

Pegasus Broadband
Service Commitment Agreement
And
Terms and Conditions of Service
(Revised as of August 29, 2006)

The parties to this Service Commitment Agreement and Terms and Conditions of Service (“Agreement”) are Pegasus Rural Broadband, LLC or Xanadoo, LLC, on behalf of itself and any of its affiliates that may provide products or services to you from time to time (“Pegasus Broadband”, “we” or “us”), and the subscriber identified in Pegasus Broadband’s records as the primary account holder (“Subscriber,” “you” or “your”).

You may access the version of this agreement that applies to you on the Internet at www.pegasusbroadband.com. You may contact our customer care department, by calling our toll free number: 866-425-4401. Our address for correspondence is Pegasus Broadband c/o OKS-Ameridial, Inc. 4355 Strausser Street, N.W., N. Canton, OH 44720.

Subscriber authorizes Pegasus Broadband to make inquiries into Subscriber’s creditworthiness, including receipt and review of credit bureau information.

1. Agreement with Terms and Conditions

Your receipt of services, including, but not limited to data, voice, video and other types of services, from Pegasus Broadband (the “Service”) constitutes your acceptance of and agreement to all the terms and conditions of receipt of the Service in effect from time to time, as contained in this Agreement or any other document issued by Pegasus Broadband. Pegasus Broadband reserves the right to make changes to the Service and its Service plans, to add new terms and conditions or change existing terms and conditions of receipt of the Service, including the Applicable Fees and Charges. If any changes are made, we will send you a written, or other, advance notice describing the change and its effective date. If a change is not acceptable to you, you may cancel your receipt of the Service (subject to any applicable fees, including the early termination fee for subscribers who have committed to receive the Service for a specified term). If you do not cancel your receipt of the Service, your continued receipt of the Service will be considered to be your acceptance of that change. The individual terms and conditions of receipt of the Service shall survive your termination of receipt of the Service.

2. Payment for Service

You agree to pay to Pegasus Broadband (a) the prevailing monthly service fees (the “Monthly Service Fee”) for the Service (the “Service Plan”) that you elect to receive from Pegasus Broadband, through all periods until you cancel the Service, (b) any equipment non-return or early termination fee that may be charged as a result of your failure to return equipment or your early cancellation of the Service, (c) any Applicable Fees and Charges as provided for in this Agreement or by applicable law, and (d) all taxes or other governmental fees, including, but not limited to, all federal, state, local and user taxes, franchise fees and other charges, if any, which are now or may in the future be assessed because you receive our Service or lease our equipment.

3. Billing and Payment

The Monthly Service Fee, and any other applicable monthly charges are to be paid on a monthly basis in advance, or at the time billed by Pegasus Broadband. **After expiration of the satisfaction guarantee**

period outlined in Section 4 below, no portion of the Monthly Service Fee, or other applicable fees and charges will be refundable, even if your Service is discontinued prior to the end of a billing cycle. Pegasus Broadband will provide you with a statement for each billing cycle (usually once every thirty (30) days) and will also make available to you an online monthly statement for each billing cycle showing (i) charges, payments and other credits and (ii) the amount you owe to Pegasus Broadband and the date payment is due. To access your online statement, you must sign into your account at www.pegasusbroadband.com. Your billing cycle will start on the date your Service is activated. Payment of the outstanding balance is due in full by the due date. If Pegasus Broadband does not receive your payment within ten (10) days following the due date on your monthly statement, Pegasus Broadband has the right to terminate your Service. Pegasus Broadband may, but is not required to, accept partial payments from you. If partial payments are accepted, they will be applied to your account starting with the oldest outstanding charges. Payment of the Monthly Service Fee, other applicable monthly charges and any other Applicable Fees or Charges must be made either by credit card or debit card. You will be asked to elect one of these methods of payment, and provide Pegasus Broadband the information required to collect its charges using your chosen method at the time that your Service is first activated.

You hereby authorize Pegasus Broadband to charge the Monthly Service Fee, and all other applicable fees and charges to the credit or debit card you designate for your Service account. The Monthly Service Fee, and other applicable monthly charges will be automatically charged to your credit or debit card beginning on the date your Service is activated and every month thereafter. During the term of this Agreement, you agree that if your credit/debit card expires or is cancelled, or if you exceed the available credit limit, you will provide Pegasus Broadband with information for a substitute credit/debit card and you will authorize Pegasus Broadband to charge all applicable amounts to such card or bank account. Subscriber will be responsible for any costs or fees charged to Pegasus Broadband caused by the rejection or cancellation of Subscriber's credit/debit card.

4. Satisfaction Guarantee

You may terminate your Service within fourteen (14) days following the date your Service is first activated if you are dissatisfied for any reason. If you wish to terminate your Service you may do so using the Notice of Cancellation form available at the Pegasus Broadband Customer Website at www.pegasusbroadband.com (you must sign into your online account to access the form). **Your notice must be received by Pegasus Broadband no later than midnight of the fourteenth (14th) day following the date your Service was activated.** Upon receipt of your notice, Pegasus Broadband will contact you to arrange for the return of the Leased Equipment (as hereinafter defined in Section 6) (and any additional accessories or products you have purchased from Pegasus Broadband) at no charge to you. Within a reasonable period after Pegasus Broadband's receipt of your Notice of Cancellation, you will receive a refund of any payments made by you to Pegasus Broadband. You will still be responsible for returning the Leased Equipment (and any additional accessories or products purchased) to Pegasus Broadband in the manner specified by Pegasus Broadband. If you fail to return the Leased Equipment, you will be charged the Equipment Non-Return Fee and/or if you fail to return any additional accessories and products purchased, you will be charged all amounts owed for such items. Such fee and/or amounts will be charged to your credit/debit card (depending on the payment method you choose or form of security you provide). This satisfaction guarantee period is available to new customers only. **PEGASUS BROADBAND SHALL NOT BE RESPONSIBLE, AT ANY TIME, FOR REMOVING ANY ALTERATIONS MADE TO YOUR PREMISES TO ENABLE YOU TO RECEIVE THE SERVICE.**

5. Fees and Charges

You understand and agree that Pegasus Broadband does not extend credit to subscribers and that any charges or fees assessed for late payments, returned payments, termination of service, failure to return equipment or other like fees are not interest charges. In addition to the amounts due for Service, you

agree to pay the following charges, if applicable, in the amounts stated in the “Applicable Fees and Charges” section of this Agreement:

Activation Fee: At the time that we establish your account and first activate service to it, we may charge you an activation fee in the amount specified in Applicable Fees and Charges.

Early Termination Fee: If your Service is terminated for any reason following the fourteen-day satisfaction guarantee period but within the first twelve (12) months following the initial activation date of your Service you will be charged an Early Termination Fee in the amount stated in the Applicable Fees and Charges Section of this Agreement.

Equipment Non-Return Fee: Upon termination of your receipt of our Service, you must return the Leased Equipment to Pegasus Broadband as provided in Section 13 below. If you fail to return the Leased Equipment to Pegasus Broadband, you will be charged the Equipment Non-Return Fee in the amount stated in the Applicable Fees and Charges section of this Agreement for each complete unit of Leased Equipment that you fail to return in substantially the same condition as it was received by you, excepting normal wear and tear.

Equipment Removal Fee: Upon termination of your receipt of our Service, you must return the Leased Equipment to Pegasus Broadband. If you have a permanently mounted outdoor antenna and require assistance removing the Leased Equipment from your premises (**if you have a permanently mounted rooftop antenna we strongly recommend that you use this service**), Pegasus Broadband will dispatch an authorized Pegasus Broadband technician to remove the Leased Equipment from your premises. You will be required to pay an Equipment Removal Fee in the amount specified in Applicable Fees and Charges (except where Service is terminated pursuant to Section 4 of this Agreement, in which case there will be no charge). Pegasus Broadband shall not be responsible, at any time, for removing or restoring to the prior condition any alterations made to your premises to enable you to receive our Services.

Late Fee: If your payment is received by Pegasus Broadband after the applicable due date, we reserve the right to charge you a Late Fee in the amount specified in the Applicable Fees and Charges Section of this Agreement, to the extent allowed by applicable law. Late Fees will be assessed monthly as allowed by applicable law until the total outstanding account balance, including accrued Late Fees and all other charges, are paid.

On-Site Service Fee: If you request and Pegasus Broadband makes an on-site service call to your location to remedy a problem with your Service that is not the responsibility of Pegasus Broadband under the terms of this Agreement, you will be charged an On-Site Service Fee in the amount stated in the Applicable Fees and Charges Section of this Agreement. The On-Site Service Fee does not include parts, materials or the cost of equipment necessary to remedy any problems with your Service that are not the responsibility of Pegasus Broadband.

Reactivation Fee: If your Service is deactivated (except pursuant to an approved service suspension, and you wish to reactive your Service, we may charge you a Reactivation Fee in the amount specified in the Applicable Fees and Charges Section of this Agreement. Before your account will be reactivated you must also pay in full any outstanding balance, fees and other charges.

Returned Payment Fee: If the bank or other financial institution on which your payment is drawn refuses to pay us for any reason, and the credit or debit card payment (or other form of payment) is reversed, rejected, refused or otherwise not made, you agree to pay a Returned Payment Fee in the

amount specified in the Applicable Fees and Charges Section of this Agreement (to the extent allowed by applicable law).

Service Suspension Fee: You may not temporarily suspend your Service at any time during the first twelve (12) months following activation of your Service. Thereafter, if you wish to temporarily suspend your Service, you may request a temporary suspension by contacting Pegasus Broadband at 800-425-4401. In lieu of your Monthly Service Fee you will be charged a Service Suspension Fee for the duration of your temporary service suspension period. All other applicable fees and charges will apply during your temporary suspension period. At the end of your temporary suspension period, your Monthly Service Fee will automatically resume, and you will not be charged the Reactivation Fee. Your requested temporary service suspension period is subject to Pegasus Broadband's approval and Pegasus Broadband reserves the right to limit the duration and/or frequency of such periods of suspension.

6. Leased Equipment

In order to receive the Service, you must have computer hardware with an operating system conforming to the specifications established by Pegasus Broadband. Pegasus Broadband will lease to you the modem, and where necessary antenna ("Leased Equipment"), that are required for you to receive the Service. Your right to use the Leased Equipment shall continue so long as you receive the Service from Pegasus Broadband and shall be subject to your obligation to pay the fees described herein and your compliance with the other terms of this Agreement and any other document issued by Pegasus Broadband. **If your Service is terminated, you must return the Leased Equipment to Pegasus Broadband in the manner described in Section 13 below.**

7. Standard Installation

In cases where your receipt of the Service requires a permanently mounted "rooftop" antenna Pegasus Broadband will arrange with a Pegasus Broadband authorized installation professional to provide you a professional Standard Installation.

Standard Installation of the Leased Equipment consists of the following:

- (1) Mounting the antenna (in the manner deemed most appropriate by Pegasus Broadband)
 - a. Tripod mount with pole up to 10'
 - b. Satellite dish arm mount
 - c. Chimney mount with pole up to 10'
 - d. Internal window mount
- (2) Connecting the antenna to the modem
- (3) Providing one (1) RJ45 cable
- (4) Configuring one (1) personal computer to receive the Service

Pegasus Broadband will charge its normal and customary fee for providing you Standard Installation. Please inquire to determine the amount of this fee.

You are responsible for paying the prevailing rates for any additional services, materials and products provided to you beyond the Standard Installation of Leased Equipment. No amounts paid for additional services, materials and products will be refundable to you at any time after expiration of the satisfaction guarantee period outlined in Section 4 above.

YOU ACKNOWLEDGE THAT YOU ARE SOLELY RESPONSIBLE FOR THE MAINTENANCE AND REPAIR OF ANY ADDITIONAL MATERIALS AND PRODUCTS PURCHASED BY YOU.

PEGASUS BROADBAND MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING SUCH ADDITIONAL MATERIALS AND PRODUCTS AND SHALL HAVE NO LIABILITY THEREFOR.

8. Ownership

Pegasus Broadband owns the Leased Equipment and will retain title to it at all times. You do not own the Leased Equipment and will not acquire any ownership rights to it under this Agreement or otherwise. If your Service is terminated, you must return the Leased Equipment to Pegasus Broadband in the manner described in Section 13 below.

9. Leased Equipment Repair

You agree to take reasonable care of the Leased Equipment. Pegasus Broadband (or a third-party vendor designated by Pegasus Broadband) will repair or replace any inoperable portion of the Leased Equipment that has been used properly in accordance with its intended purposes and instructions. Repairs will be provided during normal business hours. To obtain service, contact Pegasus Broadband at 866-425-4401. Pegasus Broadband will not be responsible for: (i) damage, warping or rusting of any kind to the housing, case or frame of any portion of the Leased Equipment, or to any non-operating part, including any or all plastic, wood or decorative parts; (ii) loss or damage resulting from external causes including, but not limited to, unauthorized repairs, power surge, a collision with any object, from fire, flooding, sand, dirt, windstorm, hail, earthquake, lightening strike, or other Acts of God; (iii) damage from exposure to weather conditions or theft, vandalism, misuse or abuse; (iv) damage resulting from failure of, or improper use of, any electrical source, or connection to other products not recommended for interconnection by the manufacturer of the Leased Equipment; (v) adjustments to the antenna caused for any reason; (vi) consequential damages as a result of the malfunctioning or damage of an operating part, or as a result of any repairs or replacement under this Agreement; (vii) consequential damages or delay in rendering service under this Agreement or loss of use during the period that any portion of the Leased Equipment is at a repair center or otherwise awaiting parts and (viii) loss of or damage to any additional materials and products purchased by you. **In addition, you are solely responsible for the maintenance and repair of any equipment beyond the demarcation point, which is the Ethernet jack on the modem that Pegasus Broadband leases to you.**

If Pegasus Broadband makes an onsite service call to your location, and the reported problem is not within Pegasus Broadband's responsibility, as determined by Pegasus Broadband in its sole discretion, you will be charged the On-site Service Fee described in Section 5 above.

10. Location and Transfer of Equipment

You may not transfer or permanently relocate the Leased Equipment without first notifying Pegasus Broadband and obtaining its written approval. You may not encumber, sell, pawn or otherwise dispose of the Leased Equipment at any time. If you do so, Pegasus Broadband may terminate this Agreement and require you to pay the Early Termination Fee (if applicable) and Equipment Non-Return Fee. **If your Leased Equipment is stolen or removed from your control without your authorization, you must notify Pegasus Broadband immediately at 866-425-4401.**

11. Change of Personal Information / Proof of Status

You agree to give Pegasus Broadband prompt notice of your change of name, mailing address, residency/business address or telephone number. You agree to notify Pegasus Broadband if your credit/debit card expires or is cancelled, or if you exceed the available credit limit or the bank account associated with your debit card does not contain sufficient funds. You may do this by notifying Pegasus Broadband by telephone at 866-425-4401 or by accessing your online account information at www.pegasusbroadband.com. Notice of name change will be accepted only in writing and when accompanied by supporting documentation. To receive instructions for changing the name on your account, contact Pegasus Broadband at 866-425-4401.

Your eligibility for the Service Plan selected and Monthly Service Fee associated therewith is partially dependent upon whether the Service is to be used by a residence, commercial entity, or government/non-profit entity. In the event a Service account is registered under one classification, but is actually being used for a different purpose, Pegasus Broadband may, in its sole discretion, charge the Subscriber the Monthly Service Fee associated with the Service Plan for which the Subscriber is actually eligible and may collect any difference owed for past Service. Government/non-profit entities must provide acceptable written proof of status to Pegasus Broadband within thirty (30) days following the date of activation of Service. Failure to do so may result in such entities being charged the regular Monthly Service Fee associated with the Service Plan selected.

12. Termination

If you wish to terminate your Service within the fourteen-day satisfaction guarantee period, please refer to Section 4 above. If you wish to terminate your Service after expiration of the satisfaction guarantee period, you may do so by contacting Pegasus Broadband at 866-425-4401. Your notice becomes effective when received by Pegasus Broadband. Pegasus Broadband may terminate your Service at any time without cause, or for cause upon the occurrence of any of the following: (1) you fail to make any payment owed to Pegasus Broadband within ten (10) days of its due date; (2) you transfer or permanently relocate the Leased Equipment without obtaining prior written approval from Pegasus Broadband; (3) you assign or attempt to assign any of your rights, duties, or obligations under this Agreement; (4) any act of bankruptcy on your part or the commencement of bankruptcy proceedings against you; (5) you breach the terms of this Agreement; or (6) for other good cause. **If (i) you terminate your Service following the fourteen (14) day satisfaction guarantee period but within the first twelve (12) months following the activation date of your Service or (ii) your Service is terminated by Pegasus Broadband at any time for cause (as described above), Pegasus Broadband will automatically charge you the Early Termination Fee described in Section 5 above.** Pegasus Broadband may collect the Early Termination Fee by charging your credit or debit card or deducting such amount from your bank account (depending on the payment method you chose or form of security you provided). Pegasus Broadband may charge the Early Termination Fee to such card or account in one or more installments, at its election. You agree to pay all fees and charges incurred by you prior to and in connection with the termination of your Service, including the Early Termination Fee, Equipment Removal Fee, and Equipment Non-Return Fee (See Section 13 "Leased Equipment Return" below).

13. Leased Equipment Return

If your Service is terminated at any time, by your election or otherwise, you must return to Pegasus Broadband each piece of Leased Equipment in substantially the same condition as those items were received by you, excepting normal wear and tear. For instructions on how to return the Leased Equipment or to schedule the professional removal of the Leased Equipment by a Pegasus Broadband authorized professional installer, you may contact Pegasus Broadband at 866-425-4401. You will be required to pay the Equipment Removal Fee set forth in Section 5 above in order to obtain professional removal of your

Leased Equipment (except where Service is terminated pursuant to Section 4 above). You are responsible for returning each piece of Leased Equipment to Pegasus Broadband within twenty (20) days following the earlier of either the termination of your Service for any reason or Pegasus Broadband's demand. If the Leased Equipment is not returned within twenty (20) days of termination of your Service or Pegasus Broadband's demand, you will be charged an Equipment Non-Return Fee as described in Section 5 above for each complete unit of Leased Equipment that you fail to return in substantially the same condition as it was received by you, excepting normal wear and tear. Such fee will be charged to your credit/debit card or deducted from your bank account, depending on the payment option you chose or form of security you provided. **PEGASUS BROADBAND SHALL NOT BE RESPONSIBLE, AT ANY TIME, FOR REMOVING ANY ALTERATIONS MADE TO YOUR PREMISES TO ENABLE YOU TO RECEIVE THE SERVICE.**

14. Fees and Taxes

All fees and charges identified herein or on other fee schedules of Pegasus Broadband are exclusive of taxes. Subscriber will be responsible for payment of all sales, use or other taxes imposed on payments made by Subscriber to Pegasus Broadband hereunder, other than taxes on the net income of Pegasus Broadband.

15. Resale and Use of Service

The Service is not for resale. Pegasus Broadband may terminate your Service in the event you resell or attempt to resell the Service. You are not authorized to use any Pegasus Broadband name or mark as a hypertext link to any Pegasus Broadband Website or in any advertising, publicity or in any other commercial manner without the prior written consent of Pegasus Broadband, which may be withheld in Pegasus Broadband's sole discretion.

To be a Subscriber, you must be at least eighteen (18) years of age, be legally able to enter into contracts, and your name and other billing information must be accurately reflected on Pegasus Broadband's records as the person responsible for your account. Subscriber agrees to supervise and be fully responsible for all use by others of the Subscriber's account in accordance with the terms and conditions of this Agreement or any other agreement provided to Subscriber following activation.

You are responsible for safeguarding your username and password at all times.

16. Customer Technical Support

A. If you need assistance using the Service, you can contact Pegasus Broadband Customer Support at 866-425-4401 between the hours of 8:00 a.m. and 8:00 p.m., Central Time, seven (7) days a week. Pegasus Broadband reserves the right to change the availability of customer support service at any time.

B. Pegasus Broadband Customer Support will use its best efforts to address subscribers' technical problems and questions regarding the Service. Pegasus Broadband does not guarantee that every request for technical support will be resolved to your satisfaction. **No advice or information given by Pegasus Broadband or its representatives shall create a warranty, and your use of Pegasus Broadband Customer Support is at your own risk and is not warranted.** Technical problems that may arise may be a result of software or hardware errors or problems that may not be correctable by Pegasus Broadband Customer Support staff. The disclaimer of warranties and liability limitations set forth in Section 17 below also apply to the technical support services provided by Pegasus Broadband.

C. In the event Pegasus Broadband's delivery of technical support services is delayed, prevented, or otherwise made impracticable by reason of any Acts of God, fires, floods, earthquakes, or other natural catastrophes; national emergencies, strikes, lockouts or other labor difficulties; computer "hacking" attack or computer virus; failures of or defects in telecommunications services; or any law, order, regulation or other action of any governing authority; or any other cause beyond Pegasus Broadband's control, then Pegasus Broadband shall be excused from such delivery to the extent that it is delayed or prevented by such cause.

17. Disclaimer of Warranties, Liability and Responsibility

A. SUBSCRIBER EXPRESSLY AGREES THAT USE OF THE SERVICE IS AT SUBSCRIBER'S SOLE RISK AND IS SUBJECT TO ALL APPLICABLE LOCAL, STATE, NATIONAL AND INTERNATIONAL LAWS AND REGULATIONS. **PEGASUS BROADBAND DOES NOT GUARANTEE THAT THE SERVICE WILL OPERATE AT A SPECIFIC SPEED. PEGASUS BROADBAND RESERVES THE RIGHT TO LIMIT WIRELESS BANDWIDTH UTILIZATION AND THE SIZE OF INCOMING AND OUTGOING E-MAILS IN ACCORDANCE WITH PRINCIPLES OF FAIR USE AND ACCESS.** NEITHER PEGASUS BROADBAND NOR ANY OF ITS INFORMATION OR CONTENT PROVIDERS, SERVICE PROVIDERS, DEALERS, DISTRIBUTORS, LICENSORS, EMPLOYEES OR AGENTS WARRANT THAT THE SERVICE WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES PEGASUS BROADBAND OR ANY OF ITS INFORMATION OR CONTENT PROVIDERS, SERVICE PROVIDERS, DEALERS, DISTRIBUTORS, LICENSORS, EMPLOYEES OR AGENTS MAKE ANY WARRANTY AS TO THE RESULTS TO BE OBTAINED FROM USE OF THE SERVICE. THE SERVICE IS DISTRIBUTED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, OR OTHERWISE, EXCEPT FOR THOSE WARRANTIES, IF ANY, WHICH ARE IMPLIED BY, AND INCAPABLE OF EXCLUSION, RESTRICTION OR MODIFICATION UNDER THE LAWS APPLICABLE TO THIS AGREEMENT.

IN PARTICULAR, BECAUSE PEGASUS BROADBAND MAY PROVIDE ITS SUBSCRIBERS WITH ELECTRONIC ACCESS TO THE CONTENT AVAILABLE THROUGH THE SERVICE, WHICH CONTENT MAY BE ORIGINATED BY INDEPENDENT PUBLISHERS AND/OR PROVIDERS AND WHICH CONTENT IS NOT AUGMENTED BY PEGASUS BROADBAND, PEGASUS BROADBAND CANNOT AND DOES NOT WARRANT THE ACCURACY OF ANY OF THE INFORMATION AS ORIGINATED BY SAID INDEPENDENT PUBLISHERS AND/OR PROVIDERS, AND PEGASUS BROADBAND WILL NOT BE LIABLE IN ANY MANNER WHATSOEVER FOR ANY ERRORS, OMISSIONS, OR INACCURACIES RELATING THERETO. IF DEFECTIVE, YOU – NOT PEGASUS BROADBAND, ITS DEALERS, DISTRIBUTORS, AGENTS, EMPLOYEES OR ANY THIRD-PARTY CONTENT PROVIDER – ASSUME THE CONSEQUENCES RESULTING THEREFROM.

NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY PEGASUS BROADBAND, ITS DEALERS, DISTRIBUTORS, AGENTS, EMPLOYEES OR ANY THIRD-PARTY CONTENT PROVIDER, WILL CREATE ANY WARRANTY IN OR TO THE SERVICE OR THE CONTENT, AND YOU MAY NOT RELY ON ANY SUCH INFORMATION OR ADVICE. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS. YOU MAY HAVE OTHER RIGHTS, WHICH VARY FROM STATE TO STATE.

B. SUBSCRIBER AGREES THAT PEGASUS BROADBAND CANNOT AND DOES NOT GUARANTEE OR WARRANT THAT THE DATA AVAILABLE FOR DOWNLOADING THROUGH THE SERVICE WILL BE FREE OF DEFECTS, INFECTION OR VIRUSES, WORMS, TROJAN HORSES OR OTHER CODE THAT MANIFEST CONTAMINATING, MALICIOUS OR DESTRUCTIVE PROPERTIES. YOU ARE RESPONSIBLE FOR DEVELOPMENT AND MAINTENANCE OF ANY SECURITY PROCEDURES YOU DEEM APPROPRIATE, SUCH AS LOGON SECURITY AND ENCRYPTION OF DATA, USER ID, ALIASES AND PASSWORDS ON YOUR MODEM AND/OR ROUTER AND FIREWIRALLS TO PROTECT YOUR INFORMATION. YOU ACKNOWLEDGE THAT THE INTERNET IS NOT A SECURE NETWORK AND THAT THIRD PARTIES MAY BE ABLE TO INTERCEPT, ACCESS, USE OR CORRUPT THE INFORMATION YOU TRANSMIT OR RECEIVE OVER THE INTERNET. PEGASUS BROADBAND IS NOT RESPONSIBLE FOR INVALID DESTINATIONS, TRANMISSION ERRORS OR CORRUPTION OR SECURITY OF YOUR DATA.

C. YOU ARE RESPONSIBLE FOR MANAGEMENT OF YOUR INFORMATION INCLUDING, BUT NOT LIMITED TO, BACK-UP AND RESTORATION OF DATA, ERASING DATA FROM DISK SPACE YOU CONTROL AND CHANGING DATA ON OR SETTINGS FOR YOUR MODEM AND/OR ROUTER. PEGASUS BROADBAND IS NOT RESPONSIBLE FOR THE LOSS OF YOUR DATA OR FOR THE BACK-UP OR RESTORATION OF YOUR DATA REGARDLESS OF WHETHER THIS DATA IS MAINTAINED ON PEGASUS BROADBAND'S SERVERS OR YOUR COMPUTER OR SERVER.

D. NEITHER PEGASUS BROADBAND NOR ANY OF ITS INFORMATION OR CONTENT PROVIDERS, SERVICE PROVIDERS, DEALERS, DISTRIBUTORS, LICENSORS, EMPLOYEES OR AGENTS WILL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF THE SERVICE OR INABILITY TO USE THE SERVICE OR OUT OF ANY BREACH OF ANY REPRESENTATION OR WARRANTY. WITHOUT IN ANY WAY LIMITING THE FOREGOING, IF FOR ANY REASON, BY OPERATION OF LAW OR OTHERWISE, ANY PORTION OF THE FOREGOING LIMITATION OF LIABILITY WILL BE VOIDED, THEN IN SUCH EVENT THE MAXIMUM, SOLE, AND EXCLUSIVE LIABILITY OF PEGASUS BROADBAND, ITS INFORMATION OR CONTENT PROVIDERS, SERVICE PROVIDERS, DEALERS, DISTRIBUTORS, LICENSORS, EMPLOYEES OR AGENTS WILL BE LIMITED TO GENERAL MONEY DAMAGES IN AN AMOUNT NOT TO EXCEED THE TOTAL AMOUNT ACTUALLY PAID TO PEGASUS BROADBAND BY YOU FOR SERVICES FURNISHED UNDER THIS AGREEMENT AND THOSE TERMS AND CONDITIONS DURING AND FOR A PERIOD OF TIME COMMENCING UPON THE OCCURRENCE OF SUCH ERROR, DEFECT OR FAILURE AND CEASING UPON THE DISCOVERY OF SUCH, IN WHOLE OR IN PART; PROVIDED, HOWEVER, THAT IN NO EVENT WILL SUCH PERIOD OF TIME EXCEED THE THREE (3) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE WHICH SUCH ERROR, DEFECT OR FAILURE IS FIRST DISCOVERED IN WHOLE OR IN PART. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, SO THE ABOVE LIMITATIONS MAY NOT APPLY TO YOU.

E. SUBSCRIBER EXPRESSLY ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION WILL ALSO APPLY TO ANY AND ALL CLAIMS RELATING TO "ACQUIRED

MATERIAL” AND ANY OTHER CONTENT AVAILABLE THROUGH THE SERVICE. SUBSCRIBER AGREES THAT IT WILL NOT IN ANY WAY HOLD PEGASUS BROADBAND RESPONSIBLE FOR ANY SELECTION OR RETENTION OF, OR THE ACTS OR OMISSIONS OF, THIRD PARTIES IN CONNECTION WITH THE SERVICE (INCLUDING THOSE WITH WHOM PEGASUS BROADBAND CONTRACTS TO OPERATE VARIOUS AREAS ON OR FEATURES OF THE SERVICE).

F. THE FOREGOING EXCLUSIONS AND LIMITATIONS OF LIABILITY APPLY REGARDLESS OF ANY ALLEGATION OR FINDING THAT A REMEDY FAILED OF ITS ESSENTIAL PURPOSE, REGARDLESS OF THE FORM OF ACTION OR THEORY OF LIABILITY (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE) AND EVEN IF PEGASUS BROADBAND OR OTHERS WERE ADVISED OR AWARE OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES OR LIABILITY.

G. SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF CERTAIN DAMAGES, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MIGHT NOT APPLY TO THAT EXTENT.

18. Indemnity

Subscriber agrees to indemnify Pegasus Broadband against all claims, liability, damages, costs and expenses, including but not limited to reasonable attorneys' fees, arising out of or related to any and all use of Subscriber's account. This includes, without limitation, responsibility for all such consequences of Subscriber's violation of this Agreement (or that of any user of Subscriber's account), or any other agreement issued by Pegasus Broadband and applicable to Subscriber's use of the Service, or placement on or over or retrieval from or through the Service of any software, file, information, communication or other content.

19. Assignment

You may not assign or attempt to assign any of your rights, duties, or obligations under this Agreement at any time. Pegasus Broadband may sell, assign or transfer your Service account, this Agreement and/or the Leased Equipment, including to a third party, without notice to you. In the absence of a notice of such sale or transfer, you must continue to make all required payments to Pegasus Broadband in accordance with this Agreement.

20. Applicable Law

This Agreement and all of the parties' respective rights and duties in connection herewith will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, in the United States, excluding its conflicts of laws provisions. Any cause of action by Subscriber, or by users of Subscriber's account, with respect to the Service or this Agreement must be instituted within one (1) year after the claim or cause of action has arisen or it shall be barred. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement and it is acknowledged that this is a services contract and not a contract for the sale of goods. Subscriber agrees that this Agreement is set forth in the English language for the mutual convenience and benefit of the parties.

21. Dispute Resolution

In order to expedite and control the cost of disputes, you and Pegasus Broadband agree that any legal claim relating to this Agreement, any revision or addendum thereto, or the Service (referred to as a "Claim") will be resolved as follows:

(a) Informal Resolution. The parties will first try to resolve any Claim informally. Accordingly, neither you nor Pegasus Broadband may start a formal proceeding (except for Claims described in Section 21(d) below) for at least sixty (60) days after one party notifies the other of a Claim in writing. You will send your notice to Pegasus Broadband at 225 City Line Avenue, Suite 200, Bala Cynwyd, PA 19004; Attention Legal Department. Pegasus Broadband will send its notice to you at your billing address.

(b) Formal Resolution. Except as provided in Section 21(d), if we cannot resolve a Claim informally, any Claim asserted by either party will be resolved only by binding arbitration. The arbitration will be conducted under the Commercial Arbitration Rules of the American Arbitration Association that are in effect at the time the arbitration is initiated (referred to as the “AAA Rules”) and under the rules set forth in this Agreement. If there is a conflict between the AAA Rules and the rules set forth in this Agreement, the rules set for in this Agreement will govern. **ARBITRATION MEANS THAT YOU WAIVE YOUR RIGHT TO A JURY TRIAL.** If you initiate the arbitration, you agree to pay a fee of \$125 or, if less and you tell Pegasus Broadband in writing, the amount that you would pay to initiate a lawsuit against Pegasus Broadband in the appropriate court of law in your state. Pegasus Broadband agrees to pay any additional fee or deposit required by the American Arbitration Association in excess of your filing fee. Pegasus Broadband also agrees to pay the costs of the arbitration proceeding up to a maximum of one-half day (four hours) of hearings. Other fees, such as attorney’s fees, expenses of travel to the arbitration and the costs of a proceeding that goes beyond one-half day will be paid in accordance with the AAA Rules. The arbitration will be held at a location within one hundred miles of your residence unless you and Pegasus Broadband both agree to another location. To start an arbitration, you or Pegasus Broadband must do the following things:

(i) Write a demand for arbitration. The demand must include a description of the Claim and the amount of damages sought to be recovered.

(ii) Send three copies of the demand for arbitration plus the appropriate filing fee to:

American Arbitration Association
13455 Noel Road, Suite 1750
Dallas, TX 75240-6636

(iii) Send one copy of the demand for arbitration to Pegasus Broadband at the address noted in 21(a) above.

(c) Special Rules. In the arbitration proceeding, the arbitrator must follow applicable law, and any award may be challenged if the arbitrator fails to do so. Otherwise, the arbitrator’s decision is final and binding on all parties and may be enforced in any federal or state court that has jurisdiction. A court may sever any portion of this Section 21 that it finds to be unenforceable.

(d) Exceptions. Notwithstanding the foregoing: (i) any dispute over the validity of either party’s intellectual property rights or our licenses to operate our business, (ii) any Claim based on the unauthorized use of the Services in a commercial manner, and (iii) any dispute involving a violation of the Communications Act of 1934, 47 U.S.C. §605, or the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-2521, may be decided only by a court of competent jurisdiction. Nothing in this Agreement shall affect our ability to terminate your Service for non-payment of amounts owed to us at the time due.

22. Applicable Fees and Charges

Fees and charges up to the stated amounts (amounts and applicability vary from location to location):

Activation Fee	\$ 49.00
Early Termination Fee	\$ 99.00
Equipment Non-Return Fee	\$249.00
Equipment Removal Fee	\$ 49.00
Late Fee	\$ 5.00
On-Site Service Fee	\$ 75.00
Reactivation Fee	\$ 29.00
Returned Payment Fee	\$ 10.00 (credit or debit card)
	\$ 20.00 (other method of payment)
Service Suspension Fee	\$ 5.00 monthly

23. Notice

Where notification by Pegasus Broadband is contemplated by or related to this Agreement, notice may be made to you by any reasonable means, including, but not limited to, e-mail or publication over the Service or on the Pegasus Broadband Customer Website at www.pegasusbroadband.com. Such notice shall be deemed given when sent to you or published. Your notice to Pegasus Broadband shall be deemed given when received by Pegasus Broadband.

24. Agreement

This Agreement, as well as any other documents and agreements issued by Pegasus Broadband from time to time in connection with the Service ("Pegasus Broadband Agreements"), constitute the entire and only agreement with respect to the subject matter hereof between Pegasus Broadband and Subscriber, and the terms thereof are also applicable to all users of Subscriber's account. This Agreement and all other Pegasus Broadband Agreements supersede all representations, proposals, inducements, assurances, promises, agreements and other communications with respect to the subject matter hereof except as expressly set forth in this document. This Agreement can be amended only by Pegasus Broadband in the manner expressly provided for herein. Pegasus Broadband may enforce or decline to enforce any or all of the terms of this Agreement in its sole discretion. In no event will Pegasus Broadband be required to explain, comment on, suffer liability for or forfeit any right or discretion based on its enforcement, non-enforcement or consistency of enforcement of these terms. No waiver of any provision or breach of this Agreement shall be deemed a waiver of any other provision or breach. If any term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, that term or provision will be modified or deleted, as needed, and the remainder of this Agreement will remain in full force and effect. The terms of this Agreement that by their nature survive termination, including your obligation to pay all charges and fees hereunder, shall continue until they are fully performed.

25. Acceptance by Pegasus Broadband

This Agreement will be effective upon acceptance by Pegasus Broadband, which acceptance will be confirmed upon the first delivery of the Service to the Leased Equipment.

26. Acknowledgements

You acknowledge that: (i) you have read this Agreement, you understand it, and you have received a legible copy of it; (ii) all information you have provided to Pegasus Broadband is accurate and complete; (iii) Pegasus Broadband is not extending credit to you, and all fees and charges under this Agreement are not interest, credit services charges or finance charges; (iv) you have no right to purchase the Leased

Equipment at any time; and (v) you hereby authorize Pegasus Broadband to investigate your financial responsibility and creditworthiness, including without limitation acquiring credit reports and histories.