

STARTV RESIDENTIAL CUSTOMER AGREEMENT

Effective as of 12-5-07 or until replaced.

THIS DOCUMENT DESCRIBES THE TERMS AND CONDITIONS UNDER WHICH STAR TELEPHONE WILL PROVIDE ITS STARTV SERVICE TO YOU. IF YOU DO NOT ACCEPT THESE TERMS AND CONDITIONS, PLEASE NOTIFY US IMMEDIATELY AND WE WILL CANCEL YOUR STARTV SERVICE. IF YOU ARE A NEW STARTV CUSTOMER, YOUR ACTIVATION OF STARTV SERVICE AND RECEIPT OF THE EQUIPMENT SHALL CONSTITUTE YOUR ACCEPTANCE OF THIS AGREEMENT AND ITS TERMS AND CONDITIONS WILL BE LEGALLY BINDING UPON YOU.

IF YOU ARE AN EXISTING STARTV CUSTOMER, YOUR CONTINUED RECEIPT OF NETWORK SERVICES FOLLOWING RECEIPT OF PUBLICATION BY STAR TELEPHONE ON ITS WEB SITE OF THE AGREEMENT SHALL CONSTITUTE YOUR ACCEPTANCE OF ITS TERMS AND CONDITIONS, AND, ACCORDINGLY, THEY WILL BE LEGALLY BINDING ON YOU.

Thank you for choosing Star Telephone for your entertainment service provider. Star Telephone is happy to answer any questions you may have and to provide you with technical and other customer support through the following toll-free number and email address:

1800-706-6538
Startv@stmc.net

or you may write to:

Star Telephone
Attn. Commercial Department
PO Box 348
Clinton, NC 28329

and for general knowledge, try our website at www.stmc.net

A. THE STARTV NETWORK SERVICE

- A. **Services Defined.** Star Telephone offers a wide variety of video and audio programming and other services and we are constantly striving to add new services to our lineup. For purposes of the Agreement the term "Services" shall mean the programming available on StarTV (whether subscription based or pay-per-view based) and any other services that we may provide to consumers either now or in the future. For purposes of the Agreement the terms "You" or "Your" refer to you, the StarTV subscriber.
- B. **Programming Changes.** Except as otherwise set forth in the Agreement, you may change your programming selection at any time by notifying us. A fee may apply to such changes (Service Call w/ Truck roll/Service Order charge).
- C. **Programming Availability.** Certain Services transmitted by us, including but not limited to some subscription Services, sporting events and broadcast network Services, may be blacked out in your area of reception. If you circumvent or attempt to circumvent any of these blackouts, you may be subject to legal action. You must be at least 18 years of age in order to receive adult-oriented programming services.
- D. **Ordering Pay-Per-View.** You may order StarTV pay-per-view Services by using your on-screen Program Guide and remote control unit to select the movies and other events we offer. To order StarTV pay-per-view Services, your ADSL modem and settop device (SD) must be connected to a telephone outlet.

- E. Private Viewing. Star Telephone provides Services to you for your private home viewing, use and enjoyment. You agree that the Services provided will not be viewed outside of your private residence. You are permitted to exhibit the Services solely in your private residence and not in any other areas. The Services may not be rebroadcast, transmitted, or recorded, nor may admission be charged for listening to or viewing any Services provided by us. If we later determine that you utilized your equipment or sold, leased or otherwise gave possession of the same to a third party whom you knew or reasonably should have known intended to use it to permit the viewing of the Services in a commercial establishment or any other area open to the public, we may terminate the Services and in addition to all other applicable fees, you agree to pay us the difference between the price actually paid for the Services and the full commercial rate for such Services. The payment of that amount and/or the termination of Service shall not prejudice our ability to exercise any other rights and remedies we may have under the Agreement, at law, in equity, or otherwise.
- F. Additional settop devices. To independently tune additional televisions within your home, a separate settop device is required for each television. Depending upon distance from equipment and cable pair quality, the number of additional settops may be limited and will be determined on a case-by-case basis. Each additional settop device would be authorized to receive the same Services as your initial settop device. If you desire to receive Services at two different locations, you must open a separate account for each location. You agree that you will not directly or indirectly use a single account for the purpose of authorizing Services for multiple settop devices that are not all located in the same residence and connected to the same local area network. If we later determine that you did, we may terminate the Services and in addition to all other applicable fees, you agree to pay us the difference between the price actually paid for the Services and the full commercial rate for such Services. The payment of that amount and/or the termination of Service shall not prejudice our ability to exercise any other rights and remedies we may have under the Agreement, at law, in equity, or otherwise.
- G. Changes in Services offered. Star Telephone reserves the right to change the Services that we offer, and our prices or fees related to such Services at any time. If the change affects you, we will provide you notice of the change and its effective date. The notice may be provided on your billing statement or by other communications permitted under Section 8B. In the event of a change in the contents of any programming, programming packages or other Services, you understand and agree that we have no obligation to replace or supplement the programming, programming packages or other Services previously offered that have been deleted, rearranged or otherwise changed. You further understand and agree you will not be entitled to any refund because of a change in the contents of any programming, programming packages, or other Services previously offered.

2. BILLING POLICIES AND PAYMENTS FOR SERVICES

- A. You agree to pay all amounts billed for Services and to pay all taxes, fees and other charges, if any, which are now or may in the future be assessed on the Services you receive from us. We will bill you each month, in advance, for Services ordered by you or anyone who uses your StarTV Equipment, whether with or without your permission, until you cancel the Services. The bills you receive will show the total amount due, the payment due date, payments, credits, purchases and other charges to your account.
- B. You agree to pay us in full monthly by the payment due date for the Services and for any other charges due us, including any fees set forth in the Section 2 to include basic telecommunications charges. Payment of your bill after the due date will result in you paying us a Late Payment Fee. Other fees and charges may also be assessed. If partial payments are made, they will be applied first to the oldest outstanding bill. If you send checks or money orders marked "payment in full", we can accept them without losing any of our rights to collect any other amounts owed by you, notwithstanding your characterization of the payment. Star Telephone does not extend credit to our customers, and the Late Payment Fee is not interest, a credit service charge or a finance charge. You understand and agree that in the case of late payment or nonpayment for any Services ordered by you or for any other charges stated below, we may report such late payment or nonpayment to credit reporting agencies. If you do not pay your bill thereafter, at our sole discretion, Star Telephone may require you to pay all past due charges, a Reconnect Fee, a deposit equal to a minimum of one month's advance charges and all outstanding balances accrued through the date of deactivation, before we reconnect your Services. Deposits will be held segregated from other funds and shall earn and accrue interest based upon current approved rates.
- C. If you at any time fail, neglect, or refuse to make timely payments hereunder, or if a petition in bankruptcy shall be filed on your behalf or against you, or if you take advantage of any insolvency law or become insolvent or make an

assignment for the benefit of creditors, or if a receiver, liquidator, or trustee is appointed for your property or affairs, we shall be wholly relieved from our obligations hereunder.

- D. If we use a collection agency or attorney to collect money you owe us or to assert any other right which we may have against you, you agree to pay the reasonable cost of collection or other action. The costs might include, but are not limited to, the costs of a collection agency, reasonable attorney’s fees and court cost. If there are billing errors or other requests for credit, you can contact our Customer Service Center by telephone or in writing. You must contact us within sixty (60) days of the time you receive the billing statement for which you are seeking corrections. Failure to timely notify us of a dispute shall constitute acceptance of the bill. Undisputed portions of the billing statement must be paid before the next billing statement is issued to avoid an administrative fee for late payment. All payments for Services must be made directly by you to us. Star Telephone shall have no obligation to provide Service for which payment is made by you to a third party.
- E. In addition to the amounts due for Services, you agree to pay the fees referenced below (“Fees”) when applicable. Star Telephone reserves the right to increase these Fees or add additional Fees in the future, at our sole discretion:

New Installation-Unwired Home (Two Outlets) Includes Service Call	\$180.00
Installation-Addtl Outlet (Service Call Required)	\$35.00
Other Installation (Hourly Rate)	\$65.00
After Hours Demand Callout (Hourly Rate)	\$80.00
Service Call	\$40.00
Change of Programming (No Truck Roll)	\$5.50
Caller ID Screen Pop Service	\$2.95
Monthly Settop Box Rental - Standard	\$4.95
Monthly Settop Box Rental - DVR	\$9.95
Late Fee	\$5.00
Reconnect Fee	\$25.00
Returned Check Fee	\$25.00
Universal Remote	\$21.50
*Keyboard	\$29.99
Purchase of Digital Settop	\$250.00
Purchase of Digital DVR Settop	\$400.00
Video DSL modem	\$150.00
*VOD Rental	\$4.99
*New Release	\$4.99
*New Release Holdovers	\$4.99
Adult Title	Variable
*Library Titles	\$3.99
PPV - Events	Variable
*Disney VOD	Unknown

* Not currently available

** Installation charges will be waived for up to two settops per household if customer agrees to sign a 12-month Star TV contract

3. CANCELLATION OF SERVICE

- A. Your Service will continue until cancelled as provided for herein. Your subscription will be automatically renewed unless you contact us to cancel as proved for in the next paragraph.
- B. You have the right to cancel your Service for any reason at any time by notifying us via telephone or in writing at the phone number or address set forth on page 1, above. Please be aware that certain promotional offers have a minimum subscription commitment (usually 12 months) and if you cancel your Service prior to the expiration of that commitment, certain early termination fees may apply.

- C. Star Telephone has the right to terminate your Services at any time without providing notice to you if: (i) you fail to pay your bill when it is due; (ii) we receive confirmation that you have received the Services, or any part of other Services without paying for them; or (iii) you otherwise violate the terms of this Agreement.
- D. If your Service is cancelled for any reason, you are still responsible for payment of all outstanding balances accrued, including any applicable Fees.
- E. You understand that charges for Services, once charged to your account, are nonrefundable. For monthly subscriptions, the cancellation will be effective at the end of the period covered by the last monthly bill. No refunds or credits will be provided in connection with the cancellation of monthly subscriptions.
- F. Customers must subscribe to basic local telecommunications services from Star Telephone to acquire additional services such as Star TV. If basic telecommunications services are, for whatever reason, suspended so will the Star TV service. To reinstate the Star TV service you must bring your local telecommunications service back into good standing with Star Telephone.

4. EQUIPMENT

- A. In order to receive the Services it will be necessary for you to purchase or lease certain reception equipment consisting of a Star Telephone DSL modem and settop device. Any tampering or other unauthorized modification to any of this equipment is strictly prohibited and may result in, and subject you to, legal action. You agree to return leased equipment to us upon request or termination of the lease.
- B. DSL modems and settop devices are nontransferable while under lease or under the lease-to-own agreements. If you report to the Customer Service Center that your equipment was damaged, defective or stolen we will replace it, as long as there is no evidence of unauthorized tampering or modification.
- C. Star Telephone reserves the right to alter software in your StarTV equipment, and provide content to DVR products, through periodic downloads. Star Telephone will use commercially reasonable efforts to schedule these downloads in a manner that result in the least amount of interference without interruption to your Service.
- D. For proper operation of your Equipment, Star Telephone requires that you connect each StarTV settop device on your account to a network connection that is connected back to the DSL router. For accounts containing multiple settop devices, each settop device must be connected to the DSL router.

5. LEASED EQUIPMENT

If you decide to lease your Equipment from Star Telephone, such Equipment shall at all times remain the sole and exclusive property of Star Telephone. Star Telephone reserves the right to replace with new or reconditioned equipment and to remove the equipment upon termination of Services. None of the equipment shall be deemed fixtures or part of your realty. Our ownership of the equipment may be displayed by notice contained on the equipment. You shall have no right to pledge, sell, mortgage, give away or remove, relocate, alter or tamper with the equipment at any time. Any reinstallation, return of or change in location of the equipment shall be performed by us at the service rates in effect at the time of service. You shall not attach any electrical or other devices to or otherwise alter the equipment without our prior written consent. Star Telephone shall have the right to make such filings as are necessary to evidence our ownership rights in the Equipment, and you agree to execute any and all documents as are necessary for us to make such filings. Upon termination of Services, you must notify our Customer Service Center to schedule the return of Star Telephone StarTV Equipment unless the Equipment has filled and/or exceeded the lease-to-own contact obligations if any are present. All maintenance and repair of the equipment shall be performed by us or our designees. Star Telephone may charge you for any repairs for leased equipment based upon current time and materials rates if abuse or neglect of the equipment is determined.

6. LIMITATION OF OUR LIABILITY

- A. WE WILL NOT BE LIABLE FOR ANY INTERRUPTIONS IN SERVICE OR LIABLE FOR ANY DELAY OR FAILURE TO PERFORM, IF SUCH DELAY OR NONPERFORMANCE ARISES IN CONNECTION WITH THE TERMINATION OF ALL OR A PORTION OF OTHER SERVICES, THE RELOCATION OF ALL OR A PORTION OF THE SERVICE TO DIFFERENT EQUIPMENT, A CHANGE IN THE FEATURES AVAILABLE WITH YOUR STARTV EQUIPMENT OR ANY ACTS OF GOD, FIRES, EARTHQUAKES, FLOODS, POWER OR TECHNICAL FAILURE, ACTS OF ANY GOVERNMENTAL BODY AND OR OTHER CAUSE BEYOND OUR CONTROL. WE WILL NOT BE LIABLE FOR ANY DAMAGE RESULTING FROM LOSS OF RECORDED MATERIAL OR THE PREVENTION OF RECORDING DUE TO ANY FAULT, FAILURE,

DEFICIENCY OF DEFECT IN SERVICES OR EQUIPMENT. WE MAKE NO WARRANTY, EITHER EXPRESSES OR IMPLIED, REGARDING THE STARTV EQUIPMENT OR ANY SERVICES FURNISHED TO YOU. ALL SUCH WARRANTIES ARE EXPRESSLY EXCLUDED. IN NO EVENT SHALL WE HAVE ANY LIABILITY FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL FURNISHING OR FAILURE TO FURNISH ANY SERVICES OR EQUIPMENT TO YOU, OR FROM ANY FAULT, FAILURE, DEFICIENCY OR DEFECT IN SERVICES OR EQUIPMENT FURNISHED TO YOU.

- B. It is your responsibility to impose any restriction on viewing by you, other members of your household, or guest, and we shall have no liability to anyone due to or based on the content of any of the Services furnished to you.

7. WARNING AGAINST PIRACY

It is a violation of several U.S. federal and state laws to receive any Services, or any portion of such Services, without paying for them. The penalties for violating such laws can range from imprisonment to civil damage awards of up to \$110,000 per violation.

8. MISCELLANEOUS

- A. Physical Address/Change of Address. When setting up your StarTV account, you agree to provide us with the physical street address where the Equipment will be located. A post office box does not constitute a physical address and is not sufficient to meet the requirement. You agree to give us a prompt notice of your change of name, mailing address, physical address where the Equipment is located or telephone number. You may do this by notifying our Customers Service Center by telephone or in writing.
- B. Notice. If we send you notice, it will be considered given when deposited in the US mail, addressed to you at your billing address or hand-delivered to you. Our notice to you will also be effective if provided on your billing statement or by telephone. If you give notice to us, it will be deemed given when received by us at the address listed on the first page of the Agreement.
- C. Applicable Law. The Agreement, including all matter relative to its validity, construction, performance and enforcement, shall be governed by applicable federal law, and the laws and regulations of the state and local area where Service is provided. These terms and conditions are subject to amendment, modification or termination if required by such regulations or laws. If any provision in the Agreement is declared to be illegal or in conflict with any law or regulation, that provision may be deleted or modified, without affecting the validity of the other provisions.
- D. This document contains the entire agreement between Star Telephone and you, the customer, and no salesperson, installer, customer service representative, authorized retailer, or other similarly situated individual is authorized to change the terms set forth herein. Star Telephone may, however, change the terms and conditions of this Agreement in the future and will use its best efforts to notify you if that occurs. The terms of this Agreement, which either are expressly stated to survive or by their nature would logically be expected to survive termination, shall continue thereafter until fully performed.
- E. You must be a member of Star Telephone Membership Cooperative to receive StarTV services. The definition of a member of the cooperative is stated in the bylaws of the corporation found in the front of the Star Telephone Membership Corp. annual telephone book.
- F. StarTV services are not available in all areas, some restrictions apply.
- G. No third party may benefit from the arrangement between you and Star Telephone for this service.
- H. Terms and conditions are subject to change at anytime, with or without notice.
- I. By you subscribing to this service, you understand that these terms and conditions in no way grant you any property rights to content and/or equipment.

You, being the customer, agree to the above listed terms and conditions set forth by Star Telephone and are acknowledging the acceptance of these terms by subscribing to the StarTV service: