

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE**

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

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**DECLARATION OF EDWARD A. MULÉ**

I, EDWARD A. MULÉ, hereby declare:

1. I have personal knowledge of each of the facts stated in this Declaration, except for those facts stated on information and belief, and, as to those facts, I am informed and believe them to be true. I am submitting this Declaration on behalf of Silver Point Capital, L.P. ("Silver Point"), in order to advise the United States Trustee for the District of Maine of the information blocking procedures designed to prevent Silver Point trading personnel and its investment advisory personnel from receiving any non-public information concerning the chapter 11 cases of the above-captioned debtors (the "Debtors") through Silver Point personnel, representatives or agents ("Silver Point Committee Personnel") performing activities related to the Official Committee of Unsecured Creditors (the "Committee") in the Debtors' chapter 11 cases and to prevent Silver Point Committee Personnel from receiving information regarding Silver Point's trading in Securities<sup>1</sup> of the Debtors in advance of trading.

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<sup>1</sup> The term "Securities" is used as such term is defined in Section 2(a)(1) of the Securities Act of 1933, including the following but only to the extent they constitute securities thereunder, stocks, notes, bonds, debentures, participations in, or derivatives based upon or relating to, any of the Debtors' debt obligations or equity interests. For the avoidance of doubt, this definition does not apply to bank debt.

2. I am a Principal of Silver Point, which (i) serves as an investment adviser on behalf of certain client accounts that beneficially own securities or other claims or interests in Debtors' chapter 11 cases and/or (ii) beneficially owns such securities, in its own name or in the name of one or more funds or accounts. In that capacity, I have general oversight and management responsibilities for Silver Point's advisory and investment activities.

3. In conjunction with Silver Point's existing information blocking procedures and this Declaration, Silver Point has established and will maintain the following internal procedures: (i) Silver Point Committee Personnel shall execute a letter (a "Confidentiality Letter") acknowledging that they may receive such non-public information and that they are aware of the information blocking procedures which are in effect with respect to the Debtors' Securities and will follow these procedures and will immediately inform Committee counsel and the United States Trustee in writing if such procedures are materially breached; (ii) subject to paragraph 4 hereof, Silver Point Committee Personnel will not directly or indirectly share any non-public information generated by, received from or relating to Committee activities or Committee membership ("Information") with any other employees, representatives or agents of Silver Point, including Silver Point's investment advisory personnel, and Silver Point Committee Personnel shall use good faith efforts not to share any material Information concerning the Debtors' chapter 11 cases with any Silver Point Capital employee reasonably known to be engaged in trading activities with respect to the Debtors' Securities on behalf of Silver Point Capital and/or its clients, except that a good faith communication of publicly available Information shall not be presumed to be a breach of the obligations of Silver Point or any Silver Point Committee Personnel hereunder; (iii) Silver Point Committee Personnel will maintain all files containing

information received in connection with or generated from Committee activities in secured cabinets inaccessible to other employees of Silver Point, (iv) Silver Point Committee Personnel will not receive any information regarding Silver Point's trades in the Debtors' Securities in advance of the execution of such trades, except that Silver Point Committee Personnel may receive such reports showing Silver Point's purchases and sales and ownership of Debtors' Securities but no more frequently than weekly (provided that Silver Point Committee Personnel may receive the usual and customary internal reports showing Silver Point's purchases and sales on behalf of Silver Point or its clients and the amount and class of claims, interests or securities owned by Silver Point or its clients to the extent that such personnel would otherwise receive such reports in the ordinary course and such reports are not specifically prepared with respect to the Debtors); (v) Silver Point's compliance personnel shall review Silver Point's trades of the Debtors' Securities to determine if there is any reason to believe that such trades were not made in compliance with the information blocking procedures and shall keep records of such review; (vi) Silver Point shall take those steps necessary to restrict the exchange of Information through electronic means between Silver Point Committee Personnel and all other Silver Point personnel in a manner consistent with the foregoing procedures, which shall be monitored by Silver Point's compliance personnel; (vii) Silver Point shall disclose to the Office of the United States Trustee in writing any decrease in dollar amount of the Debtors' Securities held by Silver Point or its clients which results in such holdings being less than the lesser of \$20 million and one-third of the aggregate holdings of Silver Point and in its clients' accounts at Silver Point as of date of Silver Point's appointment to the Committee within five business days of such trade or trades aggregating the foregoing amount; and (viii) so long as Silver Point is a member of the

Committee, it shall disclose to the Committee counsel and the United States Trustee every six months a declaration verifying continued compliance with the procedures described herein and shall immediately disclose to the Committee's counsel and the United States Trustee any material breaches of such procedures.

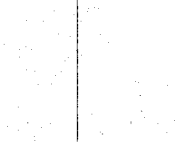
4. Notwithstanding any of the above, Committee Personnel may share Information with (a) senior management of Silver Point who, due to their duties and responsibilities, have a legitimate need to know such Information provided that such individuals (i) otherwise comply with the procedures herein and (ii) use such Information only in connection with their senior managerial responsibilities, (b) regulators, auditors, designated legal (including outside counsel) and compliance personnel for the purpose of rendering legal advice to the Committee Personnel, and to the extent that such Information may be accessible by internal computer systems, Silver Point administrative personnel who service and maintain such systems, each of whom will agree not to share Information with other employees and will keep such Information in files inaccessible to other employees, and (c) other Silver Point employees, representatives and agents who (i) are not involved with trading or investment advisory activities with respect to the Debtors' Securities and (ii) execute a Confidentiality Letter.

5. The Silver Point Committee Personnel assigned to the Debtors' chapter 11 cases will be Chaim Fortgang, who is a consultant to Silver Point. Mr. Fortgang will submit a separate Declaration affirming his intention to comply with the screening procedures described herein. In the event any other individual Silver Point representative is chosen to act as a Committee representative on behalf of Silver Point in the Debtors' chapter 11 cases, such individual will also

submit a Declaration affirming his intention to comply with the screening procedures described herein prior to accepting any responsibilities in connection therewith.

declare under penalty of perjury that the foregoing is true and correct.

Executed this 29th day of June 2004, at Greenwich, Connecticut.



A handwritten signature in cursive script, reading "Edward A. Mulé", is written over a horizontal line.

Edward A. Mulé