

## FIBER OPTIC CABLE FACILITIES LEASE AGREEMENT

Capitalized terms not otherwise defined in this Fiber Optic Cable Facilities Lease Agreement (the "Agreement") shall have meanings given to them as follows:

Company	Yadkin Valley Telephone Membership Corporation
Company Address	1421 Courtney-Huntsville Road P.O. Box 368 Yadkinville, NC 27055
Customer	Yadkin County IT Department
Customer Address	217 E Willow Street
Number of Fiber Optic Strands Leased	2
First Location	Yadkin County Courthouse 101 S State Street
Second Location	Yadkin County Animal Shelter 1027 Speaks Street
Monthly Fee	\$140.00 (plus applicable tax)
Term	60 months
Connection Point(s)	First and Second Location
Outage Response Time	2 hours

### Terms and Conditions

#### 1. Fiber Optic Cable.

Company agrees to lease to Customer, and Customer agrees to lease from Company, the Number of Fiber Optic Strands (the "Fiber") listed above, in accordance with the terms and conditions of this Agreement. Customer acknowledges that the Fiber is the sole and exclusive property of Company and Customer has no right, title or interest in or to the Fiber.

#### 2. Price and Payment Terms.

- a. Customer shall pay the Company the Monthly Fee listed above, which shall be invoiced monthly and is payable within thirty (30) days after the date of the invoice. The Monthly Fee is based on the route distance in miles between the First Location and the Second Location as listed above. The Monthly Fee will commence on the date on which Company notifies Customer that the Fiber has been placed in service and is functioning satisfactorily. Company reserves the right to add interest at the rate of one and one-half percent (1.5%) per month for any invoices not paid in full when due. Customer will also pay any collection fees, court costs, reasonable attorneys' fees and other fees, costs, and charges incurred by Company in collecting payment of the charges and any other amounts for which Customer is liable under the terms and conditions of this Agreement.
- b. There shall be added to the Monthly Fee and Customer shall pay any and all taxes and assessments including but not limited to, sales and use taxes.
- c. Company and Customer agree that Customer's obligation to pay all the Monthly Fee and any and all other amounts payable by Customer to Company shall not be subject to any abatement, reduction, set-off, defense, counter-claim, interruption, deferment, or recoupment.

3. Installation.

- a. Company shall install the Fiber to connect the First Location to the Second Location listed above in accordance with directions which have been furnished by Customer. The point of connection of the Fiber to the locations shall be the Connection Point(s) as listed above.
- b. Where applicable, Customer agrees to provide Company with an easement across the real property under which the Fiber is to be installed or to assist Company in obtaining any such easement required. Customer shall be responsible for all fees and expenses associated with the acquisition of any easement. Company shall perform the installation in accordance with industry accepted installation standards. If such easement is required but cannot be obtained, this Agreement shall terminate and be of no further force and effect.
- c. Company and Customer will mutually agree on a demarcation location for new facility construction. If such demarcation location is not directly or easily accessible by Company, Customer will provide, at Customer's expense, all hardware, conduit, commercial power, cable, wiring, equipment and all other facilities necessary to enable Company to have unobstructed access to the demarcation location.
- d. Any delay by Customer in meeting the conditions imposed on it by this Agreement may cause comparable delays in Company's completion of the installation.

4. Maintenance. Company agrees to maintain the Fiber in good operating condition to industry standards. Upon notice from Customer that the Fiber is not operating properly, the Company will begin repairs to restore the Fiber to its proper working order within the Outage Response Time listed above.

5. Use. Customer agrees to utilize the Fiber only for its internal operations and not to use the Fiber to provide services that compete with Company or its parent, Yadkin Valley Telephone Membership Corporation, or any subsidiaries of its parent.

6. Term. This Agreement shall become effective when executed by Customer and accepted by Company and shall remain in effect for the period of the Term listed above. Termination of this Agreement prior to the completion of the Term by Customer will result in early termination penalties equal to the sum of the Monthly Fees due and payable over the remaining Term. Upon the expiration or earlier termination of this Agreement, Company shall have the right to remove the Fiber provided Company repairs any damage caused by such removal to commercially reasonable standards.

7. Warranty. Company represents and warrants that, at the time any services are rendered by Company under this Agreement, such services shall be performed in a workmanlike manner using reasonable care and skill by qualified personnel at a level of quality consistent with that provided by similar entities providing similar services on a commercial basis in the State of North Carolina. Without limitation, the warranty set forth in this Section shall not apply to the extent the services rendered by Company are affected by any of the following: (i) unauthorized actions of Customer personnel; (ii) unauthorized actions of third parties; (iii) failure of software and equipment connected to the Fiber; (iv) the force majeure conditions set forth in Section 10 of this Agreement; or (v) failure of Customer to perform any of the tasks, provide any of the resources, or meet any of the obligations required under this Agreement.

8. Disclaimer of Warranty. THE WARRANTY SET FORTH IN SECTION 7 IS A LIMITED WARRANTY AND IT IS THE ONLY WARRANTY MADE BY COMPANY. COMPANY EXPRESSLY DISCLAIMS, AND CUSTOMER HEREBY EXPRESSLY WAIVES, ALL OTHER WARRANTIES, CONDITIONS OR REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL OR WRITTEN) WITH RESPECT TO THE SERVICES PROVIDED UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER OR NOT COMPANY KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), AND WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING.

9. Limitation of Liability. COMPANY SHALL HAVE NO LIABILITY WITH RESPECT TO ITS

OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES INCLUDING, BUT NOT LIMITED TO, DAMAGE TO PROPERTY, LOSS OF USE, LOSS OF PROFITS, LOSS OF DATA OR LOSS OF GOODWILL, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN ANY EVENT, THE AGGREGATE LIABILITY OF COMPANY FOR ANY REASON AND UPON ANY CAUSE OF ACTION, DEMAND OR CLAIM UNDER THIS AGREEMENT, SHALL BE LIMITED TO FIFTY PERCENT (50%) OF THE ANNUAL FEES PAID TO COMPANY BY CUSTOMER FOR THE SERVICES. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION OR CLAIMS IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS, CLAIMS FOR FAILURE TO EXERCISE DUE CARE IN THE PERFORMANCE OF THE SERVICES HEREUNDER AND OTHER TORTS. BOTH PARTIES UNDERSTAND AND AGREE THAT THE REMEDIES, EXCLUSIONS AND LIMITATIONS HEREIN ALLOCATE THE RISKS OF PRODUCT AND SERVICE NONCONFORMITY BETWEEN THE PARTIES AS AUTHORIZED BY THE UNIFORM COMMERCIAL CODE AND/OR OTHER APPLICABLE LAWS. THE FEES HEREIN REFLECT, AND ARE SET IN RELIANCE UPON, THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES AND LIMITATIONS OF LIABILITY SET FORTH IN THIS AGREEMENT.

10. Uncontrollable Circumstances. Company will not be liable for any delay in or failure of performance under this Agreement resulting from Acts of God, civil or military authority, acts of public enemy, riots, wars, sabotage, accidents, fires, explosions, earthquakes, floods, strikes, labor trouble or shortage, inability to obtain materials, acts of government, or any cause beyond the reasonable control of Company.
11. Default. Customer shall be in default of this Agreement if: (1) Customer fails to make any payment when due under this Agreement and does not cure that failure within a period of five (5) days; (2) anyone other than the Company's personnel performs or attempts to perform any service on the Fiber; (3) the Fiber is coupled to any apparatus not approved by the Company; (4) the Customer breaches any other provision of the Agreement and does not cure that breach within a period of fifteen (15) days after the Company makes written demand; or (5) or if a bankruptcy or insolvency proceeding is filed by or against Customer or a receiver is appointed for Customer's property, or if Customer makes an assignment for the benefit of creditors, or if any legal process is issued against Customer or its property, whereby the Fiber is attempted to be taken. In event of a default and in addition to any other rights or remedies to which the Company may be entitled, the Company may (1) refuse to provide further services under the Agreement until Customer cures the default; or (2) terminate the Agreement without notice to Customer.
12. General.
  - a. This Agreement constitutes the entire agreement between Company and Customer with respect to the installation and maintenance of the Fiber and supersedes any prior agreement and negotiations between the parties. This Agreement shall be binding upon, and shall inure to the benefit of, Company, Customer and their respective successors, legal representatives and permitted assigns. The terms of this Agreement may not be waived, altered or modified except by written agreement of the parties. All agreements, representations, and warranties contained in this Agreement shall be for the benefit of Company and shall survive the execution and delivery of this Agreement and its expiration or other termination. In the event any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal, or unenforceable provision shall be replaced by a mutually acceptable valid, legal, and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal, or unenforceable provision.
  - b. This Agreement is assignable, and the performance of the duties set forth in the Agreement is delegable by Company. Customer may not assign its rights or delegate its duties under this Agreement without the written consent of Company.
  - c. This Agreement will be governed by the laws of the State of North Carolina

- d. Company and Customer each represent that they have the power and authority to enter into this Agreement
13. Notices. Any and all notices required or permitted to be made under this Agreement shall be in writing, signed by the party giving such notice, and shall be delivered or sent by hand delivery, recognized overnight courier or registered or certified mail, postage fully prepaid and addressed to the recipient at Company Address or Customer Address, as applicable, or to such other address as a party may by proper notice designate, and shall be deemed given in the case of hand delivery upon delivery to the recipient's address, in the case of overnight courier one (1) day after deposit with such courier and in the case of mailing two (2) days after deposit in the mail.

**[SEPARATE SIGNATURE PAGE ATTACHED]**

SEPARATE SIGNATURE PAGE  
TO  
FIBER OPTIC CABLE FACILITIES LEASE AGREEMENT

IN WITNESS WHEREOF, Company has executed this Agreement effective as of the date accepted by an authorized representative of Company.

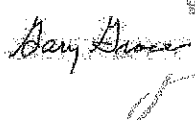
Yadkin County IT Department:

Business Name: YADKIN COUNTY  
By: *Lisa L. Hughes*  
Name (print): LISA L. HUGHES  
Title: COUNTY MANAGER Date: 3/22/16

YADKIN VALLEY TELECOM, INC.

By: *Mitzie S. Brana*  
Name (print): Mitzie S. Brana  
Title: General Manager Date: 3/23/16

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

 Digitally signed by Gary  
DN: cn=Gary, o=Finance,  
ou=Yadkin Co,  
email=ggroce@yadkincount  
ync.gov, c=US  
Date: 2016.03.16 11:18:25  
-04'00'

RFP Number (if applicable): \_\_\_\_\_


Name of Vendor or Bidder: Yadkin Valley Telephone  
Yadkin Valley Telecom, Inc.

**IRAN DIVESTMENT ACT CERTIFICATION  
REQUIRED BY N.C.G.S. 143C-6A-5(a)**

As of the date listed below, the vendor or bidder listed above is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 143-6A-4.

The undersigned hereby certifies that he or she is authorized by the vendor or bidder listed above to make the foregoing statement.

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	3/14/16
Signature	Date
<u>Mitze S. Branon</u>	<u>CEO</u>
Printed Name	Title

*Notes to persons signing this form:*

N.C.G.S. 143C-6A-5(a) requires this certification for bids or contracts with the State of North Carolina, a North Carolina local government, or any other political subdivision of the State of North Carolina. The certification is required at the following times:

- When a bid is submitted
- When a contract is entered into (if the certification was not already made when the vendor made its bid)
- When a contract is renewed or assigned

N.C.G.S. 143C-6A-5(b) requires that contractors with the State, a North Carolina local government, or any other political subdivision of the State of North Carolina must not utilize any subcontractor found on the State Treasurer's Final Divestment List.

The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address [www.nctreasurer.com/iran](http://www.nctreasurer.com/iran) and will be updated every 180 days.