

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

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In re: : x  
PEGASUS SATELLITE TELEVISION, : Chapter 11  
INC. *et al.*, :  
: Case No. 04-20878  
: (Jointly Administered)  
: x  
Debtors. :  
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U.S. BANKRUPTCY COURT  
PORTLAND, MAINE

**VERIFIED STATEMENT OF HSBC BANK USA, NATIONAL ASSOCIATION  
AS INDENTURE TRUSTEE, PURSUANT TO BANKRUPTCY RULE 2019**

In accordance with Rule 2019(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), HSBC Bank USA, National Association ("HSBC"), as Indenture Trustee under the Indenture, dated as of May 31, 2001 (the "Indenture"), between Pegasus Satellite Communications, Inc. (the "Debtor"), as Issuer, and Wachovia Bank, National Association (successor-in-interest to First Union National Bank), as predecessor Trustee, pursuant to which \$193,100,000 aggregate principal amount of the Debtor's 13 ½ % Senior Subordinated Discount Notes due 2007 (the "Notes") were issued and remain outstanding, states the following:

1. Names and Addresses of Creditors  
Represented by the Indenture Trustee

The names and addresses of the holders (collectively, the "Holders") of the Notes outstanding under the Indenture are maintained by HSBC, as Registrar, in accordance with the provisions of the Indenture. The names and addresses of the Holders may be furnished to any party-in-interest who is entitled to such information under the terms of the Indenture and/or applicable law. The identities of the Holders may change from time to time during the case as a result of transfers of the Notes. A copy of the Indenture is annexed hereto as Exhibit A.

2. Nature and Amount of the Claims and Time of Acquisition Thereof

The initial Holders acquired their claims through their respective purchases of the Notes on May 31, 2001. Many of the current Holders, however, may have purchased their Notes in the secondary market.

The amounts of the claims of the Holders and the Indenture Trustee (including the predecessor Trustee) under the Indenture consist of the following: (i) the aggregate principal amount of the Notes, plus accrued interest (the "Indenture Amount"); and (ii) the Indenture Trustee's fees and expenses which consist of all unpaid compensation for the services of the Indenture Trustee plus all reasonable disbursements, advances and expenses incurred or made by the Indenture Trustee, including the reasonable compensation, disbursements and expenses of the Indenture Trustee's agents and counsel (collectively, the "Compensation and Expenses"), and for all other amounts, including all indemnification rights, due or to become due the Holders and/or the Indenture Trustee under the Indenture and the Notes.

The claims under the Indenture Amount arise out of the terms of the Notes and the Indenture. HSBC's claim for its Compensation and Expenses, and for all other amounts due or to become due to HSBC in its capacity as Indenture Trustee, arises under Section 7.07 of the Indenture.

3. Pertinent Facts and Circumstances In Connection With the Employment of the Indenture Trustee

First Union National Bank became the Indenture Trustee by executing and delivering, together with the Debtor, the Indenture. Thereafter, pursuant to the Instrument of Resignation, Appointment and Acceptance, dated as of June 15, 2004, HSBC succeeded as the Indenture Trustee under the Indenture, and has continued in that capacity since that time.

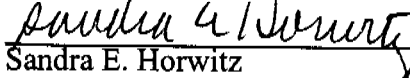
4. Amount of Claims Owned by the Indenture Trustee

HSBC does not own, as Indenture Trustee, any claims or Notes of the Debtor, except as described above.

I, Sandra E. Horwitz, declare under penalty of perjury that I have read the foregoing statement and that it is true and correct to the best of my knowledge, information and belief.

Dated: New York, New York  
July 13, 2004

HSBC BANK USA, NATIONAL  
ASSOCIATION, as successor Indenture Trustee

By:   
Sandra E. Horwitz

Vice President  
HSBC Bank USA  
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New York, New York 10018-2706

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as successor Indenture Trustee

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Debra SuDock (DS 5605)

**EXHIBIT “A” INTENTIONALLY OMITTED**

**Please contact Kelley Drye & Warren LLP  
for a copy of the Indenture.**