

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

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

**CONSENT MOTION TO CONTINUE  
THE DECEMBER 16, 2004 EVIDENTIARY HEARING ON THE  
PREPAYMENT MOTION AND REQUEST FOR PRETRIAL CONFERENCE**

NOW COME the parties to the September 17, 2004 Stipulation And Order Permitting Payment Of Amounts To Senior Secured Lenders, Revolving Lenders And Junior Secured Lenders And Reserving Rights With Respect To Payment Of Prepayment Premiums And Default Interest (the "Stipulation"), including (i) the Bank Steering Committee, the Senior Secured Lenders, (ii) the Revolving Lenders, and Madeleine L.L.C., as administrative agent, (iii) Wilmington Trust Company ("Wilmington Trust"), as administrative agent under the Amended and Restated Term Loan Agreement dated as of August 1, 2003, among Pegasus Satellite Communications, Inc., as borrower, and the lenders, from time to time party thereto (the "Junior Lenders"), and (iv) the Committee, (collectively herein, the "Movants"<sup>1</sup>), by their undersigned counsel, pursuant to D. Me. LBR 9045-(a), and hereby moves this Court for entry of an order rescheduling the December 16, 2004, hearing and further requesting a pretrial conference to resolve scheduling issues. The reasons for this motion are as follows:

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<sup>1</sup> The Movants did not seek the consent of the Debtors because the Debtors did not file any objection to the Premium Motion.

1. As described more fully in the Premium Motion<sup>2</sup>, the Senior Secured Lenders and the Junior Lenders are oversecured and have alleged the right under sections 506(b) and 1129(a)(7) of the Bankruptcy Code to recover both interest on their secured claim and any reasonable fees, costs, or charges provided for under the agreement giving rise to their claim. The Premium Motion, which seeks, *inter alia*, an order authorizing payment of post-petition interest at the contractual default rate and payment of the prepayment premium, is presently scheduled for evidentiary hearing beginning on December 16, 2004. The Committee opposes the relief requested in the Premium Motion.

2. Since the date that the evidentiary hearing was initially scheduled, Wilmington Trust has filed a motion for partial summary judgment. The motion for partial summary judgment seeks to resolve several issues and, if granted, would significantly reduce the disputed issues remaining for trial. Specifically, the motion for partial summary judgment seeks, *inter alia*, a determination that (i) there was a very real risk of loss faced by Wilmington Trust prior to the Debtors' sale of its subscriber base on August 27, 2004, and (ii) the Global Settlement was entirely voluntary in nature.

3. The Movants have identified a significant number of witnesses whose testimony relates only to the pre-sale negotiations and conduct of the parties. If the issues presented by the motion for partial summary judgment are resolved by entry of an order granting partial summary judgment, then those witnesses will not have to travel to Maine to testify. It would be helpful to the Movants and the witnesses to know, in advance of any evidentiary hearing, which issues have been resolved and which issues are being tried.

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<sup>2</sup> Capitalized terms that are not otherwise defined herein shall have the meanings ascribed to such terms in Wilmington Trust's Motion for an Order Directing Payment of Prepayment Premium, Accrued Default Interest and Interest Thereon Under the Pegasus Term Loan Agreement (the "Premium Motion").

4. If some, any, or all of the issues presented are resolved by partial summary judgment, significantly less court time will likely be necessary to present the remaining evidentiary issues.

5. Wilmington Trust's motion for partial summary judgment is scheduled for hearing on December 16, 2004, the same time that the evidentiary hearing is scheduled to begin. However, until the Court rules on the motion for partial summary judgment, it is difficult for the Movants to prepare for an evidentiary hearing. It would be a more efficient use of judicial resources if the Court were to enter an order continuing the evidentiary hearing until after the hearing on Wilmington Trust's motion for partial summary judgment.

6. Fed. R. Bankr. P. 7016 permits the Court to conduct a pretrial conference for a number of purposes, including expediting the disposition of the action, discouraging wasteful pretrial activities, and scheduling. Entry of an order granting partial summary judgment could expedite disposition and rescheduling the evidentiary hearing would be a more efficient use of time and resources.

7. The Court, for cause shown, may grant a continuance upon the written motion. D. Me. LBR 9045-1. As set forth above, good cause exists to continue the evidentiary hearing and to schedule a pretrial scheduling conference on December 16, 2004 at 1:00 p.m.

WHEREFORE, the Movants respectfully requests that the Court enter an order continuing the evidentiary hearing and scheduling a pretrial conference for the purpose of rescheduling the evidentiary portion of the hearing on the Premium Motion and for such other relief as is appropriate.

Dated: December 7, 2004

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SO ORDERED this 8th day of December 2004:

/s/ James B. Haines, Jr.

UNITED STATES BANKRUPTCY JUDGE