

Preferred Telephone Systems, Inc.
dba Preferred Data Voice Networks
Voice over IP Terms of Service

These Terms of Service constitute the agreement ("Agreement") between Preferred Telephone Systems, Inc. ("we," or "us") and the user ("you," "user" or "Customer") of Preferred Telephone Systems, Inc.'s business services and any related products or services ("Service"). Our website is pdvn.net. Our main phone number is 225-924-2700 and email is info@pdvn.net.

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 Preferred Telephone Systems, Inc., 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 Our Hosted VoIP service supports Enhanced 911 ("E911") emergency calling; however, E911 service differs from traditional wireline 911 service and has certain limitations that you should understand.

By using our Hosted VoIP service, you acknowledge and agree to the following:

a) **Location Registration Requirement**

To enable E911 service, you must provide and maintain the correct physical address for each VoIP device or extension. It is your responsibility to notify us immediately whenever a device is moved to a new location. Failure to update your registered address may result in emergency responders being dispatched to the incorrect location.

b) **Service Dependencies**

E911 service depends on the availability of a functioning internet connection, electrical power, and the underlying network infrastructure. During power outages, internet disruptions, equipment failures, network congestion, or service interruptions, emergency calling may be unavailable.

c) **Delay in Location Updates**

Changes to your registered service address may not take effect immediately. During the update process, emergency calls may transmit a previous address or no location information at all.

d) **International and Remote Use**

E911 service may not function when the service is used outside the United States and Canada or in locations where E911 support is unavailable. Users operating the service remotely are responsible for understanding the emergency calling capabilities at their location.

e) **Alternative Emergency Calling Methods**

Because VoIP emergency services may be interrupted, we strongly recommend maintaining an alternative means of contacting emergency services, such as a mobile phone or traditional telephone line.

f) **Limitation of Liability**

We are not liable for any inability to place emergency calls, delays in emergency response, incorrect location information provided to emergency personnel, or any damages resulting from the failure or interruption of E911 service. Your sole remedy for any service-related issue is as provided in these Terms and Conditions.

By activating, using, or continuing to use our Hosted VoIP service, you acknowledge that you have read, understood, and accepted the limitations of E911 service described above and agree to inform all users of the service of these limitations.

Important Notice: E911 service relies on your registered service address. If your VoIP device is moved to a different location, you must update the address immediately to help ensure emergency responders are directed to the correct location. Please contact us immediately to update an E911 address for a device on your account.

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 Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc. phone number that you obtain. 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 Preferred Telephone Systems, Inc. 911 Dialing feature as compared with traditional 911 or E911 dialing.

1.2 Registration of Physical Location Required. For each phone number that you use for the Service, you must register with Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc. 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 that 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 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 Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc., its officers, directors, employees, affiliates and agents and any other service provider who furnishes services to you in connection to the Service, from any and all claims, losses, damages, fines, penalties, costs and expenses (including, without limitation, attorney's 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.

1.10 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 Preferred Telephone Systems, Inc. activates your Service and ends on the day before the anniversary date of your Term. Subsequent terms of this Agreement automatically renew for twelve (12) months unless you give us written notice of non-renewal at least thirty (30) 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 thirty 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.

2.3 Use of Service and Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc. 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, Preferred Telephone Systems, Inc. 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, Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc. 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 info@pdvn.net or 225-924-2700; 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 info@pdvn.net or 225-924-2700.

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, however, 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.

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, 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.

Notification of monthly invoices will be sent to you via your email address on file with us. Any usage charges will be billed in increments that are rounded up to the nearest minute.

3.2 Billing Disputes. You must notify us in writing within seven (7) days after receiving your credit or debit card statement if you dispute any Preferred Telephone Systems, Inc. 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
Preferred Telephone Systems, Inc.
9312 Interline Ave.
Baton Rouge LA 70809

-or-

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 Preferred Telephone Systems, Inc. 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. The term of this Agreement will run from the Effective Date until the end of the term (of any continuation thereof) of each Service. The initial minimum term of for each Service is set forth in the Service Activation Order (each an "Initial Term"). The start date for the Initial Term of each Service will begin on the Billing Start Date. Customer must terminate a Service or the Agreement in writing by providing Preferred Telephone Systems, Inc. with at least thirty days prior written notice. Please send termination notices to info@pdvn.net or fax to 225-924-1947, Attn: Service Terminations.

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. If Customer elects to terminate this Agreement or any Service prior to the expiration of a Service's Initial Term, Customer must provide thirty days advance notice and must pay the Early Termination Fees for each Service that has not completed its Initial Term. The Early Termination Fees should not exceed the fees that would have been owed through the end of such Service's Initial Term of any agreed upon renewal of the Initial Term. Customer and Preferred Telephone Systems, Inc. agree that an Early Termination Fee is not a penalty but serves as an accurate approximation of the damages to Preferred Telephone Systems, Inc. that result from the termination before the end of its Initial Term. Upon termination or expiration of this Agreement for any reason, Customer shall promptly pay all amounts owed through the month of termination as well as any applicable Early Termination Fees.

3.7 Money Back Guarantee; Limitations and Conditions.

(a) Money Back Guarantee. We offer Hosted VoIP 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 Preferred Telephone Systems, Inc. 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 \$1.50 for each call made to Preferred Telephone Systems, Inc. directory assistance.

3.10 Charges for Conference Bridge Calls. We will charge you 3.9 cents per minute, or your then current domestic per minute rate if lower than 3.9 cents per minute, for each caller who calls into your conference bridge. The per minute usage fee 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 Preferred Telephone Systems, Inc., ITS OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES OR AGENTS OR ANY OTHER SERVICE PROVIDER WHO FURNISHES SERVICES TO YOU IN CONNECTION TO 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 Preferred Telephone Systems, Inc., 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, attorney's 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, DEGRADATION OF VOICE QUALITY OR LOSS OF CONTENT, DATA OR INFORMATION. NEITHER Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc.'S OR ITS SERVICE PROVIDER'S OR VENDORS' NEGLIGENCE. STATEMENTS AND DESCRIPTIONS CONCERNING THE SERVICE OR DEVICE, IF ANY, BY Preferred Telephone Systems, Inc. OR Preferred Telephone Systems, Inc.'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) Retail Customer Limited Warranty. For Retail Customers only, we will provide a limited warranty on the Device as to manufacturing defects only for a period of one (1) year from the date of purchase. This Retail Customer limited warranty does not apply to any defect or failure other than a manufacturing defect, and, without limiting the generality of the foregoing, does not apply to any defect caused by damage in transit, retailer handling or Retail Customer handling. A Retail Customer's sole remedy for any breach of this Retail Customer limited warranty is to obtain a repaired or replacement Device, by following the return procedures set forth in Section 2.10. Retail Customer must include with the returned Device a letter stating that the Retail Customer is returning the Device for warranty repair or replacement and stating the nature of the defect. The Retail Customer limited warranty will also apply in lieu of the limited warranty included with the Device if such included limited warranty is less favorable to Retail Customer than that contained herein.

(d) 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 PLUS 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 Users 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 your or your Users' content from the Service, if we determine, in our sole and absolute discretion, that such use or content does not conform with 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.

5. MISCELLANEOUS

5.1 Governing Law. The Agreement and the relationship between you and us is governed by the laws of the State of Louisiana 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 state of Louisiana 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 Baton Rouge Louisiana. 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, BATON ROUGE LOUISIANA.

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 Preferred Telephone Systems, Inc. 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 Preferred Telephone Systems, Inc. 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. REASONABLE USE LIMITATIONS

Unusually high usage of the Service attributable to individual Accounts may impair Preferred Telephone Systems, Inc.'s ability to provide the Services and/or indicate misuse of the Services. Accordingly, for all Service Plans, reasonable use means that your use of the Service does not materially impair Preferred Telephone Systems, Inc.'s ability to provide the Service to other users.

7. UNLIMITED OR UNMETERED PLANS

All unlimited or unmetered plans ("Unlimited Plans") are subject to all of the Prohibited Use and Reasonable Use limitations set forth in this Reasonable Use Policy. In addition, all unlimited or unmetered plans are subject to the following terms and conditions:

- Unlimited Plans are for normal residential or business use.
- Unlimited Plans cannot, under any circumstances, be used for call-in lines, call centers, autodialing, fax blasting, telemarketing (including without limitation charitable or political solicitation and/or polling), junk faxing, fax spamming, or other high volume or multi-person calling or faxing purposes.
- Excessive Use of Unlimited Plans is prohibited. "Excessive Use" means that your use exceeds the monthly minutes per line used by 98% of all Preferred Telephone Systems, Inc. Unlimited Plan customers. Excessive Use is measured on a monthly basis. For example, if you use 7,500 minutes in one month per line and 98% of all Preferred Telephone Systems, Inc. Unlimited Plan customers used less than 7,500 minutes that month per line, your use would constitute Excessive use and would be in violation of this Reasonable Use Policy.

Preferred Telephone Systems, Inc. reserves the right to review and monitor your usage of your Unlimited Plan at any time (i) to calculate Excessive Use and (ii) compliance with this Reasonable Use Policy, including that there is no Excessive Use.

Except where prohibited by law, if you violate this Reasonable Use Policy, including but not limited to by Excessive Use of the Service, you hereby acknowledge and agree that Preferred Telephone Systems, Inc. may modify, suspend, terminate, disconnect or take any other reasonable action regarding your Service to prevent continued violation of this Reasonable Use Policy (a "Plan Modification"), including charging you on per minute basis, at Preferred Telephone Systems, Inc.'s published per minute rates, for any Excess Use or automatically converting your Unlimited Plan to a metered plan. You hereby agree to pay Preferred Telephone Systems, Inc., and hereby authorize Preferred Telephone Systems, Inc. to charge your credit card for any additional fees, charges and penalties related to any Plan Modification.

8. AI AGENT SERVICES DISCLAIMER

Scope of AI Agent Services Customer acknowledges that the Services may utilize artificial intelligence technologies, including AI-powered voice agents, automated call handling, speech recognition, transcription, natural language processing, machine learning models, large language models, predictive systems, and related communication or workflow automation tools collectively referred to as the "AI Agent Services."

AI Output Limitations The AI Agent Services are intended to assist with customer communications and operational efficiency; however, Customer understands that AI outputs are probabilistic, generated from statistical patterns rather than human understanding, and may be inaccurate, incomplete, misleading, outdated, interrupted, unsuitable, or otherwise erroneous.

Customer Responsibility Customer is solely responsible for determining whether the AI Agent Services are appropriate for its business operations and for reviewing, monitoring, validating, and supervising all AI-generated communications, decisions, workflows, customer interactions, call handling, lead qualification, sales automation, and support automation.

Human Oversight and Quality Control Customer must implement human oversight, quality-control procedures, escalation controls, and monitoring mechanisms appropriate to the level of risk. Fully autonomous AI systems may not be deployed without appropriate monitoring, and human review is strongly recommended and may be legally required where decisions may materially affect individuals.

Legal Compliance and Consent Customer is solely responsible for complying with all applicable federal, state, provincial, local, and international laws, regulations, and industry requirements governing telecommunications, automated communications, call recording, monitoring, transcription, AI processing, privacy, data security, consumer protection, consent, notices, disclosures, and permissions.

High-Risk and Professional Advice Limitations Customer shall not rely exclusively on AI-generated communications or outputs for matters involving safety, emergencies, legal rights, legal compliance, financial transactions, healthcare decisions, regulatory obligations, or other high-risk activities. Vendor does not provide legal, financial, regulatory, healthcare, emergency response, tax, accounting, investment, or other professional advice through the AI Agent Services.

Prohibited Uses Customer may not use the AI Agent Services to impersonate individuals deceptively; conduct unlawful surveillance; generate deceptive, fraudulent, misleading, spam, or scam communications; knowingly distribute misinformation; harass, threaten, or exploit individuals; engage in unlawful discriminatory decision-making; circumvent consent or telecommunications compliance laws; operate life-critical or emergency response systems; or violate privacy, recording, or data protection laws. Vendor reserves the right to suspend AI access for misuse.

Warranty Disclaimer Vendor makes no warranty that the AI Agent Services will successfully answer, route, handle, interpret, record, transcribe, process, or respond to every call, inquiry, communication, or workflow. The Services are provided on an "AS IS" and "AS AVAILABLE" basis without warranties of any kind, whether express, implied, statutory, or otherwise, including any implied warranties of merchantability, fitness for a particular purpose, non-infringement, accuracy, reliability, or availability.

Limitation of Liability To the maximum extent permitted by law, Vendor shall not be liable for missed calls, dropped calls, incorrect responses, inaccurate or incomplete outputs, service interruptions, loss of business opportunities, customer dissatisfaction, reputational harm, loss of revenue, data loss, or any indirect, incidental, consequential, special, exemplary, or punitive damages arising from or related to the use of the AI Agent Services.

Assumption of Risk and Liability Cap Customer assumes all risks associated with AI-generated content, decisions, and communications. To the maximum extent permitted by law, Vendor's total aggregate liability arising out of or relating to the AI Agent Services shall not exceed the fees paid by Customer to Vendor for the Services during the twelve (12) months preceding the event giving rise to the claim.

Indemnification Customer agrees to defend, indemnify, and hold harmless Vendor, its affiliates, officers, employees, contractors, and agents from and against any claims, liabilities, damages, losses, penalties, fines, costs, or expenses, including reasonable attorneys' fees, arising out of or relating to Customer's use of the AI Agent Services, Customer's failure to comply with applicable laws, or Customer's reliance upon AI-generated outputs.

9. KNOW YOUR CUSTOMER (KYC) AND REGULATORY COMPLIANCE DISCLAIMER

Customer acknowledges and agrees that Vendor provides VoIP, telecommunications, AI-powered communication services, and related technology solutions solely as a service provider and does not act as Customer's compliance officer, legal advisor, financial institution, regulated entity, or agent for purposes of Know Your Customer ("KYC"), Anti-Money Laundering ("AML"), Counter-Terrorist Financing ("CTF"), fraud prevention, sanctions screening, identity verification, or regulatory compliance obligations.

Customer is solely responsible for determining and complying with all applicable laws, regulations, industry standards, and governmental requirements related to KYC, AML, CTF, sanctions compliance, identity verification, customer due diligence, enhanced due diligence, record retention, reporting obligations, and fraud prevention activities applicable to its business operations.

Vendor may, at its sole discretion, request information, documentation, identity verification materials, beneficial ownership information, business registration records, billing verification, or other supporting documentation deemed necessary to verify Customer's identity, business legitimacy, intended use of the Services, or compliance with applicable laws. Customer agrees to promptly provide accurate, complete, and current information upon request.

Vendor reserves the right, in its sole discretion and without liability, to suspend, reject, limit, terminate, or investigate any account, transaction, telephone number, service, campaign, or activity that Vendor reasonably believes may involve fraud, unlawful activity, regulatory violations, misrepresentation, suspicious activity, sanctions concerns, reputational risk, or non-compliance with Vendor's policies or applicable laws.

Vendor does not guarantee that its review, verification, monitoring, or screening processes will detect, prevent, or identify all fraudulent, deceptive, unlawful, or non-compliant activities. Any information collected, reviewed, or approved by Vendor shall not be interpreted as a certification, endorsement, legal determination, or confirmation that Customer is compliant with any applicable KYC, AML, CTF, sanctions, telecommunications, privacy, consumer protection, or other regulatory requirements.

Customer represents and warrants that all information provided to Vendor is true, accurate, complete, and not misleading, and that Customer will promptly update any information that becomes inaccurate or outdated. Customer shall be solely liable for any consequences resulting from inaccurate, incomplete, misleading, or fraudulent information submitted to Vendor.

To the fullest extent permitted by law, Customer agrees to defend, indemnify, and hold harmless Vendor and its affiliates, officers, directors, employees, agents, contractors, successors, and assigns from and against any claims, investigations, regulatory actions, penalties, fines, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees, arising from or related to Customer's failure to comply with any KYC, AML, CTF, sanctions, fraud prevention, telecommunications, privacy, or other legal or regulatory requirements.

Vendor shall have no liability for any regulatory action, account suspension, service interruption, financial loss, denied transactions, blocked communications, customer disputes, or governmental enforcement action resulting from Customer's non-compliance with applicable KYC or related legal obligations.

Customer shall not use the Services for any unlawful, deceptive, fraudulent, or high-risk activity that requires special licensing, registration, or regulatory approval unless Customer has obtained and maintains all required authorizations. Vendor reserves the right to require additional compliance documentation and to suspend or terminate Services if Customer fails to satisfy Vendor's compliance requirements.

10. 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 pdvn.net. Preferred Telephone Systems, Inc. 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.

11. PRIVACY

Preferred Telephone Systems, Inc. Service utilizes, in whole or in part, the public Internet and third party networks to transmit voice and other communications. Preferred Telephone Systems, Inc. is not liable for any lack of privacy which may be experienced with regard to the Service. Please refer to our website at pdvn.net for additional Privacy Policy information.