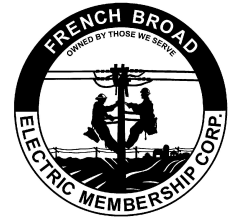


French Broad EMC
PO Box 9
Marshall NC, 28753
Phone: 828-649-2051
Fax: 828-649-2989



Residential Fiber Internet Service Agreement Terms and Conditions

NOW COMES, French Broad Electric Membership Corporation, hereinafter referred to as FBEMC, and, the customer hereinafter referred to as "Customer", and hereby contract and agree as follows:

ACCEPTANCE OF THIS AGREEMENT

By signing this Agreement or by utilizing FBEMC Fiber Services, the Customer acknowledges having read and understood this agreement and Customer accepts this Agreement (together with all of the policies attached hereto) and agrees to abide by its terms and conditions as they may be amended from time to time. Please take the time to read this Agreement carefully. The terms and conditions of this Agreement may be amended from time to time by FBEMC by providing notice of changes in the FBEMC monthly billing statements. Use of the FBEMC Fiber Service by Customer after a change to these terms and conditions has been so noticed by FBEMC, shall constitute acceptance by Customer of such changed terms. If Customer does not wish to accept such changes, the only remedy is to terminate the FBEMC Fiber Service that FBEMC is providing under this Agreement within thirty (30) calendar days of the date the change was noticed by FBEMC.

SCOPE OF SERVICES

For purposes of this Agreement, "Service", "Services" or "Broadband Services" means the service provided by FBEMC that allows you to access the Internet, and offers you a capability for acquiring or retrieving information, generating, storing, transforming, processing, or utilizing information on, or making available information to other Internet endpoints connected directly or indirectly to, the FBEMC network. Service or Broadband Services include fiber-based Internet services. By using or paying for the Service, you are agreeing to the terms and conditions in this Agreement.

NO RESALE

Customers may not resell Service without a legal and written agency agreement with FBEMC. Customers may not retransmit the Service or make the Service available to anyone outside the premises (i.e., by Wi-Fi or other methods of networking). Customers may not use the Service to host any type of commercial server.

INSTALLATION, FEES AND ACCESS

FBEMC or its agent or contractor will schedule one or more installation visits with Customer. FBEMC agrees to cover the first \$2,500.00 towards the installation of fiber-optic Internet service. Any additional installation charges above and beyond the \$2,500.00 covered by FBEMC must be agreed to by the Customer before installation is initiated and must be paid in order to complete service installation. Any such charges will be clearly conveyed by FBEMC before installation. Customer must be present at Customer's service location during the installation to be performed by FBEMC, its agent or contractor. After installation, and during the term of this Agreement, Customer shall provide FBEMC with reasonable access to Customer's site to inspect, repair and maintain FBEMC's subscriber premises equipment. Upon termination or expiration of this Agreement or disconnection of the FBEMC Fiber Service, Customer shall be obligated to return any Equipment to FBEMC or to provide FBEMC with access to the site to recover such Equipment, if it was provided to Customer by FBEMC. Customer agrees FBEMC may visit the site upon termination or expiration of this Agreement or disconnection of the FBEMC Fiber Service to recover its Equipment. FBEMC will not restore or reconfigure Customer's equipment or after de-installation, and Customer agrees that FBEMC is not responsible for doing so.

****For underground installations, FBEMC will directly bury the fiber from the nearest pole or pedestal to the foundation of the customer's home. FBEMC will attempt to cover the trench with dirt and existing sod, but FBEMC is not responsible for raking, seeding or further repairing any area impacted by the underground fiber installation. FBEMC can saw through stone, concrete or asphalt and is not responsible for any damages that may**

result. If the underground fiber is damaged after the initial installation and requires replacement or repair, these costs will be billed to the customer.

EQUIPMENT

FBEMC will provide the Customer with a fiber-optic wireless router. Such equipment shall at all times remain the property of the FBEMC and upon termination of service shall be returned to FBEMC within seven days of notice of termination in the same condition as existed upon execution of this agreement, reasonable wear and tear accepted. Customer shall bear all risk of loss, theft, fire, windstorm, lightning, or other hazard. FBEMC will maintain and repair such equipment at its sole cost, provided however, that in the event that any such maintenance, repair or replacement is necessitated by the abuse, misuse or neglect of the Customer, or any of the hazards identified above, Customer shall bear the entire cost of such repair or replacement. ***The replacement cost of damaged equipment or equipment not returned to FBEMC in good and working condition upon termination of this agreement is hereby set at \$250 which will be added to the Customer's electric bill and must be paid within 30 days of service termination.***

TERMS AND TERMINATION

(a) Contract Terms. Customer is bound by this agreement as long as they are receiving FBEMC Fiber Internet service at their location. Customer may cancel service at any time in writing, by phone or in person with an FBEMC representative and will be charged for a partial month of service if cancellation takes place in the middle of a billing cycle. Customer must return Equipment provided by FBEMC in good and working condition within seven calendar days of said cancellation notice or Customer will be charged \$250 for equipment replacement.

(b) Termination by FBEMC. FBEMC reserves all its rights under federal and state laws in its discretion to suspend or terminate this Agreement and to disconnect the Customer Fiber Service, in whole or in part, at any time, upon 30 days of prior notice to Customer. FBEMC may also pursue any other legal remedies it deems appropriate.

(c) Termination by Customer. Customer may terminate Customer's FBEMC Fiber Service at any time by calling 828-649-2051. Cancellation will take effect as of the date on which FBEMC schedules and completes the disconnection of Customer's FBEMC Fiber Service. Notwithstanding the foregoing and anything else to the contrary contained in this Agreement, where FBEMC must build fiber or facilities (e.g., obtain space and/or deploy equipment) to provide service to customer, customer's Agreement for service in connection with the build shall not be subject to cancellation once submitted to and accepted by FBEMC. Customer's sole remedy against FBEMC in the event of dispute arising out of or related to this Agreement or Equipment supplied by FBEMC, or the FBEMC Fiber Service or Customer's use thereof, is to terminate this Agreement and pay the remaining charges due up to the date of termination.

(d) Return of Equipment. Within fifteen (15) calendar days after termination or expiration of this Agreement or disconnection of Customer's FBEMC Fiber Service, Customer shall be obligated to return any Equipment supplied and owned by FBEMC to FBEMC in good and working condition or ***Customer will be charged \$250 for equipment replacement.***

DISPUTES

If Customer has a complaint regarding any aspect of Customer's FBEMC Fiber Service, we encourage Customer to first contact our Customer Service Department at 828-649-2051. Billing complaints not made within sixty (60) calendar days of the billing in question may not be honored.

GOVERNING LAW; JURISDICTION

This Agreement shall be governed by the laws of the United States of America and the State of North Carolina. Customer hereby consents to the exclusive jurisdiction of and venue in the state courts located in the Madison County, North Carolina. No legal action or claim of any kind or nature arising out of this Agreement or out of any use of the FBEMC Fiber Services by Customer may be brought by a party more than one year after the date on which the cause of action first arises.

CUSTOMER'S OBLIGATIONS

Payment, Fees and Installation

(i) Installation Fee and Monthly Charges for FBEMC Fiber Service. The Customer is obligated to pay the installation fee (if applicable) and monthly charges for the FBEMC Internet Service as such charges may be determined from time to time by FBEMC in its discretion upon reasonable notice to Customer. Customer is required to pay and Customer agrees to pay all monthly charges one month in advance.

(ii) Cancellation of FBEMC Fiber Service. If Customer cancels the FBEMC Fiber Service for any reason, FBEMC will not be required to refund to Customer any portion of the installation fee paid by Customer upon service initiation if a fee was required above and beyond the \$2500.00 covered by FBEMC for installation. FBEMC will not be required to refund any portion of monthly fees paid by the Customer. FBEMC will also not be required to remove any wiring or equipment other than the Internet router from the customer premises.

(iii) Failure to pay. If Customer fails to pay the monthly charges after notification of delinquency within thirty (30) calendar days of the due date, FBEMC may impose a late fee and/or disconnect the FBEMC Fiber Service at its discretion. FBEMC may also charge a service fee for all returned checks and debit card or credit card chargebacks, and Customer agrees to pay FBEMC for such fees. ***FBEMC reserves the right to transfer any past due amount to Customer's FBEMC electric account. This past due amount will be applied to the 31-60 days delinquent status, thus making Customer's FBEMC electric account subject to disconnection upon nonpayment.***

(iv) Re-connect and re-installation fee. If Customer disconnects the FBEMC Fiber Service, request that the FBEMC Fiber Service be disconnected or if Customer's FBEMC Fiber Service is disconnected due to nonpayment or other breach of this Agreement, and if FBEMC agrees to reconnect the FBEMC Fiber Service, Customer may be charged fees for reconnecting and reinstalling the FBEMC Fiber Service and Customer agrees to pay FBEMC for such fees. Customer may not request temporary disconnection and reconnection more than one time in a 12 month period. Temporary disconnection may not be for a period of less than 30 days. In the event of a violation of this agreement by Customer, a non-refundable investigation fee, not to exceed \$250.00, shall also be charged to Customer's account and Customer agrees to and shall pay any such investigation fees.

(v) Charges for other services or goods. From time to time, Customer may decide to select additional services or purchase goods offered by FBEMC. Such services and goods are not covered by the monthly fee provided by this agreement and Customer will be charged separately for them and Customer agrees to pay for all such services and goods.

(vi) Current address and information. Customer is required and Customer agrees to keep FBEMC notified in a timely manner of any changes in the information Customer provides to FBEMC, including when Customer initially registers to use the FBEMC Fiber Service.

(vii) Installation of fiber equipment. By signing this form, you are granting FBEMC and its professional installer permission to install your new fiber optic Internet service at the service address indicated below. This signed installation permission agreement releases FBEMC (including any contracted installation technician) from any liability related to damages that may be claimed as a result of the installation of your new fiber optic service. This installation could include, but is not limited to, the following:

- Drilling an entry hole
- Tacking cable on the outside of the house or building
- Mounting a small fiber splice box on the side of the house or building
- Attaching service drop to the house or building
- Tacking cable inside the house or building
- Digging a trench from the house or building to the nearest pedestal or pole

SERVICE SPEED AND AVAILABILITY

The Broadband Service speeds identified in FBEMC's marketing materials and other communications with you reflect Service capability speeds in Service speed tiers. The Service tiers are usually denoted by a name, and by a number that identifies the high-end of that Service tier's speed range -- commonly referred to as "Up to" the noted speed. The high-end of the speed range in a Service tier represents the potential "wired" maximum speed

capability in that Service tier, but is not a statement or guarantee of the maximum speed you will receive. Some applications such as a short email without attachments or basic Web browsing do not require high speed service capability to function optimally, while other activities such as transferring large data files or streaming video can be performed faster with higher speed services.

Bandwidth is provided on a per-line (not a per-device) basis. The maximum speed you will receive will depend on a multitude of factors, including, among other things: the equipment in use and number of other users/devices on your local network; and the capacity or performance of your computer or device. Furthermore, the speed you receive at a point in time may vary and may be less than your maximum speed, depending on, among other things, the composition of the information or files you are accessing, other traffic on your network, other traffic on your device, traffic on the Internet, the server with which you are communicating, and the networks you and others are using when communicating. FBEMC therefore makes no promise or warranty, express or implied, that you will be able to download or upload data at any particular speed. If you are dissatisfied with the speed of Service you are receiving, you must contact FBEMC customer service at 828-649-2051 and provide FBEMC with the opportunity to investigate and attempt to address any issues with the Service.

FORCE MAJEURE

French Broad EMC shall not be held liable for any delay or failure in performance of any part of this Agreement from any cause beyond its reasonable control and/or without its fault or negligence, including, without limitation, acts of God, acts of civil or military authority, governmental laws, rules or regulations, labor disputes, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes of party or its affiliates, power blackouts, volcanic actions, other major environmental disturbances, unusually severe weather conditions, such as thunderstorms, snowstorms, ice storms, tornadoes, hurricanes, earthquakes, etc..

WARRANTIES AND LIMITATION OF LIABILITY

(a) Customer expressly understands and agrees that the FBEMC Fiber Service or Equipment provided by FBEMC is not guaranteed to be error free, uninterrupted, secure or always available. Customer expressly understands and agrees that the use of the FBEMC Fiber Service and any Equipment provided by FBEMC is at Customer's sole risk. Customer expressly understands and agrees that any and all FBEMC services and products are provided "as is, and as available, without warranties of any kind, either expressed or implied, including without limitation, warranties of title, non-infringement, merchantability, or fitness for a particular purpose, other than warranties which cannot legally be excluded." Customer expressly understands and agrees that in no event shall FBEMC be liable for any direct, indirect, incidental, special, consequential, punitive or exemplary damages (including lost profits or savings) arising out of or related to this agreement or the installation, use, maintenance, failure, removal or operation of the FBEMC Fiber Service or Equipment provided by FBEMC, whether based on contract, tort, strict liability or otherwise, even if FBEMC has been advised of the possibility of such damages.

(b) Subject to the foregoing, Customer expressly understands and agrees that FBEMC's maximum liability to Customer under this Agreement or arising out of or related to the FBEMC Fiber Service will be the lower of the aggregate amount Customer has actually paid to FBEMC, or Customer's actual damages, but in no event shall exceed \$500.00. Customer expressly acknowledges and agrees that FBEMC has set its pricing for the FBEMC Fiber Service and entered into this Agreement in reliance upon the limitations of liability set forth herein and that the same form an essential basis of the bargain between the parties.

INTERNET ACCEPTABLE USE POLICY AND APPLICABLE LAWS

The FBEMC Internet services provided to the Subscriber by FBEMC may only be used in accordance with all applicable laws, statutes, regulations and rules, and in accordance with the Acceptable Use Policy, a copy of which is attached hereto and incorporated herein by reference and such terms shall be binding on Customer. Transmission, promulgation, theft, procurement of, communication, alteration, publication or storage of any information, protected material/property, data or material in violation of any National Law of any sovereign nation, or of International Law, the United States Annotated Code, or of any state or local law, statute, regulation or rule is strictly prohibited. This includes, but is not limited to any material, data, matter, software or software code, or intellectual property protected by copyright, trademark, privacy or other proprietary, personal or property right, trade secret, or any other statute. It is unlawful and a violation of this Contract to communicate, transmit, or promulgate in any matter, means or medium, any threatening,

harassing, or obscene material, matter, communication of any sort or to otherwise use the FBEMC Internet services for any illegal or unlawful purpose.

The Customer is solely responsible for the knowledge of and adherence to any and all laws, statutes, rules and regulations pertaining (i) to the Customer's use of the FBEMC Internet services, (ii) to the use of any networks connected to the FBEMC Internet services, and (iii) to the communications means by which the Customer connects their computer, device or other equipment to the FBEMC Internet service. Customer is responsible for managing all the activity occurring through the use of the Internet service, including the activity of Customer's users and such user's content. The Customer shall abide by all applicable local, state, national and foreign laws, treaties and regulations, including those related to data privacy, international communications and the transmission of technical or personal data. The Customer shall notify FBEMC immediately in the event it becomes aware of or suspects any unlawful copying or distribution of illegal content through the Internet service and the Customer shall use reasonable efforts to halt such unlawful copying and/or distribution. You agree to comply with FBEMC's Acceptable Use Policy (AUP), which FBEMC may modify at any time. The current AUP is available for review at the following address, subject to change: <http://www.frenchbroademc.com/fiber/aup.cfm>. Violation of the AUP may result in customer's account being disconnected.

CONTACT INFORMATION

(a) Billing Information, Questions or Concerns. If Customer has questions or concerns or simply would like more information about the costs Customer might incur in using the FBEMC Fiber Service or with Customer's particular account, please contact us at 828-649-2051, by email at fiber@frenchbroademc.com or by visiting www.frenchbroademc.com.

(b) Customer Support and Service. For customer service and support, please contact 828-649-2051 or fiber@frenchbroademc.com. Customer Support hours are 8:00AM to 4:30PM Monday through Friday.

(c) Pricing Information. Current rates for FBEMC Fiber Service may be obtained by calling 828-649-2051, by emailing fiber@frenchbroademc.com or by visiting www.frenchbroademc.com.

AFTER HOURS SERVICE

FBEMC will make every effort to resolve issues via email or phone after standard business hours. However, individual outages will be handled on the next business day. If customer requires after hours or weekend dispatch of a technician for repair service then customer will be charged \$150.00/hour with a \$150.00 minimum charge.