

Hearing Date: September 23, 2004 at 10:30 a.m.
Objection Deadline: September 17, 2004 at 4:00 p.m.
PORTLAND

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE**

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

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS' JOINDER TO DEBTORS'
RESPONSE TO OBJECTION OF DELAWARE STREET CAPITAL MASTER FUND LP
AND CLAM PARTNERS, LLC AND IN FURTHER SUPPORT OF DEBTORS'
SUPPLEMENTAL MOTION FOR ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND
363(b) AUTHORIZING AND APPROVING IMPLEMENTATION OF SUPPLEMENTAL
MANAGEMENT RETENTION PLAN**

The Official Committee of Unsecured Creditors (the "Committee") of Pegasus Satellite Television, Inc. and its affiliated debtors (collectively, the "Debtors"), by and through its undersigned counsel, hereby submits this joinder (the "Joinder") to the Debtors' Response (the "Response") to the Objection of Delaware Street Capital Master Fund LP ("Delaware Street") and Clam Partners, LLC (the "Objection") and in Further Support of Debtors' Supplemental Motion for Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) Authorizing and Approving Implementation of Supplemental Management Retention Plan (the "Motion").¹ In support of the Joinder, the Committee respectfully represents as follows:

¹ Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

BACKGROUND

1. 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 (the “Bankruptcy Code”).

2. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On June 10, 2004, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee for the District of Maine appointed the Committee.

JOINDER

4. By the Motion, the Debtors seek authorization to pay Ted S. Lodge (“Lodge”), the President and Chief Executive Officer of Pegasus Communication Corporation and each of its subsidiaries, including each of the Debtors, the following amounts: (i) \$1,000,000 payable at the closing of the sale of the Satellite Assets, or as soon as practicable thereafter, (ii) \$400,000 upon the consummation of a chapter 11 plan of reorganization for the Debtors, and (iii) up to \$21,600 for family coverage benefits in accordance with COBRA (together, the “Payments”).

5. By the Objection, Delaware Street submits, among other things, that the Payments are excessive in light of the circumstance of these cases. In their Response, the Debtors assert, among other things, that (i) Delaware Street lacks standing to object to the Motion, and (ii) the Payments are not excessive.

6. By this Joinder, the Committee fully joins in the factual and legal arguments made by the Debtors in Paragraphs 1 through 8 of the Response. The Committee believes that the Payments are appropriate and warranted based on the facts and circumstances of these cases.

7. Based on the foregoing, the Committee respectfully requests that this Court (a) overrule the Objection, (b) approve the Motion, and (c) grant such other relief as the Court deems just, equitable and proper.

Dated: Portland, Maine
September 23, 2004

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