



Yadkin Valley Telecom, Inc.

IP Video Service Agreement

Thank you for choosing Yadkin Valley Telecom IP Video. By signing this IP Video Service Agreement, you agree to abide by the following terms and conditions.

Please carefully read and review the terms and conditions of this Agreement before using the Service. This is a legal agreement between you, the Subscriber, and Yadkin Valley Telecom, Inc. (YVT) for the use of the Service. By using the Service, you signify your agreement to all terms, conditions, and notices contained or referenced herein. If you do not agree to these terms and conditions, do not use the Service. We reserve the right, at our discretion, to update or revise this Agreement. Please check YVT's web site (www.yadtel.net) periodically for changes. Your continued use of this service following the posting of any changes to the Agreement constitutes acceptance of those changes.

A. DEFINITIONS

1. "Agreement" means this Service Agreement as it may be amended from time to time.
2. "Subscriber" means the account holder, authorized by YVT, to access and use the service.
3. "Service" means Internet Protocol Video (IP Video).
4. "Initial Period" shall mean a minimum period of time the subscriber is committed to pay for the service in recognition of certain Considerations extended to the subscriber by YVT at the initiation of the Agreement.
5. "Consideration" is used in reference to price concessions made to the Subscriber by YVT in return for a commitment on the part of the Subscriber to maintain service for an Initial Period.
6. "Early Termination Fee" shall mean the charge assessed when the commitment to an Initial Period is not fulfilled. It is calculated by prorating the early termination fee by the number of months remaining in the Initial period and is calculated by the following formula.

ETF = $VC * ((IPL - EIP)/IPL)$ where

ETF is the amount of the early termination fee to be paid by the subscriber to YVT,

VC is the value of the Consideration extended to the subscriber by YVT,

IPL is the length of the Initial Period in months, and

EIP is the expired portion of the Initial Period in months.

The value of the Consideration supplied by YVT is \$200.

B. GENERAL

1. Use of the Service supplied by YVT is expressly limited to Subscriber and his/her immediate family or direct employees.
2. Installation assistance and assistance in the resolution of many routine problems is available by dialing a toll-free number or YVT's Repair Service at (336) 463-5047.

C. INSTALLATION

1. If Subscriber is not the owner of the house, apartment or other premises upon which YVT Equipment is to be installed, the Subscriber warrants that he/she has obtained the consent of the owner of the premises for YVT personnel and/or its agents to enter the premises for the purposes of installation of IP VIDEO Services. Subscriber agrees to indemnify and hold YVT harmless from and against any claims of the owner of the premises arising out of the performance of this Agreement (including costs and reasonable attorneys' fees).
2. Subscriber authorizes YVT to make any preparations to the premises necessary for the installation, maintenance or removal of Equipment. YVT shall not be liable for any effects of normal Service installation and workmanship, such as holes in walls, floors, etc., which may remain after installation or removal of the YVT Equipment, except for damage caused by negligence on the part of YVT.
3. Subscriber agrees to provide YVT and its agents access to Subscriber premises during regular business hours upon reasonable notice during the term of this Agreement and after its termination to install, connect, inspect, maintain, repair, replace, alter or disconnect or remove the YVT Equipment. Subscriber agrees that YVT may have reasonable access to easement and the YVT Equipment located on Subscriber's grounds.
4. Standard installation shall include wiring and outlets up to four TV's. The installation of wiring will be done by the YVT technician, concealing it as much as possible. This installation does not include "fishing" wires into existing walls. "Fishing wires" is a term used by electricians, contractors and others who install electrical and telephone wiring. It is the method used to conceal the wiring inside the walls in an existing home or business. The YVT technician will discuss wiring and wireless options with the customer. The customer may elect to hire an independent contractor or electrician for their specialized wiring needs.

D. EQUIPMENT

1. If Subscriber disconnects/cancels/terminates service on some or all of his/her leased IP VIDEO Equipment or Service for any reason, Subscriber must notify YVT and return all YVT Equipment within thirty (30) days of such action. Subscriber acknowledges that any equipment provided by YVT is the property of YVT. Subscriber agrees not to damage or misuse YVT equipment and to return it to YVT when Service is terminated, in the same condition as when installed, reasonable wear and tear excepted, and in reusable condition, consistent with any requirement of law. Return of equipment is required when terminating Service. Should the equipment be destroyed by Subscriber or not returned, the Subscriber will be billed for the full cost of the equipment.
2. Subscriber agrees that YVT may place Equipment and cables on Subscriber's premises to facilitate the provision of Services to Subscriber and to other locations in Subscriber's area.
3. Subscriber acknowledges that he/she will not, or allow others to, open, alter, misuse, tamper with or remove the YVT Equipment as and where installed by YVT or use it contrary to this Agreement. Subscriber will not, nor allow others to, remove any markings or labels from the YVT Equipment indicating YVT ownership or serial or identity numbers. Subscriber will safeguard the YVT Equipment from loss or damage of any kind including accidents, breakage or house fires, and will not permit anyone other than an authorized representative of YVT to perform any work on the YVT Equipment.

E.. TRANSFERS

No Service or YVT equipment may be transferred to another person without the prior written consent of YVT. Service may not be shared with any person not a part of the Subscriber's immediate household or in Subscriber's office.

F. RETRANSMISSIONS

Subscriber acknowledges that IP Video Services are for reasonable, personal, non-commercial use only and will not resell or redistribute the Services, or any portion thereof, or charge others to use the Services, or any portion thereof. Subscriber agrees not to use the Services for the redistribution or retransmission of programming or for any enterprise purpose whether or not the enterprise is directed toward making a profit. Subscriber agrees that his/her use of the Services to transmit or distribute the Service, or any portion thereof, to persons outside the location identified in the initial Service Order (even if to a limited group of people or to other residences that Subscriber owns or has the right to use) will constitute an enterprise purpose. Subscriber acknowledges that programs and other materials that he/she receives as part of the IP Video Service remain part of the IP Video Service, even if Subscriber records or captures all or a portion of any such program or material in a data file or on a hard drive, DVR or similar device.

G. WARRANTIES

YVT makes no warranties, express or implied, in this document or in any related agreement, including, but not limited to any warranty regarding the merchantability, fitness for any particular purpose, design, conditions of, or quality of the material or workmanship of any Service or Equipment.

H. LIMITATION OF LIABILITY

To the maximum extent allowed by law, YVT disclaims liability for any claim, loss, damage or expense of any kind or nature arising from or in any manner related to the provision of the Service procured by Subscriber, or to any equipment, including without limitation any liability caused directly or indirectly by: (i) the inadequacy of the Service or Equipment to service the Subscriber's purposes; (ii) any deficiency or defect in the Service or Equipment; (iii) the use or performance of the Service or Equipment; (iv) any interruption or loss of Service, except where a credit or deduction is provided for by law or regulation; and (v) any loss of business, loss of profits or revenue, or any other consequential damages of any kind, whether or not resulting from any of the foregoing.

I. SERVICE INTERRUPTION/FORCE MAJEURE

1. Subscriber agrees that YVT has no liability for delays in or interruptions to Services, except that if for reasons within YVT's reasonable control, for more than twenty-four (24) consecutive hours, Service on all cable channels is interrupted, YVT will give Subscriber a prorated credit for the period of such interruption or failure if Subscriber requests one within thirty (30) days of the interruption or failure. Notwithstanding the above, YVT will issue credits for VOD, pay-per-view movies and events for service problems when a valid credit request is made within thirty (30) days of the interruption or failure. In no event shall YVT be required to credit Subscriber an amount in excess of applicable service fees. YVT will make any such credit on the next practicable bill for Subscriber Services. State and local law or regulation may impose other outage credit requirements with respect to some or all of Subscriber Services. In such event, the relevant law or regulation will control. Subscriber acknowledges that YVT may conduct maintenance from time to time that may result in interruptions of Services.

2. YVT may suspend or terminate all or a portion of Services without prior notification if YVT determines in its discretion that Subscriber has violated this Agreement. If all or a portion of Subscriber Services are suspended, Subscriber will not be charged for the relevant Services during the suspension. Subscriber acknowledges that there may not be advance notification of any such interruption of service.

J. CERTAIN LOSS OF SERVICE DUE TO SUBSCRIBER

Any loss of Service availability caused by action or inaction by Subscriber, or by defect of failure of Subscriber's Equipment, will not suspend the obligation to pay for Service, and Subscriber shall remain liable for all applicable charges.

K. ADDITIONAL PROGRAMMING FEES/LEASES

There will be a monthly recurring lease fee for each separate IP Video HD Set Top Box and each IP Video HD DVR Set Top Box. Existing customers may activate additional Set Top Boxes for additional TV's and current monthly recurring lease rates will apply. Lease fees may change periodically and customers will be notified at least 30 days in advance of any price increase.

L. SUPPORT; SERVICE AND REPAIRS

1. Subscriber's services include the right to request reasonable service and maintenance calls to check and correct problems with the IP VIDEO Service. YVT will, at its own expense, repair damage to or, at YVT's option, replace YVT's IP Video Equipment and otherwise attempt to correct interruptions of the Services, due to reasonable YVT Equipment wear and tear, or technical malfunction of the system or network operated by YVT. To report service or maintenance issues, Subscriber should contact YVT's Repair Service Line at (336) 463-5047.

2. Unless the Subscriber has obtained a YVT Inside Wire Maintenance Plan, he/she agrees that he/she is responsible for all wiring installed in the residence that is not YVT Equipment and YVT will have no obligation to install, connect, support, maintain, repair or replace any Subscriber owned equipment other than YVT Equipment.

M. BILLING

1. Subscriber agrees to pay YVT all charges relating to use of Subscriber's account including all sales and use taxes, and all other taxes that are applicable to the Service.

2. Services are subject to credit limits and/or security deposits established by YVT.
3. YVT reserves the right to change prices with 30 days' notice.
4. All invoices are due upon receipt and payable within 30 days unless other arrangements have been made in advance. An administrative late charge may be charged on accounts that are not paid within the 30-day period.
5. YVT may charge a service fee for all returned checks and bankcard or charge card charge backs.
6. YVT reserves the right to suspend access to the Service upon an indication of credit problems including delinquent payments. A reconnection charge will apply after payment of any outstanding balance.
7. YVT will restore a suspended Service when, in YVT's judgment, the condition leading to the suspension has been resolved.

N. TERM/TERMINATION

1. If at the initiation of the agreement, YVT extends certain Considerations to the subscriber, including, but not limited to, hardware, installation labor or promotional pricing, the subscriber agrees to maintain and pay for the service for an Initial Period as defined at the time of such initiation. Furthermore, the subscriber agrees, in the event of a termination of service in less than the Initial Period, to pay to YVT an Early Termination fee, as defined in Section "A" Definitions.
2. **Minimum Service Requirement:** No minimum service requirement "Initial Period" applies if no Consideration was extended to the subscriber by YVT at the initiation of the agreement. By signing below, customer agrees to the Minimum Service Commitment of twenty-four (24) months.
3. If the Initial Period has expired, this agreement shall remain in effect so long as the Service is provided or until terminated by either party by providing the other party written or verbal notice.
4. The subscriber agrees, in the event of a termination of service in less than the Initial Period, to pay to YVT an Early Termination fee as defined in Section "A" Definitions.

O. AMENDMENT

YVT may change, modify, add or remove portions of this Agreement at anytime. YVT will provide notice of such changes to this Agreement by the posting of a notice on its web site. Subscriber's continued use of the Service following notice of such change shall be deemed to be Subscriber's acceptance of any modification. If Subscriber does not agree to any modification of this Agreement, he/she should discontinue using the service and notify YVT to terminate connection to the Service

P. GOVERNING LAW

This Agreement, the rights and obligations of the parties hereto, and any claims or disputes hereunder, shall be governed by and construed in accordance with the laws of the State of North Carolina.