

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:)	
)	Chapter 11
PEGASUS SATELLITE TELEVISION, INC., et al.,)	Case No. 04-20878
Debtors.)	(Jointly Administered)
)	

ORDER PURSUANT TO 11 U.S.C. § 105(a) (I) APPROVING CASH MANAGEMENT SYSTEM, (II) AUTHORIZING USE OF PREPETITION BANK ACCOUNTS AND BUSINESS FORMS, (III) APPROVING PAYROLL AND DISBURSEMENT ACCOUNTS, (IV) WAIVING THE REQUIREMENTS OF 11 U.S.C. § 345 ON AN INTERIM AND FINAL BASIS, AND (V) ACCORDING ADMINISTRATIVE EXPENSE STATUS TO ALL POSTPETITION INTERCOMPANY CLAIMS

Upon the motion (the “Motion”)¹ of the debtors and the debtors in possession in the above-captioned chapter 11 cases (the “Debtors”)² for an order authorizing and approving the Debtors’ use of their existing Cash Management System, allowing the Debtors to continue using prepetition bank accounts and business forms, authorizing the Debtors’ Cash Management Banks to receive, process and pay all checks drawn on the Debtors’ manual payroll and disbursement accounts, waiving the requirements of 11 U.S.C. § 345 on an interim basis to the extent necessary to permit the Debtors to continue using existing investment practices, and according

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Motion.

² The Debtors are: The Debtors are: Argos Support Services Company, Bride Communications, Inc., B.T. Satellite, Inc., Carr Rural TV, Inc., DBS Tele-Venture, Inc., Digital Television Services of Indiana, LLC, DTS Management, LLC, Golden Sky DBS, Inc., Golden Sky Holdings, Inc., Golden Sky Systems, Inc., Henry County MRTV, Inc., HMW, Inc., Pegasus Broadcast Associates, L.P., Pegasus Broadcast Television, Inc., Pegasus Broadcast Towers, Inc., Pegasus Media & Communications, Inc., Pegasus Satellite Communications, Inc., Pegasus Satellite Television of Illinois, Inc., Pegasus Satellite Television, Inc., Portland Broadcasting, Inc., Primewatch, Inc., PST Holdings, Inc., South Plains DBS, LP., Telecast of Florida, Inc.,

administrative expense priority to intercompany claims that arise postpetition; and the Court having reviewed the Motion, the Lodge Affidavit, and having heard the statements of counsel regarding the relief requested in the Motion at a hearing before the Court (the “Hearing”); and the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (c) notice of the Motion and Hearing was due and proper under the circumstances, and (d) cause exists, within the meaning of Section 345(b) of the Bankruptcy Code to permit the Debtors to invest and deposit funds in accordance with the terms hereof on an interim and, pending an opportunity for notice and a further hearing, final basis; and it appearing that the relief requested is in the best interests of the Debtors, their estates and creditors; and after due deliberation; and good and sufficient cause appearing therefore; it is hereby:

ORDERED, that the Motion is granted in its entirety on an interim basis; and it is further

ORDERED, that the Debtors are authorized, but not directed, in the reasonable exercise of their business judgment, to (i) designate, maintain and continue to use, with the same account numbers, all of the bank accounts in existence on the Petition Date, including, without limitation, those accounts identified on Exhibit B to the Motion (the “Bank Accounts”), (ii) use, in their present form, checks and other documents related to the accounts listed on Exhibit B, and (iii) treat such accounts for all purposes as accounts of the Debtors as debtors in possession; and it is further

WDSI License Corp., WILF, Inc., WOLF License Corp., WTLH License Corp.

ORDERED that every bank at which any Bank Account is maintained is hereby authorized to continue to service and administer all such accounts as accounts of the relevant Debtor as debtor in possession without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks and drafts drawn on, or electronic transfer requests made on, said account after the Petition Date by the holders or makers thereof, as the case may be; provided, however, that any check drawn or issued by the Debtors before the Petition Date may be honored by any bank only if specifically authorized by order of this Court; and it is further

ORDERED that, except for those checks that may be honored and paid to comply with any order(s) of this Court authorizing payment of certain prepetition claims, no checks or drafts issued on the Bank Accounts before the Petition Date but presented for payment after the Petition Date shall be honored or paid; and it is further

ORDERED that, notwithstanding any other provision of this Order, no Cash Management Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order (a) at the direction of the Debtors, (b) in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of reasonable item handling procedures, shall be deemed to be liable to the Debtors or their estates or otherwise in violation of this Order; and it is further

ORDERED that nothing contained herein shall prevent the Debtors from opening any new bank accounts or closing any existing bank accounts as they may deem necessary and appropriate; provided, however, that any new U.S. account shall be with a bank that is insured by the Federal Deposit Insurance Corporation, that has a Moody's rating of "Baa" or better and that

is organized under the laws of the United States or any state therein; and provided, further,
however, that the Debtors shall disclose any new account to the United States Trustee in such
Debtors' monthly operating report; and it is further

ORDERED that each Debtor is authorized to continue to use its existing business
and correspondence forms and checks without alteration and without designation "Debtor in
Possession" imprinted upon them, provided, however, that following the Petition Date, the
Debtors will have new checks printed with the designation "DIP" or "Debtor in Possession" as
soon as reasonably practicable; and it is further

ORDERED that the Debtors are authorized to make disbursements from the Bank
Accounts other than by check, to the extent consistent with the Debtors' existing cash
management practices; and it is further

ORDERED that, effective nunc pro tunc to the Petition Date, Deutsche Bank,
Bank One, Fleet National Bank, PNC Bank, Sovereign Bank, Wachovia Bank and Bank of
America shall be and hereby are authorized and directed to receive, process, honor and pay any
and all checks drawn on and electronic transfers made on the Debtors' manual payroll accounts
and disbursement accounts; and it is further

ORDERED that having shown sufficient cause under § 345 of the Bankruptcy
Code, the Debtors are authorized to invest and deposit funds in accordance with the Investment
Guidelines, notwithstanding that certain of such guidelines may not strictly comply with the
requirements of § 345 of the Bankruptcy Code; provided, however, that if an official committee
appointed in these cases, or any other party in interest (including the United States Trustee), files
an objection to the Investment Guidelines within thirty (30) days after the date hereof, the

Debtors shall schedule a prompt hearing before this Court to renew their request for approval of the Investment Guidelines, provided, further that if no objection is timely made, this Order shall become final without a further hearing; and it is further

ORDERED that the Debtors are authorized to continue utilizing their Cash Management System to manage their cash, to pay intercompany payables, if any, to extend intercompany credit, if necessary, and to continue all other Intercompany Transactions in a manner consistent with the Debtors' prepetition practice; and it is further

ORDERED that intercompany loans and other Intercompany Claims created through Intercompany Transactions generated by and between the Debtors and their non-debtor affiliates and related companies are hereby granted administrative priority status pursuant to §§ 503(b)(1) and 507(a)(1) of the Bankruptcy Code; and it is further

ORDERED that the Debtors shall supplement their reporting obligations with respect to Account Nos. 00-374-715 and 00-390-707 maintained with Deutsche Bank Trust Company Americas as set forth in the U.S. Trustee's Omnibus Statement Regarding Certain First Day Motions; and it is further

ORDERED that the Debtors shall cause a copy of this Order to be served on each Bank at which a Bank Account is maintained within five (5) business days of the date hereof; and it is further

ORDERED that the Debtors shall, on or before June 9, 2004, serve by United States mail, first class postage prepaid, copies of the Motion, this Order and a notice of the hearing (the "Final Hearing Notice") to be held on June 24, 2004, at 10:30 a.m. to consider entry

of the proposed Final Order on: (a) the entities set forth on the list of the fifty largest unsecured creditors of the Debtors (on a consolidated basis); (b) the office of the United States Trustee for the District of Maine; (c) counsel to the Prepetition Term Loan Agent; (d) counsel to the Prepetition Revolving Credit Agent, (e) counsel to the Junior Term Loan Agent; (f) counsel to the Steering Committee; and (g) counsel for any official committee appointed in these Chapter 11 Cases. The Final Hearing Notice shall state that any party in interest objecting to the entry of the proposed Final Order shall file a written objection with the United States Bankruptcy Court Clerk for the District of Maine no later than 5:00 p.m. on June 21, 2004, which objection shall be served so that the same are received on or before such date by: Office of the United States Trustee of the District of Maine; and it is further.

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: Portland, Maine
June 4, 2004
~~XXXXXXXXXX~~
June 7, 2004

/s/ James B. Haines, Jr.

UNITED STATES BANKRUPTCY JUDGE

CERTIFICATE OF SERVICEDistrict/off: 0100-2
Case: 04-20878User: rrowell
Form ID: pdf900Page 1 of 1
Total Served: 14

Date Rcvd: Jun 07, 2004

The following entities were served by first class mail on Jun 09, 2004.

db Pegasus Satellite Television, Inc., 213 Felton Street, Marlborough, MA 01752
 aty Benjamin E. Marcus, Esq., Drummond Woodsum & MacMahon, 245 Commercial Street, P.O. Box 9781,
 Portland, ME 04104-5081
 aty +Ellen Moring, Esq., Sidley Austin Brown & Wood LLP, 787 Seventh Avenue,
 New York, NY 10019-6018
 aty +Eric K. Bradford, Esq., Office of the U.S. Trustee, 10 Causeway Street, Room 1184,
 Boston, MA 02222-1047
 aty +Gayle H. Allen, Esq., Verrill & Dana, One Portland Square, Portland, ME 04101-4054
 aty George J. Marcus, Esq., Marcus, Clegg & Mistretta, PA, 100 Middle St., East Tower,
 Portland, ME 04101-4102
 aty Leonard M. Gulino, Esq., Bernstein, Shur, Sawyer & Nelson, P.O. Box 9729,
 Portland, ME 04104-5029
 aty Robert J. Keach, Esq., Bernstein, Shur, Sawyer & Nelson, 100 Middle Street, 6th Floor,
 P.O. Box 9729, Portland, ME 04104-5029
 aty +Robert S. Brady, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391,
 Wilmington, DE 19899-0391
 smg Maine Department of Labor, Bureau of Unemployment Compensation, P.O. Box 259,
 Augusta, ME 04332-0259
 smg +State of Maine, Bureau of Revenue Services, Bankruptcy Unit, P.O. Box 9113,
 Augusta, ME 04333-0001
 ust +Office of U.S. Trustee, 537 Congress Street, Room 302, Portland, ME 04101-3353
 intp +Trumbull Services, L.L.C., 4 Griffin Road North, Windsor, CT 06095-1579
 intp +United States Trustee, 537 Congress Street, Portland, ME 04101-3318

The following entities were served by electronic transmission.

NONE.

TOTAL: 0

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****
 aty Kristopher M. Hansen, Stroock & Stroock & Lavan LLP
 cr Directv
 intp Pegasus Communications Corporation
 cr The Steering Committee of Senior Secured Creditors
 cr Wilmington Trust Co.

TOTALS: 5, * 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
 USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jun 09, 2004

Signature: _____

