UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

**FINAL ORDER AUTHORIZING THE DEBTORS TO CONTINUE PERFORMING UNDER THE SUPPORT SERVICES AGREEMENT WITH PEGASUS COMMUNICATIONS MANAGEMENT COMPANY**

Upon the motion (the "Motion") of Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, each a debtor and debtor-in-possession herein (collectively, the "Debtors"),[1] for a final order authorizing the Debtors to continue performing under a certain support services agreement (the "Agreement") among each of the Operating Affiliates[2] and Pegasus Communications Management Company ("PCMC"); and upon the Affidavit of Ted S. Lodge, President, Chief Operating Officer and Counsel of Pegasus Satellite Communications, Inc., in Support of First Day Motions; and notice of the Motion having been given to (i) the United States Trustee for the District of Maine; (ii) the Debtors' fifty (50) largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions; (iii) counsel to the Administrative Agent

[1] 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., WDSI License Corp., WILF, Inc., WOLF License Corp., and WTLH License Corp.

under the PMC Term Credit Agreement (as defined below); (iv) counsel to the Administrative Agent under the PMC Revolving Credit Agreement (as defined below); (v) counsel to Administrative Agent under the PSC Credit Agreement (as defined below); (vi) counsel to the Steering Committee (as defined below); (vi) counsel for the official committee of unsecured creditors and (vii) all parties who have requested notice pursuant to Bankruptcy Rule 2002; and it appearing that no other notice need be given; and it appearing that the relief requested in the Motion is in the best interest of the Debtors' estates and their creditors; after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, that the Motion be, and it hereby is granted on a final basis; and it is further

ORDERED, that the Debtors are authorized to continue performance under the Agreement on a final basis; and it is further

ORDERED, that the Debtors reserve all rights to later assume or reject the Agreement pursuant to section 365 of the Bankruptcy Code; and it is further

ORDERED, that the Debtors will provide to counsel to (i) the official committee of unsecured creditors (the "Creditor's Committee"), (ii) Wilmington Trust Company, as Administrative Agent ("WTC") under that certain Amended and Restated Term Loan Agreement, dated as of August 1, 2003 (the "PSC Credit Agreement"), by and among Pegasus Satellite Communications, Inc., as Borrower, WTC, as

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[2] Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Administrative Agent and the financial institutions party thereto from time to time as Lenders; and (iii) the bank steering committee of lenders (the "Steering Committee") parties to (a) that certain Credit Agreement dated as of December 19, 2003 (the "PMC Revolving Credit Agreement") by and among Pegasus Media & Communications, Inc., as Borrower, the financial institutions party thereto from time to time as Lenders, and Madeline, L.L.C., as Administrative Agent and (b) that certain Fourth Amendment and Restatement of Credit Agreement, dated as of October 22, 2003 (the "PMC Term Credit Agreement") by and among Pegasus Media & Communications, Inc., as Borrower, the financial institutional party thereto from time to time as Lenders, and Bank of America, N.A., as Administrative Agent; on Tuesday of each week a cash flow statement for PCMC, which shall list all relevant receipts received and disbursements made by PCMC for the immediately preceding week; and it is further

ORDERED, that the Creditor's Committee, WTC and the Steering Committee reserve their respective rights to object before the Bankruptcy Court to any receipts and disbursements reflected on a weekly cash flow statement of PCMC, which they believe are unreasonable or improper; and it is further

ORDERED, that DIRECTV, Inc., until such times as its claims against the Debtors are satisfied, reserves its right to object before the Bankruptcy Court to any receipts received and disbursements made by PCMC which it believes are unreasonable or improper; and it is further

ORDERED, that the Creditor's Committee, WTC and the Steering Committee reserve their respective rights to request that the Bankruptcy Court reconsider this Order if a transaction involving a sale, acquisition, transfer or change in control of the Debtors' satellite division or of substantially all of the assets of the Debtors' satellite division occurs; and it is further

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

July 22, 2004

/s/ James B. Haines, Jr.
UNITED STATES BANKRUPTCY JUDGE