



Terms and Conditions of Customer Sales Agreement

1. OVERVIEW. The terms and conditions stated herein shall apply with respect to the provision of any and all telecommunications and related services ("Services") by Velocity Communications ("Velocity") under the Retail Customer Sales Agreement ("Agreement"). Terms and conditions are subject to change. See our "Terms and Conditions" at www.velotech.net for the complete terms and conditions applicable to the Agreement.

2. TERM AND TERMINATION. The term of the Agreement shall commence upon the initial installation or activation of any Services and shall continue in full force and effect on a month to month basis unless earlier terminated in accordance with the terms and provisions of the Agreement. Customer may terminate the Agreement on thirty (30) days' written notice to Velocity. Velocity may terminate the Agreement at any time upon written notice to Customer. Customer shall pay to Velocity, immediately upon demand, all sums then due and unpaid at the time of termination.

3. RATES AND CHARGES. The rates and charges for the Services are set forth in the Agreement, together with any and all of Velocity's tariffs, as applicable and as amended from time to time. With respect to any Services provided by Velocity to Customer for which a rate is not specified in the Rate Schedule, Velocity's standard retail rates shall apply. Velocity shall provide Customer with a current rate schedule for its standard retail rates at time of service activation, and at the request of Customer. Customer shall make all payments when due as set forth in Section 5 below.

4. TAXES AND SURCHARGES. In addition to the rates and charges for the Services, Customer shall be responsible for payment of all local, state and federal taxes, fees and surcharges, however designated, imposed on or based upon the provision, sale, or use of the Services and any Equipment, excluding taxes based on Velocity's net income. Customer shall be responsible for the payment of all surcharges in effect from time to time, including but not limited to USF, California Public Purpose surcharges, PICC, and payphone surcharges, as required or permitted by applicable law, regulation or tariff and/or as specified on the Velocity website at www.velotech.net

5. BILLING AND PAYMENT. Billing for any Services shall commence immediately following delivery of the Services to Customer's service address(es). Customer will receive a bill on or about the 1st of each month for the prior month's usage-based Services (including pro-rata charges for new Services added during the prior month) and in advance for the current month's monthly charges. All bills are due and payable upon receipt. If Customer's bill is not paid by the date which is thirty (30) days after the invoice date listed on the bill (the "Due Date"), Customer shall pay Velocity, in addition to the amount of the bill, a monthly late charge of \$7.00. Customer must provide Velocity with written notice of any disputed charge(s) within thirty (30) days after the invoice date listed on the bill or shall be deemed to have waived its rights to dispute the charges. Customer shall pay the invoiced amount by the Due Date; provided that payment of an invoice shall not be deemed a waiver of Customer's rights to later dispute an invoice within the time period established in this Section. The dispute notice shall set forth in writing in reasonable detail the information concerning the disputed charges and reasons for the dispute. Velocity and Customer shall attempt in good faith to promptly resolve any objection to the invoiced amount. If the dispute is subsequently resolved in favor of Customer, Velocity shall issue a credit on Customer's subsequent invoice for the disputed amount. If Velocity initiates legal proceedings to collect any amount due hereunder and Velocity substantially prevails in such proceedings, then Customer shall pay the reasonable attorneys' fees and costs incurred by Velocity in prosecuting such proceedings and any appeals therefrom. In the event Customer fails to pay any invoice when due, or provide Velocity with a notice of dispute, Velocity shall notify Customer regarding its failure to pay such invoice. If after Velocity has provided such notice, Customer continues to fail to pay such invoice(s) within 5 days after such notice, Velocity may, in addition to any other rights and remedies available to Velocity, suspend service under this Agreement until all outstanding invoice(s) are paid in full. In addition, in such case Velocity may elect to terminate this Agreement, and shall be entitled to seek and exercise such rights and remedies that may otherwise be permitted hereunder or at law or in equity.

6. CUSTOMER RESPONSIBILITIES. In addition to all other Customer responsibilities as set forth in the Agreement, Customer shall be responsible for providing the following: (i) broadband Internet connectivity; (ii) all equipment, software, facilities and/or Internet Protocol ("IP") connectivity necessary to reach and interoperate with the Services and the Velocity network; and (iii) all other equipment, software and other facilities to be installed, including without limitation, routers, IP enabled phones and/or an analog terminal adapters.

7. UNAUTHORIZED USE OF SERVICES. Velocity shall have the right (but not the obligation) to take protective action against Customer in order to protect Velocity's network from any unauthorized use, which protective action may include, without limitation, the temporary blocking of Customer's traffic until the applicable problem is resolved (in Velocity's reasonable discretion). The Services do not support and Velocity will not accept 976/900 and such other call types in which charges are placed on Customer's bill or any charges for which Velocity might be required to collect charges from a third party. Use of predictive dialers for more than five percent (5%) of all calls made is prohibited without Velocity's written consent.

8. NO WARRANTY; LIMITATION OF LIABILITY. VELOCITY AND ITS SUPPLIERS MAKE NO WARRANTIES ABOUT THE SERVICES PROVIDED HEREUNDER, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. VELOCITY AND ITS SUPPLIERS DO NOT AUTHORIZE ANYONE TO MAKE A WARRANTY ON VELOCITY'S BEHALF AND THE CUSTOMER MAY NOT RELY ON ANY STATEMENT OF WARRANTY AS A WARRANTY OF VELOCITY AND ITS SUPPLIERS. THE WARRANTY SET FORTH IN THIS SECTION IS THE SOLE AND EXCLUSIVE WARRANTY PERTAINING TO ANY SERVICES OR EQUIPMENT SOLD BY VELOCITY HEREUNDER,



AND VELOCITY AND ITS SUPPLIERS MAKE NO OTHER WARRANTIES, REPRESENTATIONS OR GUARANTEES WITH RESPECT THERETO. THIRD PARTY PRODUCED ITEMS ARE PROVIDED AS IS AND WITHOUT WARRANTY. IN NO EVENT SHALL VELOCITY AND ITS SUPPLIERS (OR ITS AFFILIATES, EMPLOYEES, OFFICERS, DIRECTORS OR AGENTS) BE LIABLE TO THE CUSTOMER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, LOSS OF PROFITS, OR LOSS OF CUSTOMERS, CLIENTS OR GOODWILL ARISING IN ANY MANNER FROM THE AGREEMENT AND/OR THE PERFORMANCE OR NONPERFORMANCE HEREUNDER, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, AND REGARDLESS OF THE NATURE OF THE CLAIM OR FORM OF ACTION, WHETHER IN CONTRACT OR TORT INCLUDING NEGLIGENCE. VELOCITY'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDIES WITH RESPECT TO ANY SERVICES PROVIDED TO CUSTOMER (INCLUDING WITHOUT LIMITATION WITH RESPECT TO THE INSTALLATION, DELAY, PROVISION, TERMINATION, MAINTENANCE, REPAIR, INTERRUPTION, OR RESTORATION OF ANY SUCH SERVICES) OR BREACH OF THE AGREEMENT, WHETHER IN AN ACTION FOR OR ARISING OUT OF BREACH OF CONTRACT, TORT, INCLUDING NEGLIGENCE, INDEMNITY OR STRICT LIABILITY, SHALL BE LIMITED TO A MAXIMUM OF A TOTAL AMOUNT OF ALL FEES PAID BY CUSTOMER TO VELOCITY IN THE MOST RECENT THREE MONTH PERIOD HEREUNDER. THE PROVISIONS OF THIS SECTION 8 CONSTITUTE AN ALLOCATION OF RISK BETWEEN THE PARTIES AND THE PRICE CHARGED CUSTOMER IS BASED ON SUCH ALLOCATION OF RISK. THE TERMS OF THIS SECTION 8 SHALL SURVIVE THE FAILURE OF AN EXCLUSIVE OR LIMITED REMEDY OR THE TERMINATION OF THIS AGREEMENT FOR ANY REASON. THIS SECTION 8 SURVIVES TERMINATION OF THE AGREEMENT. TO THE EXTENT THAT SUCH TERMS CONFLICT, THE TERMS OF THIS SECTION 8 CONTROL THE TERMS AND CONDITIONS SET FORTH AT www.velotech.net WITH RESPECT TO THE MATTERS SET FORTH HEREIN.

9. CPNI. Under federal law, Customer has the right, and Velocity has a duty, to protect the confidentiality of information about the amount, type, and destination of Customer's service usage (CPNI). Customer hereby consents to the sharing of Customer's CPNI or other personal information with Velocity and its affiliates, agents and contractors, solely for the purpose of developing or bringing to Customer's attention any products and services, or in the event of any merger, sale of some or all of the company assets or acquisition as well as in any insolvency, bankruptcy or receivership proceeding in which CPNI or other personal information would be transferred as one of the business assets of the company. This consent survives the termination of Customer's Services and is valid until revoked by Customer. To remove this consent at any time, Customer must notify Velocity in writing at P.O. Box 246, Weaverville, CA 96093 Attn: Customer Service and provide the following information: (1) Customer name, (2) Service billing address, (3) telephone number including area code, and (4) service account number. Removing consent will not affect the Customer's current Service.

10. NOTICES. All notices and communications under the Agreement shall be in writing and shall be given by personal delivery, recognized national overnight courier service (i.e. Federal Express), by registered or certified mail, return receipt requested, or by facsimile transmission, addressed to the respective Party as set forth in the first page of the Agreement or to such other address as may be designated in writing by such Party. Notice shall be deemed given upon receipt.

11. MISCELLANEOUS. The Agreement, including this Summary of Standard Terms and Conditions, the Standard Terms and Conditions on www.velotech.net as they may be modified from time to time, and all other schedules applicable to the Services purchased by the Customer, represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all other agreements, written or oral, between the Parties relating to the Services. Any modification to this Agreement shall be in writing signed by authorized representatives of both Parties. In case of any conflict between the provisions of these Standard Terms and any schedule (including any Additional Terms), the provisions of these Standard Terms shall take precedence unless otherwise indicated in the signed attached schedule. This Agreement and any amendment of the terms hereof, may be signed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. No term or provision herein shall be waived, and no breach or default excused, unless such waiver or consent is in writing and signed by the Party to which it is attributed. No consent by a Party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to or waiver of any subsequent breach or default. If any provision of the Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render the Agreement unenforceable, but rather the Agreement shall be construed as if not containing the invalid or unenforceable provision and the Agreement shall remain enforceable to the fullest extent permitted by law. The Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of California, without regard to its conflict of laws principles. Each party consents to personal jurisdiction in the state and federal courts of the State of California.

ACKNOWLEDGED AND AGREED:

_____ Address: _____
 Name: _____
 Date: _____