

Universal Service Agreement

I. Acceptance of Terms

I (the “Customer”) acknowledge that to obtain service from Ace Innovative Networks, Inc. (the “Provider,” and together with Customer, “Parties,” and each, a “Party”), I must carefully read this Universal Service Agreement, and any order form(s), into which this Service Agreement is incorporated by reference (each, an “Order Form,” collectively, “Order Forms,” and together with this Universal Service Agreement, the “Agreement”), and accept the terms of this Agreement.

I acknowledge that by signing the Order Forms, or by using any of the Provider’s services, including, without limitation, the local, regional, long distance and international calling from AcePBX® telephones, voice mail, and other centralized telephone system features, Internet access service, virtual private network service, hosting service, server collocation service, information technology consulting (each, as applicable to me, the “Service” or, collectively, as applicable to me, the “Services”), I agree to be bound by all the terms and conditions set forth herein.

This Agreement shall remain in effect for an initial term beginning as of the date hereof and ending on the Contract End Date as set forth in the Order Forms. Thereafter, the term of this Agreement shall automatically be renewed annually, on each occasion, for an additional one (1) year period beginning on the day immediately following the Contract End Date and ending on the next anniversary of the Contract End Date, unless either I or the Provider shall give notice to the other canceling this Agreement, which notice will only be effective if given no later than thirty (30) days prior to the Contract End Date. If a valid and timely notice of cancellation is given, this Agreement will terminate as of the Contract End Date. For the purposes of this Agreement, the Contract End Date shall mean the last day of the then current annual period in effect. If I wish to terminate this Agreement prior to the Contract End Date, I agree to pay the Provider a break-up fee (the “Break-up Fee”) equal to the amount of the total monthly recurring fees, as specified in the Order Forms, multiplied by the number of months remaining until the Contract End Date, plus any Discount given on Non-Recurring (NRC) items, as indicated in the Order Forms, payable upon my submission of notice of termination sent in accordance with Section XVI of this Agreement. Such termination will then be effective as of the thirtieth (30th) day after the date such notice is properly sent to the Provider via e-mail. A purported notice of termination that is not accompanied by the applicable Break-up Fee shall be null and void and of no force or effect.

The terms “I”, “me”, “my” or “myself”, as used herein, shall refer to the authorized Customer, and, where appropriate, shall be deemed to refer and apply to business entities, their employees, officers, successors and permitted assigns, or such other groups’ accounts as may be approved by the Provider.

II. User Obligations

A. Acceptable Use

I agree to use my account with the Provider in a way that conforms to all applicable laws and regulations of the Federal Communications Commission and any and all other federal, state, or

local regulatory agencies and authorities. I agree not to use my account with the Provider or permit others to use my account in any way that violates any local, state, or federal law or regulation; subjects the Provider, its subsidiaries, clients, or customers to criminal or civil liability; or for purposes of reselling the Service. The Provider has no obligation to monitor the Customer's use of the Service but may do so and may disclose information regarding such use of the Service to satisfy lawful governmental requests; operate, maintain, or improve the Service; or protect the Provider, its subsidiaries, clients, and customers against criminal or civil liability.

I specifically agree not to make any attempt to gain unauthorized access to any systems or networks. I agree that I will not use the Service to publish, post, distribute or disseminate any legally obscene or otherwise unlawful speech or materials. I also agree not to publish, post, distribute, or disseminate any proprietary information that belongs to third parties, including, without limitation, trademarks, or copyrighted information, without express authorization of the third party rights' holder. I agree that the Provider reserves the right to release my name to any law enforcement agencies if I or those individuals who access the Provider's services through my account are involved in any allegedly unlawful conduct.

B. Passwords

I agree not to share passwords or accounts with other individuals. I understand that I am responsible for maintaining the security of my accounts and passwords and that the Provider may enable me to reset my password if security of my account is compromised.

C. System Security

I understand and agree that I am prohibited from utilizing the Provider's services to compromise the security or tamper with system resources or accounts on any of computers, routers, servers, modems, or any other equipment belonging to the Provider, the Provider's clients, or to unrelated third parties. I covenant not to interfere with the operations of the Services, whether intentionally, negligently or otherwise, including, without limitation: (i) accessing any data, servers or accounts which I am not authorized to access; (ii) attempting to test the vulnerability or breach the security or authentication measures of any system, network or computer; (iii) attempting to interfere with Service to any other user, host or network. I understand that I am prohibited from distribution of tools designed to compromise security of any systems or networks. Examples of such tools include, but are not limited to, password guessing programs, cracking tools or network probing tools. I agree that the Provider reserves the right to release my name to system administrators at other sites or law enforcement authorities to assist them in resolving security incidents if I, or those who access the Services through my account, are involved in any activity described in this paragraph or generally prohibited by this Agreement. I understand that my violation of any provision of this paragraph, or this Agreement, may result in suspension or termination of my account with the Provider, at the Provider's sole discretion.

D. Content of Websites

I am solely responsible for the content of any website, which the Provider hosts for me on the Provider's servers or that I host on my own servers, to which the Provider enables access, and the

communications that take place through the Services. I hereby acknowledge that the Provider acts only as a passive conduit for my online distribution and publication of such content and is not responsible for monitoring the content disseminated by me or any of my agents. The Provider reserves the right to remove from the Services any information, including but not limited to text, images, and links to other websites, which the Provider believes, in its sole discretion, may infringe upon the intellectual property rights of the Provider or third parties, be illegal, inappropriate or may create liability for the Provider for any reason. The Provider reserves the right, in its sole discretion, to limit the amount of storage space, bandwidth, or calling capacity, available to me or to delete materials stored for an excessive period while my account has been inactive.

E. Resale of Services Prohibited

I agree not to resell any of the Services or access to my account with the Provider or the passwords thereto.

III. Billing Policies

I understand that I will be charged interest at a monthly rate of 1.5% on any unpaid balance for any previous billing cycle which remains outstanding at the time a monthly statement is generated. If my account becomes delinquent, the Provider reserves the right, at its sole discretion, to suspend or cancel my account or terminate any or all Services.

I understand and agree that the Provider is not responsible for any charges or expenses that I may incur resulting from overdrawing my bank account or exceeding my credit card limit because of a charge generated by the Provider pursuant to this Agreement.

I agree to make available the Provider with accurate and complete billing information and to notify the Provider of any changes within ten (10) business days of the change.

I understand that the standard service fees and charges do not include, and I agree to pay in addition thereto, any and all applicable sales, use and other taxes, duties, surcharges and levies of every kind and nature which may be required or imposed by any law or regulation. I also agree to pay all attorneys' fees and costs of collection arising in connection with efforts to collect any unpaid balances on my account or to otherwise enforce this Agreement and the Provider's rights hereunder.

From time to time, the Provider may offer new products and services developed by the Provider or obtained by the Provider from others for use with the Services. Unless a new agreement is entered into by the Customer with the Provider, any new products or services which I elect to purchase from the Provider will be considered to form a part of the Services and will be deemed to be provided upon the terms and conditions contained in this Agreement, together with such additional charges, terms and conditions which are specifically applicable to the provision of those new products and services.

I understand that to activate my account, I will be asked to provide certain information, including, without limitation, information necessary to conduct appropriate credit verification. I warrant and

represent that any information I make available to the Provider, or its representatives, is truthful and accurate, and that the Provider may make a credit inquiry to verify the same. The Provider may, at any time, and from time to time, set a credit limit that would apply to all outstanding charges on my account or require that I make a deposit or other prepayment for activation or continuation of service. Any such deposit or prepayment may be applied to amounts past due on my account. My deposit or prepayment will not bear any interest, and any balance remaining after termination of Service and payment of any and all outstanding charges on my final bill will not be refunded, unless required by law. The Provider may terminate or suspend my service if I exceed my account's credit limit.

IV. Limitation of Liability

I HEREBY WAIVE, AND RELEASE AND DISCHARGE THE PROVIDER FROM, ANY AND ALL CLAIMS AND LIABILITY ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT AND THE SERVICES TO BE PROVIDED HEREUNDER, AND AGREE THAT I SHALL MAKE NO CLAIM AGAINST THE PROVIDER FOR ANY DAMAGE, LOSS OR LIABILITY OF ANY KIND, WHETHER DIRECT OR INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE, FORESEEABLE OR UNFORESEEABLE, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS TERMINATION, MY WEBSITE, MY USE OF THE SERVICES, MY OTHER ACTIVITIES IN CONNECTION HEREWITH, OR ANY OTHER MATTER. I UNDERSTAND AND ACCEPT THAT THE PROVIDER SPECIFICALLY DISCLAIMS ANY AND ALL LIABILITY FOR LOSSES RESULTING FROM SYSTEM FAILURE OR SERVICE INTERRUPTION. I UNDERSTAND THAT SERVICE MAYBE INTERRUPTED AND THAT SUCH INTERRUPTION MAY RESULT IN DROPPED TELEPHONE CALLS, INABILITY TO COMPLETE TELEPHONE CALLS, INABILITY TO ACCESS SERVICES DURING TIMES OF PEAK USAGE, OR MAINTENANCE/IMPROVEMENT OPERATIONS, INFERIOR SOUND QUALITY, AND OTHER PROBLEMS THAT MAY ARISE FROM TIME TO TIME. THE PROVIDER WILL MAKE COMMERCIALLY REASONABLE EFFORTS TO PREVENT SUCH INTERRUPTION AND/OR REPAIR MALFUNCTIONS RESULTING FROM SYSTEM FAILURE TO THE EXTENT THAT THE SAME IS WITHIN THE PROVIDER'S REASONABLE CONTROL. NOTWITHSTANDING THE FOREGOING, I AGREE THAT IN NO EVENT SHALL THE PROVIDER, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, SUBSIDIARIES, OR AFFILIATES BE LIABLE FOR DAMAGES OF ANY KIND. I UNDERSTAND THAT THE PROVIDER DOES NOT AND CANNOT CONTROL THE FLOW OF VOICE TRANSMISSION, OR DATA, OR INFORMATION TO OR FROM ITS NETWORK AND OTHER PORTIONS OF THE INTERNET OR PUBLIC SWITCHED TELEPHONE NETWORKS; THAT SUCH FLOW DEPENDS IN LARGE PART ON THE PERFORMANCE OF SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES; AND AT TIMES, ACTIONS, OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT MY SERVICE. THE PROVIDER CANNOT GUARANTEE THAT SUCH EVENTS WILL NOT OCCUR. ACCORDINGLY, THE PROVIDER DISCLAIMS, AND I RELEASE THE PROVIDER FROM, ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO SUCH EVENTS. I ALSO UNDERSTAND THAT IN NO EVENT SHALL THE PROVIDER BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, MONETARY LOSS,

ARISING OUT OF VIOLATIONS OF THIS AGREEMENT OR MY USE OF OR INABILITY TO USE SERVICES AT ANY TIME.

V. Warranty Disclaimer

I ASSUME FULL RESPONSIBILITY AND RISK FOR USE OF THE SERVICES BY ME AND THOSE INDIVIDUALS WHO ACCESS THE SERVICES THROUGH MY ACCOUNT. I UNDERSTAND THAT THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS AND THAT THE PROVIDER DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR FREE OF DEGRADATION OR ERROR. I ALSO ACKNOWLEDGE THAT THE PROVIDER DOES NOT WARRANT THAT ANY INFORMATION, SOFTWARE OR OTHER MATERIALS AVAILABLE ON THE INTERNET AND ACCESSIBLE VIA THE PROVIDER ARE FREE OF VIRUSES, WORMS, TROJAN HORSES, OR OTHER HARMFUL COMPONENTS.

I UNDERSTAND AND AGREE THAT THE PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR ENDORSEMENTS, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF TITLE, NON-INFRINGEMENT OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING ANY MERCHANDISE, INFORMATION OR SERVICE PROVIDED BY OR THROUGH THE PROVIDER OR OTHERWISE. I ACKNOWLEDGE THAT NO ADVICE OR INFORMATION GIVEN BY THE PROVIDER, ITS EMPLOYEES, AGENTS, AFFILIATES OR CONTRACTORS SHALL CREATE ANY SUCH WARRANTY.

VI. Indemnification

I HEREBY AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE PROVIDER, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS, SUBSIDIARIES AND AFFILIATES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGE, LOSS, LIABILITY, COSTS AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES, RELATED TO OR ARISING FROM ANY VIOLATION OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, UNLAWFUL BEHAVIOR OR THE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY, BY ME OR THOSE WHO ACCESS THE PROVIDER'S SERVICES OR THE INTERNET THROUGH MY ACCOUNT. I AGREE THAT UNDER NO CIRCUMSTANCES MAY I SUE OR RECOVER DAMAGES FROM THE PROVIDER, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS, SUBSIDIARIES OR AFFILIATES AS A RESULT OF THE PROVIDER'S DECISION TO REMOVE MATERIAL FROM ITS SERVERS, SUSPEND OR TERMINATE MY ACCOUNT OR TAKE ANY OTHER ACTION DURING THE INVESTIGATION OF A SUSPECTED VIOLATION OF THIS AGREEMENT OR AS A RESULT OF THE PROVIDER'S CONCLUSION THAT A VIOLATION HAS OCCURRED.

I UNDERSTAND THAT IN NO EVENT SHALL THE PROVIDER BE LIABLE UNDER TORT, CONTRACT, OR OTHER LEGAL THEORY FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED, TO LOST PROFITS, DAMAGE, ACCIDENT, INJURY TO PERSON OR

PROPERTY ARISING OUT OF VIOLATIONS OF THIS AGREEMENT OR MY USE OF OR INABILITY TO USE THE SERVICES.

VII. Service Warranty

(a) With respect to the Services based on voice-over-internet-protocol (VoIP) technology, I understand that the Service is based on voice over internet protocol (VoIP) technology and requires an always-on, high-speed Internet connection, which I am obligated to provide.

I acknowledge and agree that in the event that Service is inoperable (as defined hereinbelow) as a result of a failure of the Provider voice switching equipment, and, through no fault of my own, for a continuous period of four (4) or more consecutive hours, then for each 24-hour period (the initial 24-hour period beginning as of the time Service becomes inoperable) during which Service is inoperable (as defined hereinbelow) for four (4) or more consecutive hours I will receive, as my sole and exclusive remedy, a credit in an amount equal to one-thirtieth (1/30) of the applicable monthly rate set forth in the Order Form; provided, however, in no event shall any credit granted pursuant to these provisions during the course of one calendar month exceed twenty-five (25%) percent of the applicable monthly rate set forth in the Order Form.

I also acknowledge that if the Service is continuously inoperable (as defined hereinbelow) for three (3) or more consecutive business days, in addition to my right to receive a credit as described herein, I will also have the right to terminate my account, without any penalty, notwithstanding my term commitment described in Exhibit A has not elapsed, provided that I give notice to the Provider of my election to do so within seventy-two (72) hours after the reinstatement of my service. In that event, all Services shall terminate on the thirtieth (30th) day ("Effective Termination Date") after the Provider's receipt of such notice as if such Effective Termination Date was the Contract End Date. I hereby acknowledge that in the event of such early termination, I am fully responsible for any and all charges incurred under this Agreement through the Effective Termination Date.

For the purposes of this Agreement, the Service shall be deemed inoperable only if I am incapable of placing telephone calls from AcePBX®-enabled VoIP phones because of a failure of the Provider voice switching equipment; or I am incapable of receiving telephone calls to AcePBX®-enabled phones because of a failure of the Provider voice switching equipment.

I agree that any claim of inoperable Service must be made in writing via e-mail addressed to support@aceinnovative.com followed by a phone call to a telephone number provided for this purpose by the Provider.

(b) With respect to the Services Internet access, a pro-rated downtime reimbursement credit will be issued to my account for interruption in the Service, which interruption has been caused by the Provider; provided, that I report such interruption of Service to the Provider and such interruption continues for seventy-two (72) consecutive hours or longer after the time such interruption is reported to the Provider. No downtime credit will be issued for non-reported Service interruptions or Service interruptions created through no fault of the Provider.

VIII. Representation and Warranties

Each Party represents and warrants to the other Party that: (i) such Party has been duly organized and chartered under the laws of its respective jurisdiction and is validly existing under the laws of such jurisdiction; (ii) such Party has the full right, power and authority to enter into this Agreement; (iii) when executed and delivered by such Party, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms; and (iv) such Party acknowledges that the other Party makes no representations, warranties or agreements related to the subject matter hereof other than that the ones that are expressly provided in this Agreement.

IX. Security

Each Party represents and warrants that it will maintain security measures and safeguard the confidentiality of all user information or data that may come into its possession or control, which security measures and safeguarding will be maintained and undertaken with at least the same level of care, quality, and diligence as industry standard care applicable to the same or substantially similar data or information. Each Party represents, warrants, and covenants that it will not use any data in violation of any privacy or publicity rights.

X. Termination of Services

I understand that the Provider reserves the right to terminate my account at any time, for reasons including, but not limited to, my failure to abide by the terms of this Agreement or my failure to pay any fees or charges when due. If my account is deactivated, I may be required to pay reconnect charges and a prepaid deposit to re-activate my account. I understand that any information stored on the Provider's servers may be deleted upon deactivation.

The Provider reserves the right to decline or refuse service to any potential customer for any or no reason, subject to applicable law.

XI. Law and Jurisdiction

I understand and agree that the laws of the State of New York alone, without regard to any doctrine to conflicts of law, shall govern the interpretation and enforcement of this Agreement. I expressly agree that exclusive jurisdiction for any claim or dispute with the Provider or relating in any way to my account or the Services shall only be brought in the courts of the State of New York, New York County. I further agree and expressly consent to the exercise of personal jurisdiction in the courts of the State of New York in connection with any such dispute.

XII. Assignment

The Customer may not assign or transfer, by operation of law or otherwise, any of its rights under this Agreement to any third party without the prior written consent of the Provider, which consent may be withheld for any or no reason. Any attempted assignment or transfer in violation of these provisions shall be voidable at the option of the Provider. Subject to the foregoing, all the terms

and provisions of this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective permitted successors and assigns.

XIII. Entire Agreement

This Agreement, including the Order Form(s) and any exhibits hereto and thereto, represents the entire agreement between the Parties, and supersedes all prior agreements and understandings with respect to the matters covered by this Agreement. Each party acknowledges that it has not entered into this Agreement based on any representations other than those contained herein. This Agreement may only be amended or terminated by a written agreement, subject to the provisions of this Agreement, signed by both Parties. Notwithstanding the foregoing, the Provider may make changes or modifications to this Agreement from time to time, which changes, I agree, shall become a part of this Agreement and shall be binding upon the parties provided that, if such change would materially increase any of my obligations or liabilities or would have a material adverse effect on my rights under this Agreement, such changes or modifications shall not become effective earlier than thirty (30) days after the date on which I am given notice of such change and the effective date thereof, and I will then be given the right to cancel this Agreement by giving notice of my election to do so on or before the specified effective date of such change or modification. I agree that if I am given such notice and do not cancel this Agreement by timely giving notice thereof, then this Agreement shall continue in full force and effect, as so changed, or modified.

XIV. Severability

If any provision of this Agreement is unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions will continue in full force and effect.

XV. Waiver

The waiver of any breach or default under this Agreement or any delay in exercising any rights in connection with such breach or default shall not constitute a waiver of any subsequent breach or default, and no waiver shall be effective unless in writing and signed by the waiving Party.

XVI. Notices

All notices required or permitted hereunder shall be given in writing addressed to the respective parties as set forth below and shall either be: (i) personally delivered by private courier, (ii) transmitted by nationally-recognized private express courier, or (iii) sent by certified mail to the respective address hereinafter designated, and shall be deemed to have been given on the date of receipt or in the case of a notice sent by mail pursuant to clause "(iii)", on the date that delivery is first attempted, and in any case, an additional copy shall be electronically mailed to the respective e-mail address hereinafter designated.

Either party may change its address or e-mail address for purposes hereof by written notice to the other. The addresses for the parties are as follows:

If to the Provider:

Ace Innovative Networks, Inc.
254 S. Main Street, Suite 515
New City, NY 10956
e-mail: info@aceinnovative.com

If to Customer:

The Address and E-mail Address set forth in the Order Form(s).

XVII. Construction

The headings of the sections of this Agreement are intended for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. As used in this Agreement, the word “including” means “including but not limited to.” If any terms or conditions in the Exhibit(s) attached hereto conflict with any terms or conditions in the main body of the Service Agreement, the terms and conditions in the main body of the Service Agreement will govern.

XVIII. Trademarks

“AcePBX,” “AceVoice,” “AceDSL” and any logos displayed on the Provider’s web site are trademarks of the Provider. Any and all rights in and to such trademarks are expressly reserved, shall at all times remain the property of the Provider, and may not be used or reproduced without the prior express written permission of the Provider.

THIS FORM IS A BINDING CONTRACT: YOU MUST MAINTAIN A PRINTED COPY OF THIS PAGE FOR FUTURE REFERENCE.