



## UNIVERSAL TERMS OF SERVICE

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Effective Date: May 1<sup>st</sup>, 2018

These Veracity Networks Universal Terms and Conditions of Service (hereinafter referred to as the "Terms" or "Agreement") apply to the use of any and all communications products or services provided by Veracity Networks, LLC, (herein after referred to as "we," "us," "Company," or "Veracity"), a Delaware limited liability company, with its principle offices at 170 W. Election Road, Suite 210, Draper, UT, 84020, to the person or entity identified in a valid and binding sales quotation or order (the "Customer") and are an integral part of the agreement between Veracity and Customer. The Customer and Veracity are sometimes collectively referred to herein as the "Parties," or individually as a "Party."

**FCC E911 ADVISORY: PURSUANT TO FCC REQUIREMENTS, VERACITY IS REQUIRED TO ADVISE ITS CUSTOMERS OF ANY LIMITATIONS, which are set forth in <https://veracitynetworks.com> THAT E911 SERVICE MAY HAVE IN COMPARISON TO TRADITIONAL E911 SERVICE, WHICH ARE SET FORTH IN OUR E911 DISCLOSURE AND ACKNOWLEDGEMENT.**

These Terms incorporate and include Veracity's Hosted Service Agreement ("HSA,") Acceptable Use Policy ("AUP,") applicable Service Level Agreements ("SLA,") Customer Proprietary Network Information Policy ("CPNI,") Privacy Policy (PP,) and Equipment Rental Agreement ("ERA,"). BY ORDERING, PURCHASING OR USING THE SERVICES, CUSTOMER AGREES TO THESE TERMS AND CONDITIONS. PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY. THEY AFFECT THE LEGAL RIGHTS BETWEEN CUSTOMER AND VERACITY BY, AMONG OTHER THINGS, (1) CHARGES ASSOCIATED WITH DEFAULT AND TERMINATION, (2) FRAUD, AND VERACITY'S LIMITATION OF LIABILITY.

THESE UNIVERSAL TERMS OF SERVICE, ALONG WITH VERACITY'S HSA, AUP, CPNI, PP, ERA, AND SLA WILL BE LOCATED ON A <https://veracitynetworks.com> ACCESSIBLE AT ALL TIMES BY CUSTOMER, AND MAY BE MODIFIED, FROM TIME TO TIME, AS PERMITTED OR REQUIRED BY LAW. THE COMPANY SHALL PROVIDE CUSTOMER WITH AT LEAST ONE BILLING CYCLE NOTICE OF ANY CHANGES. COMPANY NOTICE MAY BE FURNISHED BY: 1) A MESSAGE INCLUDED WITH THE INVOICE, 2) A POSTCARD OR LETTER, 3) A DIRECT CALL FROM VERACITY TO THE CUSTOMER AND MAY BE LEFT AS A VOICE MESSAGE, OR, 4) E-MAIL.

From time to time, we may revise the terms and conditions of this Universal Terms of Service (including, without limitation, any of the policies incorporated by reference. This Universal Terms of Service does not alter in any way the terms or conditions of any other written or on-line agreement Customers may have or will have with Veracity, including any agreement for the purchase of products or services. Notice of revisions to the Universal Terms of Service shall be posted on the Veracity Website (“the Website”), <https://veracitynetworks.com> and deemed given and effective on the date posted to the Website. If you do not agree to the revision(s), you must terminate your Service immediately, subject to the Termination provisions provided in this Universal Terms of Service. By continuing to use the Service after revision(s) you hereby accept and agree to all such revisions.

## **1. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings set out respectively after each such term (the meanings to be equally applicable to both the singular and plural forms of the terms defined), unless the context specifically means otherwise:

**Affiliate:** Affiliate means, with respect to either Company or Customer, any other entity, which controls, is controlled by, or is under common control with the Company or Customer. The term “control” means the possession, directly or indirectly, of the power to direct or cause direction of Company or Customer management and policies, whether through the ownership of voting securities, by contract, or otherwise.

**Acceptance Date:** Three days (72 hours) following delivery of ready for use circuits. Notification of ready for use circuits will be sent to the email address noted on the service order.

**Circuit:** An individual telecommunications facility included as part of Service.

**Company:** Veracity Networks, LLC, or any controlled affiliate-offering product.

**Credit History:** Company may seek to acquire certain credit and related Customer information from reporting agencies to ascertain Customer’s credit and payment history. Company will use the information to make a determination of the financial conditions pursuant to which it will provide Service to Customer.

**CNAM:** shall mean the Calling Name accompany the records of the telephone subscriber with the telephone subscriber’s associated local exchange lines or billing information.

**Customer:** The person, firm, corporation or other entity that orders or uses Services and is responsible for compliance with all Customer obligations set forth in the Customer Documents, including the duty to pay for Services.

**Customer Data:** Any data, information or other materials of any nature whatsoever provided to Veracity by Customer in the course of implementing or using the Services.

**Customer Documents:** Customer documents include these Terms, the Service Order, the Acceptable Use Policy, the Customer Proprietary Network Information Policy, Privacy Policy, and the Equipment Rental Agreement.

**Customer Location:** Customer Location is the facility where telecommunications are physically located or in the case of no physical equipment the address where Services are being provided.

**Demarcation Point:** The point at which the public switched telephone network ends and connects with the Customer's on-premise wiring.

**Deposit and Other Assurance of Payment:** Applicants for Service or existing Customers whose financial condition is neither known nor acceptable to the Company may be required to provide a deposit, bond or other financial assurance of payment as a condition of the initial or continued receipt of Service.

**Domain Names:** Veracity owns its Domain Names and TCP/IP addresses and provides them for use to Customers maintaining continuous service. IP assignments are not guaranteed and may be modified by Veracity or the American Registry for Internet Numbers (ARIN). Veracity has sole discretion with respect to Internet routing of Company provided IP Addresses.

**End User or User:** Any person that receives or uses Veracity Service, irrespective of whether such person or entity is authorized by the Customer to receive or use Services.

**Early Termination Liability ("ETL"):** shall mean charges and or impositions Veracity must bear from an outside entity in association with the current Service Agreement should Veracity cancel services with that entity.

**Federal Communications Commission ("FCC"):** is an independent agency of the United States government, created by Congressional statute with the purpose of regulating interstate and international communication.

**Fees and Taxes:** Federal and State impositions include, but are not limited to: Federal excise tax, State sales and excise taxes, State USF (Universal Service Fund), Federal USF, Municipal telecom fees, regulatory fee, State Multi-channel video fee, Federal access line charge, Federal service fee, and Telecom Recovery fee.

**Hosted Service:** A Veracity enhanced voice communication service that uses IP-enabled phones or soft phones which leverage the Session Initiation Protocol (SIP) to communicate with the Public Switch Telephone Network (PSTN), through Hosted IP Private Branch Exchange (PBX), where the Customer leases features and dial tone space on the Hosted or Managed PBX, to transport voice communications that have been converted into data packets.

**Installation Date:** Date Veracity is ready to install services for each segment of the Service Agreement. Confirmation of installation will be made through a phone call and/or an email to the telephone number or email address listed on the Service Agreement.

**Monthly Recurring Charges ("MRC"):** MRC's are fixed in amount, not dependent on usage, and billed in advance. When Service commences other than on the first day of monthly billing period or terminates on other than the last day of a monthly billing period, the charge for Service will be determined by prorating the MRC by the number of days that Service was furnished during the monthly period.

**Non-recurring Charges ("NRC"):** means an amount billed for the installation, connection, change, or initiation of telecommunications service by the Customer. NRC are due and payable on the Service Activation Date or as otherwise billed by Veracity.

**Payment:** Includes but is not limited to ACH, check, auto-payment, credit card, or other legal tender as recognized by the United States Treasury Department.

**Premises:** The address to which Services are provided, identified as a Point of Termination on the Service Order.

**Services:** A product or products offered to the Customer by Veracity.

**Service Activation Date:** Service Activation Date means: (a) with respect to Internet, data and on-network voice services, the date the hub and telephone circuits are prepared to route packets or calls to a Customer Site; (b) with respect to off-network voice Services, the date the calling line identification is provisioned; (c) with regard to other Services, the earliest of (i) the date identified in the relevant Service Agreement, (ii) the date that Veracity informs Customer that the Service is ready for use, or (iii) the date Customer first uses the Service; and (d) in the case of an existing Service that is renewed, the date the Service is renewed (e.g., when Customer signs the Service Order).

**Service Order, Service Agreement or SA:** A document which identifies the type of Service to a Customer, including but not limited to the following: quantity and type of service; location served, Point of Termination, protocols, Service Term, service date.

**Taxes:** Service rates and charges are exclusive of all taxes, fees, tax-related surcharges and tax-like surcharges. Taxes include, but not limited to, business and occupation, commercial, hearing and speech impaired, district, excise, franchise fee, gross receipts, high cost fund, license, lifeline assistance, low income, occupational, privilege, property, Public Utility Commission, right-of-ways, sales, telecommunication relay service, telephone assistances, universal service funding, use, utility user, value-added, 911, or other similar taxes, fees, surcharges as is or may be levied against Veracity and passed through to the Customer.

**Unified Communication as a Service (“UCaaS”):** Defined as Instant Messaging, Presence Management, Point to Point/Multipoint Video/Audio conferencing, Cell Phone/tablet integration and Desktop Sharing.

**Usage Charges:** Charges for services that are billed on a per-use basis. Usage Charges are billed in arrears.

The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement or as amplifying or limiting any of its content. Words in this Agreement, which import the singular connotation, shall be interpreted as plural, and words that import the plural connotation shall be interpreted as singular, as the identity of the Parties or objects referred to may require. The words “include,” “includes,” and “including,” shall be deemed to be followed by the phrase “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision to this Agreement. Unless otherwise expressly provided herein, any agreement, document, instrument or statute defined or referred to herein or in any agreement, document or instrument that is referred to herein means such agreement, document, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements, documents or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes. All accounting terms not otherwise defined in the Agreement will have the meanings ascribed to them under generally accepted accounting principles as in effect from time to time in the United States. The words, all pronouns, and any variations of the same shall be deemed to refer to the

masculine, feminine, neuter, singular, or plural, as the identity of the person or persons may require.

## **2. TERM**

**2.1 Initial Term.** We provide the Service for the term you signed up for. Your term shall commence on the date of execution of the Service Agreement, or if earlier, on the Service Activation Date (the “Effective Date”), which is the earlier of (1) the actual date that Services are activated by Veracity and available for use by the Customer, or (2) three days (72 hours) after the date Veracity informs the customer, by telephone or otherwise, Veracity is ready to activate the Services. You are purchasing the Service for the full service term as set forth in the Agreement.

**2.2 Renewal.** Except as set forth in 2.3, at the end of the initial term the Service Agreements having a defined term automatically renews for successive terms of like duration at Customer’s then-existing pricing at the time of renewal, unless (i) Veracity or Customer provides written notice of termination at least 45 days prior to the end of the current term (ii) or the automatic renewal is prohibited by law.

**2.3 New Agreement.** All new Agreements for an existing Customer will be governed under a separate Service Agreement. Each Service Agreement stands alone and shall be enforced independent of concurrent Agreements.

**2.4 Month-to-Month Renewal.** Customers who decline term plan renewal but retain Veracity Service will be converted automatically to a month-to-month agreement at the end of the current term. Month-to-month customers may not be entitled to prior term-plan pricing or discounts. Either Party may terminate Month-to-month Service Agreements on thirty (30) days written notice. Notwithstanding anything to the contrary in the Service Agreement, the term shall be coterminous with any Service Agreement still in effect between the parties.

**2.5 Our right to disconnect** - We have the right to suspend or disconnect Service, due to non-payment or unlawful or inappropriate use of the Service. All charges owed at the time of disconnection will be immediately payable. We will pursue collection for unpaid amounts on all charges owed at the time of disconnection, which will be immediately payable. We will pursue collection for unpaid amounts on disconnected accounts and may report these unpaid charges to credit bureaus.

**2.6 Termination Restrictions** - For avoidance of doubt, the provisions of this Agreement relating to intellectual property ownership, customer representations, confidentiality, use policies and restrictions, equipment, number porting and availability, storage of user information, customer feedback, publicity rights, non-disparagement, additional software licenses, indemnification, force majeure, warranty disclaimers, limitations of liability, notices, assignment, future changes, interpretation, dispute resolution and arbitration, and choice of law shall survive termination or expiration of this Agreement for the maximum term allowable by law.

**2.7 Promotional Credits** – Veracity offers several different plans for its products and Services. Veracity may also offer Promotional Credits, which may be usage or one-time credits, and are subject to the terms and conditions of this Agreement. Veracity has the

right to chargeback promotional credits to Customers who violate the terms and conditions of this Agreement.

**2.8 Termination of Service** - In order to terminate the Service, contact our Customer Care Department, via email at [CustomerServiceGroup@veracitynetworks.com](mailto:CustomerServiceGroup@veracitynetworks.com) or by calling 1-801-379-3000, prior to expiration of the current service term.

### **3. DEFAULT & TERMINATION**

**3.1 Non-Renewal.** If Customer elects **NOT** to renew the current SA or any Service(s) provided pursuant to the SA for an identical term, Customer must notify Veracity at least forty-five (45) days prior to the expiration of the then current term to (1) execute a new SA for like terms or month to month pursuant Section 2.4; or (2) request disconnection of Service(s). In the event Customer elects to discontinue Service(s), Customer will be billed for such Service(s) up to and including the requested disconnection date, but for no less than forty-five (45) days from the date of Company's receipt of Customer's disconnect request.

**3.2 Service Activation Date.** Service Activation Date occurs when Veracity informs the Customer Services are available for Customer Use, the date the Customer uses the Services, or the date identified in the Agreement, or ) in the case of an existing Service that is renewed, the date the Service is renewed (e.g., when Customer signs the Service Agreement).

**3.3 After Start of Service Date.** Except as required by law or regulation, or except as otherwise expressly provided in the SA, if, after the start of the Service Date, Customer fails to pay any amount required under the SA when payment is due, Company may suspend any and all Service(s) provided to Customer pursuant to this UTOS or SA, if payment is not received from Customer within a time period established in a notice of suspension letter sent to Customer. If Service is suspended for non-payment, Customer may be assessed reconnect fees and/or be required to pay a deposit equal to two months' charges prior to any reconnection of the Service(s). If following the suspension of Service(s), Customer fails to pay all amounts required under the SA within five (5) days of the date of notice of termination letter sent to Customer, the Company, will terminate all Customer Service(s) and the underlying Agreement.

**3.4 For Cause.** Customer or Veracity may terminate this Service Agreement during its term only for Cause (un-cured material breach) after giving thirty (30) days prior written notice with no further obligation for the non-breaching party if such breach remains un-cured. Prior to any Party having the right to terminate for Cause, the non-breaching Party is required to give written notice to the breaching Party of any alleged breach giving cause (for termination) and allowing thirty (30) days for the breaching Party to cure such breach. For purposes of this Agreement and subject to the exclusive remedies set forth in the SLA, "Cause" shall mean any un-cured material breach of the terms of this Agreement.

**3.5 Immediate Termination.** Veracity shall be entitled, in good faith, and in its reasonable discretion, to suspend, terminate, or change the Services without advanced notice for Customers' material breach of the Agreement, suspected Fraud or any misuse of the Services that adversely effects the network or other Customers' use of the Service. Customer shall pay a reconnect fee as a condition to changing or resuming suspended or terminated Service. Upon date of termination, Customer shall have ten (10) days to port

to a new carrier, but shall fully compensate Veracity for all interim services. Veracity shall terminate all services thereafter.

Notwithstanding the foregoing, in the event of the failure by Customer to make payment on or before the Due Date, Veracity shall, at its option have the right, upon three (3) days prior written notice, to terminate the Services previously provided under this Agreement and to terminate this Agreement for nonpayment.

**3.6 Early Termination Charge.** In the event of termination of Services by Veracity FOR cause or by the Customer WITHOUT cause, Veracity shall be entitled to all collection expenses, attorneys' fees, interest, and costs. In the event of termination of Services by Veracity with cause or by the Customer without cause, Customer shall also pay the charges set forth below, in addition to any interim services before porting:

**3.6.1** For termination prior to installation of Services and after execution of this Service Agreement, early termination charges shall be the greater of three hundred dollars (\$300.00) or those expenses incurred by Veracity through the date of termination.

**3.6.2** For termination after the Service Activation Date, Customer shall be obligated to pay an early termination charge of seventy-five percent (75%) of the average monthly billing for each of the months remaining in the term of the Agreement. If termination occurs more than three months into the Agreement, then the average monthly billing will be calculated by averaging the most recent three months of billing. If termination occurs less than three months into the Agreement, then the average monthly billing will be identified as the highest monthly billing that has occurred. This early termination charge is calculated as follows: number of months remaining multiplied by average monthly billing with such product being multiplied by seventy-five percent (75%).

**3.6.3** In all cases for Termination by Veracity WITH cause or by the Customer WITHOUT cause, in addition to the charges identified in Section 3.6.1 and 3.6.2 above, the Customer shall pay for Services actually received; repay Veracity for any and all credits, discounts, and/or waived installation costs received in anticipation of a long-term Agreement; and reimburse Veracity for the reasonable costs it incurred in setting up Customer's Service (including the costs of any equipment installed and not returned in "as new" condition), pay costs incurred for collection expenses and attorneys' fees and costs

**3.7 Effect of Termination Fees.** Upon termination of this Agreement, in addition to any applicable early termination charge, disconnection fees and other charges under Section 3.5, Customer shall be responsible for the full monthly Service Charges for the month in which termination occurs, the following month and any applicable usage charges. Expiration or termination of the Agreement does not alleviate Customer of any responsibility for paying all unpaid, accrued charges due hereunder.

**3.8 Liquidated Damages.** Customer agrees that Veracity's damages for early termination would be difficult to determine, and the termination charge(s) constitutes a reasonable estimate of appropriate liquidated damages and that such is not a penalty. In the event Customer cancels Services in writing (Veracity's Cancellation Form,) charges for Services will stop billing at the end of the applicable billing period.

## 4. TAXES and FEES

Veracity does not negotiate, waive, or discount Taxes and Fees. Taxes and Fees are imposed on Veracity by Federal and State regulatory agencies. All prices, taxes, surcharges, and fees are subject to change at any time. Customer is responsible for paying all, including but not limited to toll-free, local, long distance, international, additional feature charges, 411 and operator assisted charges, USF, E911, Regulatory Recovery Fee, and directory assistance charges, and for all taxes, surcharges, and fees imposed on Customer or Veracity as a result of your use of the Service. Customers with a past due balance on previous or multiple accounts will be charged the full balance upon opening a new account. Veracity also reserves the right to charge termination and transfer fees consistent with each plan's terms and conditions and as provided in this Agreement.

**4.1 Federal Access Line Charge.** The FCC allows telephone companies to bill Customers for a portion of the costs of providing access circuits used to provide Service to Customers. The maximum allowable access charges are set by the FCC. The maximum increase on an annual basis is \$1, with a cap of \$6.50. This charge is authorized by the FCC and is designed to recover increased network costs not already covered by monthly Service Fees.

**4.2 Federal Excise Tax.** The U.S. government applies a 3% federal excise tax to selected telephone charges. This amount is sent to the U.S. Department of Treasury.

**4.3 Federal Service Fee.** This monthly surcharge is authorized by the Federal Communications Commission which mandates that local telephone companies pay an access charge on each local telephone line to partially reimburse long distance companies for the cost of routing long distance calls to and from local customers. The charge is applied on a per line basis.

**4.4 Federal Universal Service Fund Surcharge.** The Federal Universal Service Fund Surcharge (FUSF) is a charge levied by the FCC to promote access to telecommunication services at reasonable rates for those living in rural and high cost-areas, income-eligible consumers, rural healthcare facilities, schools and libraries and is shown as a percentage on all interstate and international charges for service. The Surcharge, is revised regularly on a quarterly calendar year basis, may not be waived under any circumstances, and is not eligible for discounting or promotions. The surcharge is applied to a Customer's net charges, the charges remaining after the application of all available discounts and credits.

**4.5 State Sales Tax.** State(s) imposes and Veracity collects sales tax from purchases of products and services. The products subject to tax and the amount of the tax varies by jurisdiction, even to the extent if products or services are Provided to the Customer at no cost.

**4.6 State Excise and Gross Receipts Tax.** Veracity recovers state and local taxes on gross revenues and remits to the appropriate State.

**4.7 State Universal Service Fund.** Used to subsidize telephone service for rural health care providers, low-income residences, ensure rural customers have access to affordable basic telephone services, as well as schools and libraries at the state level. Applies based on local and intrastate telephone usage and/or lines.



**4.8 State Regulatory Fee:** This fee off-sets cost associated with establishing and maintaining equal access call origination and termination to other local service providers in the state. By connecting Veracity's network with other Local Carriers, subscribers can make local and Intrastate long distance calls.

**4.9 Municipal Telecom Fee.** Municipalities impose a tax based on the value of telecom service provided within their boundaries. This tax is collected by Veracity and remitted to the State.

**4.10 State Multi-Channel Video Tax.** This tax is assessed on cable, satellite, and other audio visual services provided within a state. This tax is collected by Veracity and remitted to the State Tax Commissions.

**4.11 State Telecom Recovery Fee.** This fee was established to fund: E-911/911, Telecommunications Relay Services for the hearing and speech impaired, and the Poison Control Center.

## **5. FRAUD**

**5.1** The Company, without notice and without incurring any liability, may discontinue the furnishing of Services if it determines such action is necessary to (i) prevent or protect against fraud, tricks, tampering, schemes, false or invalid numbers, false credit devices, electronic devices, or any other fraudulent means or devices, (ii) protect its personnel, agents, facilities or services, or (iii) protect against actual or potential adverse financial effects.

**5.2** Customer is responsible for all charges incurred with respect to the Service, even if incurred as the result of fraudulent or unauthorized use of Service; except Customer shall not be responsible for fraudulent or unauthorized use by Veracity or its employees. Customers using International, Domestic, or Extended Area Calling plans are required to execute the Fraud Waiver Agreement.

## **6. SHORT DURATION CALLS/CNAM SERVICES**

**6.1 Call Length Standard.** For customers utilizing Veracity's underlying network for call termination and origination, whose total Short Duration Calls (defined as calls with a duration of 6 seconds or less) are more than 10% (ten percent) of total calls during a monthly billing period, a Short Duration Call surcharge of \$.02 per call will be assessed for all Short Duration Calls above the 10% threshold. The calculation is based on and is applied against 1+ Long Distance and 8xx Toll Free Domestic calls. International and other call types are excluded from the calculation.

**6.2 CNAM Service.** By default, Veracity Networks provides a basic CNAM for most of its inbound DID products. In some cases, the basic service does not meet a Customer's requirements. For these Customers, Veracity has the option to turn on a more precise version of CNAM; however, Veracity charges .01 per record lookup which is passed to the Customer.

## **7. BILLING and PAYMENT for SERVICES**

**7.1 Payment.** Customer shall pay Company for Services at the applicable Monthly Recurring Charge ("MRC"), Non-recurring ("NRC") and usage rates, as well as Taxes and Fees as

established from time to time by the Company or regulatory agency. Any applicable set-up charges, monthly recurring charges, support charges, and Taxes and Fees associated with these charges are billed in full in advance. Termination, equipment return fees and transfer charges, if any, are billed in arrears. Upon termination of your account for any reason, all outstanding charges are due and payable in full by the invoice due date.

**7.2 Pricing.** Veracity reserves the right to amend or modify pricing in response to, such things as, regulatory changes or third-party costs beyond the control of Veracity that significantly alter the feasibility or economics of the Services provided by Veracity hereunder. Veracity and Customer will work to find an alternative solution, should the business economics prove non-violable, however if Veracity has an Early Termination Liability (“ETL”), with a third party, then Veracity will be compelled to enforce the terms and conditions of the UTOS.

**7.3 Applicable Rates and Charges.** Except as expressly provided otherwise in the SA, the rates and charges for Services shall be effective during the Initial Term of Service and during any automatic renewal term except that, for non-international Service rates and charges not specifically published in the SA or AA, the Company may modify the applicable rates and charges not less than twenty (20) days prior notice to the Customer. For international Service, the Company may modify the applicable rates and charges upon five (5) days’ notice to Customer.

**7.4 Time is of the Essence for Payment.** Therefore, you agree to pay us interest at the lesser rate of (a) 18% per annum or (b) the highest rate allowed by law for any amounts unpaid as of the due date. Acceptance of late or partial payments (even if marked "Paid in Full") shall not waive any of Veracity's rights to collect the full amount due. We may assess an additional fee of the lesser of (a) fifty dollars (\$50) or (b) the highest amount allowed by law for any check returned for nonpayment.

**7.5 Disputed Amounts.** If Customer reasonably disputes any portion of a Veracity invoice, Customer must pay (a) all charges not disputed, and (b) submit written notice of the claim for the disputed amount. All claims (except those for Service Credits) must be submitted to Veracity in writing within three (3) months from the date of the invoice for those Services. Customer waives the right to dispute any charges not disputed within such three (3) month period. The Parties will cooperate in good faith to resolve any such disputes within a sixty (60) day period after the dispute is submitted to Veracity. In the event that the dispute is resolved against Customer, Customer shall pay such amounts plus interest at the rate referenced in Section 3.3 within ten (10) calendar days of such determination

**7.6 Services Available for Use.** Veracity will notify Customer when Services are available for use. Charges under this Agreement accrue from the Service Activation Date, whether or not the Customer is ready for the service, and Customer agrees to pay all undisputed monthly recurring charges relating to Services beginning on the Service Activation Date. Veracity shall invoice, and Customer shall pay, within thirty (30) days following the date of any invoice (the “Due Date”). Invoices not paid on or before the thirtieth (30<sup>th</sup>) day will be subject to a late fee. For purpose of this agreement, payments are considered made when they are actually received by Veracity.

- 7.6 Late Fee.** Veracity may charge a late fee of 1.5% per month, or the maximum allowable rate under state law, whichever is lower, on any amount not paid when due and not in dispute in accordance with the terms of this section.
- 7.7 Wrong Numbers.** Veracity shall not be responsible for wrong numbers made to Customer's toll-free number or Local number.
- 7.8 Billing Period Terms.** Changes to billing periods, security deposits, and payment terms shall be amended to this Agreement, and may be modified as necessary by Veracity, upon prior written agreement between Veracity and Customer.
- 7.9 Termination Rights.** Without waiving any right of termination or any other rights hereunder, Veracity may require Customer to tender a deposit, of up to two (2) months of Customer's aggregate MRC, to guarantee payment hereunder if (a) at Veracity's sole discretion, the initial credit check warrants the request for deposit, (b) Customer fails to make a payment when due, (c) Customer files for bankruptcy, or (d) any Service Order exceeds established credit limits initially approved by Veracity.
- 7.10 Collection Costs.** All costs and expenses, including but not limited to attorneys' fees, expenses, court costs, and service charges, incurred by Veracity in collecting payment for any amount due under the Agreement (e.g., monthly recurring charges, one time charges, early termination charges) will be an expense of and charge to Customer.
- 7.11 Treatment of Credit Balances.** If a Customer's account has been closed and is showing a credit balance, Veracity will either (1) transfer the credit balance to another Customer account (if applicable), (2) mail the Customer a check for the balance in the Customer's account. If check is not cashed within ninety (90) days of its issuance, then a closed account maintenance fee of \$5.00 will be assessed per month beginning in the monthly billing period immediately following the one in which the ninety (90) day period of resentment expires.
- 7.12 Forms of Payment.** Acceptable forms of payment are: auto-payments, company checks; cashier's and certified checks; money orders; personal checks (for non-business accounts); wire transfers and ACH credits; credit cards; except where other payment form restrictions are specifically noted in a separate SA or AA. Checks must be drawn on U.S. banks and written in U. S. dollar values. Checks drawn on foreign banks and third party checks are not accepted. Payment by cash is not acceptable. Veracity will accept credit card payments in its sole discretion. If Customer pays Veracity by credit card, Customer's continued receipt of Services, after Customer's payment to Veracity appears on Customer's credit card statement, shall be construed as Customer's acknowledgement of the validity of such undisputed charges, and as Customer's waiver of all rights to reverse such charges. Customer's sole recourse for disputed charges shall be as outlined in Section 7.3 ("Disputed Amounts").

## **8. DIRECTORY LISTING**

- 8.1 Listings.** For Local Line Services, Customer's name, address, telephone number and any other information listed on the Agreement are certified as correct by the Customer, and it is understood and agreed that Customer's white page directory listing will appear using that information. It is Customer's sole responsibility to inform Veracity in writing of any change in the information at least ninety (90) days prior to the local telephone directory

issue date, which will be provided to Customer upon request. Customer releases Veracity from any and all damages related to or arising out of telephone number publication or distribution and/or related to any error, including listing omissions or errors, pertaining to a directory listing.

## **9. NEW 800 / LOCAL**

Customer acknowledges, prior to service activation, requested new 800/local numbers does not constitute transfer of these numbers to the Customer. Customer further understands Customer shall not own, nor have any proprietary interest in, any in-bound, toll free/local number and, further, that a reservation of an in-bound, toll free/local number shall not constitute, nor be construed, as a guarantee that the Customer will be assigned a requested in-bound, toll free/local number. Customer shall not be entitled to rely upon, use or otherwise advertise or publicize an in-bound, toll free/local number until the Customer's credit is approved, in writing, by a representative authorized by Veracity to approve such credit and the Customer completes a test call(s) to the satisfaction of Veracity. After successful activation of services new 800/local numbers transfer to Customer.

## **10. LONG DISTANCE**

**10.1 Interstate.** This is the form of long-distance that is defined by the originating call terminating in an adjoining State, for which long-distance carriers are usually chosen by telephone customers. Per-minute toll charges apply to these calls. The FCC regulates long distance toll service between states.

**10.2 Intrastate.** Calls originating and terminating outside your local calling area but still in the same State. These calls typically have a different rate than interstate.

**10.3 International.** International telephone calls are those made between different countries. These telephone calls are processed by international gateway exchanges (switches).

**10.4 International Routes.** Customer is aware and acknowledges that Veracity has no control over the international routes of its underlying providers. Therefore, Veracity cannot assure or guarantee calls/voice quality for all international traffic. Customer agrees that all calls completed will be considered valid and billable, regardless of call quality.

**10.5 Blocking of International Calls.** It is the Customer's responsibility to inform Veracity of their wishes to block International calls, Customer's must ensure that such request is in writing, in the body of the SA for the services for which International blocking is to be applied. Any such blocking request that is not in writing will not be valid. For the purpose of call blocking, "International" refers only to those calls using a 011 prefix. Thus, for example, phone calls from the United States to Canada are not International calls and cannot be blocked. It is Customer's responsibility to understand the limits on any call blocking functionality.

**10.6 Unlimited Long Distance Minutes.** Veracity offers "Unlimited Long Distance Minutes" for some of its Products and Services. Unlimited Long Distance plans can apply to Basic, Premium, and Platinum UC User Licenses. Each plan is subject to limitations based on Customer's PTSN connection and the number of licenses. Customer acknowledges (a) that any reference Veracity has made to "unlimited" minutes or features refers to Veracity's practice not to charge users on a per-minute or per-use basis when use is reasonable and (b) that Veracity does not offer "unlimited" plans for auto dialing, voice or fax broadcasting, inbound or outbound call center activity, resale or

wholesale applications of services, conference calling or calling card platforms or any other similar use that may be construed by the FCC, FTC, or any other regulatory authority to be these types of calls, or other activities using an extraordinary amount of connectivity to the PSTN. Veracity may limit connectivity, impose per-minute charges for excessive use, or terminate this agreement if it determines that the Customer's average per-user connectivity is unreasonable as compared to other customers. If, Veracity believes that You are using the unlimited plan for a prohibited purpose, Veracity may terminate the unlimited plan. Termination of the unlimited plan may result in a chargeback or cancellation fee.

Unlimited plans also may not be used for any of the following prohibited uses, (which are in addition to the other prohibited uses applicable to all Services):

- 10.6.1** Trunking or forwarding Your Veracity number to (an)other phone number(s) capable of handling multiple simultaneous calls, or to a private branch exchange (PBX) or a key system.
- 10.6.2** Spamming or blasting (e.g., sending one hundred (100) or more bulk and/or junk voicemail or faxes simultaneously.)
- 10.6.3** Bulk call-in lines (e.g., customer support or sales call centers, "hotlines", 900 numbers, sports-line numbers, etc.)
- 10.6.4** Auto-dialing or "predictive" dialing (e.g., non-manual dialing or using a software program or other means to continuously dial or place out-bound calls.)

## **11. HOSTED SERVICES**

**11.1 Broadband Voice Service** - Veracity Broadband Phone Service is an enhanced voice communication service that uses IP enabled phones, or Voice Applications which leverage the Session Initiation Protocol (SIP) to communicate with the Public Switch Telephone Network (PSTN,) through Hosted IP Private Branch Exchange (PBX). The Customer leases features, applications and dial tone space on the Hosted or Managed PBX, to transport voice communications that has been converted into data packets. For purposes of this Services Agreement, the term "Service" shall mean Veracity Broadband Phone Service, including all other features, products and services provided by Veracity under the pricing plan that you have selected. For purposes of this Services Agreement, "Device" shall mean a customer premise equipment, telephone, telephone adapter ("Adapter,") Soft Phone or router.

**11.2 Products** - With respect to its advertising, offering, or sale of Applications, Services, or any other products (collectively, "Products,") Veracity does not warrant that information, relating to the advertising, offering, or sale of Products (collectively, "Product Information") from its website, nor warrants that any descriptions, pricing, availability, or other information, marketing materials, promotional flyers, advertisements, or other printed or electronic materials (collectively, "Product Materials") is accurate, complete, reliable, current, or error-free. Despite our efforts, it is possible, due to computer or other error a product or service offered on the Site may be mispriced, described inaccurately, or unavailable. Veracity reserves the right to take any action it deems reasonable and necessary to rectify the error, including without limitation, canceling your account or subscription to the Services. You agree to notify Veracity immediately if You become aware of any pricing or descriptive errors or inconsistencies with any products ordered

by Customer through the Product Materials and comply with any corrective action taken by Veracity.

**11.3 Software & Services** - Veracity's software applications and services are intended for General Business use only. They are not designed, manufactured, intended, or recommended for use or resale as equipment and services in environments requiring fail-safe performance (e.g., emergency medical care, hazardous activities) or which the failure of the services could lead to death, personal injury, or severe physical or environmental damage.

**11.4 Devices** - Veracity offers a variety of Voice over IP device options to augment customer's desk and conference phone requirements. Customers may purchase or lease devices or services; customers choosing to lease do so through Veracity's monthly M&U (maintenance and use) fee. Customers subscribing to this program understand and acknowledge the terms and conditions related to this program.

**11.4.1** Devices are the property of Veracity Networks.

**11.4.2** Devices may be returned without penalty, provided they are not damaged. Damaged devices are subject to a charge based on the replacement cost of the devices.

**11.4.3** Customer may, after the initial twelve (12) months of use, as evidence by customer's invoice, reduce M&U services up to 25% without penalty. Customer who wish to reduce M&U services by greater than 25%, without penalty, will need approval from Veracity's CRO, CEO, and Treasurer.

**11.4.4** M&U charges continue to be billed until Veracity has regained physical possession of the phones.

**11.4.5** The M&U program provides a seven (7) year warranty. Warranty is based on normal use and treatment of M&U services.

## **11.5 Hosted Licenses & Restrictions**

**11.5.1** Veracity hereby grants Customer a limited, personal, revocable, non-exclusive, non-sub licensable, non-assignable, non-transferable, non-resalable license and right to use the Veracity Services and Applications in strict accordance with this Service Agreement. All rights not expressly granted under this Agreement are retained by Veracity.

**11.5.2** Veracity does not grant Intellectual Property Rights associated with this service. Customer acknowledges and agrees that any and all patents, copyrights, trademarks, service marks, trade secrets, and all other intellectual property rights (collectively, "IP Rights") in the Applications and Services are and shall remain the sole and exclusive property of Veracity and its licensors. Nothing in this Agreement intends to or shall grant, transfer, or assign any IP Rights to, or vest any IP Rights in, Customer. Customer is only entitled to the limited use of the rights expressly granted in this Agreement. Customer will not take any action to jeopardize, limit, or interfere with the IP Rights. Customer acknowledges and agrees that any unauthorized use of the IP Rights is a violation of this Service Agreement, as well as a violation of applicable intellectual property laws. Further, Customer acknowledges and understands that all title and rights in and to any third party content that may be accessed through the Applications or

Services is the property of the respective content owners and may be protected by applicable copyright or other intellectual property laws and treaties.

- 11.5.3** Veracity grants Customer a limited license to access and make personal, non-commercial use of our Site and the content displayed on it. Any other redistribution, retransmission, copying, or publication of any content from this Site is strictly prohibited without the express written consent of Veracity. Our grant of this limited license does not include, without limitation: (1) any right of resale or commercial use of the Site or any of its content; (2) the collection and use of any products or services listings or descriptions; (3) making derivative uses of the Site or any of its contents; or (4) use of any data mining, “spiders,” “robots,” “wanderers,” or similar data gathering and extraction methods. Except as noted above, Veracity does not grant Customer any right or license by implication, estoppel, or otherwise in or under any copyright, trademark, service mark, registered trademark, or proprietary right of Veracity or any third party.
- 11.5.4** Customer agrees not to undertake, cause, permit, or authorize the modification, creation of derivative works, translation, reverse engineering, decompiling, disassembling, or hacking of the Applications or Services, or any parts thereof. Additionally, Customer agrees not to intercept, capture, emulate, decrypt, or redirect the communications protocols used by Veracity for any purpose, including without limitation causing the Applications to connect to any computer server or other device not authorized by Veracity.
- 11.5.5** Veracity, in its sole discretion, reserves the right to add, remove, or modify features or functions, or to provide fixes, updates and upgrades to the Applications and Services. Customer acknowledges and agrees that Veracity has no obligation to make available any subsequent versions of the Applications or Services. The downloading, installation, or use of a new version of the Software requires a renewed version of this Agreement, and subsequently extension of the Agreement terms and conditions. In addition, Customer acknowledges that no Third-Party has any obligation whatsoever to furnish maintenance or support services with respect to the Applications or Services and that Veracity is solely responsible for the provision of maintenance and support as provided in this Agreement and to the extent such maintenance and support is required under applicable law.
- 11.5.6** Customer may, after the initial six (6) months of use, as evidenced by customer invoice, reduce licenses up to 25% without penalty. Customer who wish to reduce licenses by greater than 25%, without penalty, will need approval from Veracity’s CRO, CEO, and Treasurer.

## **12. CUSTOMER REPRESENTATIONS & WARRANTIES**

Customer hereby represents and warrants to Veracity that the following statements are true, correct, complete and accurate on and as of the Service Activation Date, and that Customer agrees as follows:

- 12.1** Customer’s primary residence or business address is in the United States.
- 12.2** Customer possess the legal right, capacity, and ability to enter into this Agreement.

- 12.3** Customer will abide by 911/E-911 Service Availability, and Location Information and acknowledges that Veracity relies on the information you supply and that providing false or incorrect information may result in Service provisioning and delivery delays, the suspension or termination of your Service and the inability of a 911-dialed call to be correctly routed to emergency service personnel.
- 12.4** Customer represent and warrant that Customer will not use the Applications or Services in environments requiring fail-safe performance or in which the failure of the Applications or Services could lead directly to death, personal injury, or severe physical or environment damage.
- 12.5** The Registration Data, user name, contact information, Registered Location(s), and all other information provided in connection with Your Veracity Account are true and correct at all times. You represent and warrant that you will not use the Applications or Services in violation of this Agreement.
- 12.6** Customer agrees to be financially responsible for use of the Applications or Services, including the authorized or unauthorized use of Customer's Account.
- 12.7** The Account owner shall be the legal entity (e.g., corporation, partnership, individual) that signs up for the Services with Veracity. Subsequent changes to ownership must be supported by appropriate legal documentation. Veracity shall not adjudicate ownership-related disputes, or any other internal business dispute. Veracity reserves the right to suspend or terminate the Account and Services. Changes to an account are subject to Veracity's Privacy Policy ("PP".) Customer agrees to comply with the Veracity's PP, which is posted on our Website at [Veracitynetworks.com/legal](http://Veracitynetworks.com/legal) and is incorporated into this policy with this reference. Changes to the PP may be made at any time without notice to you and is effective the day following posting to our Website.

### **13. SERVICE OUTAGES AND SERVICE LEVEL AGREEMENT**

Customer acknowledges, agrees, and understands the possibility of an unscheduled, continuous, and/or uninterrupted period of time during which the Service does not conform to the Service Level Agreement ("SLA"). Each Service Outage is treated as a discrete event; therefore, the credits specified in the SLA shall be given for each separate Service Outage. The number of minutes of separate Service Outages will not be cumulated to determine the percentage of credit. The failure of any Service to comply with the SLA shall not be deemed a breach of warranty or contract by Veracity, but may obligate Veracity to provide Customer with outage credits pursuant to the terms and conditions of the SLA.

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, CUSTOMER AGREES THAT ITS SOLE AND EXCLUSIVE REMEDIES, AND VERACITY'S SOLE AND EXCLUSIVE OBLIGATIONS, IN THE EVENT OF ANY BREACH OF THE PERFORMANCE LEVELS IN THE SLA, OR FOR ANY OTHER REASON, SHALL BE FOR VERACITY, AT ITS OPTION, TO REPLACE AND/OR REPAIR THE DEFECTIVE SERVICES, OR FOR CUSTOMER TO CANCEL THIS AGREEMENT FOR CAUSE AS PROVIDED FOR IN SECTION 3 OF THIS AGREEMENT, PROVIDED HOWEVER THAT IN THE EVENT ANY SERVICE INTERRUPTION THAT IS COVERED BY THE SLA, THEN, IN ADDITION TO THE



FOREGOING, VERACITY MAY BE OBLIGATED TO PROVIDE OUTAGE CREDITS IN ACCORDANCE WITH THE TERMS OF THE SLA.

#### **14. CUSTOMER PREMISES**

Customer shall allow Veracity access to the Customer's premises to the extent reasonably determined by Veracity for the installation, inspection, and scheduled or urgent maintenance relating to the Service. Veracity shall notify Customer at least two (2) business days in advance of any scheduled maintenance requiring access to the Customer premises or that may result in a material interruption of Service. Customer will be responsible for providing and maintaining, at its own expense, the level of power, heating and air conditioning necessary to maintain the proper environment for the network facilities on the Customer's premises. In the event Customer fails to do so, Customer shall reimburse Veracity for the actual and reasonable cost of repairing or replacing any equipment damaged or destroyed as a result of Customer's failure. Customer will provide a safe place to work and comply with all laws and regulations regarding the working conditions on the Customer's premises.

#### **15. FACILITIES, SERVICES, EQUIPMENT or SYSTEMS OF OTHERS.**

**15.1 Liability.** Veracity shall not be liable for the unavailability, or deficient performance, of any facilities, services, equipment, or systems used in connection with the provisions of Services under the control of Customer or any third party, even if Veracity has acted as the Customer's agent in procuring such facilities, services, equipment or systems from third parties. Customer's rights with regard to the unavailability or deficient performance of such facilities, services, equipment or systems not provided by Veracity shall be strictly as established by the supplying entity. Any costs associated with modifying or reprogramming Customer's equipment to make it compatible with Veracity-provided Service will be presented to Customer prior to undertaking such modifications or reprogramming, and Customer shall be given the opportunity to accept or reject such costs. If Customer accepts the costs, following the successful completion of the modification(s) or reprogramming, the costs will be the responsibility of Customer.

**15.2 Equipment.** From time to time, Veracity may provide Customer certain software, hardware and documentation, including but not limited to customer premise equipment ("Equipment") (collectively "Products") as part of the Service Agreement. Veracity grants Customer a personal, limited, non-transferable, non-exclusive, license, without right to sublicense's, transfer, copy or create derivative works, to use the Products during the Term for the use with Service provided by Veracity. All Equipment shipments are F.O.B. shipping point. Veracity's liability for delivery shall cease, and title (if applicable) and all risk of loss or damage shall pass to Customer upon delivery. Customer will be provided an equipment warranty in accordance with the equipment manufacturers parameters. Veracity will replace the equipment only if the Equipment is deemed to be defective and covered under the warranty. Veracity will not cover or replace lost, stolen, self-inflicted damage, or modified Equipment.

**15.3 Damaged or Modified Equipment.** Customer shall not modify the Equipment or Product in any way without the express written permission of Veracity. Customer shall not use the Equipment or Product except with the Services provided. Customer is

responsible for all lost, stolen, broken, or modified Equipment or Products and may be required to purchase a replacement to continue to use the Services.

**15.4 Special Construction.** Notwithstanding anything to the contrary in this Agreement, if Veracity undertakes Special Construction and acquires telecommunication facilities from a third party in order to provide Service to Customer, and the costs are not included in the MRC or NRC for the affected Service(s), Veracity will advise Customer in writing of the estimated charges associated with Special Construction prior to undertaking the activity by Veracity. If Customer agrees to Special Construction based on the estimate and thereafter cancels Service prior to the start of Services, or if Customer terminates the Service associated with the Special Construction or acquisition of telecommunication facilities, Customer must reimburse Veracity for all unpaid charges and costs incurred by Veracity in connection with the Special Construction of acquisition of telecommunication facilities, including any ETL. This payment obligation is in addition to any other rights and remedies Veracity may have at law, in equity, or as provided by this Agreement.

## **16. SERVICE INSPECTION, TESTING AND ADJUSTMENT**

**16.1 Inspection.** Upon reasonable notice, Veracity may conduct inspections of Service to determine whether Customer is satisfying its obligations under the Agreement. Veracity may interrupt Service, at any time, without penalty, if it determines the Customer is non-compliant with any Agreement requirement. No outage allowance credit will be given for any Service interruption occurring during an inspection.

**16.2 Testing and Adjustment.** Upon reasonable notice, Customer shall make Service available to Veracity for such testing and adjustment as the Company deems necessary to maintain the furnishing of Service at satisfactory levels.

## **17. LIMITATION OF LIABILITY**

VERACITY SPECIFICALLY AND EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS, IMPLIED ORAL OR WRITTEN, WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER OR THE FACILITIES AND EQUIPMENT FURNISHED PURSUANT TO THE AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL VERACITY BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL, CONSEQUENTIAL, RELIANCE, COST OF COVER, SPECIAL, PUNITIVE OR SIMILAR OR ADDITIONAL DAMAGES, UNDER ANY THEORY OF TORT, CONTRACT, WARRANTY, STRICT LIABILITY OR NEGLIGENCE, INCURRED OR SUFFERED AS A RESULT OF UNAVAILABILITY, PERFORMANCE, NON-PERFORMANCE, TERMINATION, BREACH, INCLUDING WITHOUT LIMITATION THE FAILURE OF AN INCOMING OR OUTGOING COMMUNICATION, THE INABILITY OF COMMUNICATIONS TO BE CONNECTED OR COMPLETED, INCLUDING 911 DIALING OR OTHER FEATURES, OR FOR ANY INTERRUPTION OR DEGRADATION OF VOICE QUALITY CAUSED BY ANY REASON INCLUDING BUT NOT LIMITED TO THE FOLLOWING: AN ACT OR OMISSION OF AN UNDERLYING CARRIER, SERVICE PROVIDER, VENDOR OR THIRD PARTY, EQUIPMENT, NETWORK OR FACILITY

FAILURE, EQUIPMENT, NETWORK OR FACILITY UPGRADE, SERVICE, MAINTENANCE, MODIFICATION, SHORTAGE, OR RELOCATION, FORCE MAJEURE EVENTS SUCH AS BUT NOT LIMITED TO ACTS OF GOD, ADVERSE WEATHER, STRIKES, FIRE, WAR, RIOT, GOVERNMENT ACTIONS OR TERRORISM, SERVICE, DEVICE, EQUIPMENT, NETWORK OR FACILITY FAILURE CAUSED BY THE LOSS OF POWER OR INTERNET SERVICE, OR OTHER ACTION OR INACTION UNDER THE AGREEMENT, INCLUDING BUT NOT LIMITED TO LOST REVENUES OR PROFITS, LOSS OF ABILITY TO PERFORM, LOST CONTRACTS, COSTS OF THIRD-PARTY REPAIR OR REPLACEMENT, OR PUNITIVE DAMAGES OF ANY KIND WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER THEORY OF LIABILITY, EVEN IF VERACITY HAS BEEN INFORMED IN ADVANCE OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN BY VERACITY.

IN CONSIDERATION OF THE RATES AND CHARGES SPECIFIED HEREIN AND THE DISCOUNT APPLIED IN CONNECTION THEREWITH, THE PARTIES ENTIRE LIABILITY FOR THE NON-PERFORMANCE OF ANY OBLIGATION UNDER THIS AGREEMENT, SHALL BE CAPPED IN THEIR ENTIRETY TO THE MONTHLY FEES VERACITY CHARGED DURING THE ONE (1) MONTH IMMEDIATELY PRIOR TO THE DATE THAT THE EVENTS GIVING RISE TO THE ACTION OR CLAIM FIRST OCCURRED. THE LIMITATION OF LIABILITY REFLECTS THE ALLOCATION OF RISK BETWEEN THE PARTIES. THE LIMITATIONS SPECIFIED IN THIS SECTION WILL SURVIVE AND APPLY IN ANY AND ALL CIRCUMSTANCES.

IN THE EVENT VERACITY DISPATCHES A VENDOR, LOCAL EXCHANGE CARRIER OR OTHER TECHNICIAN ON BEHALF OF CUSTOMER, AND IT IS DETERMINED THAT THE DISPATCH WAS DUE TO A CUSTOMER WIRING, EQUIPMENT OR OTHER CUSTOMER RELATED ISSUE, THEN CUSTOMER WILL BE RESPONSIBLE FOR PAYMENT OF COSTS INCURRED BY VERACITY FOR THE DISPATCH. VERACITY SHALL NOT BE RESPONSIBLE FOR DAMAGE TO PROPERTY OR FOR INJURY TO ANY PERSON ARISING FROM THE INSTALLATION, MAINTENANCE OR REMOVAL OF EQUIPMENT OR THE PROVISIONING OF SERVICES, AND CUSTOMER HEREBY INDEMNIFIES AND HOLDS HARMLESS VERACITY FROM AND AGAINST ANY LIABILITIES INCLUDING ATTORNEY'S FEES AND LITIGATION COSTS ARISING OUT OF SUCH DAMAGE OR INJURY. CUSTOMER'S REMEDIES FOR CLAIMS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE CREDITS AS DESCRIBED HEREIN. THE PROVISIONS OF THIS SECTION SHALL BE APPLIED TO THE FULLEST EXTENT OF THE LAW, BUT IF ANY PORTION OF THIS SECTION IS DETERMINED TO BE UNLAWFUL, THEN THIS SECTION SHALL BE CONSTRUED TO LIMIT LIABILITY AGAINST VERACITY TO THE FULLEST EXTENT POSSIBLE UNDER THE LAW.

## **18. WARRANTY**

VERACITY MAKES NO EXPRESS OR IMPLIED WARRANTY REGARDING THE SERVICE OR DEVICE OR THE INSTALLATION OF SAME AND DISCLAIMS ANY

IMPLIED WARRANTY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE. VERACITY DOES NOT WARRANT THAT THE SERVICE OR DEVICE WILL FUNCTION WITHOUT FAILURE, DELAY, INTERRUPTION, ERROR, DEGRADATION OF VOICE QUALITY OR LOSS OF CONTENT, DATA OR INFORMATION. VERACITY DOES NOT AUTHORIZE ANYONE, INCLUDING BUT NOT LIMITED TO ITS EMPLOYEES, AGENTS OR REPRESENTATIVES, TO MAKE A WARRANTY OF ANY KIND ON ITS BEHALF AND YOU SHOULD NOT RELY ON ANY SUCH STATEMENT. CUSTOMER AGREES THAT IT ACCEPTS THE SERVICE AND DEVICE "AS IS" AND THAT CUSTOMER IS NOT ENTITLED TO REPLACEMENT OR REFUND IN THE EVENT OF ANY DEFECT. THE PROVISIONS OF THIS SECTION SHALL BE APPLIED TO THE FULLEST EXTENT OF THE LAW, BUT IF ANY PORTION OF THIS SECTION IS DETERMINED TO BE UNLAWFUL, THEN THIS SECTION SHALL BE CONSTRUED TO LIMIT LIABILITY AGAINST VERACITY TO THE FULLEST EXTENT POSSIBLE UNDER THE LAW.

## **19. FORCE MAJEURE**

In the event Veracity's performance of any obligation under this Agreement is prevented, restricted or interfered with by causes outside the control of Veracity, including without limitation, failure or malfunction of Customer-supplied equipment, acts of God, explosions, vandalism, cable cut, storms, fires, floods or other similar catastrophes, power failure, national emergencies, insurrections, riots, wars, strike, lockouts, boycotts, terrorism, work stoppages or other labor difficulties, or any law, order, regulation or other actions of any governmental authority, agency, instrumentality, or of any civil or military authority, then Veracity shall be excused from such performance on a day-to-day basis to the extent of such restriction or interference. The occurrence of such an event will not constitute grounds for a declaration of Default by either Party hereunder, provided, however the Party that is the subject of such force majeure event shall use reasonable commercial efforts to mitigate or cure such force majeure event. Veracity shall use reasonable efforts under the circumstances to avoid or remove such causes of nonperformance with reasonable dispatch.

## **20. SECURITY**

**20.1 Passwords.** Customer will be asked to create a password in order to gain access to Customer's account information on-line or when contacting a Veracity customer care representative by phone. Customer agrees to keep all passwords and account information confidential and Customer is solely responsible for any liability or damages resulting from Customer's failure to maintain that confidentiality, and for all activities that occur under Customer's password. Customer must immediately notify Veracity if Customer suspects any breach of security such as loss, or unauthorized disclosure or use of Customer's password and account.

**20.2 Electronic Recording.** Customer acknowledges and understands that there are federal and state statutes governing the electronic recording of telephone conversations and Veracity will not be liable for any illegal use of the service. Because Customer circumstances vary widely, Customers should carefully review their own circumstances

when deciding whether to use the recording features of the service and it is the Customer's responsibility to determine if the electronic recordings are legal under the federal and state statutes. Veracity is not responsible for any misinterpretation, lack of understanding or lack of knowledge regarding the use of electronic recordings or the use of its products by Customer whether legal or illegal.

**20.3 Customer Use.** If permitted access to Veracity's systems in order to maintain Service, Customer must comply with the following:

**20.3.1** Access Veracity's systems and data only to the extent necessary to administer and manage the Customer's Service. Any access beyond that necessary to administer and manage the Customer's Service may subject Customer to civil or criminal penalties.

**20.3.2** Not disclose or use data acquired as a result of accessing Veracity's systems, except as necessary to assure the proper operation on the Service. Customers must take all reasonable steps necessary to prevent the revelation of data to those not having a need to know the data.

**20.3.3** Not disclose, provide or otherwise make available, in whole or in part, Veracity's confidential documentation or related materials except to those having a need to know in connection with the furnishing and use of Services. All such documentation shall remain the property of the Veracity's and may not be copied, reproduced or otherwise disseminated without the prior written consent of the Veracity's.

**20.3.4** Take all reasonable precautions to maintain the confidentiality of Veracity's documentation or other information acquired in the course of subscribing to and using Service. Such precautions shall include the protection of Personal Identification Numbers (PINs) and passwords selected by, and known only to, the Customer and its authorized users, Veracity's telephone and dial up access number(s) assigned to Customer by Veracity's, and any other aspect of access and sign-on methodology. Customer must follow normal logoff procedures prior to leaving a terminal unattended and, as necessary, report any known or suspected attempt by others to gain unauthorized access to Service.

## **21. ASSIGNMENT**

Customer may not sell, transfer, or assign its obligations hereunder without the prior express written consent of Veracity, which will not be unreasonably withheld. Any such assignment without the Veracity's prior written consent shall be void. Customer may, however, assign its rights hereunder to a company which purchases substantially all of its assets, provided that Customer provides to Veracity Purchaser's written agreement and agrees to be bound by all terms and conditions of this Agreement, including purchaser's agreement to cure all prior Defaults of the Customer under this Agreement. If such assignment is to a direct competitor of the non-assigning Party, such Party will be entitled to terminate this Agreement as if for Cause, provided, however, that the 30-day notice and cure period will not apply, and neither will the charges referenced in Section 3 Default and Termination.

## **22. INDEMNIFICATION**

To the maximum extent permitted by applicable law, Customer shall indemnify, defend and hold harmless, individually and collectively, Veracity and its affiliates from any direct physical injuries to people by Customer or any third-party claims, demands, actions, damages, personal injury, death, fines, revenue, property damage, the inability to dial 911 or E911 to access emergency services personnel, the inability to dial security, law enforcement or fire prevention/protection services or systems, the device, the use of and/or inability to use the device, liability, judgments, expenses and costs (including attorneys' fees) arising from Customer's use of Services, or by reason of any breach or nonperformance covenant or obligation of Customer herein, or the violation of any law or regulation by Customer, including any claims for libel, slander, infringement of contractual rights, intellectual property rights (including patent, trademark, copyright, and trade secret rights), rights of privacy, and rights of publicity and personality. Customer's obligation to assume, protect, defend, indemnify and save Veracity harmless shall extend to Veracity, its affiliates, subsidiaries, Officers, Directors, Agents and Employees and shall continue for so long as any of the named indemnities may be subjected to claims or suits calling for such obligations provided. Customer may not enter into a settlement that imposes any obligation on Veracity or requires any admission by Veracity without the express written consent of Veracity.

## **23. COMPLETE AGREEMENT**

The Agreement, incorporating all the applicable documents referenced herein, represents the entire agreement between the Parties with respect to Service, and supersedes all other prior agreements between the parties, whether written or oral. The Agreement may be modified only by writings executed by authorized representatives of the parties. No statement, representation or warranty made by any agent or representative of Veracity regarding the Services, facilities or equipment to be provided hereunder or the rates therefor shall be binding upon Veracity unless expressly included herein.

In the event of any conflict between this Agreement and the terms and conditions of the SA and/or AA, or SLA, the order of precedence is as follows: (1) this Agreement, (2) the SA, (3) AA, and (4) the SLA. If any part of a provision of this Agreement is invalid or unenforceable said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provisions of this Agreement. In addition to any provisions that by their nature would survive, shall survive termination, cancellation or expiration of this Agreement. The laws of the state of Utah shall govern this Agreement. No failure by either party to enforce any right(s) hereunder shall constitute a waiver of such right(s).

## **24. COMPLIANCE WITH LAW**

Each Party represents and warrants that it will comply with all applicable federal, state and local laws, and regulations, rulings, orders, and other actions of governmental agencies ("Rules"), including but not limited to: the Communications Act of 1934 as amended by the Telecommunications Act of 1996, the rules and regulations of the Federal Communications Commission ("FCC") related to this Agreement and the subject matter thereof. Veracity will use its good faith reasonable efforts to obtain, retain, and maintain such approvals and authorizations. If any such rule adversely affects the Services or

requires Veracity to provide Services other than in accordance with the terms of this Agreement, either Party may, without liability to the other Party, terminate the affected Services upon 30 days prior written notice to the other Party. If a Party fails to comply with applicable laws, it shall defend, indemnify, and hold the other Party harmless from any damages to the other Party, pursuant to Section 20 (Indemnification) of this Agreement.

## **25. COPYRIGHT, TRADEMARKS & LOGOS**

Without the prior written consent of Veracity or Customer, neither party will use the Trademarks, Logos or Service Marks without the express written consent of Veracity or Customer.

**25.1 Copyright Infringement** - Materials may be made available via the Service by third parties not within our control. We are under no obligation to, and do not, review content transmitted, sent, or received using the Applications or Services for purposes of determining copyright infringement. None of the Materials may be copied, reproduced, distributed, republished, downloaded, displayed, posted, or transmitted in any form or by any means, including, but not limited to, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Veracity or affiliated copyright owner. Veracity, does however, grant Customers permission to display, copy, distribute, and download the materials for personal, non-commercial, and informational use only, provided that Customer may not, without the permission of Veracity or its affiliated copyright owner (1) copy, publish, or post any materials on any computer network or broadcast or publications media, (2) modify the materials, or (3) remove or alter any copyright and other proprietary notices contained in the Materials.

Pursuant to Title 17, Section 512 of the United States Code, all claims of copyright infringement for any material you believe to reside on Veracity's Applications or Services should be provided in writing to Veracity's Legal Department at <https://veracitynetworks.com>.

**25.2 Trademarks & Service Marks** – Trademarks, service marks, and registered trademarks may not be copied, imitated, or used, in whole or in part, without the prior written permission of Veracity. All page headers, Veracity, as well as Veracitynetworks.com, custom graphics, buttons, icons, and scripts are either trademarks, service marks, and/or trade dress of Veracity, and may not be copied, imitated, or used, in whole or in part, without the prior written permission of Veracity. Veracity trademarks, service marks, and trade dress may not be used in any manner that is likely to cause confusion among customers or in any manner that disparages or discredits Veracity. All other trademarks, service marks, registered trademarks, product and service names, and company names or logos are the property of their respective owners, who may or may not be affiliated with, connected to, or sponsored by Veracity.

## **26. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without reference to its principles of conflict of laws. Customer and Veracity both hereby irrevocably agree that any suit brought by either Party arising out of or relating to this Agreement shall be brought in the State of Utah, Salt Lake County, Salt Lake City,

and Customer and Veracity both hereby submit to the personal jurisdiction of such court. The Parties both hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which either Party may raise now, or hereafter have, to the laying of the venue of any such suit, action or proceeding brought in such court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. **THE PARTIES HEREBY EXPRESSLY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY A PARTY AGAINST THE OTHER PARTY RELATING TO THIS AGREEMENT.** In the event an action is brought or an attorney is retained by either Party to enforce the terms of this Agreement or to collect any monies due hereunder, the prevailing Party will be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorney's fees, court costs, reasonable costs of investigation and other related expenses incurred in connection therewith

## **27. LEGAL RELATIONSHIPS**

Nothing in this Agreement shall be deemed to create any relationship between Parties other than that of independent parties contracting with each other solely for the purpose of carrying out the provisions of this Agreement. This Agreement does not render either Party the employee, agent or legal representative of the other Party and does not create a partnership or joint venture between the Parties. Neither Party shall have any authority into any agreement on behalf of or bind the other Party in any manner whatsoever without the prior written consent of the Party.

## **28. CONFIDENTIALITY**

**28.1** Proprietary and/or confidential information ("Confidential Information") means any information that relates to the actual or anticipated business, research, or development of Customer and any proprietary information, trade secrets, and know how of Customer that is disclosed to Veracity by Customer, directly or indirectly, in writing, orally, or by inspection or observation of tangible items. Confidential Information includes, but is not limited to, research, product plans, products, services, customer lists, development plans, inventions, processes, formulas, technology, designs, drawings, marketing, finances, and other business information, along with information received from third parties for which Customer has confidentiality obligations.

**28.2** As between Veracity and Customer, Confidential Information is the sole property of Customer. Confidential Information does not include any information that: (1) is publicly known and made generally available in the public domain, (2) is publicly known and made generally available through no wrongful action or inaction of Veracity or others who were under confidentiality obligations, or (3) is in Veracity's possession, without confidentiality restrictions, at the time of disclosure by Customer, as shown by Veracity's files and records. Veracity will not disclose any Confidential Information to any third party or use the Confidential Information for any purpose other than in accordance with this Agreement. Veracity will take all reasonable precautions to prevent any unauthorized disclosure of all Confidential Information.



## **29. ACCEPTED USE POLICY (“AUP”)**

Customer agrees to comply with Veracity’s Acceptable Use Policy (“AUP,”) which is posted on our Website at <https://veracitynetworks.com> and is incorporated into this policy with this reference. Changes to the AUP may be made at any time without notice to you and is effective the day following posting to our Website.

**29.1** Customer agrees to comply with Veracity’s Acceptable Use Policy (“AUP”), Section 1, “Prohibited Activities,” which is posted on our Website at <https://veracitynetworks.com> and is incorporated into this policy with this reference. Changes to the AUP may be made at any time without notice to you and is effective the day following posting to our Website.