COLOCATIONQUOTES

Colocation Master Services Agreement Template

Sample MSA with a colocation services schedule and service order form, plus the clauses buyers should check before signing.

Read this first. This is a sample for reference and negotiation planning. It is not legal advice and it is not any provider's contract. Bracketed text marks blanks and options. Every provider uses its own paper, and its paper is what you sign, so have counsel review the final documents before you sign.

Before you sign: 14 clauses to check

Most of the cost in a colocation contract hides in a few clauses. Read the service order and schedules first, then the MSA, and mark up these terms.

Clause	What to look for	What to ask for
Billing start	Billing starts after a short acceptance window, or on a ready-for-service date, even if you are not ready to move in.	Billing only after a written acceptance checklist confirms power, space and cross connects work.
Annual escalators	A fixed percentage, a CPI formula or both, and which charges they apply to. Often found in the service order, not the MSA.	A cap, a first increase no earlier than month 13, a named index, and escalators limited to space.
Auto-renewal	Renewal for the full original term, and a short written notice window.	Renewal terms of 12 months or less, a 90 to 120 day window, email notice allowed, and a provider reminder.
Renewal pricing	The provider can raise rates at renewal on short notice.	Renewal pricing delivered at least 120 days before term end, with a cap.
Early termination	A fee equal to all remaining monthly charges, due before you can remove equipment.	A declining fee, credit when the space is re-licensed, and an exit for chronic service failure.
Service credits as sole remedy	Credits are your only remedy, with a short claim deadline. Some MSAs have no SLA at all.	An SLA schedule, sole remedy limited to the outage itself, and a longer claim window.

Power commitment	One reading above your committed kW resets your commitment for the rest of the term.	A grace period, a reset back down, and billing at metered use.
Liability cap	A cap of one to twelve months of fees, and lost data excluded.	A cap tied to a multiple of annual fees, with carve-outs for gross negligence, willful misconduct, data breach and confidentiality.
Indemnification	A one-way indemnity that favors the provider, or coverage only for gross negligence.	Mutual indemnity that covers ordinary negligence for injury and property damage.
Relocation	The provider can move you to "substantially similar" space.	Your consent, your schedule, provider-paid moves including cross connects, and a penalty-free exit if the new space is worse.
Assignment	The provider can assign to an acquirer without asking, while you need consent.	Mutual assignment rights and a termination right if the new owner competes with you.
Removal deadline	Five to ten days to clear out, after which equipment can be held or disposed of.	30 to 90 days at the existing rate, and no disposal without written notice.
Suspension and late fees	Monthly interest and a right to lock you out of your own cabinet.	A written warning period and no suspension over an amount disputed in good faith.
Brokers and publicity	A statement that you used no broker, and a right to use your name and logo.	Strike both, or match them to the facts. If you used a broker or quote service, the contract should not say otherwise.

Also check who is responsible for shipments and for damage caused during remote hands work. Many forms disclaim both. Confirm the order of precedence (which document wins when two conflict), whether the provider can change online policies on its own, and the notice method. Many forms require courier or certified mail, and email does not count.

Master Services Agreement

Template version for reference. Replace every bracketed field.

This Master Services Agreement (the "Agreement") is made as of **[Effective Date]** between **[Provider Legal Name]**, a **[State]** **[entity type]** ("Provider"), and **[Customer Legal Name]**, a **[State]** **[entity type]** ("Customer"). Provider and Customer are each a "Party."

1. Definitions

1.1 Facility means the data center at **[address]** and any other site named in a Service Order.

1.2 Service Order means an order signed by both Parties that lists the Services, quantities, charges, term and Facility.

1.3 Services means the colocation space, power, interconnection, support and other services described in a Schedule and ordered in a Service Order.

1.4 Customer Equipment means the hardware, cabling and other property that Customer or its contractors place in the Facility.

1.5 Ready for Service Date means the date Provider confirms in writing that a Service is installed and available for Customer's use, subject to Section 4.2.

1.6 Monthly Recurring Charges (MRC) and **Non-Recurring Charges (NRC)** mean the monthly and one-time charges stated in a Service Order.

1.7 SLA means the Service Level Agreement attached as Schedule B.

2. Services and Service Orders

2.1 Ordering. Customer may order Services by signing a Service Order. A Service Order becomes binding when both Parties sign it. Each Service Order is governed by this Agreement and the Schedules that apply to the Services ordered.

2.2 Order of precedence. If documents conflict, they control in this order: **[(a) a Service Order, but only for the specific Services it lists; (b) the Schedules; (c) this Agreement]**. Terms printed on Customer purchase orders or Provider invoices do not modify this Agreement.

> **Buyer tip:** Forms differ on whether the Service Order or the Schedules win. Whichever document carries your negotiated price, escalator and term should be at the top of the list.

2.3 Policies. Provider's Facility rules and acceptable use policy in effect on the Effective Date are attached or linked in Schedule A. Provider may update them on **[30 / 60]** days' written notice. No update may increase charges, reduce a Service or reduce an SLA commitment during a Service Order term.

3. Charges and Payment

3.1 Charges. Customer will pay the MRC and NRC in each Service Order. NRC is invoiced **[on the Ready for Service Date / on signing]**. MRC is invoiced monthly in advance. Usage-based charges are invoiced monthly in arrears.

3.2 Payment. Invoices are due **[30 / 45]** days after the invoice date. Late amounts that are not disputed in good faith bear interest at the lesser of **[1.0% / 1.5%]** per month or the maximum rate allowed by law.

3.3 Disputes. Customer may dispute an invoice in writing within **[60 / 90]** days of receipt. Customer will pay undisputed amounts on time. The Parties will work in good faith to resolve disputes within 30 days. Amounts disputed in good faith are not overdue while the dispute is open.

3.4 Taxes. Charges exclude taxes. Customer pays applicable sales, use and similar taxes on the Services, other than taxes on Provider's income.

3.5 Price changes. Charges are fixed for the term of each Service Order except for the escalator stated in that Service Order. If power is billed by metered use, Provider may pass through documented changes in its utility rate at cost, with **[60]** days' notice and supporting records on request. No pass-through may include a margin.

> **Buyer tip:** A pass-through should track a documented, auditable utility rate. If the clause lets the provider raise base rates "to reflect costs," it works as a second escalator.

4. Delivery and Billing Start

4.1 Delivery. Provider will deliver each Service by the target date in the Service Order. If Provider misses that date by more than **[15]** days, Customer receives a credit of **[one day of MRC per day of delay]**. If Provider misses it by more than **[60]** days, Customer may cancel the affected Service Order without charge.

4.2 Acceptance. After Provider's Ready for Service notice, Customer has **[5 / 10]** business days to test the Service against the acceptance checklist in the Service Order. If the Service fails a checklist item, Customer will tell Provider in writing, and the Ready for Service Date moves to the date Provider fixes it.

4.3 Billing start. MRC starts on the Ready for Service Date as adjusted under Section 4.2.

5. Term, Renewal and Non-Renewal

5.1 Agreement term. This Agreement starts on the Effective Date and continues while any Service Order is in effect.

5.2 Service Order term. Each Service Order runs for the initial term stated in it, starting on the Ready for Service Date.

5.3 Renewal. At the end of its initial term, a Service Order renews for successive **[12-month / month-to-month]** periods unless either Party gives written notice of non-renewal at least **[60 / 90]** days before the end of the current term. Notice by email to the addresses in Section 16 is effective.

5.4 Renewal pricing. Provider will deliver any proposed renewal pricing at least **[120]** days before the end of the current term. Renewal charges may not increase by more than **[__%]** over the charges in effect at the end of the term.

5.5 Reminder. Provider will send Customer a written reminder of the non-renewal deadline at least 30 days before it passes.

> **Buyer tip:** Put two dates on the calendar the day you sign: one about 150 days before term end and one a week before the notice deadline.

6. Termination

6.1 For cause. Either Party may terminate an affected Service Order if the other Party materially breaches this Agreement and does not cure the breach within 30 days after written notice, or within 10 days for undisputed payment defaults.

6.2 Chronic service failure. Customer may terminate an affected Service Order without an early termination charge if Provider misses the same SLA commitment in **[three]** months within any rolling **[12]**-month period, or if a single outage lasts longer than **[__]** hours.

6.3 Early termination by Customer. Customer may terminate a Service Order for convenience on **[30 / 60]** days' written notice and pay an early termination charge of **[__%]** of the MRC remaining in the initial term, declining by **[__ percentage points]** each contract year. If Provider licenses the vacated space to another customer, Provider will credit Customer the MRC it receives for that space, up to the amount of the charge.

6.4 Insolvency. Either Party may terminate this Agreement if the other Party becomes the subject of a bankruptcy or insolvency proceeding that is not dismissed within 60 days.

6.5 Effect. On termination or expiration, Customer will pay charges accrued through the effective date. Sections that by their nature should survive will survive.

7. Suspension

Provider may suspend a Service only if (a) Customer's use creates an imminent risk to people, the Facility or other customers, in which case Provider will give whatever notice is practical and restore Service once the risk ends, or (b) Customer fails to pay undisputed amounts within **[30]** days after a second written past-due notice. Provider will not deny Customer access to Customer Equipment over an amount disputed in good faith.

8. Use of the Facility

8.1 License, not lease. Provider grants Customer a non-exclusive license to use the space in each Service Order for the Services. This Agreement creates no lease or tenancy.

8.2 Customer responsibilities. Customer will follow the Facility rules, keep its equipment in safe working order, stay within its contracted power and space, and be responsible for its contractors and visitors.

8.3 Access. Customer's authorized personnel may access the Facility 24 hours a day, every day, subject to the Facility's security procedures. Provider will not enter Customer's dedicated space without notice except in an emergency, and will give a written report of any emergency entry.

8.4 Relocation. Provider may relocate Customer's equipment only with Customer's written consent, on a schedule Customer approves, to space of equal or better power, cooling, density and redundancy. Provider pays all relocation costs, including new cross connects. If Customer does not consent, Provider may not require the move **[during the initial term]**.

9. Service Levels

Provider will meet the commitments in the SLA (Schedule B). Service credits are Customer's remedy for a failure to meet an SLA availability commitment itself. Credits do not limit Customer's rights under Section 6.2, Section 12 or Section 13, or for other breaches of this Agreement.

> **Buyer tip:** How the sole-remedy sentence is written decides whether credits are all you ever get. Keep it limited to the outage itself.

10. Insurance

Each Party will maintain, at its own cost: commercial general liability insurance of at least **[$1,000,000]** per occurrence and **[$2,000,000]** aggregate; workers' compensation as required by law; and, for Provider, property insurance on the Facility. Customer is responsible for insuring Customer Equipment. On request, each Party will provide certificates of insurance.

11. Equipment Removal

After a Service Order ends, Customer has **[30 / 60 / 90]** days to remove Customer Equipment, billed at the MRC in effect at the end of the term. If equipment remains after that period, Provider will give written notice and an additional **[15]** days before it may store the equipment at Customer's cost. Provider will not sell or dispose of Customer Equipment without a further **[30]** days' written notice. Customer's data remains Customer's property at all times.

12. Indemnification

12.1 Mutual. Each Party will defend and indemnify the other Party against third-party claims for bodily injury, death or damage to tangible property caused by the indemnifying Party's negligence or willful misconduct, and for the indemnifying Party's violation of law.

12.2 Procedure. The indemnified Party will give prompt notice of a claim, reasonable cooperation and control of the defense to the indemnifying Party, which may not settle a claim that admits fault for the indemnified Party without its consent.

13. Limitation of Liability

13.1 Exclusion. Neither Party is liable for indirect, consequential, special or punitive damages, or for lost profits or revenue.

13.2 Cap. Each Party's total liability under this Agreement is limited to **[12 / 24]** months of the charges paid or payable under the Service Order giving rise to the claim.

13.3 Exceptions. Sections 13.1 and 13.2 do not apply to (a) payment obligations, (b) indemnification under Section 12, (c) breach of Section 14, (d) gross negligence or willful misconduct, or (e) **[physical damage to Customer Equipment caused by Provider]**.

> **Buyer tip:** Some provider forms cap total liability at one month of fees and exclude lost data. A cap tucked inside an exception still limits recovery, so read both.

14. Confidentiality

Each Party will protect the other Party's confidential information with at least reasonable care, use it only to perform this Agreement, and share it only with personnel and advisors who need it and are bound by similar duties. Standard exceptions apply for information that is public, already known, independently developed or required to be disclosed by law, with prompt notice where legally allowed. Provider has no right to access Customer data stored on Customer Equipment.

15. Assignment

Neither Party may assign this Agreement without the other Party's written consent, not to be unreasonably withheld, except to an affiliate or to a successor in a merger or sale of substantially all related assets that assumes this Agreement in writing. If Provider assigns to a direct competitor of Customer, Customer may terminate the affected Service Orders without an early termination charge within **[90]** days.

16. Notices

Notices must be in writing and sent to the addresses below by courier, certified mail or email with confirmation of receipt. Notices are effective on receipt.

Provider: **[name, address, email]** Customer: **[name, address, email]**

17. Force Majeure

Neither Party is liable for delay caused by events beyond its reasonable control, such as natural disasters, war, terrorism, government action or widespread utility failure, provided that the Party uses reasonable efforts to resume performance. Force majeure does not excuse payment, but Customer does not owe charges for a Service while it is undelivered. Equipment failures that redundancy was designed to prevent are not force majeure. If an event stops a Service for more than [30] days, Customer may terminate the affected Service Order without charge.

18. Publicity and Advisors

Neither Party may use the other Party's name or logo without prior written consent. Nothing in this Agreement restricts Customer from using brokers, consultants or quote services to evaluate or buy Services.

19. General

19.1 Governing law. This Agreement is governed by the laws of **[State]**. Venue is in **[county and state]**.

19.2 Entire agreement. This Agreement, its Schedules and the Service Orders are the entire agreement on their subject and replace prior proposals. Amendments must be in writing and signed by both Parties.

19.3 Other terms. If a provision is unenforceable, the rest remains in effect. A waiver must be in writing. The Parties are independent contractors. This Agreement may be signed in counterparts and electronically.

Provider	**Customer**
_____	_____
Signature	Signature
_____	_____
Name and title	Name and title
_____	_____
Date	Date

Schedule A: Colocation Services

A1. Space

Provider will provide the cabinets, cages or suites listed in the Service Order, including cabinet dimensions, locking method and floor loading. Customer-supplied cabinets require Provider's approval, which will not be unreasonably withheld.

A2. Power

A2.1 Delivery. Each circuit is delivered as listed in the Service Order: voltage, amperage, phase and whether it is a redundant (A+B) pair.

A2.2 Billing model. Power is billed as **[per circuit / committed kW / metered kWh plus a fixed charge]** as stated in the Service Order.

A2.3 Load limits. Customer will keep the load on each circuit at or below **[80%]** of its breaker rating, and on each A+B pair at a level either circuit can carry alone. Load is measured **[per circuit / across all of Customer's circuits combined]**. If Provider measures a sustained overload, it will notify Customer, and Customer will have **[10 / 30]** days to correct it before any added charge applies. Provider will not add a charge for an overload that Customer corrected within that period.

A2.4 Committed kW. If Customer's measured draw exceeds its committed kW, Provider will notify Customer. A single excess in any 12-month period that Customer corrects within **[5]** business days does not change the commitment. A new commitment set by repeated excess may be reduced at Customer's request after **[three]** consecutive months below it.

A3. Environment

Provider will keep the data hall within the temperature and humidity ranges stated in the SLA, measured at the points stated in the SLA.

A4. Interconnection

Provider will install cross connects within **[5 / 10]** business days of a complete order and letter of authorization. Customer may order cross connects to any carrier or network in the Facility. Charges for each cross connect are listed in the Service Order.

A5. Remote Hands and Support

Provider staffs a support desk 24 hours a day, every day. Remote hands tasks are billed at the rates in the Service Order, in **[15 / 30]**-minute increments, with **[__]** minutes included each month. Response times are stated in the SLA. Provider is responsible for damage to Customer Equipment

caused by the negligence of its technicians while performing remote hands work, subject to Section 13 of the Agreement.

A5a. Shipments

Provider will accept deliveries for Customer during staffed hours, record each shipment it signs for, use reasonable care in handling and storing it, and hold it for up to **[30]** days at no charge. Provider is responsible for loss or damage to a shipment in its custody caused by its negligence.

A6. Security

The Facility provides staffed or monitored access control, video surveillance of entrances and common areas with **[90]** days of retention, and an access log available to Customer for its space on request.

A7. Maintenance

Provider will give at least **[7 / 10]** days' notice of scheduled maintenance that may affect a Service, and notice as soon as practical for emergency maintenance. Maintenance limits for SLA purposes are stated in the SLA.

A8. Compliance Reports

Provider will make its current third-party audit reports for the Facility, such as **[SOC 2 Type II / ISO 27001 / PCI DSS attestation]**, available to Customer on request under confidentiality terms.

Schedule B (Service Level Agreement): use the companion ColocationQuotes SLA template or the provider's SLA, negotiated to the same standard.

Service Order Form

Item	Details
Customer and billing contact	[ ]
Facility address	[ ]
Space	[number and type of cabinets / cage size / suite]
Power	[circuits: voltage, amps, phase, A+B or single] [committed kW]
Power billing model	[per circuit / committed kW / metered]
Cross connects	[quantity, type, destination]
Remote hands included	[minutes per month]
Target delivery date	[ ]
Acceptance checklist	[power tested at each circuit, space complete, cross connects lit, access badges issued]
Initial term	[__ months from Ready for Service Date]
Renewal term and notice	[12 months / month-to-month] [notice: __ days]
Annual escalator	[__% on space only, first applied in month 13] [CPI: index series, reference month, cap]

Line item	Quantity	NRC	MRC
Cabinet / cage / suite			
Power			
Cross connects			
Remote hands block			
Other			

Total			

Provider

Signature, name, title and date

Customer

Signature, name, title and date

Compare quotes on the same assumptions before you sign. Request side-by-side colocation quotes at colocationquotes.com/quote. More buyer guides: colocationquotes.com/blog/colocation-agreement.