g., such as a USB device, storage or memory devices) and KAPTEL has no responsibility to provide such equipment.

14. INSTALLATION AND MAINTENANCE OF SERVICES AND PRODUCTS: KAPTEL and CUSTOMER will agree on a mutually convenient date for provision of the Services and Products ("Due Date"). In the event the Due Date is delayed, KAPTEL and CUSTOMER will agree upon a new Due Date. In no event will KAPTEL be liable for failure to meet the Due Date when such failure is due to an act or omission by CUSTOMER. Unless stated on the Quote, installation services will be provided by KAPTEL or its subcontractors, on a time and materials basis at KAPTEL's then current rates for labor. As required by the Quote, KAPTEL will provide maintenance services in relation to the Services or Products. On-site maintenance will be made available on a time and materials basis at KAPTEL's then current rates for labor, or at the rates set forth in the applicable Quote. CUSTOMER agrees to comply with all reasonable instructions that KAPTEL may give, from time to time, and to provide all necessary assistance to KAPTEL in diagnosing any Service or Product problems. Where required by law or regulations or at the request of KAPTEL, CUSTOMER will install, maintain and/or pay reasonable expenses incurred by KAPTEL to provide special facilities and protective apparatus at locations involving high voltage power and/or hazardous materials.

15. FLOOR SPACE, CONDUIT ACCESS, AND ELECTRICAL POWER: CUSTOMER shall provide at its own expense to KAPTEL the proper environment, lightning protection, crane (if necessary), space, electrical power, and telecommunications connections, equipment space, supporting structures, lighting, inside wiring, and unimpeded access to and egress from its premises required to install, operate, repair, maintain, inspect, re-provision, disconnect and remove any Product or to provide any Services. These provisions must be made available to KAPTEL in sufficient time to permit the installation, maintenance or disconnection of any Product in accordance with the Due Date. At the sole discretion of KAPTEL, obligations assumed by KAPTEL to perform installation, maintenance or disconnection shall be relieved in their entirety or amended, if CUSTOMER fails to provide the necessary access and equipment.

16. USE OF EQUIPMENT: If CUSTOMER connects its own equipment to KAPTEL's network, CUSTOMER must ensure that such equipment is compatible with and does not harm, impair or interfere with the technical integrity of the Services, KAPTEL's network or its Suppliers network(s), or any other Services of other customers

of KAPTEL. CUSTOMER is responsible for the compatibility of its equipment with the network and failure to do so will constitute breach by CUSTOMER of this Contract. CUSTOMER shall provide and pay for all Product and Services required to connect CUSTOMER-provided equipment to the Services. Notwithstanding the foregoing, CUSTOMER may, subject to KAPTEL's consent, appoint KAPTEL as its agent for purposes of procuring related telecommunications services, in particular, local exchange, backhaul, interexchange, or bypass carrier facilities ("Facilities") to terminate CUSTOMER's calls to CUSTOMER's designated location. CUSTOMER will be responsible for payment for all such Facilities.

17. PRODUCT RENTAL/LEASE: KAPTEL retains title to any and all Product that is rented/leased to CUSTOMER. CUSTOMER agrees, at CUSTOMER's sole expense, to (i) insure such Product against loss by fire, theft and any other casualty covered by standard fire and extended coverage insurance, for the full current replacement value, (ii) keep the Product free and clear from all adverse liens, security interests and encumbrances, (iii) provide a proper and suitable environment (including adequate power and appropriate temperature control) for the Product, in accordance with KAPTEL and/or the manufacturer's specifications (and any failure to provide such proper and suitable environment will void any warranty on the Product), (iv) keep the Product clearly labeled as property of KAPTEL, in good order and repair and comply with any maintenance instructions given by KAPTEL, (v) not transfer the Product or all or part of CUSTOMER's interest therein, if any, and (vii) return the Product to KAPTEL at the end of the rental/leased term in good condition, normal wear and tear excepted. CUSTOMER shall pay KAPTEL for the fair market value of the Product, in its reasonable determination, if CUSTOMER fails to return the Product to KAPTEL within thirty (30) days of the end of the rental/leased term. Breach by CUSTOMER of any of the foregoing provisions regarding Product rental will entitle KAPTEL to enter CUSTOMER's premises where the Product is reasonably believed to be located, and remove such Product without any legal process or notice, and without being liable for trespass or damage, and to declare all amounts remaining unpaid to be immediately due and payable by CUSTOMER.

18. PURCHASED PRODUCTS: KAPTEL warrants that new Products delivered to CUSTOMER will perform substantially in accordance with the specifications contained in the technical documentation accompanying the Products in accordance with supplier warranties and warranty period. KAPTEL further warrants that all refurbished or used Products or accessories sold hereunder will be free from defects in workmanship and material for a period of thirty (30) days from the date of delivery. All repairs covered by such warranty will be performed at no charge to CUSTOMER. For any repairs requested after the warranty period, KAPTEL will provide a Quote for such repairs and upon acceptance of the Quote, the repairs will be performed per the terms of the Quote. In the event of a warranty claim, KAPTEL will, at its sole option: (a) repair the Product, (b) replace the nonconforming Product, or (c) if KAPTEL determines that neither of the foregoing is commercially reasonable, upon return of the Product to KAPTEL, refund all sums paid to KAPTEL by CUSTOMER with respect to the nonconforming Product. The foregoing warranty on Products is CUSTOMER's sole remedy in the event of a warranty claim. If CUSTOMER requires a KAPTEL technician to travel to CUSTOMER's location to perform warranty services, CUSTOMER shall bear all costs associated with the travel including, but not limited to, transportation costs, room and board. KAPTEL will provide CUSTOMER a written estimate of such costs upon request. The foregoing warranty does not extend to Product which is altered, improperly installed by a third party or which fails or is damaged after delivery due to accident, act of God, shipment or handling, or due to storage, operation, use, or maintenance in a manner or environment which does not conform to the Product manufacturer's instructions or specifications provided by KAPTEL at the time of delivery to CUSTOMER. Return of unused Product by CUSTOMER to KAPTEL in its original package, in its original

condition, and within the manufacturers return policy, KAPTEL will refund to CUSTOMER eighty five percent (85%) of the purchase price. CUSTOMER will bear all shipment and insurance costs related to such return shipment. All prices are Net 30 days and our discounts are based upon these terms. All late payments will be subject to a 5% penalty charge per month on unpaid balance. In the event any sales tax is applicable to any shipment made to you on your order such tax shall be added to the selling price and paid by customer.

19. PROFESSIONAL AND CABLING SERVICES: Professional Services is defined as Service work that KAPTEL performs as defined and designated as "Professional Services" in the Quote. Cabling Services is defined as Service work that KAPTEL performs as defined and designated as "Cabling Services" in the Quote. Professional and Cabling Services work will be provided as outlined in a Quote. In the event the Due Date is delayed, KAPTEL and CUSTOMER will make all reasonable efforts to agree upon a new Due Date. CUSTOMER shall adhere to the Installation Guidelines set forth in the Quote. In no event will KAPTEL be liable for failure to meet the Due Date when such failure is due to an act or omission by CUSTOMER. CUSTOMER will reimburse KAPTEL for all out-of-pocket expenses incurred by KAPTEL in relation to a failure to meet the Due Date caused by CUSTOMER. CUSTOMER's sole remedy for a failure by KAPTEL to either provide Services by the Due Date will be for the CUSTOMER to request an alternate service date that is acceptable to KAPTEL.

20. SERVICE LEVEL AGREEMENTS: If this Agreement expressly includes a Service Level Agreement with terms providing the payment of service credits or monies in the event of service interruptions, missed repair objectives, service degradations, or any other outages related to the Services (collectively, an "SLA"), the following terms and conditions shall apply, and the service credits provided below shall be Customer's sole and exclusive remedy for any and all service interruptions, degradations or outages related to the Services: Any amounts due by KAPTEL to Customer under the SLA shall be in the form of service credits only. Service credits shall not be provided for any failures to meet the SLAs: (i) caused by Customer, its employees, agents or subcontractors, including without limitation any end users of the Service; (ii) due to failure of power or other equipment provided by Customer or the public utility company supplying power to KAPTEL or Customer; (iii) during any period in which KAPTEL is not allowed access to the Customer Premises to access KAPTEL Equipment; (iv) due to scheduled maintenance and repair; (v) caused by or due to violations of the KAPTEL Acceptable Use Policy or any other misconduct or misuse of the Services by Customer; (vi) caused by a loss of service or failure of the Customer's internal wiring or other customer equipment; or (vii) due to Force Majeure events. An Outage for telephone services is defined as a complete loss of the ability to originate or receive voice communications causing the service availability to fall below 99.5%. For purposes of the SLA, Force Majeure shall mean (i) third party cable cuts, acts of God, fire, flood, or other natural disaster; (ii) laws, orders, rules, regulations, directions, or actions of governmental authorities having jurisdiction over the Services; (iii) any civil or military action including national emergencies, riots, war, civil insurrections or terrorist attacks; (iv) taking by condemnation or eminent domain of a party's facilities or equipment; (v) strikes or labor disputes; (vi) fuel or energy shortages; or (vii) delays in obtaining permit or other approvals from governmental authorities for construction or Services provisioning.

With respect to all service credits under the SLA, no credits shall be issued if: (i) Customer is in breach of its Agreement with KAPTEL; (ii) Customer has a past due balance with KAPTEL under the Agreement; or (iii) Customer is otherwise not in good financial standing with KAPTEL. In any calendar month, Customer's combined credits for the affected Services shall be limited to no more than one (1) full MRC for the affected

Services. All credits are exclusive of any applicable taxes or fees charged to the Customer or collected by KAPTEL. All claims for service credits are subject to review and verification by KAPTEL. KAPTEL reserves the right to change or modify SLA rules and regulations at any time without notice.

LENGTH OF SERVICE INTERRUPT:

31 Minutes to 3 Hours:	½ Day Credit
3 Hours to 8 Hours:	1 Day Credit
8 Hours 1 Minute to 16 Hours:	5 Days Credit
16 Hours 1 Minute to Problem Resolution:	1 Month Credit

For telephone and data circuit services, KAPTEL will pass through to the CUSTOMER the service availability that it receives from its suppliers, if any. In the event of failure or degradation of a telephone or data circuit service, KAPTEL will pass through and credit CUSTOMER's account with a rebate equal to the rebate that KAPTEL receives from its suppliers, if any.

21. THIRD PARTY TELEPHONE AND DATA CIRCUIT SERVICES: If KAPTEL cannot provision Telephone and Data Circuits on the KAPTEL network, CUSTOMER acknowledges that KAPTEL does not own or operate their own telephone or data circuit network, KAPTEL is a reseller of Telephone and Data Circuit Services, and KAPTEL purchases telephone and circuit services from third party suppliers (collectively the "Supplier(s)"), under strict contractual terms and conditions required of all resellers. CUSTOMER acknowledges and agrees that KAPTEL has no liability for any Supplier networks and that KAPTEL makes no warranties with respect to the availability of the Telephone Services or Data Circuit Services. CUSTOMER's sole remedy for a failure by KAPTEL to provide Services during the contracted term for such Services, will be for the CUSTOMER to request an Outage Credit, as defined in Article 20 SERVICE LEVEL AGREEMENTS of this agreement. The obligations of KAPTEL and the terms for the sale and provision of Telephone Services or Data Circuit Services are subject to the terms of the agreements under which KAPTEL purchases such Telephone Services or Data Circuit Services from its Suppliers.

22. LIMITATION OF LIABILITY: Liability for any and all Losses imposed upon, suffered by or asserted against Customer or any other person shall not exceed, in the aggregate, the fees paid by Customer hereunder for Services. "Losses" shall mean and include all losses, liabilities, claims, lawsuits, actions, damages, cost and expenses (including attorney's fees) whatsoever and howsoever arising. Anything to the contrary herein notwithstanding, in no event shall KAPTEL be liable for any indirect, special, incidental or consequential damages resulting from or arising out of its performance or failure to perform any of its obligations under this Agreement, whether or not KAPTEL had been advised, or should have known of the possibility of such damages, including, but not limited to, lost profits, loss of equipment, cost of capital, cost of substitute facilities, equipment downtime costs or claims of the Customer's customers for any such damages.

23. ASSIGNMENT: If Customer is purchased, the agreement may be assigned to the Purchaser. The Customer must provide notice to KAPTEL and Purchaser's billing information. If Purchaser does not agree to the assignment then the Customer is responsible for all termination charges.

24. PRECEDENCE: This agreement will take precedence over any other documents unless otherwise agreed to in writing by both parties. In the event of a conflict between the terms of this agreement, customer POs

and the KAPTEL proposal, the terms of this agreement shall take precedence of all other documents relating to this service.

25. FORCE MAJEURE: KAPTEL shall not be liable for any delays or any failure to perform due to unforeseen circumstances or causes beyond its reasonable control, including, but not limited to, acts of God, riots, embargoes, acts of any government, fires, floods, explosions, the elements, epidemics, strikes, lockouts, accidents, delays of suppliers or subcontractors, or Customer's acts or omissions with respect to matters for which Customer is responsible

26. GOVERNING LAW: This agreement shall be governed by, and constructed in accordance with the laws of the State of Louisiana.

27. WAIVER: All remedies available to either party for one or more breaches by the other party are and shall be deemed cumulative and may be exercised separately or concurrently without waiver of any other remedies. The failure of either party to act on a breach of this agreement by the other shall not be deemed a waiver of such breach or a waiver of future breaches, unless such waiver shall be in writing and signed by the party against whom enforcement is sought.

KAPTEL

By: _____

Printed Name: _____

Title: _____

Date: _____

CUSTOMER NAME: _____

By: _____

Printed Name: _____

Title: _____

Date: _____