

Hearing Date and Time: November 24, 2004 at 10:30 a.m.
Objection Deadline: November 18, 2004 at 4:00 p.m.
PORTLAND

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

**DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C. § 1121(d)
FURTHER EXTENDING DEBTORS' EXCLUSIVE PERIODS IN WHICH TO
FILE A CHAPTER 11 PLAN AND TO SOLICIT ACCEPTANCES THERETO
WITH INCORPORATED NARRATIVE REPORT UNDER D. ME. LBR 3016-2**

Pegasus Satellite Television, Inc., and certain of its subsidiaries and affiliates, each a debtor or debtor in possession in the above-captioned cases (collectively, the "Debtors"),¹ hereby file this motion (the "Motion") requesting entry of an order, pursuant to section 1121(d) of title 11 of the United States Code (the "Bankruptcy Code") and D. Me. LBR 3016-2, further extending their exclusive periods in which to file a chapter 11 plan or plans of reorganization and to solicit acceptances of such plan or plans. In support of this Motion, the Debtors respectfully state as follows:

¹ The Debtors are: Argos Support Services Company, Bride Communications, Inc., B.T. Broadcast, 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 Broadcast Communications, Inc., Pegasus Broadcast Television of Illinois, Inc., Pegasus Broadcast 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., WTLH License Corp.

STATUS OF THE CASE AND JURISDICTION

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”). On the Petition Date, the Debtors also jointly filed motions or applications seeking certain typical “first day” orders, including an order to have these cases jointly administered.

2. The Debtors are continuing in possession of their properties and are operating and maintaining their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. On June 10, 2004, the United States Trustee for the District of Maine appointed an official committee of unsecured creditors pursuant to section 1102(a) of the Bankruptcy Code (the “Committee”).

4. No request has been made for the appointment of a trustee or examiner in these cases.

5. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 105(a) and 1121(d) of the Bankruptcy Code and D. Me. LBR 3016-2.

BACKGROUND TO THE DEBTORS

6. As of the Petition Date, Pegasus Satellite Television, Inc. (“PST”), together with its subsidiaries, was the nation’s largest independent provider of DIRECTV® programming. Organized in 1996 as a Delaware corporation, PST is headquartered in Marlborough, Massachusetts. PST is a wholly owned indirect subsidiary of Pegasus Satellite Communications, Inc.

7. As of the Petition Date, the Debtors' principal operating business was its direct broadcast satellite ("DBS") business. Specifically, the Debtors provided DIRECTV programming services to rural households across the United States and, as of December 31, 2003, had in excess of 1.1 million subscribers and the exclusive right to distribute DIRECTV services to approximately 8.4 million rural households in certain territories within 41 states.

8. In addition to the Debtors' DBS business, Pegasus Broadcast Television, Inc. ("PBT"), together with its subsidiaries (collectively, the "Broadcast Debtors"),² are either owners or programmers of eight television stations affiliated with either CBS Television, Fox Broadcasting Company, United Paramount Network, or the WB Television Network.

9. As of March 31, 2004, the Debtors had assets aggregating approximately \$1.6 billion related to their DBS business, which generated net revenues of approximately \$831.2 million during calendar year 2003 and the Debtors had consolidated assets of approximately \$57 million related to their television broadcast business. As of the Petition Date, the Debtors had 942 employees.

THE EXCLUSIVE PERIODS

10. Section 1121(b) of the Bankruptcy Code provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to file a plan of reorganization. Section 1121(c)(3) of the Bankruptcy Code provides that if the debtor files a plan within the 120-day exclusive period, it has an initial period of 180 days after the commencement of the chapter 11 case to obtain acceptance of such plan. The Debtors' initial exclusive periods in which to file a plan and solicit acceptances thereto under section 1121 of the Bankruptcy Code (the "Exclusive Periods") were to expire, respectively, on September 30,

2004 and November 29, 2004. The Exclusive Periods were extended by this Court for sixty (60) days to November 30, 2004 and January 31, 2004, respectively, pursuant to the Order Pursuant to 11 U.S.C. § 1121(d) Extending Debtors' Exclusive Periods in Which to File a Chapter 11 Plan and to Solicit Acceptances Thereto dated September 23, 2004 (the "First Exclusivity Order").

RELIEF REQUESTED

11. By this Motion, the Debtors request, pursuant to Section 1121(d) of the Bankruptcy Code that (i) the Exclusive Period during which they have the exclusive right to file a plan or plans of reorganization be further extended to and including January 31, 2005, and (ii) the Exclusive Period during which they have the exclusive right to solicit acceptances of a plan or plans be further extended to and including March 31, 2005.

SUFFICIENT CAUSE EXISTS TO EXTEND THE DEBTORS' EXCLUSIVE PERIODS

12. In circumstances where the initial 120- and 180-day Exclusive Periods provided for in the Bankruptcy Code prove to be an unrealistic time frame within which the debtor may otherwise be forced to file a plan of reorganization, section 1121(d) of the Bankruptcy Code allows the Bankruptcy Court to extend the debtors' exclusive periods:

On request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and a hearing, the court may for cause reduce or increase the 120-days period or the 180-day period referred to in this section.

11 U.S.C. § 1121(d).

13. The exclusive periods under section 1121(d) afford a debtor a full and fair opportunity to propose a consensual plan of reorganization and solicit acceptances of such plan without the deterioration and disruption of a debtor's business that might be caused by the filing

² The Broadcast Debtors are Bride Communications, Inc., BT Satellite Inc., HMW, Inc., Pegasus Broadcast Associates, L.P., Pegasus Broadcast Television, Inc., Pegasus Broadcast Towers, Inc., Portland Broadcasting, Inc., Telecast of Florida, Inc., WDSI License Corp., WILF, Inc., WOLF License Corp., and WTLH License Corp.

of competing plans of reorganization by non-debtor parties. The objective of a chapter 11 reorganization case is the negotiation, formulation, development, confirmation, and consummation of a consensual plan of reorganization, and it is the intention of the Debtors to achieve that objective.

14. The Debtors have taken several key steps towards a successful and consensual resolution of these chapter 11 cases. The most notable one was the closing on August 27, 2004 of the transaction embodied in the Global Settlement Agreement dated July 30, 2004 (the “Global Settlement”), by and among the Debtors, DIRECTV, Inc. (“DIRECTV”), the National Rural Telecommunications Cooperative (the “NRTC”), the Committee, and Pegasus Communications Corporation (“PCC”) and the related Asset Purchase Agreement and Cooperation Agreement, each dated July 30, 2004 by and among certain of the Debtors and DIRECTV. The closing consummated the sale of substantially all of the assets of the Debtors’ DBS business and the Global Settlement once and for all resolved multi-million dollar claims that had, in some cases, been litigated among the parties for years.

A. The Proposed Sale of the Broadcast Assets

15. Due to the sale of the DBS business to DIRECTV, the assets related to the Debtors’ broadcast television business (the “Broadcast Assets”) comprise substantially all of the Debtors’ remaining assets. As part of the Global Settlement, the Committee and PCC have agreed in principle to a sale to PCC of the Broadcast Assets for a cash purchase price of \$75 million, subject to better and higher offers, with no break up fee (but allowing for reimbursement of out-of-pocket expenses, not to exceed \$1 million).

16. This agreement provides the Debtors a clear path to completion of a plan of reorganization reasonably promptly following the sale of the Broadcast Assets. Because PCC is intimately familiar with these assets and has little timing risk on receiving required FCC

approvals, PCC is well situated to provide the negotiated floor bid, subject to higher and better offers, which it has agreed to do without a break-up fee, as described above.

17. Despite this facilitating factor, because the PCC bid is subject to higher and better offers and because the Debtors and Committee want to encourage active bidding for the Broadcast Assets, the negotiations regarding the structure and documentation of the sale of the Broadcast Assets involves, among other things, complex corporate, regulatory and tax issues. The complexity of the issues involved in the sale of the Broadcast Assets far exceeds the parties' initial expectations of the task at hand.

18. Given the progress made to date, the Debtors anticipate in the next several weeks that the terms of the sale of the Broadcast Assets will be negotiated and memorialized in an agreement between PCC and the Debtors (the "Subscription Agreement") and that they will be filing a motion to, among other things, (A) approve the form of Subscription Agreement with PCC, subject to higher and better offers; (B) approve certain bidding procedures; (C) schedule a hearing to consider approval of the sale of substantially all of the Broadcast Assets; (D) approve the form and manner of notice of such auction and sale; and (E) authorize the sale of substantially all of the Broadcast Assets free and clear of all liens, claims, interests and encumbrances (the "Broadcast Sale Motion").

19. Since the chapter 11 plan for the Debtors will incorporate the sale of the Broadcast Assets, the Debtors anticipate that once the Broadcast Sale Motion is filed, the Debtors will be able to negotiate and propose a chapter 11 plan for the Debtors.

B. Employee Issues

20. One of the significant challenges that the Debtors have faced throughout the pendency of their chapter 11 cases has been dealing with employee unrest and declining employee morale in light of the tenuous circumstances in which the Debtors found themselves shortly after the Petition Date and which continued for the duration of these cases. Accordingly, senior management together with their attorneys and advisors have devoted significant time and energy into trying to incentivize employees to remain in the Debtors' employ first during the process of selling and transitioning the DBS business to DIRECTV and subsequently during the process of selling the Broadcast Assets and through the plan confirmation and consummation process.

21. As this Court is aware, by Motion dated June 23, 2004 (the "Initial KERP Motion"), the Debtors requested implementation of an employee retention plan (the "Proposed KERP") to provide a variety of incentives and benefits to certain of the Debtors' management employees who have responsibilities relating to the Debtors' DBS business. The Initial KERP Motion was filed just two days after this Court denied the Debtors' request for a temporary restraining order against DIRECTV and the NRTC in the adversary proceeding that the Debtors had commenced against DIRECTV, the NRTC and other parties (the "Cornerstone Litigation"). Given the high stakes of the Cornerstone Litigation and the NRTC's purported notice of termination effective as of August 31, 2004, most employees believed that they would be out of work, at the latest, by the end of the summer.³

22. In connection with the Global Settlement, the Debtors and Committee were able to reach agreement on the Proposed KERP with respect to the remaining facets of the

³ Unfortunately, this has proven to be somewhat prophetic as $\frac{3}{4}$ of the Debtors' pre-petition workforce related to their DBS business has been terminated on or before October 31, 2004.

program that had not previously been agreed to with respect to the junior management employees and with respect to all components of the Proposed KERP for certain senior management employees. That agreement was partially reflected in the Second Order Pursuant to 11 U.S.C. §§ 363(b) and 105(a) Authorizing and Approving Implementation of Management Retention Plan, as Further Modified signed by this Court on August 3, 2004.

23. The agreement reached in the Global Settlement with respect to a retention/incentive plan for Mr. Ted S. Lodge, President, Chief Operating Officer and Counsel for each of the Debtors was reflected in the Debtors' motion filed on August 27, 2004 seeking authorization and approval of a supplemental management retention plan. That motion was approved by this Court on September 23, 2004.

24. As noted above, the Debtors have also been challenged to retain employees of the Broadcast Debtors given the uncertainty of whether PCC or a third party will be the winning bidder for the Broadcast Assets. Such employees are needed throughout the sale process for the Broadcast Assets and any transition period to the winning bidder. Accordingly, the Debtors and Committee have been actively negotiating an employee retention plan for certain management employees of the Broadcast Debtors. The Debtors anticipate filing a motion in the near future to have such program approved by this Court.

C. Claims Process

25. On August 16, 2004, the Debtors timely filed their Schedules of Assets and Liabilities and Statement of Financial Affairs (collectively, the "Schedules").⁴ Moreover, since the First Exclusivity Motion, the general bar date of October 12, 2004 has passed. The Debtors, with the help of their claims agent, The Trumbull Group, LLC, and their financial

⁴ Pursuant to an Order dated June 4, 2004, this Court had extended the Debtors time to file its Schedules for sixty days (for a total of seventy-five days) from the Petition Date.

advisors, FTI Consulting, Inc., are in the process of reviewing and analyzing the claims that were filed. They will continue this process with respect to governmental claims after the November 30, 2004 bar date for filing governmental claims has passed. Accordingly, the Debtors have accomplished the necessary first step in quantifying all potential liabilities.

26. One of the most significant cost-saving measures that the Debtors have undertaken was the filing of the Debtors' 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"). The Repayment Motion which was resolved by Stipulation and Order among the relevant parties and So Ordered on September 17, 2004, provided for the repayment of principal and non-default accrued interest with respect to the senior and junior secured loans outstanding as of the Petition Date with a full reservation of rights with respect to any other amounts that may be due under the applicable loan and security documents. Thus, as approved by this Court, the Debtors were able to save approximately \$1 million per week in respect of interest and other amounts accruing under the applicable loan and security documents.

27. Additionally, the Debtors, together with their counsel and other advisors, have undertaken an extensive analysis of numerous contracts and leases relating to the Debtors' DBS business. As a result the Debtors have filed a Motion Pursuant to 11 U.S.C. § 365(a) of the Bankruptcy Code for an Order Approving the Debtors' Rejection of Certain Unexpired Leases and Executory Contracts and Notice Procedures for Fixing the Rejection Effective Date of Certain Unexpired Leases and Executory Contracts (the "Rejection Motion"). The Rejection Motion is currently scheduled for hearing on November 8, 2004.

28. Collectively, these actions by the Debtors in establishing bar dates, repaying principal and non-default interest to the secured lenders and rejecting certain leases and executory contracts have helped quantify and minimize the Debtors' liabilities for the benefit of the Debtors' estates, a necessary step in formulating and confirming a chapter 11 plan.

AUTHORITY AND NARRATIVE REQUIRED BY LOCAL RULE 3016-2

29. Governing law strongly supports the relief sought by the Debtors in this Motion. The legislative history of section 1121(d) reflects that Congress intended to provide for flexibility in the fixing of the exclusive periods:

In most cases, 120 days will give the debtor adequate time to negotiate a settlement, without unduly delaying creditors. The court is given the power, though, to increase . . . the 120 day period depending on the circumstances of the case. [T]he bill allows the flexibility for individual cases that is not available today.

H.R. Rep. No. 595, 95th Cong., 1st Sess. 232 (1977); see also In re Perkins, 71 B.R. 294, 297 (W.D. Tenn. 1987) (“the hallmark of [section 1121(d)] is flexibility”).

30. In this Circuit, the circumstances to be considered include: (i) the size and complexity of the case, (ii) the likelihood of an imminent consensual plan if the debtor retains exclusivity, (iii) the existence of alternative plans which would not be considered due to the existence of the debtor's exclusivity, and (iv) a balancing of the rights of a debtor and its creditors. In re Public Service Co. of New Hampshire, 88 B.R. 521, 537 (Bankr. D.N.H. 1988). The large size of a debtor and the consequential difficulty in formulating a plan of reorganization for a sizeable debtor with a complex financial structure are important factors that play a significant role in establishing cause for extending the exclusivity periods. In re Texaco Inc., 76 B.R. 322, 326 (Bankr. S.D.N.Y. 1987).

31. All such factors relevant to this case support the relief requested.

Moreover, as required by Local Rule 3016-2, the Debtors' reasons for the requested extension of the Exclusive Periods are described above and summarized below.

32. The Debtors' cases are large and complex. There are twenty-eight (28) debtors in these procedurally consolidated chapter 11 cases. As noted above, as of March 31, 2004, the Debtors had assets in excess of \$1.6 billion and generated net revenues of approximately \$831.2 million during calendar year 2003.

33. The Debtors have not been dilatory in these cases. Rather, the Debtors have worked expeditiously to address the critical issues in these cases -- which issues have been complex and all-consuming to the Debtors. Indeed, as this Court is aware, from the Petition Date, the Debtors were heavily engaged in litigation battling for their very survival. These efforts culminated in the Global Settlement which resolved once and for all, all litigation between the Debtors, DIRECTV and the NRTC and realized the highest possible value for the DBS business for the benefit of the Debtors and their estates. Without this critical element in place, it would not be possible for the Debtors to contemplate a confirmable chapter 11 plan.

34. Throughout the pendency of these cases, the Debtors simultaneously have dealt with maintaining and retaining a stable work force, taken various steps towards quantifying and limiting their liabilities and filed appropriate motions such as the Repayment Motion and the Rejection Motion and dealt with all of the business and operational issues that chapter 11 debtors typically face.

35. Indeed, all of the Debtor's activities to date have been aimed at their ultimate goal, i.e., to propose a consensual plan of reorganization in these cases. While the Debtors have made significant progress towards reaching that goal with the closing of the sale to

DIRECTV of the DBS business, additional time is still needed with respect to the Broadcast Assets. The sale of the Broadcast Assets is a complex transaction given the myriad of corporate, tax, and regulatory issues that must be addressed with respect to the sale of the Broadcast Assets. The Debtors, Committee and PCC have worked diligently together in addressing such issues and finalizing the framework for such transaction. Since the sale of the Broadcast Assets will be part and parcel of a chapter 11 plan or plans that the Debtors will propose, the plan process has taken longer than the Debtors originally anticipated. However, the Debtors believe that they will be able to file a chapter 11 plan or plans and solicit acceptances thereto within the additional time frames requested by this Motion.

36. Accordingly, the chances of obtaining a consensual plan of reorganization will be decidedly increased if the Debtors are allowed the time to finalize the framework for the sale of the Broadcast Assets and incorporate such structure into a chapter 11 plan or plans, free from the distractions of a competing plan of reorganization. To deny such an extension of the Exclusive Periods before the Debtors have had a chance to do so would jeopardize the significant progress the Debtors have made to date, thereby defeating the very purpose of section 1121 of the Bankruptcy Code – to afford a debtor a meaningful and reasonable opportunity to negotiate with creditors and propose and confirm a consensual plan of reorganization.

37. The Debtors note that the relief requested has been granted to other debtors in this Circuit in significantly smaller and less complex cases. The First Exclusivity Order extended the Exclusive Periods for sixty (60) days and the Debtors are seeking an additional sixty (60) days in this Motion. See, e.g. In re Bookland of Maine, Case No. 00-20605 (Bankr. D. Me., order entered August 25, 2000) (granting 120 day extension); In re ACT Manufacturing, Inc., Case No. 01-47641 (Bankr. D. Mass., order entered April 24, 2002)

(granting 120 day extension); In re Malden Mills Industries, Inc., Case No. 01-47214 (Bankr. D. Mass. order entered March 20, 2002) (granting 180 day extension); In re Filene's Basement, Inc., Case No. 99-16984 (Bankr. D. Mass., order entered December 2, 1999) (granting 120 day extension).

38. The requested extension of the Exclusive Periods will not prejudice the legitimate interests of any creditor or equity security holder, and will afford the parties the opportunity to pursue to fruition the beneficial objectives of a consensual plan of reorganization. Accordingly, the requested extension of the Exclusive Periods is appropriate under the circumstances and the Debtors respectfully request that such relief be granted.

NOTICE

39. Notice of this Motion has been provided to each of the parties on the All Notices List (as defined therein) in accordance with the Order Establishing Case Management Procedures and Hearing Schedule dated July 9, 2004.

NO PRIOR REQUEST

40. Other than the relief requested by the Debtors and granted in the First Exclusivity Order, no previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order: granting an extension of the Exclusive Periods (i) to and including January 31, 2005, during which time they will have the exclusive right to file a plan or plans of reorganization; and (ii) to and including March 31, 2005, during which time they will have the exclusive right to solicit acceptances of a plan or plans.

Dated: Portland, Maine
November 4, 2004

SIDLEY AUSTIN BROWN & WOOD LLP
Larry J. Nyhan
James F. Conlan
Paul S. Caruso
Jessica C. Knowles
Bank One Plaza
10 South Dearborn Street
Chicago, Illinois 60603
Telephone: (312) 853-7000
Facsimile: (312) 853-7036

-and-

SIDLEY AUSTIN BROWN & WOOD LLP
Guy S. Neal
Ellen R. Moring
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 839-5300
Facsimile: (212) 839-5599

-and-

BERNSTEIN, SHUR, SAWYER & NELSON

By: /s/ Robert J. Keach
Robert J. Keach
100 Middle Street
P.O. Box 9729
Portland, ME 04104
Telephone: (207) 774-1200
Facsimile: (207) 774-1127

Attorneys for Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

NOTICE OF HEARING

PLEASE TAKE NOTICE that Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, each a debtor and debtor-in-possession herein (collectively, the “Debtors”),¹ have filed the Debtors’ Motion for an Order Pursuant to 11 U.S.C. § 1121(d) Further Extending Debtors’ Exclusive Periods in Which to File a Chapter 11 Plan and to Solicit Acceptances Thereto With Incorporated Narrative Report Under D. Me. LBR 3016-2 (the “Motion”).

Your rights may be affected. You should read this notice and the Motion carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one).

PLEASE TAKE FURTHER NOTICE that **any response or objection to the attached Motion must be filed on or before 4:00 p.m. (prevailing Eastern time) on November 18, 2004 (the “Objection Deadline”).** If you want the Court to consider your views on the Motion, then on or before the Objection Deadline you or your attorney must file with the Court a written response or objection explaining your position at:

Celia Strickler
United States Bankruptcy Court
537 Congress Street
Portland, ME 04101

If you mail your objection to the Court for filing, you must mail it early enough so that the Court will receive it on or before the Objection Deadline.

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., WTLH License Corp.

At the same time your response or objection must (a) be in writing, (b) conform to the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, and (c) be served upon:(i) Larry J. Nyhan, Esq., James F. Conlan, Esq., Sidley Austin Brown & Wood LLP, Bank One Plaza, 10 South Dearborn Street, Chicago, IL 60603, and Guy S. Neal, Esq., Ellen R. Moring, Esq., Sidley Austin Brown & Wood LLP, 787 Seventh Avenue, New York, NY 10019; and (ii) Robert J. Keach, Esq., Bernstein, Shur, Sawyer & Nelson, 100 Middle Street, P.O. Box 9729, Portland, ME 04104-5029; so as to be **actually received** by no later than **4:00 p.m. (prevailing Eastern time) on November 18, 2004.**

PLEASE TAKE FURTHER NOTICE that if no objections or other responses are timely filed and served, the Court may enter the requested order without further notice or hearing.

PLEASE TAKE FURTHER NOTICE that if objections or responses are timely filed and served in accordance with this notice, a hearing on the Motion will be held on **November 24, 2004 at 10:30 a.m. (prevailing Eastern time)** before the Honorable James B. Haines, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Maine, 537 Congress Street, 2nd Floor, Portland, Maine 04101.

Dated: Portland, Maine
November 4, 2004

SIDLEY AUSTIN BROWN & WOOD LLP
Larry J. Nyhan
James F. Conlan
Paul S. Caruso
Jessica C. Knowles
Bank One Plaza
10 South Dearborn Street
Chicago, Illinois 60603
Telephone: (312) 853-7000
Facsimile: (312) 853-7036

-and-

SIDLEY AUSTIN BROWN & WOOD LLP
Guy S. Neal
Ellen R. Moring
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 839-5300
Facsimile: (212) 839-5599

-and-

BERNSTEIN, SHUR, SAWYER & NELSON

By: /s/ Robert J. Keach

Robert J. Keach

100 Middle Street

P.O. Box 9729

Portland, ME 04104

Telephone: (207) 774-1200

Facsimile: (207) 774-1127

Attorneys for Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MAINE

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

CERTIFICATE OF SERVICE

I, Sheila R. Dilios, being over the age of eighteen and an employee of Bernstein, Shur, Sawyer & Nelson, hereby certify that on November 4, 2004 I caused the Debtors' Motion for an Order Pursuant to 11 U.S.C. § 1121(d) Further Extending Debtors' Exclusive Periods in Which to File a Chapter 11 Plan and to Solicit Acceptances Thereto with Incorporated Narrative Report Under D. Me. LBR 3016-2 to be served on the parties listed by either (i) overnight service; (ii) by E-mail; or (iii) by verifying that such persons(s) are listed on the Electronic Mail Notice List kept by the Clerk's office and therefore will be served as part of the Electronic Case Filing ("ECF") system pursuant to the Standing Order Regarding Administrative Procedures for Electronically Filed Cases dated August 12, 2002, and entered in the U.S. Bankruptcy Court for the District of Maine.

Dated: November 4, 2004

/s/ Sheila R. Dilios
SHEILA R. DILIOS

EXHIBIT A

COMMITTEE OF UNSECURED CREDITORS

<p>Wachovia Bank, National Association, as Trustee John T. Vian, Esq. Barbara Ellis-Munro, Esq. Smith, Gambrell & Russell, LLP 1230 Peachtree Street, N.E., Suite 3100 Atlanta, GA 30309 bellis-monro@sgrlaw.com* jvian@sgrlaw.com*</p>	<p>J.P. Morgan Trust Company, National Association James R. Lewis, Vice President 4 New York Plaza, 15th Floor New York, NY 10004 james.r.lewis@jpmorgan.com*</p>
<p>VIA US MAIL – FIRST CLASS HSBC Bank USA c/o Ms. Sandra E. Horwitz, VP 452 Fifth Avenue New York, NY 10018-2706 dsudock@kelleydrye.com sandra.e.horwitz@us.hsbc.com</p>	<p>Silver Point Capital and Affiliates Claim J. Fortgang Fortgang Consulting LLC 600 Steamboat Road Greenwich, CT 06830 cfortgang@fortgagnllc.com*</p>
<p>LC Capital Master Fund, Ltd. c/o Steve Lampe 680 Fifth Avenue, Suite 1202 New York, NY 10019-5429 lampe@lampeconway.com*</p>	<p>D.E. Shaw Laminar Portfolios, LLC c/o Max Holmes 120 West 45th Street New York, NY 10036 khenderson@deshaw.com*</p>
<p>Singer Childrens Management Trust and Affiliates c/o Gary Singer 113 Jackson Drive Cresskill, NJ 07626 gary@pure1.com*</p>	<p>David Botter, Esq. Akin Gump Strauss Hauer Feld LLP 590 Madison Avenue New York, New York 10022 dbotter@akingump.com *</p>
<p>Jacob A. Manheimer Pierce Atwood One Monument Square Portland, ME 04101 jmanheimer@pierceatwood.com*</p>	

ADMINISTRATIVE AGENTS FOR CREDIT FACILITIES

VIA US MAIL – FIRST CLASS

Bank of America
Attn: Laura Sweet
Independence Center
101 North Tryon Street
Charlotte, NC 28255
laura.l.sweet@bankofamerica.com*
bobbie.l.boratea@bankofamerica.com*
charles.graber@bankofamerica.com*

CIBC

Attn: Karen Brewer/Anthony Santino
Independence Center
425 Lexington Avenue, 5th Fl
New York, NY 10017
anthony.santino@us.cibc.com*

VIA US MAIL – FIRST CLASS

Cohanzick Credit Opps Fund, Ltd
Attn: Anita Spahrman
427 Bedford Road, Suite 260
Pleasantville, NY 10570
anita@cohanzick.com*

VIA US MAIL – FIRST CLASS

Cohanzick Credit Opps Fund, Ltd
Attn: David K. Sherman
427 Bedford Road, Suite 260
Pleasantville, NY 10570
david@cohanzick.com*

Cohanzick High Yield Partners, LP

Attn: Anita Spahrman
427 Bedford Road, Suite 260
Pleasantville, NY 10570
anita@cohanzick.com*

VIA US MAIL – FIRST CLASS

Fernwood Associates, LP
Attn: Laura Zaki
c/o Intermarket Corp
667 Madison Avenue
New York, NY 10021
lzaki@intermarketcorp.net*
jpteewan@intermarketcorp.net

Fernwood Restructuring, Ltd

Attn: Laura Zaki
c/o Intermarket Corp
667 Madison Avenue
New York, NY 10021
lzaki@intermarketcorp.net*

Gabriel Capital, L.P.

Attn: Mark A. Weiner
450 Park Avenue, Suite 3201
New York, NY 10022
weinerm@gabrielcapital.com*

VIA US MAIL – FIRST CLASS

Halcyon Fund, LP
Attn: Jim Sykes
Halcyon/Alan B Slifka Mgmt Co LLC
477 Madison Avenue, 8th Fl
New York, NY 10022
jsykes@halcyonllc.com*

VIA US MAIL – FIRST CLASS

Sea Pines Funding LLC
Attn: Kelly Warnement
c/o Banc Of Americas Securities LLC
100 North Tryon Street
Charlotte, NC 28255
kelly.w.warnement@bankofamerica.com*
asigbankloans@bankofamerica.com*

Cohanzick High Yield Partners, LP
Attn: David K. Sherman
427 Bedford Road, Suite 260
Pleasantville, NY 10570
david@cohanzick.com*

Harvard Special Situations Account
Attn: Jason Batstone
Harvard Management Co.
600 Atlantic Avenue, 16th Fl
Boston, MA 02210-2203
batstone@hmc.harvard.edu*

Harvard Special Situations Account
Attn: Shelley Greenhaus/L. Manent
Whippoorwill Associated Inc
11 Martine Avenue, 11fl
White Plains, NY 10606
lmanent@vegapartners.com*
sgendal@vegapartners.com*

SAB Capital Partners LP
Attn: Brian Jackelow
712 Fifth Avenue, 42nd Floor
New York, NY 10019
bjackelow@sabcapital.com*

SAB Capital Partners LP
Attn: Paul Cassidy
712 Fifth Avenue, 42nd Floor
New York, NY 10019
pcassidy@sabcapital.com*

SAB Oversees Fund Ltd
Attn: Brian Jackelow
712 Fifth Avenue, 42nd Floor
New York, NY 10019
bjackelow@sabcapital.com*

TRS ELARA, LLC
Attn: Marco Ruggiero
Deutsche Bank
3CY-05-0199
90 Hudson Street, 1st Floor
Jersey, City, NJ 07302
marco.n.ruggiero@db.com*

VIA US MAIL – FIRST CLASS
TRS ELARA, LLC
Attn: Maureen Welby
D.E. Shaw Laminar Portfolios LLC
120 W 45th Street, 39th Fl Tower 45
New York, NY 10022
Maureen-Welby@deshaw.com*

UBS AG, Stamford Branch
Attn: Lorraine Conti
677 Washington Avenue
6th Floor South
Stamford, CT 06901
lorraine.conti@UBS.com*

Whippoorwill Distressed Opp Fund LP
Attn: Shelley Greenhaus/L. Manent
Whippoorwill Associated Inc
11 Martine Avenue, 11fl
White Plains, NY 10606
lmanent@vegapartners.com*
sgendal@vegapartners.com*

Madeleine LLC
Attn: Paul Gordon
299 Park Avenue
23rd Floor
New York, NY 10171
pgordon@cerberuscapital.com*

EXHIBIT B

COUNSEL TO CREDITORS/INDENTURE HOLDERS
& ADMINISTRATIVE AGENTS (served by email)

Kristopher Hansen, Esq. Stroock Stroock & Lavan LLP 180 Maiden Lane New York, New York 10038 khansen@stroock.com*	Alan Pope, Esq. Moore & Van Allen PLLC 100 North Tryon Street, Suite 4700 Charlotte, NC 28202-4003 alanpope@mvalaw.com*
Brett Lawrence, Esq. Stroock Stroock & Lavan LLP 180 Maiden Lane New York, New York 10038 blawrence@stroock.com*	Eliot Relles, Esq. Schulte Roth & Zabel LLP 919 Third Avenue New York New York 10022 eliot@relles@srz.com*
VIA US MAIL – FIRST CLASS Andrew Rosenberg, Esq. Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, New York 10019 arosenberg@paulweiss.com*	VIA US MAIL – FIRST CLASS John Vian, Esq. Smith, Gambrell & Russell, LLP 1230 Peachtree Street NE Promenade II, Suite 3100 Atlanta, Georgia 30309 jvian@sgrlaw.com*
Diane Meyers, Esq. Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, New York 10019 dmeyers@paulweiss.com*	Michael E. Baumann, Esq. Kirkland & Ellis LLP 777 South Figueroa Street Los Angeles, CA 90017 mbaumann@kirkland.com*
David Botter, Esq. Akin Gump Strauss Hauer Feld LLP 590 Madison Avenue New York, New York 10022 dbotter@akingump.com*	Richard P. Krasnow, Esq. Weil Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 richard.krasnow@weil.com*
George J. Marcus, Esq. Marcus, Clegg & Mistretta 100 Middle Street Portland, ME 04101 gmarcus@mcm-law.com*	

* Email service

EXHIBIT C

SERVICE VIA “ECF FILING”

- **Gayle H. Allen**
gallen@verrilldana.com; bankr@verrilldana.com; ebriggeman@verrilldana.com
- **Fred W. Bopp, III,**
fbopp@perkinsthompson.com; malexander@perkinsthompson.com
- **Eric K. Bradford**
Eric.K.Bradford@USDOJ.gov
- **Robert S. Brady**
bankruptcy@ycst.com
- **Roger A. Clement, Jr.**
rclement@verrilldana.com; bankr@verrilldana.com
- **Randy J. Creswell**
rcreswell@perkinsthompson.com; cpaine@perkinsthompson.com
- **Daniel Cummings**
dcummings@nhdlaw.com
- **Daniel R. Felkel**
dfelkel@thplaw.com; hmitchell-moore@thplaw.com
- **David J. Gaier**
dgaier@mccarter.com
- **Alan Eric Gamza**
agamza@mosessinger.com; cdanielson@mosessinger.com
- **Jay S. Geller**
jgeller@maine.rr.com
- **Steven A. Ginther**
mebecf@dor.mo.gov
- **Leonard M. Gulino**
lgulino@bssn.com; sdilios@bssn.com

- **Nava Hazan**
nhazan@akingump.com; pdublin@akingump.com; aqureshi@akingump.com;
djnewman@akingump.com; mtilney@akingump.com
- **Bruce B. Hochman**
bhochman@lambertcoffin.com; cyoung@lambertcoffin.com
- **Regan M. Hornney**
rhornney@brannlaw.com
- **Kim Y. Jefferson**
ICBRCAL@state.tn.us
- **Jeffrey L. Jonas**
jjonas@brownrudnick.com
- **Robert J. Keach**
rkeach@bssn.com; sdilios@bssn.com
- **Jacob A. Manheimer**
jmanheimer@pierceatwood.com; mpottle@pierceatwood.com
- **Benjamin E. Marcus**
bmarcusecf@dwmlaw.com
- **George J. Marcus**
bankruptcy@mcm-law.com; dgerry@mcm-law.com
- **John P. McVeigh**
jmcveigh@preti.com
- **Ellen Moring**
emoring@sidley.com; pcaruso@sidley.com; jknowles@sidley.com;
emcdonnell@sidley.com; jmargulies@sidley.com
- **Guy S. Neal**
gneal@sidley.com
- **Richard J. O'Brien**
robrien@lcwlaw.com; bmccclure@lcwlaw.com
- **Jennifer H. Pincus**
jpincus@perkinsthompson.com
- **Peter Michael Reed**
sragdale@mvalaw.com
- **F. Bruce Sleeper**
bankruptcy@jbggh.com

- **Office of the US Trustee**
ustpreion01.po.ecf@usdogj.gov

SERVICE VIA “U.S. FIRST-CLASS MAIL, POSTAGE PREPAID”

Kenneth E. Aaron

Weir & Partners, LLP
842 Market Street Mall, Suite 1001
Wilmington, DE 19801

David G. Aelvoet

Linebarger Goggan Blair & Sampson, LLP
711 Navarro, Suite 300
San Antonio, TX 78205
sanantonio.bankruptcy@publicans.com*

Angelo, Gordon & Co.

Attn: Leigh Walzer
245 Park Avenue, 26th Floor
New York, NY 10167

Stephen M. Baldini

Akin, Gump, Strauss, Hauer & Feld, LLP
590 Madison Avenue
New York, NY 10022

John T. Banks, Esq.

Perdue, Brandon, Fielder, Collins & Mott, LLP
6300 La Calma Drive, Suite 450
Austin, TX 78752

Eric K. Bradford

Office of the U.S. Trustee
10 Causeway Street, Room 1184
Boston, MA 02222

Andrew L. Buck

Bragar Wexler Eigel & Morgenstern, P.C.
885 Third Avenue, Suite 3040
New York, NY 10019

CRT Capital Group, LLC

Attn: Nadav Braun
262 Harbor Drive
Stamford, CT 06902

Lori E. Chasen

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019-6064

Lisa A. Chiapetta
Proskauer Rose LLP
1585 Broadway
New York, NY 10036-8299

Daily Insights
Attn: Bill Angelowitz
JAF Box 3127
New York, NY 10116

John P. Dillman
Linebarger Goggan Blair & Sampson, LLP
P.O. Box 3064
Houston, TX 77253-3064

Philip C. Dublin
Akin, Gump, Strauss, Hauer & Feld, LLP
590 Madison Avenue
New York, NY 10022

John T. Farmer, Esq.
Farmer & Case
402 West Broadway, Suite 1100
San Diego, CA 92101-8542

Kim Fitzgerald
Paramount Pictures Corporation
5555 Melrose Avenue
Rodenberry Building, Room 3006
Hollywood, CA 90038-3197
Kim.Fitzgerald@paramount.com*

Steven A. Ginther
Missouri Department of Revenue
P.O. Box 475
Jefferson City, MO 65105-0475

Daniel M. Glosband
Goodwin Proctor, LLP
Exchange Place
Boston, MA 02109

Daniel H. Golden
Akin, Gump, Strauss, Hauer & Feld, LLP
590 Madison Avenue
New York, NY 10022

John L. Graham

King & Spaulding
1185 Avenue of the Americas
New York, NY 10036

Eric W. Hagen

Kirkland & Ellis, LLP
777 South Figueroa Street
Los Angeles, CA 90017

Richard F. Hahn

Debevoise & Plimpton, LLP
919 Third Avenue
New York, NY 10022

Neil Herskowitz

Riverside Contracting LLC
P.O. Box 626
Planetarium Station
New York, NY 10024-0540

Gerald Huffaker

Huffaker, Green & Huffaker
P.O. Box 419
Tahoka, TX 79373

John G. Hutchinson

Sidley, Austin Brown & Wood
787 Seventh Avenue
New York, NY 10019

IKON Financial Services

Bankruptcy Administration
IOS Capital LLC
1738 Bass Road, P.O. Box 13708
Macon, GA 31208-370

IKON Office Solutions

Recovery & Bankruptcy
5400 Bowman Road
Macon, GA 31210

Jeffrey L. Jonas

Brown, Rudnick, Freed & Gesmer, PC
One Financial Center
Boston, MA 02111

Madison Capital Management

Attn: Craig Klein
6143 South Willow Drive, Suite 200
Greenwood Village, CO 80111

Basil Marceaux
810 Hyatte Road
Soddy Daisy, TN 37379-4020

Mark E. Mazzei, Esq.
Crown Castle South, LLC
Legal Department
2000 Corporate Drive
Canonsburg, PA 15317

John P. McNicholas
Piper, Rudnick LLP
1251 Avenue of the Americas
New York, NY 10020-1104

Metron North America, Inc.
c/o Edward J. Schultz, Esq.
Jenkins & Jenkins Attorneys, PLLC
First Tennessee Plaza
800 South Gay Street, Suite 2121
Knoxville, TN 37929

C. MacNeil Mitchell
Winston & Strawn, LLP
Attn: Denise Cunsolo, Legal Asst.
200 Park Avenue
New York, NY 10166

Rosetta B. Packer
McCarter & Englis, LLP
Mellon Bank Center
1735 Market Street, Suite 700
Philadelphia, PA 19103

Joan E. Pilver
Assistant Attorney General
Office of the Attorney General
P.O. Box 120
55 Elm Street, Fourth Floor
Hartford, CT 06141-0120
[Joan.Pilver@PO.STATE.CT.US*](mailto:Joan.Pilver@PO.STATE.CT.US)

Quadrangle Group LLC
c/o Chin Won Yi
375 Park Avenue, 14th Floor
New York, NY 10152

Abid Qureshi

Akin, Gump, Strauss, Hauer & Feld, LLP
590 Madison Avenue
New York, NY 10022

Riverside Claims LLC

P.O. Box 626
Planetarium Station
New York, NY 10024

Diane W. Sanders

Linebarger, Goggan, Blair & Sampso, LLP
1949 South I.H. 35 (78741)
P.O. Box 17428
Austin, TX 78760

Alexander Simon, Esq.

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
alexander.simon@weil.com*

Wayne M. Smith

4000 Warner Boulevard
Building 156, Room 5158
Burbank, CA 91522

Mark Somerstein

Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10178

Gregg Spath, Esq.

Senior Corporate Counsel
Omnipoint Holdings, Inc.
Property Management Department
4 Sylvan Way
Parcippany, NJ 07054

Eric D. Statman

Lovells
900 Third Avenue
New York, NY 10022

Debra SuDock

Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10178

Tejas Securities Group, LLC

2700 Via Fortuna, Suite 400
Austin, TX 78746

Macken Toussaint

Goodwin Proctor, LLP
Exchange Place
Boston, MA 01209

Michael L. Tuchin, Esq.

Klee, Tuchin, Bogdanoff & Stern LLP
Fox Plaza
2121 Avenue of the Stars, 33rd Floor
Los Angeles, CA 90067
mtuchin@ktbslaw.com*

Edward S. Weisfelner

Brown, Rudnick, & Israels, LLP
120 West 45th Street
New York, NY 10036

Elizabeth Weller

Linebarger Goggan Blair & Sampson, LLP
2323 Bryan Street, Suite 1600
Dallas, TX 75201
dallas.bankruptcy@publicans.com*

Juandisha M. Harris

Assistant Attorney General
Revenue Division
G. Mennen Williams Building, 2nd Floor
P.O. Box 30754
Lansing, MI 48909