

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

**ORDER PURSUANT TO 11 U.S.C. § 105(a) AND
BANKRUPTCY RULE 9019 APPROVING STIPULATION BY
AND AMONG THE DEBTORS AND DEBTORS IN POSSESSION,
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, AND THE
BANK STEERING COMMITTEE AND WILMINGTON TRUST COMPANY**

This matter is before the Court upon the motion (the “9019 Motion”),¹ dated January 20, 2005, of Pegasus Satellite Television, Inc. (“PST”) and certain of its subsidiaries and affiliates, each a debtor and debtor-in-possession herein (collectively, the “Debtors”)² in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) for entry of an order pursuant to 11 U.S.C. §105(a) and 363 and Bankruptcy Rule. 9019

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the 9019 Motion.

² 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.

authorizing and approving the stipulation of settlement, dated as of January [___], 2005, by and among the (i) Debtors, (ii) the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases (the “Committee”), (iii) the Bank Steering Committee (the “Bank Steering Committee”) and (iv) Wilmington Trust Company (“Wilmington Trust”), a copy of which is attached hereto as Exhibit A (the “Stipulation”); and the Court having reviewed and considered the 9019 Motion, the settlement contained in the Stipulation (the “Settlement”), and the arguments of counsel made, and the evidence proffered or adduced at the hearing on the 9019 Motion held on February [___], 2005 (the “Hearing”) and upon all the proceedings heretofore held in the Chapter 11 Cases; and it appearing that the relief requested in the 9019 Motion is in the best interests of the Debtors, their estates and creditors and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:³

A. The Court has jurisdiction over the 9019 Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N), and (O). Venue of the Chapter 11 Cases and the 9019 Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052, as made applicable herein by Fed. R. Bankr. P. 9014.

B. The statutory predicates for the relief sought in the 9019 Motion are Section 105(a) of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”), and Rules 2002, 6004, 9014 and 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

C. As evidenced by the affidavits of service previously filed with the Court, and based on the representations of counsel at the hearing on the 9019 Motion, (i) proper, timely, adequate and sufficient notice of the 9019 Motion and the Hearing has been provided in accordance with Section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 9014 and 9019 and in substantial compliance with this Court’s Order Establishing Case Management Procedures and Hearing Schedule, dated July 9, 2004 entered in the Chapter 11 Cases, (ii) such notice was good and sufficient, and appropriate under the circumstances of these cases, and (iii) no other or further notice of the 9019 Motion is or shall be required.

D. A reasonable opportunity to object or be heard with respect to the 9019 Motion and the relief requested therein has been afforded to all interested persons and entities, including: (i) the Office of the United States Trustee for the District of Maine, (ii) counsel to the Committee and all Committee members, (iii) counsel to the Bank Steering Committee, (iv) counsel to Wilmington Trust and (v) all entities who have filed a notice of appearance or request for service of papers pursuant to Bankruptcy Rule 2002.

E. The Settlement represents a fair, prudent and reasonable compromise of the controversies resolved by the Stipulation and is in the best interests of the Debtors, their estates and creditors taking into account, among other things, (a) the probability of success on the claims being released as part of the Settlement, (b) the complexity of the litigation involved with respect to the claims being released as part of the Settlement and (c) the paramount interest of the creditors and a proper deference to their views in respect of the Settlement.

F. The Debtors have demonstrated both (i) good, sufficient, and sound business purpose and justification, and (ii) compelling circumstances for entering into the Stipulation prior to, and outside of, a plan of reorganization, and the Stipulation pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 is the best alternative for the Debtors, their respective estates and creditors.

G. The Stipulation was negotiated, proposed and entered into by the parties without collusion, in good faith and from arms' length bargaining positions.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The 9019 Motion is granted in all respects.
2. All objections, if any, to the Stipulation, or any component thereof, that have not been withdrawn, waived, settled, or specifically addressed in this Order and all reservations of rights included in such objections, are hereby overruled on the merits.

3. The Debtors' entry into the Stipulation is authorized and ratified pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rule 9019, and the Debtors are hereby authorized, empowered and directed to enter into and perform, and consummate the transactions, under the Stipulation. The terms of the Stipulation are hereby approved in all respects. The allocation and distribution of the Senior Settlement Amount and the Junior Settlement Amount set forth in the Stipulation are hereby approved and binding on the Agents and each of the Secured Lenders.

4. The Debtors are authorized, empowered and directed to take any and all actions and execute any and all documents and instruments that are reasonably necessary or appropriate to implement and effectuate the Stipulation.

5. The Debtors are authorized, empowered and directed to execute and deliver all additional instruments and documents that may be reasonably necessary or desirable to implement the Stipulation.

6. In furtherance of this Order, the Stipulation and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by such parties, and in accordance with the terms thereof, without further order of the Court; provided such modification, amendment or supplement is not material.

7. As provided by Bankruptcy Rule 6004(g), and notwithstanding Bankruptcy Rule 7062, this Order shall be effective and enforceable immediately upon entry.

8. This Court retains jurisdiction to interpret, enforce and implement the Settlement, including the Stipulation, and all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to resolve any disputes, controversy or claims arising under or related to the Settlement, and interpret, implement, and enforce the provisions of this Order.

9. Nothing contained in any plan of reorganization or liquidation confirmed in these cases or any order of this Court confirming such plan shall conflict with or derogate from the provisions of the Stipulation or the terms of this Order.

10. The provisions of this Order are nonseverable and mutually dependent.

Dated: Portland, Maine
February 8, 2005

/s/ James B. Haines, Jr.

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Stipulation
(attached hereto)

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

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

**STIPULATION PROVIDING FOR
SETTLEMENT OF SECURED LENDER PREMIUM MOTIONS**

This stipulation (the “Stipulation”) is entered into this ___ day of January, 2005, by and among (i) the Bank Steering Committee (the “Bank Steering Committee”), comprised of (a) the majority lenders under that certain Fourth Amendment and Restatement of Credit Agreement (the “Senior Credit Agreement”), dated as of October 22, 2003, by and among Pegasus Media & Communications, Inc., as borrower (the “Borrower”), Bank of America, N.A. as administrative agent (the “Term Agent”), and the lenders from time to time party thereto (the “Senior Term Lenders”), and (b) the lenders under that certain credit agreement (the “Revolving Credit Agreement”), dated as of December 19, 2003, among Pegasus Media & Communications, Inc., as borrower, the lenders from time to time party thereto (the “Revolving Lenders” and together with the Senior Term Lenders, the “Senior Lenders”), and Madeleine L.L.C., as administrative agent (the “Revolving Agent”), (ii) Wilmington Trust Company (“Wilmington Trust” and collectively with the Term Agent and the Revolving Agent, the “Agents”), as the successor administrative

agent for the various lenders (the “Junior Secured Lenders” and, together with the Senior Lenders, the “Secured Lenders”) under that certain Amended and Restated Term Loan Agreement (the “Junior Credit Agreement”), dated as of August 1, 2003, among Pegasus Satellite Communications, Inc., as borrower, and the lenders from time to time party thereto, (iii) Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, the above-captioned debtors and debtors in possession (each a “Debtor” and, collectively, the “Debtors”)¹ and (iv) the Official Committee of Unsecured Creditors appointed in the above-captioned cases (the “Committee”), by their undersigned counsel. The parties hereby stipulate as follows:

RECITALS

A. On August 1, 2003, pursuant to Section 1.01 of the Junior Credit Agreement, the Junior Secured Lenders agreed to make term loans to the borrower in an aggregate principal amount not to exceed \$100,000,000 (the “Junior Loans”), which principal increased since the Junior Loans were made pursuant to Section 1.02(c)(ii) of the Junior Credit Agreement as a result of the accrual of PIK interest added to principal. Pursuant to Section 1.01(c) of the Junior Credit Agreement, the Junior Secured Lenders are entitled to payment on their allowed claim of principal and accrued interest, at a rate

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.

equal to 12.5% per annum, on amounts outstanding on the maturity date (the “Allowed Claim for Junior Principal and Non-Default Accrued Interest”).

B. On October 22, 2003, pursuant to Section 1.04A of the Senior Credit Agreement, the Senior Term Lenders agreed to make term loans to the Borrower in an aggregate principal amount of \$300,000,000 (the “Tranche D Term Loans”). There are also Incremental Term Loans and Initial Term Loans outstanding under the Senior Credit Agreement that predate the Tranche D Term Loans. Pursuant to Sections 1.03 through 1.06 of the Senior Credit Agreement, the Senior Term Lenders were entitled to payment on their allowed claim of principal and accrued interest at variable rates on amounts outstanding under the Senior Credit Agreement (the “Allowed Claim for Senior Principal and Non-Default Accrued Interest”).

C. On December 19, 2003, pursuant to the Revolving Credit Agreement, the Revolving Lenders agreed to make a \$20,000,000 revolving credit facility available to the Borrower (the “Revolving Loans”). Pursuant to Section 2.05 of Revolving Credit Agreement, the Revolving Lenders are entitled to payment on their allowed claim of principal on amounts outstanding under the Revolving Credit Agreement, and pursuant to Section 2.06 were entitled to accrued interest at variable rates on the outstanding Revolving Loans (the “Allowed Claim for Revolving Balance and Non-Default Accrued Interest”).

D. On June 2, 2004 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Maine (the “Bankruptcy Court”).

E. On June 25, 2004, the Bankruptcy Court entered that certain Final Order (A) Authorizing the Use of Cash Collateral, (B) Granting Adequate Protection To Certain Prepetition Secured Parties Pursuant To Sections 105, 361 and 363 of The Bankruptcy Code Including Replacement Liens and Superpriority Claims and (C) Scheduling A Hearing For Final Approval of Use of Cash Collateral (Docket Number 262) (the “Cash Collateral Order”).

F. On August 3, 2004, the Debtors filed their Motion for Entry of an Order Pursuant to Sections 105(a), 363 and 1146(c) of the Bankruptcy Code and Bankruptcy Rule 9019 (I) Approving Global Settlement Agreement By and Among the Debtors and Debtors in Possession, Pegasus Communications Corporation and Other Non-Debtor Affiliates, DIRECTV, Inc., the DIRECTV Group, Inc., National Rural Telecommunications Cooperative, and the Official Committee of Unsecured Creditors, and (II) Authorizing and Approving in Connection Therewith a Sale, Transfer and Conveyance of Certain Assets of the Debtors to DIRECTV, Inc. (Docket Number 409) (the “Global Settlement Motion”), pursuant to which, *inter alia*, the Debtors’ proposed to sell certain of the Debtors’ assets to DIRECTV (the “DIRECTV Sale”).

G. On August 26, 2004, the Bankruptcy Court entered an order approving the DIRECTV Sale.

H. On August 27, 2004, the closing of the DIRECTV Sale occurred. At the closing, DIRECTV transferred proceeds of the DIRECTV Sale into the Debtors' bank account held at Deutsche Bank Trust Company Americas (the "Concentration Account").²

I. On September 10, 2004, the Debtors filed their Motion for an Order Pursuant to Sections 105 and 363(b) of the Bankruptcy Code (i) Shortening the Challenge Period in the Debtors' Cash Collateral Order, (II) Allowing Certain Prepetition Secured Claims and (III) Authorizing the Debtors to Make Payments to Certain Prepetition Secured Parties (the "Repayment Motion").

J. Pursuant to the Repayment Motion, the Debtors sought to make payment of the Allowed Claim for Senior Principal and Non-Default Accrued Interest, the Allowed Claim for Revolving Balance and Non-Default Accrued Interest and the Allowed Claim for Junior Principal and Non-Default Accrued Interest (collectively, the "Outstanding Principal and Non-Default Rate Interest Amount"), which amounts did not include default interest or any prepayment premiums asserted to be due under the terms of the Senior Credit Agreement, Junior Credit Agreement or the Revolving Credit Agreement.

K. On September 17, 2004, the Debtors, the Committee and the Secured Lenders entered into a Stipulation and Order Permitting Payment of Amounts to Senior Lenders, Revolving Lenders and Junior Secured Lenders and Reserving Rights With

² Account number 00-374-715.

Respect to Payment of Prepayment Premiums and Default Interest (the “Payment Stipulation”). The Payment Stipulation, *inter alia*, provided: (i) that the Allowed Claim for Senior Principal and Non-Default Accrued Interest, the Allowed Claim for Revolving Balance and Non-Default Accrued Interest, and Allowed Claim for Junior Principal and Non-Default Accrued Interest were each allowed claims, not subject to set-off, deduction, counter-claim, subordination or recharacterization; (ii) for the payment of each of the Allowed Claim for Senior Principal and Non-Default Accrued Interest, the Allowed Claim for Revolving Balance and Non-Default Accrued Interest, and Allowed Claim for Junior Principal and Non-Default Accrued Interest and interest thereon until such amounts were paid; (iii) a litigation schedule with respect to any motions filed by the Secured Lenders seeking payment by the Debtors of any prepayment premiums, default interest and interest thereon (the “Premiums”); (iv) that the maximum amounts potentially due in connection with the Premiums would be held by the Debtors in the Concentration Account pending the final outcome of any litigation with respect to the Secured Lenders’ entitlement thereto; and (v) for the continuance of the Cash Collateral Order subject to the elimination of certain reporting requirements contained therein and the modification of certain other provisions thereof.

L. On October 15, 2004, the Senior Lenders filed a Motion for an Order Pursuant to Section 506(b) of the Bankruptcy Code for Allowance and Payment of (i) Default Interest and (ii) Prepayment Amounts (Docket No. 613) (the “Senior Premium Motion”), alleging that (a) Default Interest is due and owing to (x) the Senior Term Lenders under the terms of the Senior Credit Agreement in the amount of \$2,312,066.69

and (y) the Revolving Lenders under the terms of the Revolving Credit Agreement in the amount of \$108,000 (the “Senior Default Interest Amount”); and (b) Prepayment Amounts are due and owing under the terms of (x) the Senior Credit Agreement in the amount of \$8,955,000 (calculated as 3% on \$298,500,000) and (y) the Revolving Credit Agreement in the amount of \$540,000 (calculated as 3% on \$18,000,000) (the “Senior Prepayment Premium”).

M. On October 15, 2004, Wilmington Trust filed a Motion for an Order Directing Payment of Prepayment Premium, Accrued Default Interest and Interest thereon (Docket No. 622) (the “Junior Premium Motion” and collectively with the Senior Premium Motion, the “Premium Motions”), alleging that (a) Default Interest is due and owing to the Junior Lenders under the terms of the Junior Credit Agreement in the amount of \$791,579.35 (the “Junior Default Interest Amount”); and (b) a Prepayment Amount is due and owing under the terms of the Junior Credit Agreement in the amount of \$2,157,137.98 (calculated as 2% of \$107,842,758.76) (the “Junior Prepayment Premium”).

N. On October 29, 2004, the Committee filed an Objection to the Premium Motions (the “Committee Premium Objection”). The Debtors did not file a response to the Premium Motions.

O. On November 5, 2004, the Senior Lenders and Wilmington Trust each filed a reply to the Committee Premium Objection.

P. On November 24, 2004, Wilmington Trust filed a Motion for Partial Summary Judgment and a Rule 56(b) Supporting Statement of Material Undisputed Facts (collectively, the “Wilmington SJ Motion”).

Q. On December 10, 2004, the Senior Lenders filed a joinder to the Wilmington SJ Motion.

R. On December 13, 2004, the Committee filed a Response to the Wilmington SJ Motion and a Rule 56(b) Supporting Statement of Material Undisputed Facts (collectively, the “Committee SJ Response”).

S. On December 15, 2004, Wilmington Trust filed a Reply to the Committee SJ Response and an Opposing Statement of Material Undisputed Facts.

T. On January 3, 2005, the Bankruptcy Court entered an Order Granting, In Part, and Denying, In Part, the Wilmington SJ Motion (the “Summary Judgment Order”). The Summary Judgment Order granted the Wilmington SJ Motion on the issue of voluntariness of the prepayment, finding that the Debtors’ actions of entering into the Global Settlement Agreement and paying the Outstanding Principal and Non-Default Rate Interest Amount were voluntary actions by the Debtors. The Summary Judgment Order denied the Wilmington SJ Motion on the issue of risk of loss, finding that there are disputed issues of material fact regarding the risk of loss faced by the Secured Lenders during the course of this chapter 11 case.

U. In order to resolve all remaining issues with respect to the Premium Motions, the parties hereto have agreed to the terms and conditions of this Stipulation as set forth herein.

AGREEMENT

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED, as among the Bank Steering Committee, Wilmington Trust, the Debtors and the Committee as follows:

1. Within five business days after execution of this Stipulation by all parties hereto, the Debtors and the Committee will file a joint motion pursuant to Federal Rule of Bankruptcy Procedure 9019 seeking approval of the terms hereof with the Bankruptcy Court (the “9019 Motion”)

2. Within two (2) business days of the entry of an Order of the Bankruptcy Court approving the 9019 Motion and this Stipulation, the Debtors shall pay the Senior Lenders the amount of \$9,229,295.54 in satisfaction of the Senior Prepayment Premium (the “Senior Settlement Amount”). To the extent the Senior Settlement Amount is not paid within such two (2) business day period, the Senior Settlement Amount shall accrue interest of \$3,161 per diem for each day thereafter until the Senior Settlement Amount is paid in full. No amount shall be payable by the Debtors on account of the Senior Default Interest Amount.

3. Within two (2) business days of the entry of an Order of the Bankruptcy Court approving the 9019 Motion and this Stipulation, the Debtors shall pay to Wilmington Trust, for the benefit of the Junior Secured Lenders, the amount of

\$2,096,773.45 in satisfaction of the Junior Prepayment Premium (the “Junior Settlement Amount”). To the extent the Junior Settlement Amount is not paid within such two (2) business day period, the Junior Settlement Amount shall accrue interest of \$718 per diem for each day thereafter until the Junior Settlement Amount is paid in full. No amount shall be payable by the Debtors on account of the Junior Default Interest Amount.

4. The payments made pursuant to paragraphs 2 and 3 above shall be final and not provisional, nor subject to recharacterization of any kind and the claims associated with such payments shall be deemed allowed pursuant to section 502 of the Bankruptcy Code.

5. Within two (2) business days after (i) the Order of the Bankruptcy Court approving the 9019 Motion and this Stipulation has become final and (ii) payment of the Senior Settlement Amount and Junior Settlement Amount are received by the Senior Lenders and Wilmington Trust, the Bank Steering Committee and Wilmington Trust shall withdraw the Premium Motions, with prejudice.

6. All reasonable professional fees and expenses incurred by the Senior Lenders and Wilmington Trust in connection with the Debtors’ cases shall be paid by the Debtors within ten (10) calendar days of receipt of an invoice for such professional fees and expenses by the Debtors and counsel to the Committee. Notwithstanding payment of the professional fees and expenses of the Senior Lenders and Wilmington Trust, the Debtors and the Committee will have twenty (20) calendar days from the receipt of any invoices furnished by the Senior Lenders or Wilmington Trust in which to file a written objection with the Bankruptcy Court to the reasonableness of the professional fees sought

therein, but the Debtors shall nevertheless be required to pay the subject professional fees and expenses in accordance with this paragraph, subject to disgorgement by the recipient thereof to the extent that the Bankruptcy Court enters a final order requiring such disgorgement. The professionals employed by the Senior Lenders and Wilmington Trust shall not be required to file an interim or final fee application with the Bankruptcy Court with respect to the fees paid pursuant to this paragraph. The Committee agrees that it will not object to any fees that were invoiced by, or previously paid to, the professionals retained by the Senior Lenders or Wilmington Trust as of the date of entry of an Order of the Bankruptcy Court approving the 9019 Motion and this Stipulation. In addition, within two (2) business days of the entry of the Order of the Bankruptcy Court approving the 9019 Motion and the Stipulation, the Debtors shall pay all invoices for professional fees and expenses of the Senior Lenders and Wilmington Trust received by the Debtors and the Committee prior to the date of execution of this Stipulation.

7. \$8,704,406.69 of the Senior Settlement Amount shall be paid to the Term Agent pursuant to Section 1.08 of the Senior Credit Agreement as a voluntary prepayment amount and, subject to the payment of any fees and expenses due to the Term Agent, the Term Agent shall distribute such amount to the Tranche D Lenders. \$524,888.85 of the Senior Settlement Amount shall be paid to the Revolving Agent and, subject to the payment of any fees and expenses due to the Revolving Agent, the Revolving Agent shall distribute such amount to the Revolving Lenders in accordance with the terms of the Revolving Credit Agreement.

8. Upon receipt by the Senior Lenders and Wilmington Trust of the Senior and Junior Settlement Amounts, respectively, the Debtors shall no longer be required to comply with the provisions of the Cash Collateral Order with respect to the Senior Lenders and Wilmington Trust, as modified by the Payment Stipulation and the Cash Collateral Order shall no longer be in force or effect with respect to the Debtors' obligations to the Senior Lenders and Wilmington Trust, but all obligations of the Debtors contained in the Cash Collateral Order with respect to the Committee shall remain in full force and effect.

9. This Stipulation is subject to the approval of the Bankruptcy Court and shall be deemed effective immediately upon the entry of an Order by the Bankruptcy Court approving the 9019 Motion and this Stipulation.

10. Each of the parties hereto represents that except for the approval of this Stipulation by the Bankruptcy Court, no consent, approval or authorization of any third party is required for such party's valid execution and performance of this Stipulation.

11. This Stipulation may not be amended or modified except by subsequent agreement in writing signed by each of the Secured Lenders, the Debtors and the Committee.

12. This Stipulation shall constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede any previous negotiations, commitments and writings with respect to such subject matter.

13. Nothing contained or provided for herein shall be deemed to constitute a waiver or admission by any party with respect to any rights, claims, defenses or objections if the Bankruptcy Court does not approve the 9019 Motion and this Stipulation. No party may use or refer to this Stipulation if the Bankruptcy Court does not approve the 9019 Motion and this Stipulation.

14. The terms of this Stipulation and the payments contemplated hereby shall not waive or prejudice the rights of any party with respect to any matter not covered hereby.

15. This Stipulation shall be binding upon all successors and assigns of the parties hereto, the Agents and each of the Secured Lenders.

16. This Stipulation may be executed in one or more counterparts, all of which shall be considered one and the same document.

Dated: January __, 2005	
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