

DECLARATION OF MICHAEL E. BAUMANN

I am a partner at the law firm Kirkland & Ellis LLP, counsel for DIRECTV, Inc. in connection with the Emergency Motions for Relief filed by Debtors, Case No. 04-20878, United States Bankruptcy Court, District of Maine. I submit this declaration in support of DIRECTV's Opposition to the Supplemental Emergency Motion for Relief filed by Pegasus Satellite Television, et. al. I have personal knowledge of the facts stated in this declaration, and I can testify competently to them if called upon to do so.

1. Attached as Exhibit A to this declaration is a true and correct copy of relevant pages from a March 4, 1998 DBS Board Policy No. 9, identified and marked in the California Federal action during the deposition of an NRTC witness.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 10th day of June, 2004.

/s/ Michael E. Baumann
Michael E. Baumann

NATIONAL RURAL TELECOMMUNICATIONS
COOPERATIVE
HERNDON, VA

DBS BOARD POLICY NO. 9

**SUBJECT: Marketing Agreement -- Qualification Requirements and Termination
for Non-compliance**

I. PURPOSE.

This policy is being adopted by the Board pursuant to the provisions of Section 1, Article IV, of the bylaws of the Association, § 29-1104 of the District of Columbia Cooperative Association Act, and paragraph 7(d) of the standard form of "NRTC/Member Agreement for Marketing and Distribution of DBS Services" (the "Marketing Agreement") in order to further the specified purposes of the Association, in particular with respect to administration of Marketing Agreements. It has previously been an unwritten policy of the Association to only permit participation in Marketing Agreements by those who are Members or Associates¹ of the Association ("DBS Participants"). It is now deemed appropriate to formalize this policy and to address the treatment of any DBS Participant who ceases being such a Member or Associate due to voluntary withdrawal, termination for cause or otherwise (because the provision of DBS services to persons or entities which are not Members or Associates may constitute *ultra vires* activities of the Association).

II. POLICY.

- A. A DBS Participant must be either a Member or Associate of NRTC at all times it holds any interest in a Marketing Agreement.
- B. If DBS Participant ceases to be a Member or Associate of NRTC for any reason whatsoever other than in conjunction with a transfer of its Marketing Agreement to another Member or Associate (whether due to voluntary withdrawal from the Association, termination for cause or otherwise), then:
 - 1. Termination of DBS Services: all rights, title and interest of the DBS Participant with respect to the Marketing Agreement shall terminate and revert to the Association which shall be entitled to immediately cease delivery of DBS Services to or for such DBS Participant's account; and
 - 2. Forfeiture of Accrued Unpaid Patronage: all accrued and unpaid patronage of the DBS Participant shall be forfeited at NRTC's discretion, to the extent allowed by law.
- C. The Association and the DBS Participant shall be entitled to deal with and use any of the Subscriber information under the Marketing Agreement free and clear

¹As used in this DBS Policy, the term "Associates" has the same meaning as "Affiliates."

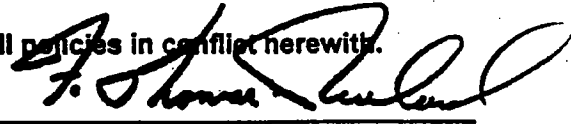
of any claim of interference with or misappropriation of proprietary interests; provided, however, in no event shall either party use subscriber information in conflict with its obligations or the other party's rights under the Marketing Agreement.

D. The Chief Executive Officer of NRTC is hereby delegated the authority to implement the foregoing policies and to approve waivers or variances and to resolve any conflicts associated with its interpretation or implementation.

III. This policy supersedes and cancels all policies in conflict herewith.

Date Adopted: March 4, 1998

X:

A handwritten signature in black ink, appearing to read "F. Thomas", written over a horizontal line.

Secretary of the Board