



EQUIPMENT RENTAL TERMS AND CONDITIONS

MJ2 IP, LLC dba City Hosted Solutions (CityHosted) and Customer (the Customer) hereby agree to the following terms and conditions with respect to the provision by CityHosted to the Customer of the telephones and/or other peripheral equipment (the Equipment) and related services (the Services) which are described in the Rental Agreement attached hereto and incorporated herein by reference.

1. Authorization

1.1 If the Customer is an entity other than an individual, then the person signing the Agreement represents and warrants that he/she has been properly authorized and empowered to enter into the Agreement on behalf of such entity.

2. Delivery of Equipment

- 2.1 CityHosted will deliver the Equipment at its own risk to the Customer at the address designated by the Customer.
- 2.2 CityHosted will use reasonable efforts to deliver the Equipment by the requested Delivery Time but it shall not incur any liability in the event of any delay caused by force majeure or other circumstances beyond its control.
- 2.3 The Customer will accept the Equipment when delivered on or before the Delivery Time and if for any reason the Customer fails to accept the Equipment when delivered on or before such date the Customer shall nevertheless be liable for the stated Rental Charge and any applicable cancellation charge.

3. Charges

- 3.1 The Customer will pay the Rental Charge from the Delivery Time until all of the Equipment specified in the Rental Agreement is returned to, accepted and scanned by the designated courier (UPS or FEDEX). In case of office pick ups, the end of the rental agreement is the day the customer returns the equipment to our office. Equipment rental charges apply to full days and fractions thereof.
- 3.2 The Customer is responsible for hosted phone service and long distance charges and applicable taxes during the entire period the Equipment is rented whether or not the Customer personally makes the calls for which the charges are imposed.
- 3.3 CityHosted is entitled to bill the Customer, on a delayed basis, at any time after the Equipment has been returned for any and all charges for which the Customer shall be responsible pursuant hereto, whether or not CityHosted is aware of such charges at the time of the return of the Equipment. All charges and other amounts billed pursuant to this Agreement are payable by the Customer at the end of Rental Period as set forth in Section 3.3, or if not computed at the end of Rental Period, then upon demand given by CityHosted to the Customer.
- 3.4 The Rental Charge, the Long Distance Charges and any other amounts due to CityHosted under this Agreement are payable at the end of the Rental Period or, in the case of long term rentals, at the end of every billing period, whichever is shorter. CityHosted shall be entitled to charge interest at the rate of 2% per month (or part month) on any overdue amounts. In no event will any late payment charges exceed the highest lawful rate.

4. Credit Card Authorization

4.1 The Customer will submit a US-based credit card to CityHosted for authorization in an amount equal to the rental rate (the "Authorization Amount") depending on the number and type of Equipment required to fulfill the Customer's order. CityHosted shall have the right to charge and reauthorize Customer's credit card each time Customer's account balance is due. CityHosted reserves the right to increase the Authorization Amount depending on the quantity of the Customer's order.

5. Use of Equipment

- 5.1 Upon delivery to the Customer, CityHosted will provide an instruction leaflet on the use of the Equipment.
- 5.2 The Customer will use the Equipment in a careful and proper manner and in accordance with the instructions and in no other manner.



5.3 The Customer agrees that he/she will not:

5.3.1 effect any repairs or modifications to the Equipment;

5.3.2 remove or interfere with any certification markers affixed to the Equipment;

5.3.3 deface or add to the Equipment;

5.3.4 sublet or allow the use of the Equipment by any third party; or

5.3.5 attempt to dispose of the Equipment or to grant any interest in the Equipment to any third party.

5.4 In the event of any loss, damage, theft or disappearance of the Equipment while on rental, regardless of circumstances, the Customer shall pay to CityHosted on demand, an amount equivalent to the value of the Equipment in accordance with CityHosted's then-current listed Equipment sales prices. In the event the Equipment is stolen or lost, the Customer is liable for all Call Charges on such Equipment until it is deactivated.

6. Repairs

6.1 If the Equipment is not in working order when received by the Customer or subsequently malfunctions then the Customer will notify CityHosted immediately.

6.2 CityHosted or one of its authorized dealers will repair or replace the Equipment as soon as possible after it has been notified of the problem by the Customer and, provided the Customer is not in breach of the Rental Agreement, CityHosted will provide the Customer with the same or similar equipment (which shall constitute Equipment for purposes of this Agreement) as soon as possible for a period equivalent to the part of the Rental Period unexpired when the malfunction occurred.

6.3 If CityHosted finds that Equipment reported as faulty is in working order then the Customer will pay the cost of collection and delivery of the replacement Equipment.

7. Liability

7.1 CityHosted warrants that the Equipment will be in working order when it is delivered to the Customer but cannot be responsible for the performance of the Equipment or the operation of the internet access to which it is connected, it being acknowledged by the Customer that Services may be temporarily interrupted (including dropped calls), delayed or otherwise limited due to a variety of causes, including without limitation transmission limitations and by atmospheric and other conditions, system capacity limitations and system and equipment failure.

7.2 CITYHOSTED MAKES NO OTHER WARRANTIES, GUARANTEES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, REGARDING ANY MATTER, INCLUDING WITHOUT LIMITATION, THE MERCHANTABILITY, ACCURACY, RELIABILITY, CONDITION OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR THE CELLULAR PHONE SERVICES FURNISHED UNDER THIS AGREEMENT.

The Customer shall be solely responsible for and shall indemnify and hold harmless CityHosted against all claims, demands and liability arising as a result of lease, possession use, condition, operation or misuse of the Equipment or the hosted phone services provided hereunder whether in breach of Section 5 or otherwise arising howsoever.

CITYHOSTED WILL IN NO EVENT BE RESPONSIBLE NOR SHALL THE CUSTOMER MAKE ANY CLAIM AGAINST CITYHOSTED FOR ANY LIABILITY, CLAIM, LOSS, INJURY, DAMAGE OR EXPENSE OF ANY KIND (INCLUDING LOST PROFITS) WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL CAUSED BY THE EQUIPMENT OR THE FAILURE OF THE EQUIPMENT TO OPERATE CORRECTLY OR AT ALL OR DELAY, FAULTINESS (SUCH AS DEGRADATION OF SERVICE) OR FAILURE OF THE SERVICES.

7.3 The Customer shall be liable to CityHosted for all expenses, including reasonable attorneys' fees, collection fees and court costs incurred in connection with any collection, repossession or other action brought to enforce CityHosted's rights under this Agreement.

7.4 CityHosted reserves the right to deactivate the Equipment at any time and without notice to the Customer, in the event that CityHosted detects unusually abnormal usage or possible fraud in accordance with general operating practices and procedures in the hosted phone industry, and CityHosted shall have no liability whatsoever to the



Customer for such deactivation.

8. Ownership

8.1 The Equipment, including the handset and all accessories or any other devices will at all times remain the property of CityHosted. The Customer acquires no rights other than temporary use. During the Rental Period no service or part replacements are authorized without written approval from CityHosted. The Customer agrees that he/she has examined the Equipment and that the Equipment is in good working order at the time of receipt.

9. Termination

9.1 Unless otherwise agreed with CityHosted the Customer shall return the Equipment to CityHosted at the designated return address at the end of the Rental Period in good working order and in the same condition as when it was delivered to the Customer. The Customer shall return the Equipment by Federal Express or comparable overnight courier and in accordance with shipping instructions provided by CityHosted at time of delivery of the Equipment. Should the Customer return the Equipment using means other than those specified in the instructions provided by CityHosted at the start of the rental, rental and other charges will continue, and the Customer will remain liable for any damage to the Equipment while the Equipment is in transit. Packages returned with any components or pieces missing from the Equipment will be deemed missing and the Customer will be charged in an amount equal to the Equipment value.

9.2 Should the Customer (a) obtain use of the Equipment by any misrepresentation or fraudulent means, or (b) tamper with the Equipment, or (c) use the Equipment for any illegal or improper purpose, or in violation of applicable laws, or (d) otherwise commit a breach of these terms and conditions then CityHosted may, at its option and in addition to other remedies available hereunder at law or in equity, (i) terminate this Agreement, (ii) immediately terminate all services to the Customer, and (iii) take immediate possession of the Equipment without being obliged to repay any portion of the Rental Charges. CityHosted may also terminate this Agreement without any liability whatsoever to the Customer in the event that service is not available to CityHosted by a systems operator. No remedy of CityHosted shall be exclusive of any other remedy whether provided herein or available at law or in equity, but shall be cumulative with other remedies.

10. Applicable Law

10.1 This Agreement shall be governed by the laws of the State of Arizona. In addition, this Agreement is subject to applicable foreign, federal and state laws and tariffs.

11. General

11.1 The headings in this Agreement are for convenience of reference only and shall not affect the meaning or construction of the terms and conditions contained herein.

11.2 No waiver by CityHosted of any breach of this Agreement shall be considered as a waiver of any subsequent breach of the same or any other provision hereof.

11.3 This Agreement cannot be assigned or transferred by the Customer, nor can this Agreement be modified (or any provision waived or modified) except by written instrument signed by CityHosted or its authorized agent. This Agreement constitutes the entire agreement between CityHosted and the Customer; there are no other representations, conditions, warranties, guarantees, or collateral agreements, express or implied, statutory or otherwise, concerning the use or rental of the Equipment or the Services, other than as set forth herein.

11.4 CityHosted is not liable for any lack of privacy which may be experienced with regard to the Service