

General Terms of Service

These Terms of Service constitute the agreement (“Agreement”) between H&R Telephones (“we,” “us” or “H&R Telephones”) and the user (“you,” “user”, “Customer” or “Subscriber”) of H&R Telephones’ business services and any related products or services (“Service”).

This Agreement governs both the Service and any devices, such as an IP phone, Multimedia Terminal Adapter, Analog Telephone Adapter, switch, router or any other IP connection device (“Device” or “Equipment”), used in conjunction with the Service. If you purchased Equipment from a dealer, retail store or other provider other than H&R Telephones, you are a “Retail Customer” for purposes of this Agreement.

BY ACTIVATING OR USING THE SERVICE, YOU REPRESENT THAT YOU ARE OF LEGAL AGE TO ENTER INTO THIS AGREEMENT AND THAT YOU HAVE READ, UNDERSTAND AND FULLY ACCEPT THE TERMS AND CONDITIONS OF THIS AGREEMENT.

1. EMERGENCY SERVICES – 911 DIALING

1.1 Non-Availability of Traditional 911 or E911 Dialing Service. The Service does not support traditional 911 or E911 access to emergency services in all locations. Where we do not offer traditional 911 or E911 access, we offer a feature known as “911 Dialing” which is a limited emergency calling service available only on H&R Telephones - certified Devices or Equipment. The 911 Dialing feature may not work at all when used in conjunction with a Soft Phone, Virtual Numbers or Subscriber provided Customer Premise Equipment. Our 911 Dialing feature is not automatic; you must separately take affirmative steps, as described in this Agreement and on our website, to register the address where you will use the Services in order to activate the 911 Dialing feature. You must do this for each H&R Telephones phone number that you obtain. The 911 Dialing feature of the Service is different in a number of important ways from traditional 911 or E911 service as described on our website page for 911 Dialing under “Features,” and below. You shall inform any household residents, guests and other third persons who may be present at the physical location where you utilize the Service of (i) the non-availability of traditional 911 or E911, and (ii) the important differences in and limitations of the H&R Telephones 911 Dialing feature as compared with traditional 911 or E911 dialing. The documentation that accompanies each Device that you purchase should include a sticker concerning the potential non-availability of traditional 911 or E911 dialing (the “911 Sticker”). It is your responsibility, in accordance with the instructions that accompany each Device, to place the 911 Sticker on each Device that you use with the Service. If you did not receive a 911 Sticker with your Device, or you require additional 911 Stickers, please contact our customer care department.

1.2 Registration of Physical Location Required. For each phone number that you use for the Service, you must register with H&R Telephones the physical location where you will

be using the Service with that phone number. When you move the Device to another location, you must register your new location. If you do not register your new location, any call you make using the 911 Dialing feature may be sent to an emergency center near your old address. You will register your initial location of use when you subscribe to the Service. Thereafter, you may register a new location by following the instructions from the “911” registration link on your H&R Telephones web account dashboard features page. For purposes of the 911 Dialing feature, you may only register one location at a time for each phone line you use with the Service.

1.3 Confirmation of Activation Required. Your 911 Dialing feature will not be activated for any phone line that you are using with the Service, unless and until you receive an email from us confirming that the 911 Dialing feature has been activated for that phone line.

1.4 How Emergency Personnel are contacted. We contract with a third party to use the address of your registered location to determine the nearest emergency response center and then forward your call to a general number at that center. When the center receives your call, the operator will not have your address and may not have your phone number. You must therefore provide your address and phone number in order to get help. Some local emergency response centers may decide not to have their general numbers answered by live operators 24 hours a day. If we learn that this is the case, we will send your call instead to a national emergency calling center and a trained agent will contact an emergency center near you to dispatch help. You hereby authorize us to disclose your name and address to third-party service providers, including, without limitation, call routers, call centers and public service answering points, for the purpose of dispatching emergency services personnel to your registered location.

1.5 Service Outages. (a) Service Outages Due to Power Failure or Disruption. 911 Dialing does not function in the event of a power failure or disruption. If there is an interruption in the power supply, the Service, including 911 Dialing, will not function until power is restored. Following a power failure or disruption, you may need to reset or reconfigure the Device prior to utilizing the Service, including 911 Dialing.

(b) Service Outages Due to Internet Outage or Suspension or Termination of Broadband Service or ISP Service. Service outages or suspensions or terminations of service by your broadband provider or ISP will prevent all Service, including 911 Dialing, from functioning.

(c) Service Outage Due to Suspension or Termination of Your H&R Telephones Account. Service outages due to suspension or termination of your account will prevent all Service, including 911 Dialing, from functioning.

(d) Service Outages Due to ISP or Broadband Provider Blocking of Ports or Other Acts. Your ISP or broadband provider or other third party may intentionally or inadvertently block the ports over which the Service is provided or otherwise impede the usage of the Service. In that event, provided that you alert us to this situation, we will attempt to work

with you to resolve the issue. During the period that the ports are being blocked or your Service is impeded, and unless and until the blocking or impediment is removed or the blocking or impediment is otherwise resolved, your Service, including the 911 Dialing feature, may not function. You acknowledge that H&R Telephones is not responsible for the blocking of ports by your ISP or broadband provider or any other impediment to your usage of the Service, and any loss of service, including 911 Dialing, which may result. In the event you lose service as a result of blocking of ports or any other impediment to your usage of the Service, you will continue to be responsible for payment of the Service charges unless and until you terminate the Service in accordance with this Agreement.

(e) Other Service Outages. If there is a Service outage for any reason, such outage will prevent all Service, including 911 Dialing, from functioning. Such outages may occur for a variety of reasons, including, but not limited to, those reasons described elsewhere in this Agreement. 1.6 Re-Activation Required if You Change Your Number or Add or Port New Numbers. 911 Dialing does not function if you change your phone number or if you add or port new phone numbers to your account, unless and until you successfully register your location of use for each changed, newly added or newly ported phone number.

1.7 Network Congestion; Reduced Speed for Routing or Answering 911 Dialing Calls. There may be a greater possibility of network congestion and/or reduced speed in the routing of a 911 Dialing call made utilizing the Service as compared to traditional 911 dialing over traditional public telephone networks.

1.8 Possible Lack of Automatic Number Identification. It may or may not be possible for the local emergency personnel to automatically obtain your phone number when you use 911 Dialing. Our system is configured to send the automatic number identification information; however, one or more telephone companies, not us, route the traffic to the emergency response center and that center may not be capable of receiving and passing on that information. As a result, the operator who answers your 911 Dialing call may not be able to automatically obtain your phone number and call you back if the call is not completed or is not forwarded, is dropped or disconnected, if you are unable to speak to tell the operator your phone number, or if the Service is not operational for any reason.

1.9 No Automated Location Identification. In most service areas, it is not possible at this time to transmit to the local emergency response center the address that you registered for 911 Dialing. You will need to state the nature of your emergency promptly and clearly, including your location (and possibly your telephone number), as the operator will not have this information. Emergency personnel will not be able to find your location if the call is not completed or is not forwarded, is dropped or disconnected, if you are unable to speak to tell the operator your location, or if the Service is not operational for any reason.

1.10 Disclaimer of Liability and Indemnification. We do not have any control over whether, or the manner in which, calls using our 911 Dialing service are answered or addressed by any local emergency response center. We disclaim all responsibility for the

conduct of local emergency response centers and the national emergency calling center. We rely on third parties to assist us in routing 911 Dialing calls to local emergency response centers and to a national emergency calling center. We disclaim any and all liability or responsibility in the event such third party data used to route calls is incorrect or yields an erroneous result. Neither H&R Telephones nor its officers or employees may be held liable for any claim, damage, or loss, and you hereby waive any and all such claims or causes of action, arising from or relating to our 911 Dialing service unless such claims or causes of action arose from our gross negligence, recklessness or willful misconduct. You shall defend, indemnify, and hold harmless H&R Telephones, its officers, directors, employees, affiliates and agents and any other service provider who furnishes services to you in connection the Service, from any and all claims, losses, damages, fines, penalties, costs and expenses (including, without limitation, attorneys fees) by, or on behalf of, you or any third party relating to the absence, failure or outage of the Service, including 911 Dialing, incorrectly routed 911 Dialing calls, and/or the inability of any user of the Service to be able to use 911 Dialing or access emergency service personnel.

1.11 Alternate 911 Arrangements. If you are not comfortable with the limitations of the 911 Dialing service, you should consider having an alternate means of accessing traditional 911 or E911 services or terminating the Service.

2. SERVICE

2.1 Term. Service is offered on a monthly or multi-month basis as is determined in your Service activation or order form, or via our online ordering process. The term begins on the date that H&R Telephones activates your Service and ends on the day before the anniversary date of your Term. Subsequent terms of this Agreement automatically renew on a monthly basis unless you give us written notice of non-renewal at least ten (10) days before the end of the monthly term in which the notice is given. You are purchasing the Service for full monthly terms, meaning that if you attempt to terminate Service prior to the end of a monthly term, you will be responsible for the full month's charges to the end of the then-current term, including, without limitation, unbilled charges, plus a termination fee, if applicable, all of which will immediately become due and payable. You will also be responsible for the next full month's charges in the event that you do not provide the requisite ten-days notice of termination prior to the expiration of the then-current term. Expiration of the term or termination of Service will not excuse you from paying all accrued and unpaid charges due under this Agreement.

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2.3 Use of Service and H&R Telephones provided Device. You shall not resell or transfer the Service or the Device to another party without our prior written consent. You are prohibited from using the Service or the Device for auto-dialing, continuous or extensive call forwarding, telemarketing (including, without limitation, charitable or political solicitation or polling), fax or voicemail broadcasting or fax or voicemail blasting. We

reserve the right to immediately terminate or modify your Service if we determine, in our sole and absolute discretion, that you have at any time used the Service or the Device for any of the aforementioned or similar activities.

2.4 Use of Service only. For Service only customers, you are responsible for supplying, operating and supporting the Customer Premise Equipment for use with the Service. In addition, any customer-supplied equipment must be pre-approved by H&R Telephones in writing. You shall not resell or transfer the Service to another party without our prior written consent. You are prohibited from using the Service for auto-dialing, continuous or extensive call forwarding, telemarketing (including, without limitation, charitable or political solicitation or polling), fax or voicemail broadcasting or fax or voicemail blasting. We reserve the right to immediately terminate or modify your Service if we determine, in our sole and absolute discretion, that you have at any time used the Service for any of the aforementioned or similar activities.

2.5 Prohibited Uses.

(a) Unlawful. You shall use the Service and the Device only for lawful purposes. We reserve the right to immediately terminate your Service if, in our sole and absolute discretion, we determine that you have used the Service or the Device for an unlawful purpose. In the event of such termination, you will be responsible for the full month's charges to the end of the current term, including, without limitation, unbilled charges, plus a termination fee, if applicable, all of which will become immediately due and payable upon termination of your Service. If we believe that you have used the Service or the Device for an unlawful purpose, we may forward the relevant communication and other information, including your identity, to the appropriate authorities for investigation and prosecution. You hereby consent to our forwarding of any such communications and information to these authorities. In addition, H&R Telephones will provide information in response to law enforcement requests, subpoenas, court orders, to protect its rights and property and in the case where failure to disclose the information may lead to imminent harm to the customer or others.

(b) Inappropriate Conduct. You shall not use the Service or the Device in any way that is threatening, abusive, harassing, defamatory, libelous, deceptive, fraudulent, invasive of another's privacy, or any similar behavior. We reserve the right to immediately terminate your Service if, in our sole and absolute discretion, we determine that you have used the Service or the Device in any of the aforementioned ways. In the event of such termination, you will be responsible for the full month's charges to the end of the current term, including, without limitation, unbilled charges, plus a termination fee, if applicable, all of which will become immediately due and payable upon termination of your Service. If we believe that you have used the Service or the Device in any of the aforementioned ways, we may forward the relevant communication and other information, including your identity, to the appropriate authorities for investigation and prosecution. You hereby consent to our forwarding of any such communications and information to these

authorities. In addition, H&R Telephones will provide information in response to law enforcement requests, subpoenas, court orders, to protect its rights and property and in the case where failure to disclose the information may lead to imminent harm to the customer or others

2.6 Use of Service and Device by Customers Outside the United States. Although we encourage you to use of the Service to place calls to foreign countries from within the United States, we do not presently offer or support the Service in any countries other than the United States and Canada. If you use the Service or the Device outside of the United States or Canada, you will be solely responsible for any violations of local laws and regulations resulting from such use. We reserve the right to terminate your Service immediately if we determine, in our sole and absolute discretion, that you have used the Service or the Device outside of the United States or Canada.

2.7 Copyright; Trademark; Unauthorized Usage of Device; Firmware or Software.

(a) **Copyright; Trademark.** The Service and Device and any firmware or software used to provide the Service or provided to you in conjunction with providing the Service, or embedded in the Device, and all Services, information, documents and materials on our websites are protected by trademark, copyright or other intellectual property laws and international treaty provisions. All of our websites, corporate names, service marks, trademarks, trade names, logos and domain names (collectively “marks”) are and will at all times remain our exclusive property. Nothing in this Agreement grants you the right or license to use any of our marks.

(b) **Unauthorized Usage of Device; Firmware or Software.** You have not been granted any license to use the firmware or software used to provide the Service or provided to you in conjunction with providing the Service, or embedded in the Device, other than a nontransferable, revocable license to use such firmware or software in object code form (without making any modification thereto) strictly in accordance with the terms and conditions of this Agreement. You expressly agree that the Device is exclusively for use in connection with the Service and that we will not provide any passwords, codes or other information or assistance that would enable you to use the Device for any other purpose. We reserve the right to prohibit the use of any interface device that we have not provided to you. You hereby represent and warrant that you possess all required rights, including software and/or firmware licenses, to use any interface device that we have not provided to you. In addition, you shall indemnify and hold us harmless against any and all liability arising out of your use of such interface device with the Service. You shall not reverse compile, disassemble or reverse engineer or otherwise attempt to derive the source code from the binary code of the firmware or software.

2.8 Tampering with the Device or Service. You shall not change the electronic serial number or equipment identifier of the Device or to perform a factory reset of the Device without our prior written consent. We reserve the right to terminate your Service if we believe, in our sole and absolute discretion, that you have tampered with the Device. In

the event of such termination, you will remain responsible for the full month's charges to the end of the current term, including, without limitation, unbilled charges, plus a termination fee, if applicable, all of which will immediately become due and payable. You shall not attempt to hack or otherwise disrupt the Service or make any use of the Service that is inconsistent with its intended purpose.

2.9 Theft of Service. You shall notify us immediately, in writing or by calling our customer support line, if the Device is stolen or if you become aware at any time that your Service is being stolen, fraudulently used or otherwise being used in an unauthorized manner. When you call or write, you must provide your account number and a detailed description of the circumstances of the Device theft, fraudulent use or unauthorized use of Service. Failure to do so in a timely manner may result in the termination of your Service and additional charges to you. Until such time as we receive notice of the theft, fraudulent use or unauthorized use, you will be liable for all use of the Service using a Device stolen from you and any and all stolen, fraudulent or unauthorized use of the Service.

2.10 Return of Device (Does Not Apply to Customers who use Devices not provided by H&R Telephones directly)

(a) Retail Customers. A Retail Customer may only return the Device to the retail store, dealer or other provider from which the Retail Customer purchased the Device. All returns will be subject to the return policy of such retail store, dealer or other provider. We will not accept any Device returned to us from a Retail Customer.

(b) Non-Retail Customers. Non-Retail Customers may return the Device to us within fourteen (14) days of the termination of Service to receive a credit for any termination fee (See Section 3.6) provided that:

- * the Service is terminated within the first thirty (30) days following the activation of the Service;
- * the Device is in original condition, reasonable wear and tear excluded;
- * the original proof of purchase are returned with the Device, together with the original packaging, all parts, accessories, and documentation;
- * prior to returning the Device to us, you obtain a valid return authorization number from our customer care department, which can be reached at support@hrtelephones.com . This e-mail address is being protected from spambots. You need JavaScript enabled to view it
This email address is being protected from spam bots, you need JavaScript enabled to view it or 610-640-0285 ; and
- * you pay all costs of shipping the Device back to us.

If you disconnect multiple lines, we will issue you a credit for all termination fees upon receipt of all Devices in accordance with the requirements set forth above.

If you receive cartons or Devices that are visibly damaged, you must note the damage on the carrier's freight bill or receipt and keep a copy. In such event, you must keep the original carton, all packing materials and parts intact in the same condition in which they

were received from the carrier and contact our customer care department immediately at support@hrtelephones.com. This e-mail address is being protected from spambots. You need JavaScript enabled to view it.

2.11 Number Transfer on Service Termination. Upon the termination of your Service, we may, in our sole and absolute discretion, release to your new service provider the telephone number that you ported (transferred or moved over) to us from your previous service provider and used in connection with your Service if:

- * such new service provider is able to accept such number;
- * your account has been properly terminated;
- * your account is completely current, including payment for all charges and applicable termination fees; and
- * you request the transfer upon terminating your account.

2.12 Service Distinctions. The Service is not a telecommunications service and we provide it on a best efforts basis. Important distinctions exist between telecommunications service and the Service offering that we provide. The Service is subject to different regulatory treatment than telecommunications service. This treatment may limit or otherwise affect your rights of redress before regulatory agencies.

2.13 Ownership and Risk of Loss. You will own the Device and bear all risk of loss of, theft of, casualty to or damage to the Device, from the time it is shipped to you until the time (if any) when it is returned to us in accordance with this Agreement.

2.14 No 0+ or Operator Assisted Calling; May Not Support x11 Calling. The Service does not support 0+ or operator assisted calling (including, without limitation, collect calls, third party billing calls or calling card calls). The Service may not support 311, 511 and/or other x11 (other than certain specified dialing such as 911 and 411, which are provided for elsewhere in this Agreement) services in one or more (or all) service areas.

2.15 No Directory Listing. The phone numbers you obtain from us will not be listed in any telephone directories. Phone numbers transferred from your local phone company may be listed. As a result, someone with your phone number may not be able to utilize a reverse directory to lookup your address.

2.16 Incompatibility With Other Services.

(a) Security Systems. The Service may not be compatible with security systems. You may be required to maintain a telephone connection through your local exchange carrier in order to use any alarm monitoring functions for any security system installed in your home or business. You are responsible for contacting the alarm monitoring company to test the compatibility of any alarm monitoring or security system with the Service.

(b) Certain Broadband and Cable Modem Services. You acknowledge that the Service presently may not be compatible with some broadband services. You further acknowledge that some providers of broadband service may provide modems that prevent the transmission of communications using the Service. We do not warrant that the

Services will be compatible with all broadband services and expressly disclaim any express or implied warranties regarding the compatibility of the Service with any particular broadband service.

2.17 Acceptable Use Policy

Services may only be accessed and used for lawful purposes. All Users are responsible for any transmission it sends, receives, posts, accesses, or stores using the Services, including the content of any communication, with or without the Users consent. Additionally, transmitting, distributing or storing any material that violates any federal or state laws or regulations, or any industry or community standard are strictly prohibited. Accordingly, Users may not:

- Attempt to use or gain unauthorized access to data, accounts, hosts, servers, systems or networks of others, nor relay communications through any third-party servers without the owner's authorization.
- Probe, scan or test the vulnerability of our system or the Network without H&R Telephones prior written consent.
- Interfere with the H&R Telephones' Services or another's use of the Services in any way.
- Infringe the intellectual property rights or other proprietary rights including, without limitation material protected by copyright, trademark, patent, trade secret or other intellectual property right.
- Violate the rules, regulations or policies that apply to any third-party network, server, or computer database that is accessed by any User.
- Disseminate or post material that is unlawful, libelous, defamatory, obscene, indecent, explicit, lewd, harassing, threatening, harmful, invasion of privacy or publicity rights, abusive, inflammatory or otherwise objectionable.
- Offer or disseminate fraudulent goods, services, schemes, or promotions (e.g.: pyramid schemes)
- Disseminate or post harmful content, including, without limitation, Trojan horses, worms, time bombs, zombies, cancelbots or any other computer or other programming routine that may damage, interfere with, secretly intercept or seize any system, program, data, or personal information.
- Email spamming (or mailbombing) is strictly prohibited. Accordingly, Users may not transmit (a) unsolicited advertisements, commercial e-mail messages or promotional messages, (b) unsolicited informational announcements of any kind; (c) chain mail, (d) numerous copies of the same or substantially similar messages, (e) messages which contain no substantive content, (f) empty messages, or (g) large messages or files that disrupt a server, account, newsgroup or chat service.
- Use the Services to violate email, telemarketing or telecommunications laws, rules or regulations, or in a manner that has a negative effect on our network or service delivery (including, without limitation, by the use of mass dial or pre-recorded calling applications in violation of law or regulation; overloading servers; violating caller-ID

regulations; causing any portion of the Network to be blocked by other network providers; generating unresolved third-party complaints or complaints, which in H&R Telephones' sole discretion, impose an unreasonable administrative burden on H&R Telephones).

- Upload, post or otherwise distribute or facilitate distribution of any email that contains any viruses, corrupted files, or any other similar software or programs that may damage the Network or the operation of any other computer.
- Use any forged, false or misleading number identity, email header, invalid or non-existent domain names in email or postings or employ techniques to hide, obscure or counterfeit the source of an email or posting.
- Auto-dial or predictive-dial (sometimes referred to as "robodialing") on trunks that are not specifically designated for dialer use.
- Continuously or extensively engage in chat line or conference call participation.
- Use free conference calling or similar services that H&R Telephones, in its sole discretion, deems to participate in traffic stimulation practices or schemes that result in excessive charges.
- Use an open telephone line for monitoring, intercom or similar service.
- Repetitively and/or continuously message or call the same destination or number if such activity could reasonably be expected to or in fact does provoke complaints.
- Make long duration calls (defined as calls to the same number in excess of four continuous or cumulative hours within a 24-hour period) and/or calls placed to specific numbers / destinations for the purpose of generating charges or fees for or with a third party.
- Use voice Services which do not consist of uninterrupted live human voice dialog by and between natural human beings.
- Restrict or inhibit any other User or any other person from using and enjoying the Services and/or the Internet.
- Engage in any of the foregoing activities by using the services of another provider or third party and channeling such activities through an account provided by H&R Telephones, or otherwise involving the Services or any H&R Telephones account in any way with or without another provider or third party for the purpose of facilitating the foregoing activities.

3. CHARGES; PAYMENTS; TAXES; TERMINATION

3.1 Billing. When the service is activated, you must provide us with a valid email address and a credit or debit card number from a card issuer that we accept. We reserve the right to stop accepting credit or debit cards from one or more issuers. If your credit or debit card expires, you close your account, your billing address changes, or your credit or debit card is canceled and replaced on account of loss or theft, and you must advise us at once. We will bill all charges, applicable taxes and surcharges monthly in advance (except for usage-based charges, which will be billed monthly in arrears, and any other charges which we decide to bill in arrears) to your credit or debit card, including but not limited

to:

- * activation fees;
- * monthly Service fees;
- * international usage charges;
- * advanced feature charges;
- * equipment purchases;
- * termination fees; and
- * shipping and handling charges.

The amount of such fees and charges shall be published on our website and may change from time to time. Notification of monthly invoices will be sent to you via your email address on file with us. We reserve the right to bill at more frequent intervals if the amount you owe to us at any time exceeds \$250. Any usage charges will be billed in increments that are rounded up to the nearest minute except as otherwise set forth in the rate schedules found on our website.

3.2 Billing Disputes. You must notify us in writing within seven days after receiving your credit or debit card statement if you dispute any H&R Telephones charges on that statement or you will be deemed to have waived any right to contest such charges. All notices of disputed charges should be sent to:

Customer Care Billing Department
H&R Telephones
PO Box 400 Malvern, PA 19355
accounting@hrtelephones.com

This e-mail address is being protected from spambots. You need JavaScript enabled to view it.

3.3 Payment and Collection.

(a) Payment. We only accept payment by credit or debit card, unless other payment terms have been explicitly agreed to in writing by H&R Telephones. Your subscription to the

Service authorizes us to charge your credit or debit card. This authorization will remain valid until 30 days after we receive written notice from you terminating our authority to charge your credit or debit card, whereupon we will charge your credit or debit card for the termination fee, if applicable, and any other outstanding charges and terminate your Service. We may terminate your Service at any time in our sole and absolute discretion if any charge to your credit or debit card is declined or reversed, your credit or debit card expires and you have not provided us with a valid replacement credit or debit card or in case of any other non-payment of account charges.

(b) Collection. If your Service is terminated, you will remain fully liable to us for all charges pursuant to this Agreement and any and all costs we incur to collect such amounts, including, without limitation, collection costs and attorney's fees.

3.4 Termination; Discontinuance of Service. We reserve the right to suspend or discontinue the Service generally, or to terminate your Service, at any time in our sole and absolute discretion. If we discontinue the Service generally, or terminate your Service without a stated reason, you will only be responsible for charges accrued through the date of termination, including a pro-rated portion of the final month's charges. If your Service is terminated on account of your breach of any provision of this Agreement, you will be responsible for the full month's charges to the end of the current term, including, without limitation, unbilled charges, plus the termination fee, if applicable, all of which will immediately become due and payable.

3.5 Taxes. You are responsible for all applicable federal, state, provincial, municipal, local or other governmental sales, use, excise, value-added, personal property, public utility or other taxes, fees or charges now in force or enacted in the future, that arise from or as a result of your subscription or use or payment for the Service or a Device. Such amounts are in addition to payment for the Service or Devices and will be billed to your credit card as set forth in this Agreement. If you are exempt from payment of such taxes, you must provide us with an original certificate that satisfies applicable legal requirements attesting to tax-exempt status. Tax exemption will only apply from and after the date we receive such certificate.

3.6 Termination Fee. You may be charged a termination fee specified per phone number or device, and the FULL RETAIL PRICE for each Device supplied by H&R Telephones if your Service is terminated for any reason during the Term following the activation of your Service.

3.7 Money Back Guarantee; Limitations and Conditions.

(a) Money Back Guarantee. We offer Business subscribers a 30-day money back guarantee from the date of activation of Service. The money back guarantee applies only to the first-ordered service package, not to additional or secondary orders. We will refund the activation fee and monthly charge for first month of Service provided that:

- * you have not exceeded 2500 minutes of usage; and
- * you cancel your Service within the 30-day period.

Federal excise taxes and any other applicable taxes cannot be refunded. You will remain responsible for any charges for usage fees including but not limited to local or international usage, calls to H&R Telephones toll free numbers and directory assistance. We reserve the right to terminate or revoke this money back guarantee at any time, without prior notice.

3.8 Payphone Charges. If you use our “Toll Free” feature or any toll free feature that we offer in the future, we will be entitled to recover from you any charges imposed on us either directly or indirectly in connection with toll free calls made to your number. We may recover these amounts by means of a per-call charge, rounded up to the next cent, or in such other fashion, as we deem appropriate for the recovery of these costs.

3.9 Charges for Directory Calls (411). We will charge you a specified for each call made to H&R Telephones directory assistance.

3.10 Charges for Conference Bridge Calls. We will charge you per minute for each caller who calls into your conference bride. Your Conference Bridge per minute usage fee will be the lower of (i) 3.9 cents per minute, or (ii) the per minute Conference Bridge usage fee determined in your Service Activation Form or online order form. Per minute usage fees will be calculated based on all participants on the conference bridge, including on-network and off-network participants.

4. LIMITATION OF LIABILITY; INDEMNIFICATION; WARRANTIES

4.1 Limitation of Liability. We will not be liable for any delay or failure to provide the Service, including 911 Dialing, at any time or from time to time, or any interruption or degradation of voice quality that is caused by any of the following:

- * an act or omission of an underlying carrier, service provider, vendor or other third party;
 - * equipment, network or facility failure;
 - * equipment, network or facility upgrade or modification;
 - * force majeure events such as (but not limited to) acts of God, acts of nature, strikes, fire, war, riot, acts of terrorism and government actions;
 - * equipment, network or facility shortage;
 - * equipment or facility relocation;
 - * service, equipment, network or facility failure caused by the loss of power to you;
 - * outage of, or blocking of ports by, your ISP or broadband service provider or other impediment to usage of the Service caused by any third party;
 - * any act or omission by you or any person using the Service or Device provided to you;
- or
- * any other cause that is beyond our control, including, without limitation, a failure of or defect in any Device, the failure of an incoming or outgoing communication, the inability of communications (including, without limitation, 911 Dialing) to be connected or completed, or forwarded.

Our aggregate liability under this agreement will in no event exceed the Service charges with respect to the affected time period.

4.2 Disclaimer of Liability for Damages. IN NO EVENT WILL H&R Telephones, ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES OR AGENTS OR ANY OTHER SERVICE PROVIDER WHO FURNISHES SERVICES TO YOU IN CONNECTION THE SERVICE BE LIABLE FOR ANY DIRECT, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER DAMAGES, INCLUDING BUT NOT LIMITED TO PERSONAL INJURY, WRONGFUL DEATH, PROPERTY DAMAGE, LOSS OF DATA, LOSS OF REVENUE OR PROFITS, OR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE OR INABILITY TO USE THE SERVICE, INCLUDING INABILITY TO ACCESS EMERGENCY SERVICE PERSONNEL THROUGH THE 911 DIALING SERVICE OR TO OBTAIN EMERGENCY HELP. THE LIMITATIONS SET FORTH HEREIN APPLY TO CLAIMS FOUNDED IN BREACH OF CONTRACT, BREACH OF WARRANTY, PRODUCT LIABILITY, TORT AND ANY AND ALL OTHER THEORIES OF LIABILITY AND APPLY WHETHER OR NOT WE WERE INFORMED OF THE LIKELIHOOD OF ANY PARTICULAR TYPE OF DAMAGES.

4.3 Indemnification and Survival.

(a) Indemnification. You shall defend, indemnify, and hold harmless H&R Telephones, its officers, directors, employees, affiliates and agents and any other service provider who furnishes services to you in connection with the Service, from any and all claims, losses, damages, fines, penalties, costs and expenses (including, without limitation, attorneys fees) by, or on behalf of, you or any third party or user of the Service, relating to the Services, including, without limitation, 911 Dialing, or the Device.

(b) Survival. The provisions of this Agreement that by their sense and context are intended to survive the termination or expiration of this Agreement shall survive.

4.4 No Warranties on Service. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS OF THE SERVICE OR DEVICE FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT OR ANY WARRANTY ARISING BY USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE OR ANY WARRANTY THAT THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS. WITHOUT LIMITING THE FOREGOING, WE DO NOT WARRANT THAT THE SERVICE OR DEVICE WILL BE WITHOUT FAILURE, DELAY, INTERRUPTION, ERROR, AND DEGRADATION OF VOICE QUALITY OR LOSS OF CONTENT, DATA OR INFORMATION. NEITHER H&R Telephones NOR ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES OR AGENTS, OR ANY OTHER SERVICE PROVIDER OR VENDOR WHO FURNISHES SERVICES DEVICES, OR PRODUCTS TO CUSTOMER IN CONNECTION WITH

THE SERVICE, WILL BE LIABLE FOR UNAUTHORIZED ACCESS TO OUR OR YOUR TRANSMISSION FACILITIES OR PREMISES EQUIPMENT OR FOR UNAUTHORIZED ACCESS TO, OR ALTERATION, THEFT OR DESTRUCTION OF, CUSTOMER'S DATA FILES, PROGRAMS, PROCEDURES OR INFORMATION THROUGH ACCIDENT, FRAUDULENT MEANS OR DEVICES OR ANY OTHER METHOD, REGARDLESS OF WHETHER SUCH DAMAGE OCCURS AS A RESULT OF H&R Telephones 'S OR ITS SERVICE PROVIDER'S OR VENDORS' NEGLIGENCE. STATEMENTS AND DESCRIPTIONS CONCERNING THE SERVICE OR DEVICE, IF ANY, BY H&R Telephones OR H&R Telephones'S AGENTS OR INSTALLERS ARE INFORMATIONAL AND ARE NOT GIVEN AS A WARRANTY OF ANY KIND.

4.5 Device Warranties.

(a) Limited Warranty. Except as set forth herein, if you received the Device new from us and the Device included a limited warranty at the time of receipt, you must refer to the separate limited warranty document provided with the Device for information on the limitation and disclaimer of certain warranties. Remedies for breach of any such warranties will be limited to those expressly set forth in such documentation.

(b) No Warranty. If your Device did not include a limited warranty from us at the time of receipt, you are accepting the Device "as is". You are not entitled to replacement, repair or refund in the event of any defect.

(c) Disclaimer. OTHER THAN WARRANTIES AS TO THE DEVICE EXPRESSLY SET FORTH IN THE DOCUMENTATION PROVIDED WITH THE DEVICE AND THE RETAIL CUSTOMER LIMITED WARRANTY EXPRESSLY SET FORTH HEREIN, WE MAKE NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY, FITNESS OF THE DEVICE FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT OR ANY WARRANTY ARISING BY USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE OR ANY WARRANTY THAT THE DEVICE OR ANY FIRMWARE OR SOFTWARE IS "ERROR FREE" OR WILL MEET CUSTOMER'S REQUIREMENTS. THE FOREGOING WILL NOT BE DEEMED TO LIMIT ANY DISCLAIMER OR LIMITATION OF WARRANTY SET FORTH IN THE DOCUMENTATION PROVIDED WITH THE DEVICE. DEVICE WARRANTIES DO NOT APPLY TO BUSINESS CUSTOMERS.

4.6 No Third Party Beneficiaries. No provision of this Agreement provides any person or entity not a party to this Agreement with any remedy, claim, liability, reimbursement, or cause of action or creates any other third party beneficiary rights.

4.7 Content. You will be liable for any and all liability that may arise out of the content transmitted by you or to any person, whether authorized or unauthorized, using your Service or Device (each such person, a "User"). You shall assure that your and your User's use of the Service and content comply at all times with all applicable laws,

regulations and written and electronic instructions for use. We reserve the right to terminate or suspend your Services and remove you or your Users' content from the Service, if we determine, in our sole and absolute discretion, that such use or content does not conform to the requirements set forth in this Agreement or interferes with our ability to provide Services to you or others. Our action or inaction under this Section will not constitute any review or approval of your or Users' use or content.

4.8 Recording Conversations. H&R Telephones provides a function that allows a user or Subscriber to record individual telephone conversations. The laws regarding the notice and notification requirements of such recorded conversations vary by state to state. Subscriber is solely responsible for applying the local laws in the relevant jurisdiction when using this feature.

5. MISCELLANEOUS

5.1 Governing Law. The Agreement and the relationship between you and us are governed by the laws of the Pennsylvania without regard to its conflict of law provisions. To the extent court action is initiated to enforce an arbitration award or for any other reason consistent with Section 5.2, you shall submit to the personal and exclusive jurisdiction of the courts located within the Pennsylvania and waive any objection as to venue or inconvenient forum.

5.2 Mandatory Arbitration and No Jury Trial. Any dispute or claim between you, any member of your household or any guest or employee of you and us arising out of or relating to the Service or Device will be resolved by arbitration before a single arbitrator administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. The arbitration will take place in Chester County, Pennsylvania. The arbitrator's decision will follow the plain meaning of the relevant documents, and will be final and binding. Without limiting the foregoing, the parties agree that no arbitrator has the authority to: (i) award relief in excess of what this Agreement provides; or (ii) award punitive or exemplary damages. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. REGARDLESS OF ANY STATUTE OR LAW TO THE CONTRARY, ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR RELATED TO THE SERVICE MUST BE FILED WITHIN ONE (1) YEAR AFTER SUCH CLAIM OR CAUSE OF ACTION AROSE OR BE FOREVER BARRED. All claims shall be arbitrated individually. You shall not bring, or join any class action of any kind in court or in arbitration or seek to consolidate or bring previously consolidated claims in arbitration. THIS ARBITRATION PROVISION CONSTITUTES A WAIVER OF ANY RIGHT TO A JURY TRIAL AND AN AGREEMENT TO BE SUBJECT TO JURISDICTION IN, AND CONDUCT ARBITRAL PROCEEDINGS IN, Chester County Pennsylvania.

5.3 No Waiver of Rights. Our failure to exercise or enforce any right or provision of this Agreement will not constitute a waiver of such right or provision.

5.4 Entire Agreement. This Agreement, including any future modifications as may occur within the terms of the Agreement, and the rates for Services found on our website constitute the entire agreement between you and H&R Telephones and govern the use of the Service by you, members of your business, employees and guests. This Agreement supersedes any prior agreements between you and H&R Telephones and any and all prior or contemporaneous statements, understandings, writings, commitments, or representations concerning its subject matter.

5.5 Severability. If any part of this Agreement is legally declared invalid or unenforceable, all other parts of this Agreement will remain valid and enforceable. Such invalidity or non-enforceability will not invalidate or render unenforceable any other portion of this Agreement.

6. FUTURE CHANGES TO THIS AGREEMENT

We may change the terms and conditions of this Agreement from time to time. Notices will be considered given and effective on the date posted on www.hrtelephones.com. H&R Telephones will make best efforts to notify Customers in advance via email regarding changes to the terms and conditions of this Agreement. Such changes will become binding on you on the date they are posted to our website and no further notice by us is required upon your continued use of the Service. The Agreement as and when posted supersedes all previously agreed to electronic and written terms of service, including, without limitation, any terms included with the packaging of the Device and also supersedes any written terms provided to Retail Customers in connection with retail distribution, including, without limitation, any written terms enclosed within the packaging of the Device.

7. PRIVACY

H&R Telephones Service utilizes, in whole or in part, the public Internet and third party networks to transmit voice and other communications. H&R Telephones is not liable for any lack of privacy, which may be experienced with regard to the Service. Please refer to our website at www.hrtelephones.com for additional Privacy Policy information.