

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

_____)	
In re:)	Chapter 11
PEGASUS SATELLITE TELEVISION, INC., et al.,)	Case No. 04-20878
Debtors.)	Joint Administration Requested
_____)	

**ORDER AUTHORIZING, BUT NOT REQUIRING,
THE DEBTORS TO (I) HONOR CERTAIN PREPETITION OBLIGATIONS
TO CUSTOMERS, AND (II) CONTINUE THEIR PRE-PETITION
CUSTOMER POLICIES AND PROMOTIONAL PROGRAMS**

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 the entry of an order authorizing, but not requiring, the Debtors to honor certain pre-petition obligations to customers and to continue customer accommodation programs and practices, as more fully described in the Motion, in the ordinary course of business (such as prepetition customer obligations, accommodation programs and practices together, the “Customer Practices”); and the Court having reviewed the Motion, the Affidavit of Ted S. Lodge, President, Chief Operating Officer and Counsel of Pegasus Satellite Communications, Inc., in Support of First Day Motions; 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

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., WTLH License Corp.

finding that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that notice of the Motion and the Hearing was due and proper under the circumstances; and it appearing that granting the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause appearing therefore; it is hereby

ORDERED, that the relief requested in the Motion is granted; and it is further

ORDERED, that the Debtors are authorized, but not required, to honor the prepetition customer obligations, as more fully described in the Motion, in the same manner and on the same terms and conditions as such obligations were satisfied prior to the Petition Date; and it is further

ORDERED, that all applicable banks and other financial institutions are authorized and directed, when requested by the Debtors in their sole discretion, to receive, process, honor and pay any and all checks drawn on the Debtors' accounts in respect of the prepetition customer obligations, whether such checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments; and it is further

ORDERED, that nothing in the Motion or this Order, nor the Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim; or (c) an approval or assumption of any agreement, contract or lease, pursuant to section 365 of the Bankruptcy Code.

Dated: June 4, 2004

/s/ James B. Haines, Jr.

UNITED STATES BANKRUPTCY JUDGE