

Hearing  
Date: 7/21/05  
Time: 10:30 a.m.  
Mode: Live  
Place: Portland  
Objection Date: 7/11/05

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE**

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

**FINAL APPLICATION OF CAPITAL & TECHNOLOGY ADVISORS LLC FOR  
COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
FOR THE PERIOD JUNE 14, 2004 THROUGH JANUARY 31, 2005**

1. Name of applicant: Capital & Technology Advisors LLC
2. Role of applicant: Financial Advisor to the Official Committee of Unsecured Creditors of Pegasus Satellite Television, Inc. and certain of its debtor subsidiaries and affiliates
3. Name of certifying professional: Wayne Barr, Jr.
4. Date of retention: July 27, 2004
5. Period for which compensation and reimbursement is sought: June 14, 2004 through January 31, 2005
6. Amount of compensation sought as actual, reasonable and necessary for the fee period: \$1,135,000.00<sup>1</sup>

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<sup>1</sup> This amount represents the total monthly fees billed by C&TA during its engagement. As approved by the Court, C&TA's engagement letter states that C&TA is eligible for a Transaction Fee, which fee is determined with reference to the Unsecured Creditors' Recovery (as defined in the engagement letter). Because the Unsecured Creditors' Recovery is not yet determinable, C&TA respectfully requests this Court to approve the Transaction Fee (to the extent such is payable under the engagement letter) and to direct the Estate to pay such fee to C&TA as soon as it is determinable.

7. Amount of expense reimbursement sought as actual, reasonable and necessary for the fee period:	\$13,414.42
8. Total Fees and Reimbursement Requested (Line 6 + Line 7):	\$1,148,414.42
9. Amount of fees for services rendered paid pursuant to Interim Applications and Monthly Fee Statements:	\$1,060,000.00
10. Amount of expense reimbursement paid pursuant to Interim Applications:	\$13,414.42
11. Total Amount of fees and expenses paid pursuant to Interim Applications (Line 9 + Line 10):	\$1,073,414.42
12. Final fee and expense award requested (Line 8 – Line 11):	\$75,000.00 <sup>2</sup>

This is a final application.

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<sup>2</sup> This amount represents the total monthly fees billed by C&TA during its engagement. As approved by the Court, C&TA's engagement letter states that C&TA is eligible for a Transaction Fee, which fee is determined with reference to the Unsecured Creditors' Recovery (as defined in the engagement letter). Because the Unsecured Creditors' Recovery is not yet determinable, C&TA respectfully requests this Court to approve the Transaction Fee (to the extent such is payable under the engagement letter) and to direct the Estate to pay such fee to C&TA as soon as it is determinable.

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OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
FOR THE PERIOD JUNE 14, 2004 THROUGH JANUARY 31, 2005**

Capital & Technology Advisors LLC (“C&TA”), financial advisor to the Official Committee of Unsecured Creditors (the “Committee”) of Pegasus Satellite Television, Inc., *et al.* (collectively, the “Debtors”), for its final application (the “Application”) for compensation and reimbursement of expenses pursuant to Section 330 of Title 11, United States Code (the “Bankruptcy Code”), respectfully represents:

**INTRODUCTION**

1. C&TA, as financial advisor for the Committee, respectfully requests (i) final allowance of fees incurred by C&TA for services rendered during the period June 14, 2004 through January 31, 2005 (the “Fee Period”) in the amount of \$1,135,000, (ii) for final allowance of reasonable and necessary reimbursable expenses incurred by CTA during the Fee Period in the amount of \$13,414.42, and (iii) approval of the Transaction Fee, payable upon satisfaction of the conditions outlined for the payment of such fee in the engagement letter governing the engagement of C&TA during these cases.

2. For the reasons set forth herein, and in the accompanying exhibits, it is respectfully submitted that the compensation requested by C&TA should be approved in all respects and the Debtors should be directed to pay C&TA (i) as soon as practicable following the entry of this Court's order an aggregate amount of \$75,000.00,<sup>3</sup> and (ii) the Transaction Fee, payable in accordance with the terms of the engagement letter governing the engagement of C&TA during these cases.

### **BASIS FOR THE APPLICATION**

3. On June 2, 2004, Pegasus Satellite Communications, Inc. and certain of its affiliates (collectively, the "Debtors")<sup>4</sup> each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Maine (the "Bankruptcy Court").

4. On June 24, 2004, the Bankruptcy Court entered an order pursuant to section 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "Interim Compensation Order"). Pursuant to the Interim Compensation Order, the Bankruptcy Court imposed a 10% fee "holdback" for all professionals of the Debtors' estates.

5. On July 27, 2004, the Bankruptcy Court entered an order (the "C&TA Retention Order") authorizing the retention of C&TA as financial advisor to the Committee *nunc pro tunc*

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<sup>3</sup> This amount represents an aggregate amount of \$1,148,414.42 for C&TA's fees and expenses during the Fee Period, less an aggregate amount of \$1,073,414.42, which was paid to C&TA for fees and expenses pursuant to this Court's order dated June 24, 2004 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals (the "Interim Compensation Order") and this Court's order entered November 30, 2004.

<sup>4</sup> 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.

to June 14, 2004, pursuant to that certain engagement letter dated as of June 14, 2004 (the “Engagement Letter”), a copy of which is attached hereto as Exhibit A. Pursuant to the terms of the Engagement Letter, C&TA is entitled to receive a Monthly Advisory Fee of \$150,000 per month for its advisory services rendered on behalf of the Committee, as well as reimbursement of reasonable out-of-pocket expenses

6. The professionals at C&TA who have rendered professional services on this matter include Jared E. Abbruzzese, Sr., Wayne Barr, Jr., Peter Aquino and Eduardo Sanchez.

7. During the Fee Period, the Committee relied on the experience and expertise of the above-named persons in dealing with matters relating to the Debtors’ restructuring, including due diligence issues, monitoring the Debtors’ business operations, business planning and strategy, negotiating and consummating the sale of the Debtors’ satellite television assets and interfacing with the Debtors, their advisors and other parties-in-interest. As a result, the professionals of C&TA devoted time and effort to perform properly and expeditiously the required professional services.

8. During the Fee Period, C&TA has filed the following Interim Fee Applications:

- a. Interim Fee Application of Capital & Technology Advisors LLC for Compensation and Reimbursement of Expenses for the Period From June 14, 2004 through August 31, 2004, docketed on the Court’s docket as docket no. 651 (the “First Interim Fee Application”), and approved pursuant to the Court’s Order dated November 30, 2004, docketed on the Court’s docket as docket no. 806; and
- b. Second Interim Fee Application of Capital & Technology Advisors LLC for Compensation and Reimbursement of Expenses for the Period From September 1, 2004 through November 30, 2004, docketed on the Court’s docket as docket no.

1190 (the “Second Interim Fee Application”), and approved pursuant to the Court’s Order dated April 27, 2005, docketed on the Court’s docket as docket no. 1289;

9. During the Fee Period, C&TA has filed the following Statements of Fees, which relate to that portion of the Fee Period subsequent to November 30, 2004:

- a. Statement of Fees for Services Rendered and Out-Of-Pocket Expenses Incurred by Capital & Technology Advisors LLC, as Financial Advisor to the Official Committee of Unsecured Creditors for the Period from December 1, 2004 through December 31, 2004, filed on February 3, 2005 and docketed in the Court’s docket as docket no. 958 (the “December Fee Statement”); and
- b. Statement of Fees for Services Rendered and Out-Of-Pocket Expenses Incurred by Capital & Technology Advisors LLC, as Financial Advisor to the Official Committee of Unsecured Creditors for the Period from January 1, 2005 through January 31, 2005, filed on March 9, 2005 and docketed in the Court’s docket as docket no. 1073 (the “January Fee Statement”).

10. The Engagement Letter provides that C&TA will be entitled to a Transaction Fee upon the satisfaction of certain prescribed conditions. In particular, Paragraph 2.b provides:

Transaction Fee. If a transaction involving a Restructuring or Sale is consummated, an additional fee (the “Transaction Fee”), payable by the Estate on the closing of the transaction in accordance with the procedures approved by the Bankruptcy Court for the interim and final compensation of professionals in the Chapter 11 case, as such procedures apply to C&TA, equal to (A) the sum of (i) 75 basis points multiplied by the amount of the Unsecured Creditors’ Recovery (as defined below) between \$400 million and \$500 million plus (ii) 150 basis points multiplied by the amount of the Unsecured Creditors’ Recovery in excess of \$500 million less (B) an amount equal to 50% Monthly Advisory Fees in excess of \$1,350,000 received by C&TA. The Transaction Fee shall be

payable to C&TA on the closing of the transaction in accordance with the provisions of this paragraph 2.b as long as the Transaction is closed during the term of C&TA's engagement by the Committee or within twelve months following the termination of such engagement.

"Unsecured Creditors' Recovery" shall be equal to the fair market value of all cash and/or other securities to be received as a result of a Restructuring or sale by the unsecured creditors of the Company and its subsidiaries.

The pre-conditions to C&TA's entitlement to a Transaction Fee have been satisfied in accordance with Section 2.b as a "Restructuring or Sale" has occurred. The only remaining issue is the amount of the Transaction Fee which is based on the "Unsecured Creditors' Recovery" which will not be finally determined until distributions have been made in the Chapter 11 Case. If, and when, distributions are made to unsecured creditors in excess of \$400 million, C&TA is entitled to a recovery of 75 basis points for every dollar distributed in excess of \$400 million up to \$500 million. Further, C&TA is entitled to a recovery equal to 150 basis points for all amounts distributed to the unsecured creditors in excess of \$500 million. C&TA respectfully submits it should be entitled (and paid) such amounts on the initial distribution date and each subsequent distribution date.

11. In accordance with the factors enumerated with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by C&TA, including the Transaction Fee, is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

12. Attached hereto as Exhibit B is a summary of the time charges for each C&TA professional during the Fee Period.

**SUMMARY OF FEES AND EXPENSES**

13. The total amount of monthly professional fees sought by C&TA for the Fee Period is \$1,135,000.00, calculated as follows:

<b><i>Monthly Fees</i></b>		
First Interim Fee Period:	June 14, 2004 – June 30, 2004	\$ 85,000.00
	July 1, 2004 - July 31, 2004	150,000.00
	August 1, 2004 - August, 31, 2004	150,000.00
Second Interim Fee Period:	September 1, 2004 - September 30, 2004	150,000.00
	October 1, 2004 - October 31, 2004	150,000.00
	November 1, 2004 - November 30, 2004	150,000.00
Final Interim Fee Period:	December 1, 2004 - December 21, 2004	150,000.00
	January 1, 2005 – January 31, 2005	<u>150,000.00</u>
	<b><i>Total Fees For Services</i></b>	<b><i><u>\$1,135,000.00</u></i></b>

14. On October 21, 2004, C&TA filed the First Interim Fee Application of Capital & Technology Advisors LLC for Compensation and Reimbursement of Expenses (for the period June 14, 2004 through August 31, 2004) (the “First Interim Application”). The Court entered an order approving the Interim Application on November 30, 2004 (the “Initial Interim Order”), docket no. 806. In accordance with the Initial Interim Order, the Debtors paid C&TA \$38,500, representing 100% of the amounts held back during the First Interim Fee Period.

15. On April 5, 2005, C&TA filed the Second Interim Fee Application of Capital & Technology Advisors LLC for Compensation and Reimbursement of Expenses (for the period September 1, 2004 through November 30, 2004) (the “Second Interim Application”). The Court entered an order approving the Second Interim Application on April 27, 2005 (the “Second Interim Order”), docket no. 1289. No amount of fees held back during the period represented by the Second Interim Application was paid to C&TA.



## **DISBURSEMENTS**

16. CTA has incurred out-of-pocket disbursements during the Fee Period in the amount of \$13,414.42, all of which has been paid to C&TA. This disbursement sum is broken down into categories of charges itemized in Exhibit C attached hereto. Each charge incurred by C&TA was necessary and incurred as a direct result of C&TA's representation of the Committee.

## **BASIS FOR COMPENSATION AND REIMBURSEMENT**

### **Monthly Fees and Expenses**

17. The applicant believes that the requested professional fees and Transaction Fee (including the Transaction Fee) are reasonable when considering the factors enumerated in section 330 of the Bankruptcy Code. The monthly fees requested herein are fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, (e) the results which were achieved for the Debtors' unsecured creditors, and (f) the costs of comparable services other than in a case under the Bankruptcy Code.

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WHEREFORE, C&TA respectfully requests (i) that the Court enter the Order attached hereto as Exhibit D providing for (i) for final allowance of monthly fees equal to \$1,135,000.00 and reasonable and necessary reimbursable expenses incurred by C&TA equal to \$13,414.42 during the Fee Period; (ii) authorizing and directing the Debtors to pay CTA an aggregate amount of \$75,000.00 for compensation for services rendered during the Fee Period and not yet paid to C&TA; (iii) authorizing and directing the Debtors to pay then Transaction Fee in accordance with the terms of the Engagement Letter on the initial distribution date and each subsequent date distributions are made to unsecured creditors in this Chapter 11 case, and (iv) that the Court grant such other and further relief as it may deem just and proper.

Dated: Albany, New York  
June 20, 2005

CAPITAL & TECHNOLOGY  
ADVISORS LLC

By: \_\_\_\_\_  
Wayne Barr, Jr.  
SVP and General Counsel  
18 Corporate Woods Boulevard  
Third Floor  
Albany, New York 12211  
(518) 462-2632

**Exhibit A**  
**Engagement Letter**

As of June 10, 2004

The Official Committee of Unsecured Creditors  
of Pegasus Satellite Television, Inc.  
c/o Akin Gump Strauss Hauer & Feld LLP  
590 Madison Avenue  
New York, NY 10022

Re: Pegasus Satellite Television, Inc., et al.  
Case No. 04-20878

Ladies and Gentlemen:

This letter confirms the terms under which the Official Committee of Unsecured Creditors of Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates (the “Committee”) has engaged Capital & Technology Advisors LLC (“C&TA”) *nunc pro tunc* to June 10, 2004, to provide industry and technology advisory services to the Committee with respect to a possible Restructuring (as defined below) of Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates (collectively, the “Company”) and with respect to such other services as to which the Committee and C&TA may agree in writing during the term of this engagement. For purposes hereof, the term “Company” includes affiliates of the Company and any entity formed or invested in to consummate a Restructuring and/or Sale, and shall also include any successor to or assignee of all or substantially all of the assets and/or business of the Company, whether pursuant to a Plan (as defined below) or otherwise, unless otherwise agreed to by C&TA. If appropriate in connection with performing its services for the Committee hereunder, C&TA may utilize the services of one or more of its affiliates, in which case references herein to C&TA shall include such affiliates.

The Company has filed a petition under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”). Upon approval by the bankruptcy court (the “Bankruptcy Court”) having jurisdiction over the Company’s chapter 11 case (the “Chapter 11 Case”) of an application filed by the Committee in accordance with paragraph 13 hereof to retain C&TA in accordance with the terms of this Agreement, the Company, in its capacity as debtor in possession and representative of its chapter 11 estate (in such capacity, the “Estate”) shall be responsible for the fees, costs and indemnification obligations contained in this Agreement. None of the Committee nor any of its members or representatives shall have any liability to or otherwise be responsible for making any payments to C&TA in connection with this Agreement.

1. **Engagement.** C&TA is being engaged to act as the industry and technology advisor to the Committee in connection with the Chapter 11 Case. As advisor to the Committee, C&TA will perform the following services and analyses as may be requested from time to time by the Committee:

- a) Analyze the Company's communications operations, service delivery and technological capabilities, each as it applies to the Company's current financial condition and its prospects for the Company's future performance;
- b) Conduct a detailed review of the Company's recent financial performance, business plan, marketing plan, revenue forecasts, capital program, management and competitive environment;
- c) Review and advise the Committee with respect to operating cash flow risks and opportunities. C&TA will review current network architecture and broadcasting arrangements, market channel and product profitability, regulatory matters as they affect current and future operations. C&TA will evaluate the potential free cash flow generators and associated timing;
- d) Assist and advise the Committee in connection with the Company's current contracts, both from a market level evaluation, and overall usefulness of such contracts in a restructured company;
- e) Provide input and overall evaluation of the Company's revised financial plan to be included in the Company's plan of reorganization;
- f) Assist and advise the Committee in the preparation and negotiation of any plan of reorganization proposed by the Company or developed by the Committee and other creditor constituencies of the Company; and
- g) Provide such other advice and assistance as may reasonably be requested by the Committee from time to time

C&TA will coordinate with Greenhill & Co., LLC ("Greenhill") and the Committee to take all steps necessary to prevent unnecessary duplication or overlap of efforts by C&TA and Greenhill.

2. **Fees and Expenses.** C&TA's compensation for services rendered under this Agreement will consist of the following cash fees:

a. **Monthly Advisory Fee.** A monthly advisory fee of \$150,000 (the "Monthly Advisory Fee"), which shall be due and paid by the Estate beginning 1 month after the date of execution of this Agreement, and thereafter on each monthly anniversary thereof during the term of this engagement in accordance with the procedures approved by the Bankruptcy Court for the interim and final compensation of professionals in the Chapter 11 Case, as such procedures apply to C&TA.

b. Transaction Fee. If a transaction involving a Restructuring or Sale is consummated, an additional fee (the "Transaction Fee"), payable by the Estate on the closing of the transaction in accordance with the procedures approved by the Bankruptcy Court for the interim and final compensation of professionals in the Chapter 11 Case, as such procedures apply to C&TA, equal to (A) the sum of (i) 75 basis points multiplied by the amount of the Unsecured Creditors' Recovery (as defined below) between \$400 million and \$500 million plus (ii) 150 basis points multiplied by the amount of the Unsecured Creditors' Recovery in excess of \$500 million less (B) an amount equal to 50% Monthly Advisory Fees in excess of \$1,350,000 received by C&TA. The Transaction Fee shall be payable to C&TA on the closing of the transaction in accordance with the provisions of this paragraph 2.b so long as the Transaction is closed during the term of C&TA's engagement by the Committee or within twelve months following the termination of such engagement.

"Unsecured Creditors' Recovery" shall be equal to the fair market value of all cash and/or other securities to be received as a result of a Restructuring or Sale by the unsecured creditors of the Company and its subsidiaries.

For purposes of this Agreement, the term "Restructuring" shall mean any recapitalization or restructuring (including, without limitation, through any exchange, conversion, cancellation, forgiveness, retirement, refinancing, repurchase and/or a material modification or amendment to the terms, conditions or covenants) of the Company's equity and/or debt securities and/or other indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities and other contract or tort obligations), including pursuant to a Plan or a solicitation of consents, waivers, acceptances or authorizations.

For purposes of this Agreement, the term "Sale" shall mean the disposition to one or more third parties (including affiliates of the Company) in one transaction or a series of related transactions of (x) substantially all or a significant portion of the equity securities of the Company, or (y) substantially all or a significant portion of the assets (including the assignment of any executory contracts) or operations of the Company or its subsidiaries, in either case, including through a sale or exchange of capital stock, options or assets, a lease of assets with or without a purchase option, a merger, consolidation or other business combination, an exchange or tender offer, a recapitalization, the formation of a joint venture, partnership or similar entity, or any similar transaction.

3. Out-of-Pocket Expenses. In addition to any fees payable by the Estate to C&TA hereunder, the Estate shall, whether or not any transaction contemplated by this Agreement shall be proposed or consummated, reimburse C&TA on a monthly basis in accordance with the procedures approved by the Bankruptcy Court for the reimbursement of expenses of professionals in the Chapter 11 Case, as such procedures apply to C&TA, for its travel and other reasonable out-of-pocket expenses (including all fees, disbursements and other charges of counsel to be retained by C&TA, and of other consultants and advisors retained by C&TA with the Committee's consent) incurred in connection with, or arising out of C&TA's activities under or contemplated by this engagement. The Estate shall also reimburse C&TA, at such times as C&TA shall request, for any sales, use or similar taxes (including additions to such taxes, if any) arising in connection with any matter referred to or contemplated by this engagement. All such

reimbursement shall be made promptly upon submission by C&TA of statements for such expenses in accordance with the appropriate fee application procedure.

4 Recognition of Fee Structure. C&TA and the Committee acknowledge and agree that the hours worked, the results achieved and the ultimate benefit to the parties represented by the Committee of the work performed, in each case, in connection with this engagement, may be variable, and that the Committee and C&TA have taken this into account in setting the fees hereunder. No fee payable to any other Person by the Committee, the Estate or any other party, shall affect any fee payable to C&TA hereunder.

5 Information. The Committee understands that C&TA will not be responsible for independently verifying the accuracy of the information provided to it by the Company and its advisors (the “Evaluation Material”) and shall not be liable for inaccuracies in any Evaluation Material provided to C&TA.

6 Confidentiality. In connection with this engagement, C&TA shall keep confidential and use solely in its capacity as an advisor to the Committee all information provided to it by the Company and the Committee and each of their agents (other than information that (i) is or becomes generally available to the public other than as a result of a disclosure by C&TA or any of its partners, directors, officers, employees or agents, or (ii) becomes available to C&TA on a non-confidential basis from a source other than the Company or the Committee, or any of their directors, officers, members, employees, agents or advisors, provided that such source is not actually known by C&TA to be bound by a confidentiality agreement with, or fiduciary or other obligations of secrecy to, the Company or the Committee), and shall not disclose such information to parties other than the Committee and its agents except with the approval of the Company or the Committee (as the case may be), except to the extent required by law or administrative or regulatory process (in which case C&TA will promptly advise the Company or the Committee (as the case may be) prior to such disclosure, so the Company or the Committee may with C&TA’s cooperation, but at no cost to C&TA, pursue such course of action as it deems fit).

7. Independent Contractor. C&TA has been retained under this Agreement as an independent contractor with no fiduciary or agency relationship to the Company, the Estate or to any other party other than the Committee. The advice (oral or written) rendered by C&TA pursuant to this Agreement is intended solely for the benefit and use of the Committee in considering the matters to which this Agreement relates, and the Committee agrees that such advice may not be relied upon by any other person or entity, used for any other purpose or reproduced, disseminated, quoted or referred to at any time, in any manner for any purpose, nor shall any public references to C&TA be made by the Committee, without the prior written consent of C&TA and the Committee.

8. Indemnification. The Estate shall indemnify C&TA and certain related persons in accordance with the indemnification provisions (“Indemnification Provisions”) attached to this Agreement. Such Indemnification Provisions are an integral part of this Agreement, and the terms thereof are incorporated by reference herein. Such Indemnification Provisions shall survive any termination or completion of C&TA 's engagement hereunder.

9. Limitation of Liability. The Committee agrees and any order entered by the Bankruptcy Court authorizing the Committee's retention of C&TA shall provide that none of C&TA, its affiliates or their respective directors, officers, agents, employees and controlling persons, or any of their respective successors or assigns ("Covered Persons") shall have any liability to the Committee, the Company or the Estate for or in connection with this engagement or any transactions or conduct in connection therewith except for losses, claims, damages, liabilities or expenses incurred by the Committee, the Company or the Estate which are finally judicially determined to have resulted primarily from the gross negligence or willful misconduct of such Covered Person. The obligations of C&TA are solely obligations of a limited liability company, and no officer, director, employee, agent, member, manager or controlling person of C&TA shall be subjected to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this Agreement or any person relying on the services provided hereunder.

10. Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof and may not be modified, except in writing signed by both parties. This Agreement may be executed in counterparts, each of which shall constitute an original. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

11. Termination. This Agreement and C&TA's engagement hereunder may be terminated by either the Committee or C&TA at any time, upon 30 days prior written notice thereof to the other party, provided, however, that (a) termination of C&TA's engagement hereunder shall not affect the Company's continuing obligation to indemnify C&TA and certain related persons as provided for in this Agreement, and the Committee's and the Estate's continuing obligations and, as applicable, agreements under paragraphs 6, 7, 9, 12, 14 and 15 hereof, (b) notwithstanding any such termination, C&TA shall be entitled to the full fees in the amounts and at the times provided for in paragraph 2 hereof, and (c) any termination of C&TA's engagement hereunder shall not affect the Estate's obligation to reimburse expenses incurred prior to such termination to the extent provided in paragraph 3 hereof.

12. Authority. Each party hereto represents and warrants that it has all requisite power and authority to enter into this Agreement and the transactions contemplated hereby. Each party hereto further represents and warrants that this Agreement has been duly and validly authorized by all necessary action on the part of C&TA and the Committee and has been duly executed and delivered by C&TA and the Committee and, upon Bankruptcy Court approval, shall constitute a legal, valid and binding Agreement of C&TA, the Committee and the Estate, enforceable in accordance with its terms..

13. Bankruptcy Court Approval. The provisions of this Agreement are subject to the entry of an order of the Bankruptcy Court approving the retention of C&TA pursuant to the terms hereof. The Committee shall use best efforts to obtain prompt authorization of the retention of C&TA, *nunc pro tunc* to June 10, 2004, on the terms and provision in this Agreement pursuant to sections 328(a) and 1103 of the Bankruptcy Code. The order approving this Agreement and authorizing retention shall be acceptable to C&TA in its reasonable discretion.





## INDEMNIFICATION PROVISIONS

In connection with the engagement of Capital & Technology Advisors LLC (“C&TA”) as industry and technology advisor to the Committee, Pegasus Satellite Television, Inc. and its debtor affiliates (collectively, the “Debtors”), shall indemnify and hold harmless C&TA and its affiliates, their respective directors, officers, agents, attorneys, employees and controlling persons, and each of their respective successors and assigns (collectively, the “Indemnified Persons”), to the full extent lawful, from and against all losses, claims, damages, liabilities and expenses incurred by them which (A) are related to or arise out of (i) actions or alleged actions taken or omitted to be taken (including any untrue statements made or any statements omitted to be made) by the Debtors, or (ii) actions or alleged actions taken or omitted to be taken by an Indemnified Person with any Debtor’s consent or in conformity with any Debtor’s actions or omissions, or (B) are otherwise related to or arise out of C&TA’s activities under C&TA’s engagement by the Committee. The Debtors shall not be responsible, however, for any losses, claims, damages, liabilities or expenses which are finally judicially determined to have resulted primarily from the gross negligence or willful misconduct of the person seeking indemnification hereunder.

After receipt by an Indemnified Person of notice of any complaint or the commencement of any action or proceeding with respect to which indemnification is being sought hereunder, such person will notify the Debtors and the Committee in writing of such complaint or of the commencement of such action or proceeding, but failure so to notify the Debtors or the Committee (a) shall not relieve the Debtors from any liability which the Debtors may have hereunder unless and only if to the extent that such failure results in the forfeiture by the Debtors of substantial rights and defenses, and (b) shall not in any event relieve the Debtors from any other obligation or liability that the Debtors may have to any Indemnified Person otherwise than under these indemnification provisions. If the Debtors so elect or are requested by such Indemnified Person, the Debtors shall assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to C&TA and the payment of the fees and disbursements of such counsel. In the event, however, such Indemnified Person reasonably determines in its judgment that having common counsel would present such counsel with a conflict of interest or if the defendants in, or targets of, any such action or proceeding include both an Indemnified Person and the Debtors, and such Indemnified Person reasonably concludes that there may be legal defenses available to it or other Indemnified Persons that are different from or in addition to those available to the Debtors, or if the Debtors fail to assume the defense of the action or proceeding or to employ counsel reasonably satisfactory to such Indemnified Person, in either case in a timely manner, then such Indemnified Person may employ separate counsel to represent or defend it in any such action or proceeding and the Debtors shall pay the fees and disbursements of such counsel; provided, however, that the Debtors will not be required to pay the fees and disbursements of more than one separate counsel (in addition to local counsel) for all Indemnified Persons in any jurisdiction in any single action or proceeding. In any action or proceeding the defense of which the Debtors assume the Indemnified Person will have the right to participate in such litigation and to retain its own counsel at such Indemnified Person’s own expense. The Debtors shall not, without the prior written consent of C&TA and prior written notice to the Committee, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or

proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not C&TA or any other Indemnified Person is an actual or potential party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes an unconditional release of C&TA, and each other Indemnified Person hereunder from all liability arising out of such claim, action, suit or proceeding without payment by the Debtors.

If any indemnification sought by an Indemnified Person pursuant to these indemnification provisions is held by a court to be unavailable for any reason other than as specified in the second sentence of the first paragraph of these indemnification provisions, then (whether or not C&TA is the Indemnified Person), the Debtors and C&TA shall contribute to the losses, claims, damages, liabilities and expenses for which such indemnification is held unavailable (i) in such proportion as is appropriate to reflect the relative benefits to the Debtors and/or the Committee, on the one hand, and C&TA, on the other hand, in connection with C&TA's engagement referred to above, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i), but also the relative fault of the Debtors, on the one hand, and C&TA, on the other hand, as well as any other relevant equitable considerations; provided however, that in any event the aggregate contribution of all Indemnified Persons, including C&TA, to all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder will not exceed the amount of fees actually received by C&TA pursuant to C&TA's engagement referred to above. For purposes of this paragraph, the relative benefits to the Debtors and/or the Committee, on the one hand, and C&TA, on the other hand, with respect to C&TA's engagement shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received by the Debtors or our members, stockholders, claims holders or contract parties, as the case may be, pursuant to the transaction, whether or not consummated, for which C&TA is engaged to render financial advisory services, bears to (ii) the fee paid or proposed to be paid to C&TA in connection with such engagement. Contribution pursuant to this paragraph shall not be determined by pro rata allocation or by any other method which does not take into account the considerations referred to in this paragraph.

The Debtors shall promptly reimburse C&TA and any other Indemnified Person hereunder for all expenses (including fees and disbursements of counsel) as they are incurred by C&TA or such other Indemnified Person in connection with investigating, preparing for or defending, or providing evidence in, any pending or threatened action, claim, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not C&TA or any other Indemnified Person is a party) and in enforcing these indemnification provisions.

The Debtors' indemnity, contribution, reimbursement and other obligations under these indemnification provisions shall be in addition to any liability that the Debtors may otherwise have, at common law or otherwise, and shall be binding on the Debtors' successors and assigns.

Solely for purposes of enforcing these indemnification provisions, the Debtors shall be deemed to have consented to personal jurisdiction, service and venue in any court in which any claim or proceeding which is subject to, or which may give rise to a claim for indemnification or contribution under, these indemnification provisions is brought against C&TA or any other Indemnified Person.

These indemnifications provisions shall apply to the above-mentioned engagement, activities relating to the engagement occurring prior to the date hereof, and any subsequent modification of or amendment to such engagement, and shall remain in full force and effect following the completion or termination of C&TA's engagement.

**Exhibit B**  
**Summary of Time Charges**

**SUMMARY OF TIME CHARGES FOR THE PERIOD**  
**JUNE 14, 2004 THROUGH AND INCLUDING JANUARY 31, 2005**

Listed below are the professionals who performed services during the referenced periods, their full names and the time incurred by each.

**June 14 -30, 2004**

**Jared E. Abbruzzese - 10 hours**

Date	# of Hours	Description
6/14	2	Confer with WBarr and PAquino regarding background information; attend introductory meeting in NYC with committee members
6/17	1	Participate in conference call, respond to issues raised by certain committee members
6/21	.5	Participate in conference call regarding TRO decision
6/23	5	Prepare for and attend meeting with DTV
6/29	1.5	Confer with WBarr regarding DTV, KERP and other issues, participate in conference call with cmte.

**Wayne Barr, Jr. – 22 hours**

Date	# of Hours	Description
6/14	4	Finalize and review background and presentation materials with JA and PAquino, participate in cmte meeting
6/15	1	Review background materials
6/16	1.5	Prepare C&TA engagement letter and retention application
6/17	.7	Participate in cmte call; follow-up with C&TA team
6/21	4.5	Attend meeting in Chicago with Debtors' professionals
6/22	1	Confer with ESanchez regarding data room review
6/23	1	Revise engagement letter
6/24	1.5	Review and revise retention application
6/25	.8	Review conflicts list
6/28	3	Review KERP proposals, participate in conference call regarding same
6/29	2	Confer with ESanchez regarding KERP and other issues, participate in cmte call
6/30	1	Review C&TA's comments on KERP proposal; participate in cmte call

**Peter Aquino – 4 hours**

Date	# of Hours	Description
6/14	3	Review presentation and attend committee meeting
6/29	1	Confer with ESanchez regarding KERP

**Eduardo Sanchez – 66 hours**

Date	# of Hours	Description
6/14	5	Revise and finalize presentation to committee
6/17	8	Review background information on Debtors
6/18	8	Review background information on Debtors
6/21	5	Meeting with Sidley Austin, Miller Buckfire (Greenhill, Akin) to get overview of Pegasus' current situation - Chicago.
6/22	8	Evaluating documents on online database
6/23	8	Evaluating documents on online database
6/28	8	Reviewing Pegasus' KERP / SSA proposals. Phone Conference Call with Sidley Austin (Greenhill, Akin) to discuss KERP / SSA proposals.
6/29	8	Reviewing Pegasus' KERP / SSA proposals. Phone Conference Call with Committee (Greenhill, Akin) to provide update on negotiations with DTV
6/30	8	Reviewing Pegasus' KERP / SSA proposals. Phone Conference Call with Greenhill and Akin Gump to discuss KERP

**July 1 – 31, 2004****Jared E. Abbruzzese – 16.5 hours**

Date	# of Hours	Description
7/1	3	Meeting in NYC with Committee , Debtors and advisors
7/6	3	Participate in conference calls with Committee, meeting at MBL Y
7/13	4	Meeting at Sidley Austin; follow up discussions with committee members and C&TA personnel
7/14	4	Additional meetings with committee members regarding potential transaction; review and discuss transaction and diligence efforts with C&TA personnel
7/16	1	Participate in conference call
7/20	.5	Update call with C&TA personnel regarding negotiation status
7/23	.5	Update call with C&TA personnel regarding negotiation status
7/29	.5	Pegasus conference call

**Wayne Barr, Jr. – 85 hours**

Date	# of Hours	Description
7/1	3	Meeting in NYC with Committee , Debtors and advisors
7/2	4	Review various issues including KERP; participate in conference call
7/6	1	Participate in conference call; follow up with ESanchez
7/7	2	Review diligence materials
7/8	1	Review diligence materials
7/12	.5	Conference call with ESanchez
7/14	8	Travel to and attend diligence session at Debtors' offices
7/19	8	Meetings in NYC with DTV and Debtors
7/20	6	Meetings in NYC with DTV and Debtors
7/21	6	Meetings in NYC with DTV and Debtors
7/22	7	Meetings in NYC with DTV and Debtors
7/25	8	Meetings in NYC with DTV and Debtors

7/26	9	Meetings in NYC with DTV and Debtors
7/27	9	Meetings in NYC with DTV and Debtors
7/28	9	Meetings in NYC with DTV and Debtors
7/29	4	Participate in conference calls regarding DTV transaction, KERP and other issues

**Eduardo Sanchez, Consultant – 122 hours**

Date	# of Hours	Description
7/1	8	Meeting with the Unsecured Creditors Committee, Debtors, and Advisors in NYC to DTV offer
7/2	8	Phone Conference Call with Sidley Austin, Pegasus (Greenhill, Akin Gump) to discuss Tier II,III STI and KERP for Senior Employees
7/6	8	Reviewing due diligence documents. Conference Call with Joe Pooler, Miller Buckfire (Greenhill, Akin) to go over Support Services Agreement. Conference Call with Pegasus, Sidley, Akin G, and Greenhill to get additional details on current STI compensation plan
7/7	8	Reviewing due diligence documents
7/8	8	Reviewing due diligence documents
7/12	4	Out of the office on vacation. Phone Conference Call with Greenhill and Akin Gump to discuss Tier II,III STI and KERP for Senior Employees
7/13	8	Meeting with the Unsecured Creditors Committee, Debtors, and DTV in NYC
7/14	8	Due diligence meeting at Pegasus HQ - Philadelphia - (CTA, Greenhill, Chanin, Miller, Pegasus mgmt).
7/15	8	Reviewing documents provided on Wednesday meeting
7/22	8	Conference Call with the Committee and Advisors to discuss KERP Proposal. Conference Call with Miller, Sidley to discuss Recovery Analysis prepared by Miller
7/23	8	Conference Call with the Committee and Advisors to discuss KERP Proposal and Progress on transaction with DTV. Conference Call with Miller, Sidley to present KERP Proposal
7/24	6	Drafting South Plains Memo to the Committee
7/26	8	Reviewing progress and documents related to negotiation with DTV
7/28	8	Conference Call Pegasus Committee + Advisors to discuss DTV negotiations progress (4:30 pm). Conference Call with Miller Buckfire (7:00 pm) to review Schedules to Pegasus APA
7/29	8	Conference Call Committee + Advisors to discuss DTV negotiations progress (3:00 pm). Preparing KERP Presentation to Committee
7/30	8	Reviewing progress and documents related to negotiation with DTV

**August 1 – 31, 2004****Jared E. Abbruzzese –6 hours**

Date	# of Hours	Description
8/3	2	Review transaction documents relating to global settlement; teleconferences with committee members
8/4	1	Review objection filed by holder of subordinated indebtedness, discuss with committee members
8/11	1	Review operating results and discuss internally
8/18	1	Review operating results and discuss internally
8/20	1	Participate in committee call, follow up calls with committee members

**Wayne Barr, Jr. – 21 hours**

Date	# of Hours	Description
8/2	2	Review L/C and ancillary documents relating to DTV transaction
8/4	2	Review objection of DE Shaw to global settlement
8/9	4	Prepare and revise initial fee statement
8/11	2	Review of weekly operations results and internal memo; participate in update conference call with company and its financial advisors
8/18	3	Review of weekly operations results and internal memo; participate in conference call with creditors committee and Advisors to discuss outstanding issues surrounding subordinated debtholders
8/20	2	Participate in conference call with creditors committee and Advisors to discuss sub debtholder motion and reply
8/24	6	Review of weekly operations results and internal memo, participate in conference call with company and its advisors; prepare, revise and finalize second fee statement

**Eduardo Sanchez – 108 hours**

Date	# of Hours	Description
8/2	8	Review transition progress and documents related to negotiation with DTV
8/3	8	Review transition progress and documents related to negotiation with DTV
8/4	8	Review transition progress and documents related to negotiation with DTV
8/9	8	Review transition progress and documents related to negotiation with DTV
8/10	8	Review transition progress and documents related to negotiation with DTV.
8/11	8	Review of weekly Ops results, draft brief internal memo regarding same. Conference Call with Joe Pooler (PGTV CFO)/Miller Buckfire/Greenhill to get an update on migration planning with DTV
8/18	8	Review of weekly ops results, draft brief internal memo regarding same. Conference Call with Creditors Committee and Advisors to discuss open sub debt issues
8/20	8	Conference Call with Creditors Committee and Advisors to discuss sub debt issues, discuss internally
8/24	8	Review of weekly Ops results, draft brief internal memo regarding same. Conference Call with Joe Pooler (PGTV CFO)/Miller

		Buckfire/Greenhill to get an update on migration planning with DTV. Trip to Portland, ME
8/25	8	Pegasus Hearing (APA, global Settlement - DBS Business) in Portland, ME
8/26	8	Pegasus Hearing (APA, global Settlement - DBS Business) in Portland, ME. Travel back to Reston.
8/27	4	Pegasus - Analyzing pending and future events to plan for actions.
8/30	8	Review Broadcast assets documents
8/31	8	Review of weekly Ops results; draft brief internal memo regarding same

**September 1 – 30, 2004**

**Jared E. Abbruzzese –1.5 hours**

Date	# of Hours	Description
9/6	.5	Review and discuss Broadcast asset motion internally
9/8	.5	Review KERP proposal; discuss internally
9/14	.5	Internal discussion following Ops Update Call

**Wayne Barr, Jr. – 27.5 hours**

Date	# of Hours	Description
9/2	2	Review pending motion affecting certain Broadcast assets
9/6	2	Review pending motion, internal discussion regarding impact on Debtors and debtholders
9/7	3	Review Broadcast documents; participate in conference call with counsel to Debtors and Committee, review proposed transaction
9/8	2	Review KERP proposal, participate in conference call with counsel for Debtors and Committee, internal discussions regarding same
9/14	1.5	Participate in update call with Debtors; discuss internally
9/21	3	Prepare for and participate in conference call with Akin and Greenhill; prepare for hearing on Thursday.
9/22	4	Prepare for and participate in Committee conference call regarding Broadcast assets; travel to Portland and prepare for hearing on Thursday
9/23	4	Prepare for and attend hearing on Thursday; travel back to Albany
9/27	2	Review proposed settlement and participate in conference call regarding same
9/28	2	Review documents associated with settlement, participate in conference call with counsel to Debtors and Committee
9/30	2	Participate in conference call regarding disposition of Debtors' Broadcast assets

**Eduardo Sanchez – 154 hours**

Date	# of Hours	Description
9/1	8	Review of weekly Ops results
9/2	8	Reviewing Broadcast assets documents. Analyzing impact of motion relating to Broadcast assets.



9/3	8	Reviewing Broadcast assets documents. Analyzing impact of pending motion relating to Broadcast assets.
9/7	8	Reviewing Broadcast assets documents. Conference call with Sidley Austin and the Committee's advisors to go over pending motion and proposed transaction.
9/8	8	Reviewing Broadcast assets documents. Conference call with Sidley Austin and the Committee's advisors to review Debtor's Proposal for additional KERP
9/9	8	Preparing due diligence request: Broadcast assets
9/10	8	Preparing and revising due diligence request: Broadcast assets
9/13	8	Reviewing Broadcast assets online database
9/14	8	Reviewing Broadcast assets online database. Conference Call with Joe Pooler (PGTV CFO)/Miller Buckfire/Greenhill to get an update on Pegasus operations
9/15	8	Reviewing Broadcast assets online database
9/16	8	Reviewing Broadcast assets online database
9/17	8	Reviewing Broadcast assets online database
9/20	8	Preparing financial summaries PBT
9/21	8	Preparing financial summaries PBT. Conference Call with Akin, Greenhill to discuss relevant issues regarding sale of Broadcast Assets
9/22	8	Preparing financial summaries PBT. Conference Call with Committee plus advisers to discuss relevant issues regarding sale of Broadcast Assets
9/23	8	Preparing financial summaries PBT
9/24	8	Preparing financial summaries PBT
9/27	8	Reviewing settlement proposal. Conference call with Akin Gump to discuss status of settlement and implications
9/28	8	Reviewing settlement proposal. Conference call with Sidley Austin to request additional information about proposed settlement
9/30	2	Conference Call with Committee and advisers to discuss current status of sale of Broadcast Assets and other matters.

**October 1 – 31, 2004**

**Jared E. Abbruzzese –2 hours**

Date	# of Hours	Description
10/14	.5	Review and discuss KERP matters internally
10/19	.5	Review KERP proposal; discuss internally
10/26	.5	Internal discussion following Committee Call

10/29	.5	Internal discussion regarding banks' motion for default interest and committee's response
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**Wayne Barr, Jr. – 25 hours**

Date	# of Hours	Description
10/14	3	Review KERP proposal for PBT and supplemental KERP proposal made by PST; participate in conference call with Debtors and Debtors' counsel regarding the same
10/15	3	Continue KERP review, formulate counterproposal; participate in conference call with Committee advisors regarding the same
10/18	2	Prepare KERP memo outlining proposals and counterproposals
10/19	1	Revise KERP memo; internal discussions regarding the same
10/20	2	Participate in conference call with Committee advisors to discuss KERP proposals
10/21	3	Participate in several conference calls regarding KERP proposals, revise memo.
10/26	2	Prepare for and participate in Committee conference call regarding liquidation and winding up issues; discuss with JA
10/27	4	Prepare for and participate in committee call regarding secured lender's various issues on prepayment; review additional materials on KERP proposal
10/28	3	Review additional KERP materials; participate in conference call with Debtors and Debtors' counsel regarding contract and lease treatment
10/29	2	Review materials regarding Supplemental PST KERP; review committee's response to secured lenders' pleadings; participate in Committee call, follow-up with JA

**Eduardo Sanchez – 92 hours**

Date	# of Hours	Description
10/6	8.00	Review open issues with respect to PBT Sale
10/8	8.00	Review open issues with respect to PBT Sale
10/14	8.00	Review Broadcast KERP Proposal. Participate Conference Call with Sidley Austin and Committee's Advisors to discuss proposal from Debtors.
10/15	8.00	Review Broadcast KERP Proposal. Participate Conference Call with the Committee Advisors to outline counterproposal.
10/16	4.00	Draft Broadcast Memo to the Committee
10/20	8.00	Conference Call with Advisors (Akin, Greenhill) to discuss KERP Broadcast / Supplemental PST KERP counterproposal.
10/21	8.00	Conference Calls with Advisors and Debtors to discuss KERP Broadcast / Supplemental PST KERP counterproposal.
10/22	8.00	Conference Call with Joe Pooler (PGTV CFO)/Miller Buckfire to get an update on Pegasus - PST operations in preparation for liquidation. Preparation of report and analysis.
10/26	8.00	Conference call with Committee and Advisors to discuss liquidator selection proposals.

10/27	8.00	Conference Call with Committee and Advisors to discuss objection to lender's prepayment motion. Reviewing PST Supplemental proposal.
10/28	8.00	Conference call with Debtors and Sidley to discuss motion rejecting contract and leases.
10/29	8.00	Conference Call with Committee and Advisors to discuss objection to lender's prepayment motion. Reviewing PST Supplemental proposal.

**November 1 – 30, 2004**

**Wayne Barr, Jr. – 30 hours**

Date	# of Hours	Description
11/1	3	Review KERP proposal for PBT and supplemental KERP proposal made by PST; participate in conference call with Debtors and Debtors' counsel regarding the same
11/3	1	Review contract rejection list
11/15	7	Prepare for and participate in Committee conference call to discuss exclusivity, KERP, and Wachovia Loans. Participate in conference calls with (i) Debtors/Sidley to submit counterproposal regarding PBT/PST KERP and (ii) Akin/Greenhill to discuss strategy for Spectrasite negotiations.
11/16	2	Participate in conference call with Committee advisors
11/17	3	Prepare for and participate in conference call with Debtors and Advisors to present KERP counterproposal.
11/19	2	Prepare for meeting in DC regarding SpectraSite settlement and negotiations
11/22	10	Participate in meeting at Akin Gump with Debtors and counsel regarding SpectraSite and PBT issues; travel to and from Washington, DC
11/26	2	Review status of SpectraSite negotiations; internal discussions regarding same

**Eduardo Sanchez – 144 hours**

Date	# of Hours	Description
11/1	8.00	Internal call to discuss KERP Proposal. KERP Analysis
11/3	8.00	Analysis of Contract Rejection Motion - Exhibit A.
11/4	8.00	Conference Call with Joe Pooler to discuss Finance related issues. Conference call with Debtors and Counsel to get additional details regarding KERP proposal for PBT / PST.
11/5	8.00	Analysis of Contract Rejection Motion - Exhibit A.
11/8	8.00	Analysis of Contract Rejection Motion - Exhibit B.
11/9	8.00	Analysis of Contract Rejection Motion - Exhibit B.
11/10	8.00	Cash Flow Forecast Analysis / KERP Analysis
11/11	8.00	Cash Flow Forecast Analysis / KERP Analysis

11/12	8.00	Cash Flow Forecast Analysis. Conference Call with Joe Pooler to discuss assumptions behind Cash Forecast
11/15	8.00	Conference Call with Committee and Advisors to discuss exclusivity, KERP, and Wachovia Loans. Conference Call with Debtors/Sidley to submit counterproposal regarding PBT/PST KERP. Conference Call with Akin/Greenhill to discuss strategy for Spectrasite negotiations.
11/16	8.00	Conference Call with Advisors to discuss exclusivity, KERP, bank litigation and Wachovia Loans. KERP Analysis
11/17	8.00	Conference Call with Debtors and Advisors to present KERP counterproposal. Conference Call with Debtors to discuss Marlborough lease rejection.
11/18	8.00	Analysis of Spectrasite settlement
11/19	8.00	Analysis of Spectrasite settlement
11/22	8.00	Meeting with Debtors and Advisors to discuss draft of Plan of Reorganization and strategy about Spectrasite settlement.
11/26	8.00	Analysis of Spectrasite settlement
11/29	8.00	Analysis of Spectrasite settlement
11/30	8.00	Analysis of Spectrasite settlement.

**December 1 – 31, 2004**

**Wayne Barr, Jr. – 14.5 hours**

Date	# of Hours	Description
12/1	4	Review and revise document in anticipation of due diligence investigation.
12/2	.5	Conference call with bondholder regarding case status
12/3	2	Review diligence report; provide comments
12/10	1	Review digital build-out proposals with two markets
12/15	5	Review Plan of Reorganization; participate in conference call with Committee and advisors
12/23	2	Participate in committee call

**Eduardo Sanchez – 44 hours**

Date	# of Hours	Description
12/1	8	Preparation of due diligence documents for Pegasus visit. Trip to Philadelphia.
12/2	8	Participate in Due Diligence meetings at Pegasus HQ in Philadelphia. Conference Call with bondholder to answer questions related to the case. Travel back to Reston.
12/3	4	Preparing Summary of due diligence discovery.

12/10	4	Analyzing Digital build out proposals
12/15	8	Review Plan of Reorganization; Conference Call with Committee and Advisors to status of Broadcast auction + Plan of Reorganization. New York
12/16	8	Meeting in Pegasus HQ - Philadelphia - with PCC/PST to go over claims analysis and cash forecast.
12/22	2	Call with Pegasus COO to get update on on-going negotiations
12/23	2	Conference Call with Committee and Advisors to status of Broadcast auction + Plan of Reorganization.

**January 1 – 31, 2005**

**Wayne Barr, Jr. – 16 hours**

Date	# of Hours	Description
1/4	1	Participate in conference call with committee and advisers as to status of broadcast assets and plan of reorganization.
1/14	1	Participate in conference call with committee and advisers as to status of broadcast assets and plan of reorganization.
1/17	1	Review progress of negotiations with PCC and recovery analysis with C&TA personnel
1/18	8	Review progress of negotiations with PCC and recovery analysis with C&TA personnel
1/27	4	Review revised POR
1/28	1	Participate in conference call with committee and advisers as to status of broadcast assets and plan of reorganization.

**Eduardo Sanchez – 21 hours**

Date	# of Hours	Description
1/4	1	Participate in conference call with committee and advisers as to status of broadcast assets and plan of reorganization.
1/14	2	Participate in conference call with committee and advisers as to status of broadcast assets and plan of reorganization.
1/17	8	Review progress of negotiations with PCC. Review recovery analysis; discuss internally
1/18	8	Review progress of negotiations with PCC. Review recovery analysis; discuss internally
1/28	2	Participate in conference call with committee and advisers as to status of broadcast assets and plan of reorganization.

**Exhibit C**  
**Summary of Expenses**

**CAPITAL & TECHNOLOGY ADVISORS LLC**  
**EXPENSE SUMMARY FOR THE PERIOD JUNE 14, 2004 – JANUARY 31, 2005**

<b><u>EXPENSE CATEGORY</u></b>	<b><u>TOTAL EXPENSES</u></b>
Travel(1)	<b>\$7,987.77</b>
Lodging	<b>4,746.91</b>
Meals While Traveling	<b>590.54</b>
Miscellaneous(2)	<b><u>89.20</u></b>
	<b><u>\$13,414.42</u></b>

- (1) Includes airfares, car rental, fuel and taxi expenses
- (2) Includes charges for photocopying, internet access while travelling and telecommunications