

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 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

CERTIFICATE OF SERVICEDistrict/off: 0100-2
Case: 04-20878User: rrowell
Form ID: pdf900Page 1 of 1
Total Served: 12

Date Rcvd: Jun 04, 2004

The following entities were served by first class mail on Jun 06, 2004.

db Pegasus Satellite Television, Inc., 213 Felton Street, Marlborough, MA 01752
 aty Benjamin E. Marcus, Esq., Drummond Woodsum & MacMahon, 245 Commercial Street, P.O. Box 9781,
 Portland, ME 04104-5081
 aty +Ellen Moring, Esq., Sidley Austin Brown & Wood LLP, 787 Seventh Avenue,
 New York, NY 10019-6018
 aty +Eric K. Bradford, Esq., Office of the U.S. Trustee, 10 Causeway Street, Room 1184,
 Boston, MA 02222-1047
 aty +Gayle H. Allen, Esq., Verrill & Dana, One Portland Square, Portland, ME 04101-4054
 aty Leonard M. Gulino, Esq., Bernstein, Shur, Sawyer & Nelson, P.O. Box 9729,
 Portland, ME 04104-5029
 aty Robert J. Keach, Esq., Bernstein, Shur, Sawyer & Nelson, 100 Middle Street, 6th Floor,
 P.O. Box 9729, Portland, ME 04104-5029
 aty +Robert S. Brady, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391,
 Wilmington, DE 19899-0391
 smg Maine Department of Labor, Bureau of Unemployment Compensation, P.O. Box 259,
 Augusta, ME 04332-0259
 smg +State of Maine, Bureau of Revenue Services, Bankruptcy Unit, P.O. Box 9113,
 Augusta, ME 04333-0001
 ust +Office of U.S. Trustee, 537 Congress Street, Room 302, Portland, ME 04101-3353
 intp +United States Trustee, 537 Congress Street, Portland, ME 04101-3318

The following entities were served by electronic transmission.

NONE.

TOTAL: 0

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****
 aty Kristopher M. Hansen, Stroock & Stroock & Lavan LLP
 intp Pegasus Communications Corporation
 cr The Steering Committee of Senior Secured Creditors
 cr Wilmington Trust Co.

TOTALS: 4, * 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
 USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jun 06, 2004

Signature: 