

## SERVICE AGREEMENT

### **USA Audiotext 900- MCI**

THIS AGREEMENT (this "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between Coast to Coast Connections, doing business as Advanced Telecom Services, Inc. ("ATS"), a Delaware corporation having its principal place of business at 996 Old Eagle School Rd., Wayne, Pennsylvania 19087-1806, United States of America, and \_\_\_\_\_ ("Client"), a \_\_\_\_\_ corporation located at \_\_\_\_\_.

WHEREAS, ATS is in the business of providing telecommunications services on passive, active, and interactive programs;

WHEREAS, Client desires to retain ATS to provide the specific services described on Exhibit A attached hereto (the "Service");

WHEREAS, ATS desires to furnish the Service to Client in accordance with the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants, and undertakings set forth herein, ATS and Client, intending to be legally bound, hereby agree as follows:

1. Term of Agreement.

The initial term of this Agreement shall be for a period of two (2) years, commencing on the date set forth above. Upon the expiration of the initial term or any renewal term, this Agreement will automatically renew for successive one (1) year periods unless earlier discontinued by either party in accordance with this Section or terminated in accordance with Section 5 below. Either party may discontinue this Agreement by sending a notice of discontinuance to the other at least ninety (90) days prior to the end of the then current term. Such notice of discontinuance shall be sent by registered or certified mail.

2. Duties of ATS.

ATS shall use its best efforts to perform the specific duties described on Exhibit B attached hereto.

3. Duties of Client.

Client shall use its best efforts to perform the duties and fulfill the responsibilities described on Exhibit C attached hereto. In addition to the foregoing, Client shall not commit to advertising until the Service is fully operable, including turn on by carrier and program design by ATS. Client shall be responsible for and shall bear all costs and expenses, including, without limitation, any applicable taxes, owing in connection with its duties and responsibilities hereunder.

4. Payment.

In consideration of, and as compensation for, the Service provided to Client by ATS hereunder, Client shall pay ATS certain service fees in accordance with the payment terms and conditions set forth on Exhibit D attached hereto.

5. Termination of Agreement.

- a. In the event of a breach by either party of a material provision of this Agreement, which remains unheeded for a period of thirty (30) days following written notice thereof by the aggrieved party, such aggrieved party may terminate this Agreement upon ten (10) days prior written notice. Client and ATS acknowledge and agree that termination in this manner shall be Client's sole remedy for breach of this Agreement by ATS.
- b. Client further agrees that in the event Client desires to terminate this Agreement other than (i) pursuant to Section 1 of this Agreement, or (ii) following a breach by ATS of a material provision of this Agreement in accordance with Section 5(a) of this Agreement, then Client and its agents, officers, and employees shall refrain from creating or initiating, for a period of three (3) years from the date of such termination, any service competitive with or similar to that contemplated hereunder, including, but not limited to, the Service described in Exhibit A hereto, in all cities and countries in which ATS provides the Service as of the date of such termination.
- c. Client further agrees that, in the event Client maintains a negative balance for more than three (3) consecutive months in any country in which the Service is provided hereunder, ATS shall be entitled to discontinue this Agreement without further notice and all fees owing to ATS hereunder shall be immediately due and payable.

6. Confidentiality of Information and Proprietary Rights.

- a. Client and all of its agents, officers, and employees shall keep confidential and refrain from disclosing to any third party any information concerning the business of ATS and the services provided by it, including, but not limited to, call volumes, ATS customers, marketing strategies, or other business information (collectively, the "Proprietary Information"). All equipment and software associated with the Service is and shall remain the exclusive property of ATS. In addition, ATS and Client agree that no license of intellectual property has been granted by either party to the other, except for the exclusive and limited purpose of fulfilling the parties' obligations under this Agreement.
- b. ATS shall keep confidential and not disclose, except as may be required by law or necessary for the performance of this Agreement, any information regarding callers to, or users of, the Service provided to Client hereunder.

7. No Warranties or Other Remedy or Liability.

BY SIGNING BELOW, CLIENT ACKNOWLEDGES AND UNDERSTANDS THAT THERE IS NO WARRANTY OF ANY KIND GIVEN BY ATS IN RESPECT OF THE SERVICE CONTEMPLATED HEREUNDER. THERE IS NO EXPRESS WARRANTY, NOR IS THERE ANY IMPLIED WARRANTY OF FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY, OR OTHERWISE. CLIENT ALSO UNDERSTANDS THAT ITS SOLE REMEDY AS TO ATS FOR ANY LOSS WHATSOEVER IS THE RIGHT OF TERMINATION SET FORTH ABOVE IN SECTION 5. IN PARTICULAR, CLIENT UNDERSTANDS THAT ATS WILL NOT, UNDER ANY CIRCUMSTANCES WHATSOEVER, HAVE ANY LIABILITY TO CLIENT FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES OF ANY KIND.

8. Client Authorization.

Client represents and warrants that it is legally authorized and has obtained all necessary regulatory approvals and certificates to provide any services it intends to offer. Client further represents and warrants that it will conform to any and all laws, rules, regulations, requirements, and/or other standards that are established from time to time by regulatory agencies and applicable to the Service provided hereunder.

9. Taxes.

- a. Each party agrees to report and pay its own taxes imposed on its income by any jurisdiction such as state and federal income taxes. Should ATS be required to pay any such taxes on the income of Client, the amount of such taxes and all related interest, fines, or penalties shall become immediately due and payable to ATS.
- b. ATS and Client agree that taxes in the nature of an excise, sales, or use tax are not currently imposed on the transactions contemplated under this Agreement. Further, the parties agree that if such taxes are imposed, the burden of such taxes shall be Client's responsibility. ATS shall have the right to collect and pay over taxes in the nature of an excise, sales, or use tax on behalf of Client if reasonably required to do so by a taxing authority of competent jurisdiction and shall further have the right to recover from Client under Section 10 of this Agreement the amount of any such taxes and related penalties and interest which are paid by ATS with its own funds.

10. Liability / Indemnification.

- a. Client agrees to indemnify and hold harmless ATS, its employees, officers, agents, and directors from any and all fines, penalties, losses, claims, expenses (including attorney fees), or other liabilities, resulting from or in connection with this Agreement, including, but not limited to, the failure of Client to follow this Agreement or conform to any law, rule, regulation, requirement, and/or any other standard established by any regulatory agency. ATS assumes no liability of the Client for failure to follow this Agreement and any results caused by the acts, omissions, or negligence of the Client, sub-contractor, or an agent of the Client or an employee of any one of them.
- b. ATS and Client agree that the nature, character, content, accuracy, and substance of information available to the public through the Service contemplated hereunder shall remain the sole and exclusive responsibility of Client, and ATS shall have no liability whatsoever in respect thereof. Accordingly, Client shall indemnify and hold ATS harmless from and against any and all liabilities, costs, damages, and expenses incurred by ATS by reason of, or attributable to, such information or the sale of any products, services, information, or images to any person by Client in connection with the Service. Client understands, however, that ATS may monitor material transmitted by Client via the Service contemplated hereunder. Moreover, Client agrees that ATS may, but shall not be obligated to, in its sole discretion, remove material that it deems to be inappropriate or potentially violative of any applicable law or regulation.
- c. ATS assumes no liability for disruptions of the Service, including, but not limited to, vandalism, theft, phone service outages, extreme or severe weather conditions, or any other causes in the nature of "ACTS of GOD" or force majeure.

- d. ATS assumes no liability for any advertising committed before the Service is fully operable.
- e. Client assumes all risks associated with any uncollectible portion of billing during the term of this Agreement and for up to two (2) years following the termination of this Agreement.
- f. In the event Client defaults in any provision or fails to perform pursuant to this Agreement, ATS shall be entitled to damages, costs, and reasonable attorneys' fees from the Client.

11. Additional Provisions.

- a. Client agrees that its confidentiality obligations under Section 6 hereof with respect to the Proprietary Information of ATS are necessary and reasonable in order to protect ATS and its business, and expressly agrees that monetary damages would be inadequate to compensate ATS for any breach of any covenant or agreement set forth herein. Accordingly, Client agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to ATS, and that, in addition to any other remedies that may be available, in law, in equity or otherwise, ATS shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages.
- b. This Agreement, together with Exhibits A, B, C, and D attached hereto, which are incorporated herein by reference, constitutes the entire agreement of the parties with respect to the subject matter referred to herein or therein, and this Agreement supersedes and replaces altogether any prior or contemporaneous oral or written understandings or representations with respect to such subject matter.
- c. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflict of law principles thereof.
- d. If good faith negotiations among the parties do not resolve any breach or dispute under this Agreement, such breach or dispute shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, by one (1) arbitrator, who shall be an attorney, selected by mutual agreement of the parties or, if the parties are unable to agree upon an arbitrator, then an arbitrator selected by the American Arbitration Association in accordance with its rules (the "Arbitrator"). The Arbitrator shall be authorized to retain experts and the costs therefor and of such arbitration shall be paid as directed by the Arbitrator. The parties irrevocably agree that the arbitration shall be held in Philadelphia, Pennsylvania, U.S.A. The parties hereby consent for purposes of such arbitration. The Arbitrator shall be obliged to render an award ("Award") within sixty (60) days of his or her appointment, which Award shall be final and binding on the parties hereto. Under no circumstances shall the Arbitrator have the power to award punitive or similar type damages to any party hereto.
- e. The invalidity or unenforceability of any provision of this Agreement, as so determined by a court of competent jurisdiction, shall not affect the other provision hereof, and in any such occasion, this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.
- f. No amendment or modifications of this Agreement and no waiver of any provision of this Agreement shall be effective unless set forth in writing executed by both parties.

- g. Whenever the context shall so require, the singular shall include the plural, and the plural shall include the singular.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**Customer**

**Advanced Telecom Services, Inc.**

**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

\_\_\_\_\_  
**Tax Identification Number**  
**(Required for United States Clients Only)**

EXHIBIT A

Services

**Title:** Virtual Chat Program  
**Number:** 1-900-  
**Price:** \$2.99 per minute  
**Description:** **ATS will provide a turnkey solution  
for a virtual chat 900 program.**

## **EXHIBIT B**

### **ATS Duties**

1. Complete and submit carrier application and associated information on scripts, marketing plans, estimated call volumes and busy hour call attempts, as well as service justification.
2. Design voice program flow.
3. Interface with carrier to configure pool for the new service.
4. Provide dynamic allocation pooled access to ATS's fiber optic facilities for call processing.
5. Provide Client access to menu prompts.
6. Provide Client with access to weekly call volume information. Client understands that such information is unofficial and that discrepancies may exist between informal call volume information and official carrier totals.
7. Furnish Client with monthly account settlement statement and 900 carrier documentation.
8. Assist Client in using and operating the system.
9. Pay any non-recurring carrier application fee.
10. Create and record base scripts.
11. Customize ATS voice processing hardware to implement program flow.

## EXHIBIT C

### Client Duties

1. Clearly and conspicuously identify the charges for 900 calls in all advertising or other promotion of the Service.
2. Adhere to all applicable federal and state laws and regulations regarding advertising, pay per call standards, and all communications via the Service.
3. Provide ATS with sample advertisements, scripts, and other items necessary to complete carrier application.
4. Author and approve all messages and menu prompts.
5. Responsible for all information content.
6. Periodic update of voice messages through direct dial phone lines.
7. Responsible for securing and compensating suitable speaking voice or voices.
8. Provide adequate marketing of the 900 number to the public through advertising and other promotional vehicles.
9. Verify that necessary preamble and eighteen (18) second caller free time is included in all programs.
10. Respond promptly to any caller complaints that may be forwarded to Client from ATS or carrier.

**EXHIBIT D**

**Fees**

1. \$369.00 for initial investment, plus carrier line activation fee of \$75.00 per 900 number for a total investment of \$444.00 payment of which begins carrier application and program design cycle.
2. \$95.00 for monthly carrier T-1 access and administration charges, plus carrier monthly line leasing charges of \$100.00 for a total monthly charge of \$195.00 are due to ATS each month and will be deducted from each forthcoming ATS revenue check or if revenue is not sufficient to cover Customer expenses, Customer will remit payment for short fall amount within seven days of receipt of ATS statement. \$390.00, an amount equal to the first and second month's line and administration fees is due and payable upon execution of this Agreement.
3. ATS reserves the right to withhold monies at its sole discretion so that it has adequate funds to cover anticipated future chargebacks for up to fourteen months from the last month of activity. Such right will be based on the estimated chargeback rate and the necessary reserves that the company may need to cover anticipated future chargebacks. Furthermore, ATS is subject to "Carrier Reserves" as defined as: Carrier Reserves – current months chargebacks multiplied by six (6), or any reasonable amount that ATS feels is necessary to satisfy future projected chargebacks.
4. Call termination charges of \$0.18 per call-minute are due to ATS on all calls made to the 900 service as documented by carrier (this includes calls terminated during the "caller free period").
5. The Service allows for 30 minutes of total voice storage capacity. Should the Service exceed this capacity allotment, not including applicable voice capture from inbound calls, the monthly rate increases by \$50 per each additional thirty (30) minutes of storage.
- CHECK HERE TO REQUEST \_\_\_\_\_ 6. A charge of \$100.00 per month for weekly menu statistics reports, if Client requests such service
- CHECK HERE TO REQUEST \_\_\_\_\_ 7. A charge of \$95.00 per month will be deducted for monthly Call Detail Reports.
8. ATS shall invoice Client monthly for any current fees due and payable attributed to the month in which fees are incurred and Client shall pay each such invoice within fifteen (15) days after the date of each such invoice. Overdue invoices are subject to a late charge of one and one-half percent (1 1/2%) per month. ATS shall have the right to offset any overdue amounts payable by Client with any proceeds obtained by ATS and otherwise payable to Client.
9. Should Client request any programming changes, a charge of \$200.00 per hour will be assessed. The minimum hourly charge will be one-half hour (\$100.00).
10. A Professional Voice fee of \$75.00 per hour will be assessed should Client

request such service. The minimum and hourly charge is one-1/2 (half) hour.

11. Fraud and Usage control at \$0.25 per call. (Yes No) **Please circle to request.** Note: ATS is not responsible or liable for any failure whatsoever as to the functionality and/or performance of its Fraud and Usage control.
12. Current Carrier Call Charges are defined as the following:
  - MCI Advantage 900
  - \$100.00 monthly line leasing fee
  - \$.31 per minute (Tariff Charges)
  - 15% of total revenue (Billing Service Charge)
  - Applicable federal, state, and local taxes and FUSF tax recovery fees
  - Applicable Carrier reserves
  - Applicable patent and licensing fee and/or royalties
13. SPECIAL NOTE: Client understands and acknowledges that carrier fees are subject to change and that any change in carrier pricing will become the Current Carrier Call Charge.
14. SPECIAL NOTE II: Client understands and acknowledges that any spreadsheets provided by ATS to Client do not represent guaranties of call volume, but are, instead, hypothetical call volumes intended to illustrate revenue sharing arrangements between the parties.