

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

_____)	
In re:)	Chapter 11
_____)	
PEGASUS SATELLITE TELEVISION, INC., et al.,)	Case Nos. 04-20878
_____)	
Debtors.)	(Joint Administration Requested)
_____)	

DECLARATION OF ANDREW AVIZA

I, ANDREW AVIZA, based upon my personal knowledge and under penalty of perjury, do declare and state the following:

1. I am the Director of Dealer Services for Pegasus Satellite Television, Inc.
2. On June 12, 2004, at approximately 5:00 p.m. E.S.T., I logged on to DIRECTV's website at www.directv.com.
4. In the bottom left corner of the screen I saw the following message:
"ATTENTION PEGASUS CUSTOMERS: Please [click here](#) for an important message from DIRECTV!"
5. I printed the screen showing DIRECTV's website homepage, including the message to Pegasus customers. A copy of the printout is attached to this declaration as Exhibit A.
6. I selected the link "[click here](#)." I was directed to a new page with the following information:

Exciting News for DIRECTV Customers Served by Pegasus!

Because DIRECTV is ending its relationship with Pegasus, you now have the opportunity to get better DIRECTV service by calling 1-866-235-2500 or by filling out and sending in a simple form!

When you make the switch from Pegasus directly to DIRECTV, you can start enjoying the benefits of a better overall experience including top-ranking customer service directly from us, immediate eligibility for our great offers on new hardware like DIRECTV® DVR with TiVo®, and, best of all, you may be able to pay significantly less than you're currently paying each month for your DIRECTV service! Call us now for details!

We want to assure you, however, that no one is going to turn off your DIRECTV service, no matter what you might hear or read. But we urge you to call now, so you can start receiving many of the great benefits that other DIRECTV subscribers already enjoy!

As more information becomes available, it will be posted here at www.directv.com/Pegasus. Stay tuned!

Click below to read the press releases about this exciting development.

06/02/2004 – DIRECTV and National Rural Telecommunications Cooperative end agreement.

06/10/2004 – DIRECTV can market its service in Pegasus territories.

7. I printed the screen with this message directed to Pegasus customers. A copy of the printout is attached to this declaration as Exhibit B.

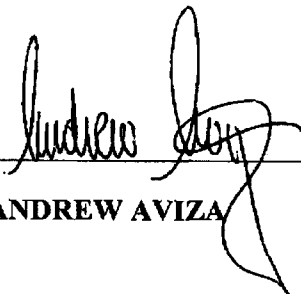
8. I selected the link "simple form" and was directed to a two page document. The first page is titled, "Request to Transfer DIRECTV® Service *From Pegasus to DIRECTV.*" The second page is titled, "Consent to Transfer DIRECTV® Service *From Pegasus to DIRECTV.*" I printed both pages and they are attached to this declaration as Exhibit C.

9. I went back to the page with the message to Pegasus customers (see Exhibit B) and selected the link "06/02/2004." I was directed to a page with the following title, "DIRECTV and National Rural Telecommunications Cooperative End NRTC's Exclusive

Distribution Agreement; New Agreement Will Benefit Customers, Help Competition in Rural America.” I printed the page and it is attached to this declaration as Exhibit D.

10. I went back to the page with the message to Pegasus customers (see Exhibit B) and selected the link “06/10/2004.” I was directed to a page with the following title, “Bankruptcy Court Judge Rules That DIRECTV Can Market Its Service in Pegasus Territories; Judge Denies Pegasus Motion for Relief.” I printed the page and it is attached to this declaration as Exhibit E.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the 13th day of June, 2004.

 6/13/04

ANDREW AVIZA

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[FAQ](#)
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[http://www.directv.com/DTVAPP/index.dsp](#)

- DIRECTV**
- MY DIRECTV
- PROGRAMMING
- PACKAGES
- PRODUCTS
- GET DIRECTV
- CUSTOMER CARE

Eastern
 Prime Time
 PM

Don't have a DIRECTV account? [Click here to create one.](#)
 Don't have a DIRECTV account? [Click here to create one.](#)

User Name:
 Password:

Haven't signed in before?

DIRECTV DEAL





up to **3 ROOMS FREE**
 in the first 3 months

\$2999 / month

That's \$10 off per month!
 For 12000-105
 all equal-quality channels
 with the TOP 100 CHOICE™ with
 Local Premium™ package.
[Click for details.](#)

WANT DIRECTV SERVICES?

ATTENTION PEGASUS CUSTOMERS:
 Please [click here](#) for an important
 message from DIRECTV!
LOCAL CHANNELS
 Now available on DIRECTV!

 <p>MR. SANDLOT™</p> <p>Order early and save \$20!</p>	 <p>DIRECTV® DVR</p> <p>You'll ask yourself, what can't it do?</p>	 <p>CABLE'S NOT ABLE</p> <p>Discover for yourself why DIRECTV's better.</p>	 <p>CINEMAX®</p> <p>Bring all month on Cinemax!</p>
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Address: <http://www.directv.com/see/landing/pegasus.html>

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Home

DIRECTV

MY DIRECTV PROGRAMMING PACKAGES PRODUCTS GET DIRECTV CUSTOMER CARE

Exciting News for DIRECTV Customers Served by Pegasus!

Because DIRECTV is ending its relationship with Pegasus, you now have the opportunity to get better DIRECTV service by calling 1-866-235-2500 or by filling out and sending in a [simple form!](#)

When you make the switch from Pegasus directly to DIRECTV, you can start enjoying the benefits of a better overall experience including top-ranking customer service directly from us, immediate eligibility for our great offers on new hardware like DIRECTV™ DVR with TiVo™, and, best of all, you may be able to pay significantly less than you're currently paying each month for your DIRECTV service! Call us now for details!

We want to assure you, however, that no one is going to turn off your DIRECTV service, no matter what you might hear or read. But we urge you to call now, so you can start receiving many of the great benefits that other DIRECTV subscribers already enjoy!

As more information becomes available, it will be posted here at www.directv.com/Pegasus. Stay tuned!

Click below to read the press releases about this exciting development:

- [06/02/2004 - DIRECTV and National Rural Telecommunications Cooperative end agreement.](#)
- [05/10/2004 - DIRECTV can market its service in Pegasus territories.](#)



Request to Transfer DIRECTV® Service From Pegasus to DIRECTV

Thanks for asking us to close your Pegasus account and open a DIRECTV account for you. We're looking forward to serving you! But first, we need your written authorization.

Please print out and complete the consent form included here, and find a recent Pegasus bill. **You must send us a copy of your Pegasus bill for us to process your request.**

Fax both to: 1-800-456-3282, or mail them to this address:

**DIRECTV Account Transfer
P.O. Box 025392
Miami, FL 33102-5392**

When we receive your documents, we will call you to confirm your account transfer and schedule an installation appointment if necessary.

At the time we activate your new DIRECTV account, we'll close your Pegasus account. If you are currently leasing equipment from Pegasus and need new equipment, or, if you require an equipment upgrade, we'll ask you to agree to keep a DIRECTV® Total Choice® programming package active for one year. If you are unable to keep this agreement, you may be subject to a cancellation fee of up to \$150.00.

You'll need to choose your programming packages from the selections listed at DIRECTV.com/packages or showing on channel 998. You will receive your services under the terms of the DIRECTV Customer Agreement located at DIRECTV.com/agreement. We may not offer exactly the same package combinations as Pegasus, but we believe most transitioning customers will benefit from the new choices. Any seasonal sports subscriptions you have will continue.

You will be responsible for paying any past due programming fees/balances due to Pegasus on your Final Bill from Pegasus. However, if Pegasus charges you any fee for disconnecting your account, we will offset that with an equal credit on your DIRECTV account. Please save any bills you receive from Pegasus after today so you will have a record of Pegasus charges to submit to DIRECTV to ensure you receive proper credits.

Sincerely,

DIRECTV

0604CONVLTRWEB



Consent to Transfer DIRECTV® Service From Pegasus to DIRECTV

1. Complete the spaces on this page and sign at the bottom.
2. Fax or mail us this page, along with a recent Pegasus bill.

By completing this document you agree:

- To allow DIRECTV to close your Pegasus account and open one with DIRECTV.
- To keep a DIRECTV® Total Choice® programming package active for one year or pay a cancellation fee of up to \$150.00. (Only applies if you currently lease equipment from Pegasus and need new equipment, or, if you require an equipment upgrade).

Name of account holder _____

Account Number _____

Service Address _____

Number of receivers you lease from Pegasus _____

Number of receivers you own _____

Account Password (only if you created one with Pegasus Customer Service) _____

Best phone number to reach you, with best of day to call:

(____) _____ - _____ AM or _____ PM

I hereby designate DIRECTV, Inc. to act as my agent and hereby authorize DIRECTV, Inc. or its authorized agents or representatives ("DIRECTV") to act on my behalf and to take the steps necessary to terminate my Subscriber Agreement and account with Pegasus. I understand that I will remain responsible for payment to Pegasus of all charges accrued through the date of cancellation. I also understand that under my Pegasus Subscriber Agreement, it is possible that Pegasus will not credit me for pre-paid programming services or for seasonal sports packages once the season has started, and Pegasus may charge me an early disconnect fee if I am subject to a programming commitment.

I also authorize DIRECTV to collect any access cards or leased set top boxes (and remotes) provided to me by Pegasus. DIRECTV will either return that equipment to Pegasus on my behalf or pay any access card or leased equipment non-return fees that I may owe Pegasus under my Pegasus Subscriber Agreement.

I understand that DIRECTV, while acting as my agent, does so for the purpose of transferring my direct broadcast satellite service exclusively to DIRECTV and that it is likely to benefit financially from this transaction.

Signature of account holder

0604CONVFRMWEB

http://www.thomson.com/InvestorRelations/PubNewsStory.aspx?partner=52768&storyId=115156



MY DIRECTV

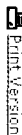
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News Highlights

DIRECTV and National Rural Telecommunications Cooperative End NRTC's Exclusive Distribution Agreement; New Agreement Will Benefit Customers, Help Competition in Rural America

EL SEGUNDO, Calif., Jun 2, 2004 (BUSINESS WIRE) -- DIRECTV Inc., a unit of The DIRECTV Group, Inc. (NYSE:DTV) and provider of the nation's leading digital multichannel television service, announced today that it and the National Rural Telecommunications Cooperative (NRTC) have agreed to end the NRTC's exclusive DIRECTV service distribution contract effective immediately. Since 1994, the NRTC has had exclusive rights to distribute most DIRECTV services in rural NRTC territories.

In connection with this agreement, the NRTC's separate agreements with its members and affiliates, including Pegasus Satellite Television, Inc., for sale of DIRECTV services, have been terminated, with an effective date of 90 days from today. The NRTC and DIRECTV have further agreed to enter into a new relationship that will provide NRTC members an opportunity to continue to participate as non-exclusive DIRECTV retailers and service providers.

Until the effective date of the member and Pegasus contract terminations on Aug. 31, 2004, DIRECTV will provide services through the NRTC to its members and Pegasus so that DIRECTV service to customers in NRTC territories will not be disrupted.

"We believe that terminating the NRTC's exclusive distribution agreement is in the best interest of consumers and all parties involved," said Steve Cox, executive vice president, Sales, Distribution and Business Development, DIRECTV, Inc. "With the settlement of the disputes with the NRTC and its members last year by mutual agreement and the subsequent successful conclusion of DIRECTV's litigation with NRTC affiliate Pegasus, the time was right for the NRTC and DIRECTV to reach this new agreement.

"Management of both the NRTC and DIRECTV recognized that creating an artificial divide between rural America and the rest of the country for distribution of some DIRECTV services made the DIRECTV service less competitive with other multichannel video providers," said Cox. "Furthermore, we have seen the number of subscribers to DIRECTV services in territories covered by the NRTC agreement steadily decline -- primarily in Pegasus territories -- in the last few years. We believe the termination of the old distribution arrangement will allow DIRECTV and NRTC to reverse this trend and compete more effectively in rural America. This can only be beneficial to consumers."

NRTC members, but not affiliate Pegasus, also will have the option to either enter into direct contracts with DIRECTV to continue as an exclusive provider of DIRECTV service in their territories through June 30, 2011, or, to sell the contract rights to DIRECTV that were negotiated as part of their litigation settlement. "Providing these options to the NRTC members who agreed to settle their disputes with DIRECTV assures them that they will receive the benefits of the settlement while providing them with attractive alternatives to continuing marketing and selling DIRECTV services," said Cox.

Although Pegasus rejected the litigation settlement, and had its claims dismissed last month, DIRECTV has simultaneously made a cash offer to Pegasus -- payable in either a lump sum or monthly payments -- if Pegasus agrees to an orderly transfer of its subscribers to DIRECTV that is completed before Aug. 31, 2004. "While neither the NRTC nor DIRECTV has an obligation to Pegasus on account of the termination of its contracts, DIRECTV has extended an offer that we believe is fair and reasonable," said Cox. "We are excited about this new chapter in DIRECTV's business, which will allow us to collectively market our service to

http://www.thomsonfn.com/InvestorRelations/PubNewsStory.aspx?partner=5276&storyId=115659



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News Highlights

Bankruptcy Court Judge Rules That DIRECTV Can Market Its Service in Pegasus Territories; Judge Denies Pegasus Motion for Relief

Print Version

EL SEGUNDO, Calif., Jun 10, 2004 (BUSINESS WIRE) -- A federal judge in the U.S. bankruptcy court in Portland, Maine today entered an order denying Pegasus' request to prevent DIRECTV from providing DIRECTV(R) service directly to consumers in areas served by Pegasus Satellite Television, Inc. The court's ruling today allows DIRECTV to market its service and acquire new customers in Pegasus territories.

"We are pleased with today's ruling, which allows us to market our service to millions of consumers in rural America seeking an alternative to cable," said Steve Cox, executive vice president, Sales, Distribution and Business Development, DIRECTV, Inc.

On June 1st, DIRECTV, Inc. and NRTC agreed to end NRTC's exclusive DIRECTV service distribution contract, effective immediately. In connection with the agreement, NRTC's separate agreements with its members and affiliates, including Pegasus, for sale of DIRECTV services, were terminated, with an effective date of August 31, 2004. Pegasus Satellite Communications Corporation and certain of its subsidiaries, including Pegasus Satellite Television, Inc., filed a voluntary petition for relief under chapter 11 of the United States bankruptcy code on June 2nd.

Until the effective date of the member and Pegasus contract terminations on Aug. 31, 2004, DIRECTV will provide services through the NRTC to its members and Pegasus on a non-exclusive basis so that DIRECTV service to customers in NRTC territories will not be disrupted.

DIRECTV is the nation's leading digital multichannel television service provider with more than 12.6 million customers. DIRECTV and the Cyclone Design logo are registered trademarks of DIRECTV, Inc., a unit of The DIRECTV Group, Inc. (NYSE:DTV). The DIRECTV Group is a world-leading provider of digital multichannel television entertainment, broadband satellite networks and services, and global video and data broadcasting. The DIRECTV Group is 34 percent owned by Fox Entertainment Group, which is approximately 82 percent owned by News Corporation Ltd.

SOURCE: DIRECTV, Inc.

CONTACT:

DIRECTV, Inc.
Bob Marsocci, 310-964-4656

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