

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

In re:

PEGASUS SATELLITE TELEVISION, INC., *et al.*,

Debtors.

Chapter 11

Case No.: 04-20878
(Jointly Administered)

STIPULATION ALLOWING CLAIM FOR ADMINISTRATIVE EXPENSES

WHEREAS, on June 2, 2004, Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates (collectively, the “Reorganized Debtors”) each commenced voluntary chapter 11 proceedings (the “Cases”) in the United States Bankruptcy Court for the District of Maine (the “Bankruptcy Court”);

WHEREAS, TWC of KY, Inc. (“TWC” or “Claimant”) filed a proof of claim in the case of DTS Management, LLC (“DTS”), case number 04-20884, asserting a general unsecured claim in the amount of \$54,160.12 (the “Claim”), which was assigned claim number 740;

WHEREAS, the Claim was subsequently amended, with the Debtors’ agreement to reflect the amount of \$32,765.46;

WHEREAS, TWC filed its Motion for Payment of Administrative Expenses (the “Motion”), on or about May 5, 2005 seeking payment of administrative expenses totaling \$16,900.03, which amount was previously included in the Claim;

WHEREAS, by order entered on April 15, 2005, the Debtors’ First Amended Joint Plan of Reorganization (the “Plan”) was confirmed. The Plan became effective on May 5, 2005 (the “Effective Date”);

WHEREAS, pursuant to the Plan, Ocean Ridge Capital Advisors, LLC was appointed the liquidating trustee (the “Liquidating Trustee”) of The PSC Liquidating Trust (the “Trust”);

WHEREAS, pursuant to the Plan and the Liquidating Trust Agreement,¹ the Liquidating Trustee has the authority to settle all Disputed Claims without notice or order of the Bankruptcy Court by entering into a stipulation with the person asserting the Disputed Claim;

WHEREAS, the Liquidating Trustee and the Claimant hereby desire to resolve and settle the Motion in accordance with the terms and conditions set forth below;

In exchange for the consideration set forth below, it is on this 28th day of June 2005, hereby stipulated and agreed, by and between the Liquidating Trustee and the Claimant as follows:

1. TWC shall be allowed an Administrative Expense Payment for post-petition expenses in the amount of \$16,900.03 (the “Allowed Expense Payment”).

2. The Liquidating Trust shall remit the Allowed Expense Payment to TWC within twenty (20) days of the execution of this stipulation.

3. Claim number 740 in DTS, case no. 04-20884, is hereby amended to reflect a reduction of the claim by an amount equal to the Allowed Expense Claim, to \$15,865.43.

4. The Motion shall be deemed withdrawn upon endorsement and entry of the order of Court.

5. Except for claim number 740, the Claimant hereby releases the Liquidating Trust, the Liquidating Trustee, the Reorganized Debtors and the Debtors (collectively, the “Debtor Entities”) and all of their property and assets from any and all claims

¹ Unless otherwise defined herein, all capitalized terms used herein have the meanings ascribed to them in the Plan.

or causes of action that the Claimant may hold against the Debtor Entities through the date hereof.

6. The Liquidating Trustee, on behalf of the Debtor Entities, hereby releases the Claimant, from any and all claims or causes of action that the Debtor Entities may hold against the Claimant through the date hereof.

7. This stipulation may be executed in one or more counterparts each of which shall be deemed an original for all purposes. Any original counterpart when executed and transmitted by electronic facsimile shall be deemed duly delivered to the other party upon confirmed receipt thereof by the other party or their counsel. The persons executing this stipulation acknowledge that they each have the requisite authority to enter into and execute this stipulation.

The undersigned hereby stipulate and agree to be bound by the terms set forth above.

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Attorneys for Ocean Ridge Capital
Advisors, LLC as Liquidating Trustee of
The PSC Liquidating Trust

Attorneys for TWC of KY, Inc.

ENDORSED AND ENTERED as an ORDER of the COURT

Dated: Portland, Maine
_____, 2005

UNITED STATES BANKRUPTCY JUDGE