

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE

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

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER  
CONFIRMING DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN**

Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, each a debtor and debtor in possession in the above captioned chapter 11 cases (collectively, the “Debtors”)<sup>1</sup> having filed the Debtors’ First Amended Joint Chapter 11 Plan, dated January 31, 2005 (as the same may have been amended, supplemented or modified, the “Plan”)<sup>2</sup> with the United States Bankruptcy Court for the District of Maine, (the “Bankruptcy Court”); and the Debtors having filed with the Bankruptcy Court the First Amended Disclosure Statement For Debtors’ First Amended Joint Chapter 11 Plan, dated January 31, 2005 (as the same may have been amended, supplemented or modified, the “Disclosure Statement”), which was approved by the Bankruptcy Court as containing “adequate information” pursuant to section 1125 of title 11, United States Code (the “Bankruptcy Code”) pursuant to the Disclosure Statement Order (as

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<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Plan.

defined below); and the Bankruptcy Court having approved the form and manner of solicitation of the Plan pursuant to the Solicitation Procedures Order (as defined below); and copies of the notices as approved by the Bankruptcy Court in the Solicitation Procedures Order, the Plan, Disclosure Statement together with all exhibits and attachments thereto, and the appropriate Ballot (collectively, the “Solicitation Package”) having been transmitted to all Holders of Allowed Claims in Classes 3A, 3B, 3C and 3D; and copies of notices as approved by the Bankruptcy Court in the Solicitation Procedures Order having been transmitted to those Holders of Claims and Interests and other parties in interest as required by the Solicitation Procedures Order as evidenced in the Trumbull Solicitation Affidavit (as defined below); and copies of the Publication Notice as defined in and approved in the Solicitation Procedures Order having been published in the national edition of The Wall Street Journal, The New York Times and USA Today as required by the Solicitation Procedures Order as evidenced in the Trumbull Publication Affidavit (as defined below); and the Solicitation Procedures Order having fixed (a) February 9, 2005 as the record date for the purposes of the Debtors’ solicitation of votes on the Plan (the “Record Date”), (b) March 17, 2005 at 4:00 p.m. (Eastern Standard Time) as the time and date by which all Ballots must be completed, executed, marked and received by the Debtors’ balloting and solicitation agent in order to be counted as acceptances or rejections of the Plan, (c) March 17, 2005 at 4:00 p.m. (Eastern Standard Time) as the time and date by which parties in interest must file and serve objections to confirmation of the Plan in accordance with the terms of the Solicitation Procedures Order (the “Confirmation Objection Deadline”), (d) March 24, 2005 at 10:30 a.m. as the time and date for the hearing pursuant to consider confirmation of the Plan as the same may be continued from time to time (the “Confirmation Hearing”); and due and proper notice of the Confirmation Hearing and the Confirmation Objection Deadline having been given

in accordance with the terms of the Solicitation Procedures Order; and upon the various documents comprising the Plan Supplement filed with the Bankruptcy Court on March 10, 2005; and upon the various documents comprising the Amended Plan Supplement filed with the Bankruptcy Court on April 12, 2005; and upon the Memorandum of Law in Support of Confirmation of the Debtors' Joint Chapter 11 Plan filed with the Bankruptcy Court on April 12, 2005; and upon the Lodge Affidavit (as defined below) filed with the Bankruptcy Court on April 12, 2005; and upon the Trumbull Affidavit (as defined below) filed with the Bankruptcy Court on April 13, 2005; and status conferences with respect to the Plan confirmation issues having been held before the Bankruptcy Court on March 24, 2005 and March 30, 2005; and the Confirmation Hearing having been held before the Bankruptcy Court on April 14, 2005 and the appearance of all interested parties having been noted on the record; and the Bankruptcy Court having considered all objections to confirmation of the Plan; and upon the record and the evidence adduced at the Confirmation Hearing and all other proceedings in the Chapter 11 Cases and after due deliberation and sufficient cause appearing therefore, the Bankruptcy Court hereby makes and issues the following Findings of Fact, Conclusions of Law and Orders:

### **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

#### **I. Jurisdiction and Venue**

A. The Bankruptcy Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2)(L). The Bankruptcy Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and the Bankruptcy Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

## II. Judicial Notice

B. The Bankruptcy Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Bankruptcy Court and all pleadings referenced therein, including all documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at the hearings held before the Bankruptcy Court during the pendency of the Chapter 11 Cases, including, without limitation, the hearing to approve the Disclosure Statement and the Confirmation Hearing.

## III. Plan, Disclosure Statement and Solicitation Procedures Order

C. On January 7, 2005, the Debtors filed their Joint Chapter 11 Plan and Disclosure Statement With Respect to Debtors' Joint Chapter 11 Plan.

D. On January 31, 2005, the Debtors filed their First Amended Joint Chapter 11 Plan (defined and referred to herein as the Plan) and their First Amended Disclosure Statement for Debtors' First Amended Joint Chapter 11 Plan (defined and referred to herein as the Disclosure Statement).

E. On February 9, 2005, the Bankruptcy Court entered a certain Order Approving First Amended Disclosure Statement For Debtors' First Amended Joint Chapter 11 Plan dated February 9, 2005 (the "Disclosure Statement Order") finding, among other things, that the Disclosure Statement contained "adequate information" pursuant to section 1125 of the Bankruptcy Code.

F. On February 9, 2005, the Bankruptcy Court entered a certain Order Granting Motion: (I) Approving Form and Manner of Solicitation, Form of Ballots and Related Notices; (II) Establishing a Voting Record Date and Voting Procedures; (III) Establishing the Date and Place for the Confirmation Hearing, and the Procedures and Deadline for Filing

Objections to Confirmation; and (IV) Granting Related Relief dated February 9, 2005 (the “Solicitation Procedures Order”).

G. On March 10, 2005, the Debtors filed various documents comprising the Plan Supplement.

H. On April 12, 2005, the Debtors filed various documents comprising the Amended Plan Supplement.

I. On April 12, 2005, the Debtors filed certain modifications to the Plan (the “Technical Modifications”) as Exhibit A to the Confirmation Order.

#### IV. Plan Solicitation and Noticing

J. On June 4, 2004, the Bankruptcy Court appointed Trumbull Group, LLC as the balloting and solicitation agent (the “Solicitation Agent”) pursuant to the terms of a certain Order Appointing Trumbull Group, LLC, f/k/a Trumbull Associates, LLC, and Trumbull Services, LLC, as Claims, Noticing and Balloting Agent of Bankruptcy Court Pursuant to 28 U.S.C. § 156(c).

K. As evidenced by the Affidavit dated February 25, 2005, of Marc V. Orfitelli of The Trumbull Group, LLC Regarding Service of the Solicitation Package Related to Disclosure Statement for Debtors’ First Amended Joint Chapter 11 Plan of Reorganization (the “Trumbull Solicitation Affidavit”), consistent with the Solicitation Procedures Order (i) beginning on February 16, 2005, the Solicitation Agent distributed the Solicitation Package to all Holders of Claims in Classes 3A, 3B, 3C and 3D as of the Record Date, (ii) on February 17, 2005, the Solicitation Agent sent notices, the forms of which were approved in the Solicitation Procedures Order, to all Holders of Claims or Interests in Classes 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 5B-2, 5C-2 and 5D-2 as of the Record Date, (iii) on February 16, 2005, the Solicitation Agent sent notices, the forms of which were approved in the Solicitation Procedures Order, to all

Holders of Claims or Interests in Classes 4A, 5A-1 and 5A-2 as of the Record Date, and (iv) the Plan has been solicited in good faith and in a manner consistent with the Bankruptcy Code.

L. As evidenced by the Affidavit dated February 25, 2005 of Marc V. Orfitelli of The Trumbull Group, LLC Regarding Publication of Notice of Hearing to Consider Confirmation of The Debtors' Joint Chapter 11 Plan and Related Procedures and Deadlines (the "Trumbull Publication Affidavit"), on February 19, 2005, the Debtors published notice of the Confirmation Hearing, as such notice was approved pursuant to the Solicitation Procedures Order in the national editions of The Wall Street Journal, The New York Times and USA Today.

M. As evidenced by the Lodge Affidavit, on February 14, 2005, in accordance with the Solicitation Procedures Order, the Debtors posted to their website at <http://www.pgtv.com/283cc/legal.htm> copies of the Plan, Disclosure Statement, Disclosure Statement Order, Solicitation Procedures Order, and on March 11, 2005 and April 14, 2005, respectively, the Debtors posted to the same website copies of the documents comprising the Plan Supplement and the Amended Plan Supplement.

V. Plan Confirmation Supporting and Opposing Documents

N. Prior to the Confirmation Objection Deadline as such deadline was extended for certain parties, the following objections to confirmation of the First Amended Plan were timely filed by (a) the County of Kendall, Texas, which objection was subsequently withdrawn, (b) the Ad Hoc committee of PSC Noteholders, (c) the United States of America on Behalf of the Department of Treasury, Internal Revenue Service, (d) Regen Capital I and Riverside Claims LLC, (e) Felton Street Associates Limited Partnership, (f) Par Capital Management, Inc. and Par Investments Partners, L.P., and (g) Pegasus Communications Corporation.

O. On April 12, 2005, the Debtors filed their Memorandum of Law in Support of Confirmation of the Debtors' First Amended Joint Chapter 11 Plan and in response to Objections thereto.

P. On April 12, 2005, the Debtors filed the Affidavit of Ted S. Lodge in Support of Confirmation of the Debtors' First Amended Joint Chapter 11 Plan (the "Lodge Affidavit").

Q. On April 13, 2005, the Debtors filed the Declaration of Daniel P. McSwigan Certifying Voting and Tabulation of Ballots Accepting and Rejecting the Debtors' First Amended Joint Chapter 11 Plan (the "Trumbull Affidavit"). Such affidavit is consistent with Bankruptcy Rule 3018.

#### VI. Plan Voting

R. Votes to accept and reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Solicitation Procedures Order and all other applicable rules, laws and regulations.

S. On April 11, 2005, the Ad Hoc Noteholders Committee of PSC filed a motion pursuant to Bankruptcy Rule 3018 to modify the votes of certain Holders of Senior Notes in Class 3A (the "Vote Modification Motion"). [At the Confirmation Hearing, the Bankruptcy Court granted the Vote Modification Motion.]

#### VII. Burden of Proof

T. The Debtors, as proponents of the Plan, have met their burden of proving the elements of section 1129 of the Bankruptcy Code by a preponderance of the evidence, which is the applicable evidentiary standard in the Bankruptcy Court. The Bankruptcy Court also finds that the Debtors have satisfied the elements of section 1129 of the Bankruptcy Code by clear and convincing evidence.

VIII. The Plan Complies with Section 1129(a)(1) of the Bankruptcy Code

U. The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123 of the Bankruptcy Code as more specifically described below.

IX. The Plan Satisfies the Requirements of Section 1122 of the Bankruptcy Code

V. The classification of Claims and Interests under the Plan is proper under the Bankruptcy Code. Pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code, Article III of the Plan provides for the separate classification of Claims and Interests into eighteen (18) Classes, based on differences in the legal nature and/or priority of such Claims and Interests (other than Administrative Claims, Fee Claims, Indenture Trustee Fees and Priority Tax Claims, which are addressed in Article II of the Plan and which are not required to be designated pursuant to section 1123(a)(1) of the Bankruptcy Code). As required by section 1122(a) of the Bankruptcy Code, each Class of Claims and Interests contains only Claims or Interests that are substantially similar to the other Claims or Equity Interests within such Class.

X. The Plan satisfies the Mandatory Requirements of Section 1123(a) of the Bankruptcy Code

W. The Plan fully complies with each requirement of Section 1123 of the Bankruptcy Code, as follows:

1. Section 1123(a)(1). Article III of the Plan designates each Class of Claims and Interests, as required by section 1123(a)(1) of the Bankruptcy Code.

2. Section 1123(a)(2). Article III of the Plan and Section 6.1 of the Plan specify the Classes of Claims and Interests that are not Impaired under the Plan, as required by section 1123(a)(2) of the Bankruptcy Code.



3. Section 1123(a)(3). Article III of the Plan and Section 6.1 of the Plan specify the Classes of Claims and Interests that are Impaired under the Plan, as required by section 1123(a)(3) of the Bankruptcy Code.

4. Section 1123(a)(4). The treatment of each Claim or Interest within a Class is the same as the treatment of each other Claim or Interest in such Class, unless the Holder of a Claim or Interest agrees to less favorable treatment on account of its Claim or Interest.

5. Section 1123(a)(5). Article V of the Plan and various other provisions of the Plan as well as the Liquidating Trust Agreement and the documents comprising the Amended Plan Supplement provide for the means for implementation of the Plan. Such Plan provisions include, but are not limited to: (a) the substantive consolidation of the Chapter 11 Cases of the PBT Debtors and the separate substantive consolidation of the Chapter 11 Cases of the PST Debtors, solely for the purposes of confirmation and consummation of the Plan (Plan, § 5.1), (b) the establishment of a Liquidating Trust to, among other things, make Distributions to Holders of Allowed Claims and to maximize the value of the recovery for Holders of Allowed Class 3A Claims that receive Liquidating Trust Interests (Plan, § 5.4), (c) the possible sale of the Broadcast Assets (Plan, § 5.2), (d) the adoption of Reorganized Articles of Incorporation and Reorganized By-Laws (Plan, § 5.3), and (e) the cancellation of existing securities and agreements (Plan, § 5.10).

6. Section 1123(a)(6). Sections 1.103 and 5.3 of the Plan provide for the adoption on or as soon as practicable after the Effective Date of Reorganized Articles of Incorporate and Reorganized By-Laws for each Debtor to ensure compliance with section 1123(a)(6) of the Bankruptcy Code. Paragraph Fourth of the Reorganized Articles of

Incorporation filed with the Amended Plan Supplement, prohibits the issuance of non-voting equity securities, as required by section 1123(a)(6) of the Bankruptcy Code.

7. Section 1123(a)(7). The Plan complies with section 1123(a)(7) of the Bankruptcy Code because (a) the names and identities of the directors and officers of each of the Reorganized Debtors and (b) the name of the Liquidating Trustee has been disclosed in the Amended Plan Supplement.

XI. The Discretionary Provisions of the Plan  
Comply with Section 1123(b) of the Bankruptcy Code

X. The Plan contains various provisions that may be construed as discretionary. Such discretionary provisions are appropriate and are not inconsistent in any manner with the applicable provisions of the Bankruptcy Code.

XII. The Debtors Have Complied With the Applicable Provisions of the  
Bankruptcy Code as Required by Section 1129(a)(2) of the Bankruptcy Code

Y. The Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code, including, without limitation, sections 1122, 1123, 1124, 1125, 1126, 1127 and 1128 of the Bankruptcy Code, Bankruptcy Rules 3017, 3018 and 3019 and Local Bankruptcy Rule 3020-1.

Z. Votes for acceptances and rejection and/or any other election on the Plan as provided for in the Ballots were solicited in good faith and complied with sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018 and the Solicitation Procedures Order, the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and all other applicable rules, laws and regulations.

AA. The Debtors have solicited votes on the Plan and have participated in the activities described in section 1125 of the Bankruptcy Code in good faith within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the

Solicitation Procedures Order, the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and all other applicable rules, laws and regulations and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Article XI of the Plan (as modified and set forth in the Technical Modifications).

XIII. The Debtors Have Complied with Section 1125 of the Bankruptcy Code

BB. The Debtors are proper debtors under section 109 of the Bankruptcy Code and proper proponents of the Plan under section 1121(a) of the Bankruptcy Code.

CC. On February 9, 2005, after notice and a hearing, the Bankruptcy Court approved the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code as containing “adequate information” of a kind and in sufficient detail to enable hypothetical reasonable investors typical of the Debtors’ creditors to make an informed judgment whether to accept or reject the Plan.

DD. The Disclosure Statement (which includes as an exhibit a copy of the Plan), together with the additional documents comprising the Solicitation Package, were transmitted to each Holder of a Claim, Record Holder, and Beneficial Owner, as applicable, as of the Record Date in Classes 3A, 3B, 3C and 3D in compliance with section 1125 of the Bankruptcy Code and the Solicitation Procedures Order. In addition, Holders of Claims and Interests in Classes 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 4A, 5A-1, 5A-2, 5B-2, 5C-2 and 5D-2 that were not entitled to vote to accept or reject the Plan were provided with certain non-voting materials and notices approved by the Bankruptcy Court in compliance with the Solicitation Procedures Order. All such notices provided that copies of the Plan and Disclosure Statement (including all exhibits thereto) would be posted at the Debtors’ website at

<http://www.pgtv.com/283cc/legal.htm> and such documents have been timely posted to such website.

EE. The Debtors did not solicit the acceptance or rejection of the Plan by any Holder of a Claim or Interest prior to the approval and transmission of the Disclosure Statement. Votes to accept or reject the Plan were only solicited by the Debtors and/or their agents after disclosure to Holders of Claims or Interests of adequate information as defined in section 1125(a) of the Bankruptcy Code.

XIV. The Debtors Have Complied with Section 1126 of the Bankruptcy Code

FF. As evidenced by the Trumbull Affidavit, the Plan, as modified by this Order, and based upon the granting of the Vote Modification Motion, has been accepted by creditors holding in excess of two-thirds in amount and one-half in number of the Allowed Claims voted in the Impaired Class (Class 3A) that was entitled to vote under the Plan.

GG. Holders of Claims and Interests in Classes that are not Impaired under the Plan, as modified by this Order, (Classes 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3B, 3C, 3D, 5B-2, 5C-2 and 5D-2) are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

HH. Holders of Claims and Interests in Classes 4A, 5A-1 and 5A-2 will not receive any Distributions under the Plan and thus, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Nevertheless, as set forth below, pursuant to section 1129(b) of the Bankruptcy Code, the Plan may be confirmed over the deemed rejection of Classes 4A, 5A-1 and 5A-2 because the Plan does not discriminate unfairly and is fair and equitable with respect to each such Class.

XV. The Plan Complies with Section 1129(a)(3) of the Bankruptcy Code

II. The Debtors have proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, this Bankruptcy Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Plan itself and the process leading to its formulation. The Debtors' good faith is further evident from the facts and record of the Chapter 11 Cases, the Confirmation Brief, the Lodge Affidavit, the Disclosure Statement and the hearing thereon, and the record of the Confirmation Hearing and other proceedings held in the Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' Estates by providing the means through which the Broadcast Assets may be sold and for liquidating the Debtors' remaining assets to maximize the value of the Debtors' Estates and making Distributions to Holders of Allowed Claims.

JJ. The Plan has not been proposed by any means prohibited by law.

XVI. The Plan Complies with Section 1129(a)(4) of the Bankruptcy Code

KK. Any payment made or to be made by the Debtors for services or for costs and expenses in or in connection with these Chapter 11 Cases, or in connection with the Plan and incident to these Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

XVII. The Plan Complies with Section 1129(a)(5) of the Bankruptcy Code

LL. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors have disclosed the identify of the proposed directors and officers of the Reorganized Debtors and the Liquidating Trustee following confirmation of the Plan in the Amended Plan Supplement. No insiders will be employed or retained by the Reorganized Debtors. The appointment to such

offices is consistent with the interests of the Debtors' creditors and Interest Holders and with public policy as required by section 1129(a)(5) of the Bankruptcy Code.

XVIII. Section 1126(a)(6) of the Bankruptcy Code is Inapplicable to the Plan.

MM. The Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and will not require governmental regulatory approval. Accordingly, section 1129(a)(6) of the Bankruptcy Code is not applicable in the Chapter 11 Cases or with respect to the Plan.

XIX. The Plan Complies with Section 1129(a)(7) of the Bankruptcy Code

NN. The Plan, as modified by this Order, satisfies the so-called "best interests of creditors test" set forth in section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis annexed to the Disclosure Statement as Exhibit E, and the other evidence related thereto that was otherwise proffered or adduced at or prior to, or in affidavits in connection with the Confirmation Hearing, (a) is persuasive and credible as of the dates such evidence was prepared, presented or proffered, (b) has not been controverted by other persuasive evidence or has not been challenged, (c) is based upon reasonable and sound assumptions, and (d) establishes that each holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

XX. The Plan Complies with Section 1129(a)(8) of the Bankruptcy Code

OO. As provided in Article III of the Plan, as modified by this Order, the following Classes are not Impaired and are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code by the requisite amounts:

<b>DESCRIPTION OF CLASS</b>	<b>CLASS DESIGNATION</b>
Secured Claims against PSC	Class 1A
Secured Claims against PMC	Class 1B
Secured Claims against PST Debtors	Class 1C
Secured Claims against PBT Debtors	Class 1D
Priority Non-Tax Claims against PSC	Class 2A
Priority Non-Tax Claims against PMC	Class 2B
Priority Non-Tax Claims against PST Debtors	Class 2C
Priority Non-Tax Claims against PBT Debtors	Class 2D
Unsecured Claims against PMC	Class 3B
Unsecured Claims against PST Debtors	Class 3C
Unsecured Claims against PBT Debtors	Class 3D
Common stock Interests in PMC	Class 5B-2
Common stock Interests in PST Debtors	Class 5C-2
Common stock Interests in PBT Debtors	Class 5D-2

PP. As described in the Trumbull Affidavit, the Impaired Class that was entitled to vote under the Plan, as modified by this Order and based upon the granting of the Vote Modification Motion, has voted to accept the Plan. The following Impaired Class voted in favor of the Plan:

<b>DESCRIPTION OF CLASS</b>	<b>CLASS DESIGNATION</b>
Unsecured Claims against PSC	Class 3A

QQ. As provided in Article III of the Plan, the following Classes will not receive any Distributions or retain any property under the Plan and are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code (collectively, the “Deemed Rejected Classes”):

<b>DESCRIPTION OF CLASS</b>	<b>CLASS DESIGNATION</b>
Subordinated Claims against PSC	Class 4A
Old Preferred Stock Interests in PSC	Class 5A-1
Old Common Stock Interests in PSC	Class 5A-2

XXI. The Plan Complies with Section 1129(a)(9) of the Bankruptcy Code

RR. As provided in Article II of the Plan, the treatment of Administrative Claims, Fee Claims, Indenture Trustee Claims and Priority Tax Claims satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

XXII. The Plan Complies with Section 1129(a)(10) of the Bankruptcy Code

SS. At least one Class of Claims is Impaired under the Plan, as amended by this Order (Class 3A), and, with the granting of the Vote Modification Motion, has accepted the Plan, determined without including any acceptance of the Plan by any insider, thus satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code. With the approval of the Technical Modifications to provide that Classes 3B, 3C and 3D are not Impaired and with the granting of the Vote Modification Motion, as provided in the Trumbull Affidavit, each Impaired Class, other than the Deemed Rejected Classes, has voted to accept the Plan. Accordingly, section 1129(a)(10) of the Bankruptcy Code has been satisfied in all respects.

XXIII. The Plan Complies with Section 1129(a)(11) of the Bankruptcy Code

TT. The evidence proffered or adduced at the Confirmation Hearing, among other things, (a) is persuasive and credible, (b) has not been controverted by other persuasive evidence, (c) establishes that the Plan is workable and has a reasonable likelihood of success, and (d) establishes that confirmation of the Plan is not likely to be followed by the need for further financial reorganization or a liquidation of the Debtors that is not proposed in the Plan, thus satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

XXIV. The Plan Complies with Section 1129(a)(12) of the Bankruptcy Code

UU. Section 14.4 of the Plan provides for the payment of all fees payable under 28 U.S.C. § 1930(a)(6). The Debtors and the Liquidating Trust have adequate means to pay all



such fees. Accordingly, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

XXV. The Plan Complies with Section 1129(a)(13) of the Bankruptcy Code.

VV. Section 1129(a)(13) of the Bankruptcy Code requires a plan to provide for retiree benefits at levels established pursuant to section 1114 of the Bankruptcy Code. The Debtors do not, either as of the Petition Date or at any time during the Chapter 11 Cases, have any plans, funds, or programs providing or reimbursing retired employees and their spouses and dependents for medical, surgical, or hospital care benefits, or benefits in the event of sickness, accident, disability or death. Accordingly, the requirements of section 1129(a)(13) of the Bankruptcy Code are not relevant to the Chapter 11 Cases.

XXVI. The Plan Complies with Section 1129(b) of the Bankruptcy Code.

WW. Section 6.3 of the Plan provides that the Debtors will request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to Classes 4A, 5A-1 and 5A-2, which are the Deemed Rejected Classes. Pursuant to section 1129(b)(1) of the Bankruptcy Code with the approval of the Technical Modification to provide that Classes 3B, 3C and 3D are not Impaired and with the granting of the Vote Modification Motion, because Class 3A, the Impaired Class entitled to vote has voted to accept the Plan, the Plan may be confirmed notwithstanding the existence of the Deemed Rejected Classes. All of the requirements of section 1129(a) of the Bankruptcy Code other than section 1129(a)(8) of the Bankruptcy Code have been met.

XX. With respect to each of the Deemed Rejected Classes (Classes 4A, 5A-1 and 5A-2), no Holders of Claims or Interests subordinate to the Holders of Claims or Interests in the Deemed Rejected Classes will receive or retain any property under the Plan. Accordingly, the requirements of sections 1129(b)(2)(B)(ii) and 1129(b)(2)(C)(ii) are satisfied with respect to

the Deemed Rejected Classes; provided, however, that if there is a PCC Approved Bid and the New PSC Common Stock is transferred to PCC, the Bankruptcy Court will determine the respective rights of PCC, the Holders of Old PSC Preferred Stock and the Holders of the Subordinated Notes (the “Section 1129(b) Parties”) as if section 1129(b) of the Bankruptcy Code applied to such determination. The rights of the Section 1129(b) Parties will be reserved in respect of this issue and will not be prejudiced by entry of the Confirmation Order. Resolution of this issue will not affect the validity or finality of the Confirmation Order or the rights of any parties in interest, other than the Section 1129(b) Parties to the extent set forth herein.

YY. Based upon the evidence proffered, adduced, or presented by the Debtors at the Confirmation Hearing, the Plan does not discriminate unfairly and is “fair and equitable” (as defined in section 1129(b) of the Bankruptcy Code) with respect to the Deemed Rejected Classes, which are the only Impaired Classes that have not voted to accept the Plan as required by section 1129(b)(1) and (2) of the Bankruptcy Code. Thus, the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code and may be confirmed notwithstanding the Debtors’ failure to satisfy section 1129(a)(8) of the Bankruptcy Code with respect to Classes 4A, 5A-1 and 5A-2. Upon confirmation of the Plan and the occurrence of the Effective Date, the Plan shall be binding upon the members of the Deemed Rejected Classes.

XXVII. The Plan Complies with Section 1129(c) of the Bankruptcy Code

ZZ. The Plan is the only plan of the Debtors pending before this Bankruptcy Court or any other court, and no other party in interest has filed a competing plan.

XXVIII. The Plan Complies with Section 1129(d) of the Bankruptcy Code

AAA. No party in interest that is a governmental unit has requested that the Bankruptcy Court not confirm the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of

1933. Based upon the evidence proffered, adduced, or presented by the Debtors at the Confirmation Hearing, the principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933. Accordingly, the Plan satisfies the requirement of section 1129(d) of the Bankruptcy Code.

#### XXIX. Substantive Consolidation

BBB. Section 5.1 of the Plan provides for the substantive consolidation of the Estates of the PBT Debtors and the separate substantive consolidation of the Estates of the PST Debtors, in each case, solely for the purposes of all actions associated with confirmation and consummation of the Plan. No party in interest has objected to the Plan on the grounds that the Estates of the PBT Debtors and the Estates of the PST Debtors should not be substantively consolidated as provided in the Plan. Based upon the evidence proffered, adduced, or presented by the Debtors at the Confirmation Hearing, the provisions of the Plan with respect to substantive consolidation of the Estates of the PBT Debtors and the separate substantive consolidation of the Estates of the PST Debtors are appropriate solely for the purposes of all actions associated with confirmation and consummation of the Plan.

#### XXX. Liquidating Trust

CCC. Section 5.4 of the Plan provides, that on the Effective Date, the Liquidating Trust Agreement shall be executed and all other necessary steps shall be taken to establish (i) the Liquidating Trust to make Distributions to Holders of Allowed Claims pursuant to the Terms of the Plan and (ii) the Liquidating Trust Interests for the benefit of the Holders of Allowed Claims in Class 3A. Based upon the evidence proffered, adduced, or presented by the Debtors at the Confirmation Hearing, the provisions of the Plan and the Liquidating Trust Agreement with respect to the Liquidating Trust, the Liquidating Trustee, the Reserves to be established and maintained by the Liquidating Trustee and the Distributions to be made by the

Liquidating Trustee from the Liquidating Trust and the Reserves are appropriate for the purposes of all actions associated with confirmation and consummation of the Plan.

DDD. The Creditors' Committee has appointed Ocean Ridge Capital Advisors, LLC as the Liquidating Trustee as of the Effective Date. The Liquidating Trustee, shall serve as the agent of the Bankruptcy Court in making Distributions from the Liquidating Trust and from the Reserves, and is hereby authorized and directed to make Distributions from the Liquidating Trust and from the Reserves in accordance with the provisions of the Plan and the Liquidating Trust Agreement. Alan Ginsberg shall be the sole director of the Liquidating Trust as of the Effective Date.

EEE. The Global Settlement Agreement, the Asset Purchase Agreement, and the Cooperation Agreement are, in accordance with the Global Settlement Order, binding on the Liquidating Trust and the Liquidating Trustee and the Global Settlement Order is also binding on the Liquidating Trust and the Liquidating Trustee.

#### XXXI. Executory Contracts

FFF. Section 8.2 of the Plan, which governs the assumption of executory contracts and unexpired leases, satisfies the requirements of section 365(a), (b), and (c) of the Bankruptcy Code. The assumption of those executory contracts and unexpired leases that are to be and, unless otherwise so designated prior thereto, will be assumed as of the Effective Date in accordance with the Plan, and by operation of this Order are hereby approved, and such executory contracts and unexpired leases shall remain in full force and effect for the benefit of the Reorganized Debtors, in accordance with their respective terms, notwithstanding any provision in such contracts or leases or in any applicable law, including those of the type contemplated in sections 365(b)(2) of the Bankruptcy Code. Unless otherwise specified in this Order, all executory executory contracts and unexpired leases listed on Schedule 8.2(a) of the

Amended Plan Supplement, subject to any qualifications set forth therein, shall be assumed as of the Effective Date. Such assumptions are in the best interests of the Debtors, their Estates, and all parties in interest in the Chapter 11 Cases. The Bankruptcy Court finds that there has been adequate assurance of future performance under such agreements and adequately provides for the timely payment of cure amounts, if any, in Cash in accordance with section 365(b)(1) of the Bankruptcy Code.

GGG. Section 8.1 of the Plan which governs the rejection of executory contracts and unexpired leases, satisfies the requirements of section 365(a) and the executory contracts and unexpired leases of the Debtors to be rejected as of the Effective Date in accordance with the Plan are burdensome and, as such, the rejection thereof is in the best interests of the Debtors, their Estates and all parties in interest in these Chapter 11 Cases.

XXXII. Survival and Effectiveness of Certain Orders and Agreements

HHH. The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the ongoing effectiveness of the provisions and obligations contained in (a) the Global Settlement Order, (b) the Global Settlement Agreement, (c) the Asset Purchase Agreement, (d) the Cooperation Agreement, (e) the Secured Lender Stipulations, (f) the Employee Orders, and (g) the agreement between the Debtors and Felton Street Associates Limited Partnership set forth on the record of the hearing held by the Bankruptcy Court on November 17, 2004, each of which shall be binding on the Liquidating Trust and the Liquidating Trustee.

XXXIII. Releases and Indemnifications

III. The record of the Confirmation Hearing, the Confirmation Memorandum, and the Chapter 11 Cases is sufficient to support the releases, exculpations and injunctions provided for in Article XI of the Plan, as modified by this Order. The terms and conditions

under which such releases, exculpations and injunctions may be provided are fair and supported by consideration. Moreover, the releases by third parties under the Plan are voluntary in that they are limited to those third parties who affirmatively voted for the Plan on or before March 17, 2005 and are in consideration for the obligations of the Debtors and the Reorganized Debtors under the Plan and the Distributions to be delivered in connection with the Plan. Nothing contained in the Plan or in this Order shall release or discharge any Claims held by the United States Securities and Exchange Commission (the “SEC”) against any non-Debtors, provided, however, that the exculpation and limitation of liability set forth in Section 11.10 of the Plan shall apply to the SEC.

XXXIV. Modifications to the Plan

JJJ. The modifications to the Plan set forth in this Order, including those modifications set forth on Exhibit A attached hereto, constitute technical changes and/or changes with respect to particular Classes of Claims, and do not adversely change the treatment of any other Claims or Interests. Accordingly, pursuant to Bankruptcy Rule 3019, the Technical Modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or resolicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that Holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

**ORDER**

**BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:**

A. Confirmation Order

1. This Confirmation Order shall confirm the Plan as modified by this Confirmation Order.

B. Objections

2. To the extent that any Objections have not been withdrawn, waived, settled or resolved prior to entry of this Confirmation Order, they are hereby overruled on the merits with prejudice.

C. Findings of Fact and Conclusions of Law

3. The findings of fact of the Bankruptcy Court set forth above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Fed. R. Civ. P. 52, as made applicable by Bankruptcy Rules 7052 and 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and vice versa.

D. Confirmation of the Plan

4. The Plan (including the Technical Modifications) and the Amended Plan Supplement (as each may be amended by this Confirmation Order), and each of their provisions are confirmed in each and every respect pursuant to section 1129 of the Bankruptcy Code. The terms of the Plan (including the Technical Modifications), the Plan Supplement, the Amended Plan Supplement and exhibits thereto are incorporated by reference into, and are an integral part of, this Confirmation Order. The terms of the Plan (including the Technical Modifications), the Plan Supplement, the Amended Plan Supplement, all exhibits thereto, and all other relevant and necessary documents, shall be effective and binding as of the Effective Date of the Plan.

Notwithstanding the foregoing, if there is any direct conflict between the terms of the Plan (including the Technical Modifications) or the Amended Plan Supplement (including the Liquidating Trust Agreement) and the terms of this Confirmation Order, the terms of this Confirmation Order shall control. The absence of a reference to a specific provision of the Plan in this Confirmation Order shall not, and shall not be deemed to, affect or alter the Bankruptcy

Court's ruling that every provision of the Plan, as modified by this Order, has been confirmed and approved by the Bankruptcy Court.

E. Survival and Continued Effectiveness of Certain Orders, Agreements and Obligations

5. Nothing contained herein or in the Plan shall conflict with, derogate, discharge or impair the provisions or obligations contained in (a) the Global Settlement Order, (b) the Global Settlement Agreement, (c) the Asset Purchase Agreement, (d) the Cooperation Agreement, (e) the Secured Lender Stipulations, (f) the Employee Orders, and (g) the agreement between the Debtors and Felton Street Associates Limited Partnership set forth on the record of the hearing held by the Bankruptcy Court on November 17, 2004, each of which shall be binding on the Liquidating Trust and the Liquidating Trustee.

6. Nothing contained herein shall diminish or impair the enforceability of any policies of insurance that may cover any claims against the Debtors or any Person's or the Estates' rights in such policies.

F. Survival of Injunctions and Stays

7. All injunctions or stays provided for in the Chapter 11 Cases pursuant to sections 105 and 362 of the Bankruptcy Code or otherwise and in effect on the Confirmation Date, shall remain in full force and effect until the entry of a Final Order closing the Chapter 11 Cases.

G. Plan Modifications

8. All modifications or amendments to the Plan (including the Technical Modifications) and the Amended Plan Supplement since the Solicitation Procedures Order are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.



H. Plan Classification Controlling

9. The classification of Claims and Interests for purposes of the Distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by the Debtors' creditors in connection with voting on the Plan (a) were set forth on the Ballots solely for purposes of voting to accept or reject the plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for Distribution purposes, (c) may not be relied upon by any Holder of a Claim as representing the actual classification of such Claims under the Plan for Distribution purposes, and (d) shall not be binding on the Debtors or each of the Reorganized Debtors.

I. Executory Contracts

10. The provisions contained in Article VIII of the Plan regarding the assumption and rejection of executory contracts and unexpired leases, shall be, and hereby are, approved. As of the Effective Date, executory contracts and unexpired leases which are assumed shall remain in full force and effect for the benefit of, the Reorganized Debtors notwithstanding any provision in such contract or lease (including those described in section 365(b)(2) of the Bankruptcy Code) that enables or requires termination of such contract or lease. Except as otherwise provided in (a) any stipulation resolving an objection to the Plan, (b) Exhibit 8.2(a) to the Amended Plan Supplement, or (c) any motion pending before the Bankruptcy Court as of the Effective Date to assume, assume and assign, or reject any of the Debtors' executory contracts or unexpired leases, the Claims for cure payments required under section 365(b)(1) of the Bankruptcy Code asserted on behalf of creditors whose executory contracts are assumed shall be disallowed as of the date hereof.

11. Notwithstanding any other provision of this Order, in accordance with Sections 8.1(a) and 8.2(a) of the Plan, the Debtors shall retain the right to modify Schedule 8.2(a) of the Amended Plan Supplement at any time prior to the Effective Date on notice to the affected parties to the applicable executory contracts and unexpired leases added or removed from Schedule 8.2(a), respectively.

12. Except as provided in (a) any stipulation resolving an objection to the Plan, (b) Exhibit 8.2(a) to the Amended Plan Supplement, or (c) any motion pending before the Bankruptcy Court as of the Effective Date to assume or reject any of the Debtors' executory contracts or unexpired leases, each nondebtor party to an assumed contract or unexpired lease hereby shall be forever barred, estopped and permanently enjoined from asserting against the Debtors, the Reorganized Debtors, their affiliates or the Liquidating Trust or the property of any of them, any default existing under the assumed contracts or leases as of the Effective Date.

13. The Liquidating Trustee shall satisfy any monetary defaults under any contract or lease to be assumed by the Reorganized Debtors pursuant to section 365(b)(1) of the Bankruptcy Code (a) by payment of such default in Cash within forty-five (45) days of the Effective Date or (b) upon such other terms as may be agreed to by the parties to such executory contract or unexpired lease. If a dispute occurs regarding: (x) the cure amount; (y) the ability of the Reorganized Debtors or the assignee of such executory contract or unexpired lease to provide adequate assurance of future performance under the contract or lease to be assumed; or (z) any other matter pertaining to assumption, then the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following entry of a Final Order resolving the dispute and approving assumption. Notwithstanding anything in the Plan or this Order to the contrary, the Reorganized Debtors shall retain the right to reject any executory contract or unexpired lease that

is subject to a dispute concerning amounts necessary to cure any defaults until thirty (30) days following entry of a Final Order establishing the cure amount.

J. Implementation of the Plan

14. Subject to any applicable contractual limitations and as provided in Section 5.3 of the Plan, the Reorganized Debtors are hereby authorized as directed by the Creditors' Committee to adopt and/or file with the appropriate jurisdictions Reorganized Articles of Incorporation and Reorganized By-Laws effective as of the Effective Date. The Reorganized Articles of Incorporation shall prohibit the issuance of non-voting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code. After the Effective Date, the Reorganized Debtors may amend and restate such Reorganized Articles of Incorporation and Reorganized By-Laws as permitted by applicable law.

15. Without further order of the Bankruptcy Court, the Debtors, Reorganized Debtors and Liquidating Trustee are authorized and empowered to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take all actions and perform all acts, including expending funds, reasonably necessary or appropriate to consummate, effectuate, implement and further evidence the terms and conditions of the Plan.

16. Except as otherwise contemplated by the Plan, this Order, or by any stipulation resolving any objection to the Plan approved by the Bankruptcy Court, on and after the Effective Date, all property of the Debtors' Estates, and any property retained or acquired by such Debtor under the Plan, shall vest in the respective Reorganized Debtor and/or the Liquidating Trust, free and clear of all Liens, Claims and other interests.

17. Except as otherwise provided in the Plan and in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to the Plan, the promissory notes,

share certificates (including treasury stock), the Senior Notes and Subordinated Notes, other instruments evidencing any Claims or Interests, and all options, warrants, calls, rights, puts, awards, commitments or any other agreements of any character to acquire such Interests shall be deemed automatically canceled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order or rule, and the obligations of the Debtors under the notes, share certificates and other agreements and instruments governing such Claims and Interests shall be discharged; provided, however, that the Senior Notes and the respective Indentures shall continue in effect solely for the purposes of (a) allowing the Holders of Senior Notes Claims to receive their Distributions under the Plan, (b) allowing the Indenture Trustees to make the Distributions to be made on account of the Senior Notes, (c) permitting the Indenture Trustees for the Senior Notes to assert their respective Charging Lien against such Distributions for payment of the Indenture Trustee Fees, to the extent necessary. The Holders of or parties to such canceled notes, share certificates and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates and other agreements and instruments or the cancellation thereof, except the rights provided pursuant to the Plan. Notwithstanding any provision contained in the Plan to the contrary, the distribution provisions contained in each of the Indentures for the Senior Notes shall continue in effect to the extent necessary to authorize the applicable Indenture Trustee to receive and distribute to the Holders of Senior Notes Claims Distributions pursuant to the Plan on account of such Senior Notes Claims and shall terminate completely upon completion of all such Distributions

K. Liquidating Trust

18. On the Effective Date, the Liquidating Trust Agreement shall be executed and all other necessary steps shall be taken to establish (i) the Liquidating Trust to make

Distributions to Holders of Allowed Claims pursuant to the Terms of the Plan and (ii) the Liquidating Trust Interests for the benefit of the Holders of Allowed Claims in Class 3A.

19. As of the Effective Date, pursuant to the terms of the Liquidating Trust Agreement, Ocean Ridge Capital Advisors, LLC shall serve as the Liquidating Trustee and as the agent of the Bankruptcy Court in making Distributions from the Liquidating Trust and from the Reserves, and is hereby authorized and directed to make Distributions from the Liquidating Trust and from the Reserves in accordance with the provisions of the Plan and the Liquidating Trust Agreement. Alan Ginsberg shall serve as the sole director of the Liquidating Trust as of the Effective Date.

20. Except as otherwise provided in the Plan, on the Effective Date, the Debtors shall transfer the Remaining Assets to the Liquidating Trust and/or the Reserves and such assets shall vest therein free and clear of all Liens, Claims and other interests. In addition, if, when and to the extent that it is determined that certain Broadcast Assets will not be sold pursuant to a Broadcast Sale, such assets will cease to be Broadcast Assets, shall become Remaining Assets and shall be transferred to the Liquidating Trust and/or the Reserves and vest therein free and clear of all Liens, Claims and other interests. Such transfer may be accomplished in whole or in part by the transfer to the Liquidating Trust of the stock of the Reorganized Debtors.

21. During the period from the Confirmation Date through the Effective Date, the Liquidating Trustee shall have the protections accorded a trustee appointed pursuant to section 1104 of the Bankruptcy Code and shall make all operating decisions and shall exercise all control over the Debtors' assets including, without limitation, the Broadcast Assets including the Debtors' broadcast television stations, subject to the jurisdiction of the Bankruptcy Court.

From and after the Effective Date, the Liquidating Trustee shall continue to make all operating decisions for the Reorganized Debtors and shall exercise all control over the assets of the Reorganized Debtors and the Liquidating Trust including, without limitation, the Broadcast Assets including the Debtors' broadcast television stations, subject to the jurisdiction of the Bankruptcy Court. The Liquidating Trustee shall be required to obtain order(s) from the Bankruptcy Court to sell or otherwise dispose of all or a portion of the Broadcast Assets including the Debtors' FCC licenses and broadcast television stations.

22. As of the Effective Date, the Liquidating Trust and the Liquidating Trustee shall be treated as (i) a "Bankruptcy Trustee" of the Debtors, (ii) an assignee of the Bankruptcy Trustee, (iii) a "Liquidator" and/or (iv) a comparable authority for purposes of all insurance policies covering the Debtors, Reorganized Debtors or their officers, directors, employees and agents.

L. Consummation of the Plan

23. The substantial consummation of the Plan within the meaning of section 1127 of the Bankruptcy Code and Local Rule 3020(b), shall be, and hereby is, deemed to mean the occurrence of the Initial Distribution Date.

24. The substantial consummation of the Plan shall not constitute a change of ownership or change in control as such terms are used in any agreement in effect on the Initial Distribution Date and to which any of the Debtors is a party or under any applicable law, regulation, rule or order.

M. Failure to Consummate the Plan

25. In accordance with Section 10.4 of the Plan, as modified by this Order, if the Effective Date does not occur within one hundred twenty (120) days after the Confirmation Date, or by such later date, after notice and hearing, as is proposed by the Debtors or the

Creditors' Committee, then upon motion by the Debtors, with the consent of the Creditors' Committee, which consent shall not be unreasonably withheld, or the Creditors' Committee and upon notice to such parties in interests as the Bankruptcy Court may direct, upon approval of such Motion by the Bankruptcy Court, (a) the Confirmation Order will be vacated, (b) the Plan shall be null and void in all respects, (c) no Distributions under the Plan shall be made, (d) the Debtors (with respect to their rights in connection with Claims and Interests) and all Holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Order had never been entered, (e) the Debtors' obligations with respect to Claims and Interests shall remain unchanged and nothing contained in this Order shall constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtors or any Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtor, (f) any settlement of Claims made pursuant to the authority granted in the Plan shall be null and void without further order of the Bankruptcy Court, and (g) the time within which the Debtors may assume and assign, or reject all executory contracts and unexpired leases shall be extended for a period of thirty (30) days after the date the Confirmation Order is vacated or otherwise determined by the Bankruptcy Court.

N. Retention of Jurisdiction

26. As provided in Section 13.1 of the Plan, as modified by this Order, pursuant to sections 105(a) and 1142 of the Bankruptcy Code, notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall have and retain jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law and beyond the minimum set forth in Local Rule 3020-1, and such jurisdiction shall be exclusive as it relates to matters arising out of, and related

to, the Chapter 11 Cases. The Bankruptcy Court's jurisdiction shall include, but not be limited to:

- (a) Determination of the allowability or estimation of Claims against, or the administrative expenses of, the Debtors, and the validity, extent, priority, and nonavailability of consensual and nonconsensual liens and other encumbrances;
- (b) Determination of any of the Debtors' federal, state and/or tax liability pursuant to sections 502 or 505 of the Bankruptcy Code including, but not limited to, resolution of controversies and disputes regarding any entitlement, apportionment, estimation, valuation or allocation of, or any other matters relating to, any tax attributes;
- (c) Approval, pursuant to section 365 of the Bankruptcy Code, of all matters related to the assumption, assumption and assignment, or rejection, of any executory contract or unexpired lease of the Debtors including, without limitation, determination of one or motions to assume, assume and assign or reject executory contracts and unexpired leases of the PBT Debtors and/or PSC used in the operation of the Broadcast Business Filed on or before and pending on the Effective Date;
- (d) Resolution of controversies and disputes regarding the enforcement or interpretation of the Plan, the Confirmation Order, or the Bankruptcy Court's orders that survive confirmation of the Plan pursuant to the Plan or other applicable law;
- (e) Implementation of the provisions of the Plan, and entry of orders in aid of confirmation and consummation of the Plan and enforcing settlements or orders entered during the Chapter 11 Cases or as part of the Plan, including, without limitation, appropriate orders to protect the Debtors, Reorganized Debtors and the Liquidating Trustee from actions by creditors of the Debtors and resolution of disputes and controversies regarding property of the Reorganized Debtors;
- (f) Modification of the Plan pursuant to section 1127 of the Bankruptcy Code;
- (g) Commencement and adjudication of any causes of action that arose on or prior to the Confirmation Date or in connection with the implementation of the Plan, including Litigation Claims and other actions against third parties brought or to be brought by the Debtors, the Reorganized Debtors, the Liquidating Trustee, or



other successors of the Debtors as the representative of the Debtors' estates, or a party in interest (as a representative of the Debtors' estates);

- (h) The Reserves, Disputed Claims, Claims for disputed Distributions and recharacterization or equitable subordination of Claims;
- (i) Resolution of any disputes concerning any release or exculpation under the Plan of a nondebtor or the injunction under the Plan, or in the Confirmation Order against acts, employment of process, or actions against such nondebtor;
- (j) Resolution of any disputes concerning whether a Person had sufficient notice of, among other things: (i) the Chapter 11 Cases; (ii) the applicable Bar Date; (iii) the hearing on the approval of the Disclosure Statement as containing adequate information; or (iv) the hearing on confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder;
- (k) Issuance of injunctions, grant and implementation of other orders, or taking such other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of the Plan;
- (l) Resolution of controversies and disputes regarding settlement agreements, orders, injunctions, judgments, and other matters entered or approved by the Bankruptcy Court in connection with any adversary proceeding, discovery, or contested matter in the Chapter 11 Cases;
- (m) Correction of any defect, cure of any omission or reconciliation of any inconsistency in the Plan, the Confirmation Order, organizational documents of the Reorganized Debtors or any other documents relating to the Plan, as may be necessary to carry out the purposes or intent of the Plan;
- (n) Adjudication of any pending adversary proceeding, or other controversy or dispute, in the Chapter 11 Cases for the Debtors, which arose pre-confirmation and over which the Bankruptcy Court had jurisdiction prior to confirmation of the Plan;
- (o) Adjudication of any motions or applications Filed with the Bankruptcy Court and pending on the Effective Date;
- (p) Entry and implementation of such orders as may become necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

- (q) Entry and implementation of such orders as are necessary or appropriate to sell, dispose of, liquidate or abandon any assets or properties of the Debtors, Reorganized Debtors or the Liquidating Trust, including, without limitation, the stock of the Reorganized Debtors. For the avoidance of doubt, the Liquidating Trustee shall be required to obtain, and the Bankruptcy Court hereby retains jurisdiction to adjudicate and implement, orders pursuant to sections 363 and 365 of the Bankruptcy Code for the sale or other disposition of all or a portion of the Broadcast Assets including, without limitation, the Debtors' FCC licenses and the Debtors' broadcast television stations;
- (r) Entry and implementation of such orders as may be necessary regarding the actions of the Liquidating Trust pursuant to the terms of the Plan and the Liquidating Trust Agreement including, but not limited to, orders regarding the Liquidating Trustee's operating decisions and exercise of control over the Broadcast Assets including the Debtors' broadcast television stations;
- (s) Determination of any disputes in connection with the Debtors' support services agreement with Pegasus Communications Management Company including, without limitation, the allocation of costs and expenses under such agreement among the Debtor and non-Debtor entities;
- (t) Determination of any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan or Disclosure Statement;
- (u) Determination of such other matters as may be appropriate under the Bankruptcy Code or in connection with the Plan or the Chapter 11 Cases; and
- (v) Entry of a Final Order closing the Chapter 11 Cases.

O. Payment of Statutory Fees

27. With respect to the Chapter 11 Cases, all unpaid, pre-confirmation fees calculated pursuant to 28 U.S.C. § 1930(a)(6) shall be paid on the Effective Date. Post-confirmation fees calculated pursuant to 28 U.S.C. § 1930(a)(6) shall be timely paid thereafter for each quarter until the Chapter 11 Cases are closed.

P. Exemption from Stamp Taxes

28. Pursuant to section 1146(c) of the Bankruptcy Code: (a) any transfer of assets pursuant to the Plan or contemplated by the Plan, including the transfer of the Broadcast Assets or the stock of the Reorganized Debtors, (b) the issuance, transfer or exchange of notes or equity securities under the Plan, (c) the execution and implementation of the Liquidating Trust Agreement, (d) the creation of any mortgage, deed of trust, lien, pledge or other security interest under the Plan, (e) the making or assignment of any lease or sublease under the Plan, or (f) the making or delivery of any deed or other instrument of transfer under the Plan, including, without limitation, any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, and transfers of tangible property shall not be subject to any stamp tax, sales and use tax or similar tax and the appropriate state or local government officials or agents shall be, and hereby are, directed to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any applicable instruments or documents without the payment of any such tax or governmental assessment. The Bankruptcy Court specifically retains jurisdiction to enforce the foregoing direction, by contempt or otherwise.

Q. Exemption from Securities Registration

29. Pursuant to section 1145 of the Bankruptcy Code, the issuance and/or distribution, as applicable, of Liquidating Trust Interests, New PSC Common Stock or Remaining Assets pursuant to the Plan shall be exempt from registration under the Securities Act of 1933 and applicable state and local laws requiring registration or qualification of securities. If the Liquidating Trustee determines, with the advice of counsel, that the Liquidating Trust is required to comply with the registration and reporting requirements of the Securities and Exchange Act of 1934, as amended, or the Investment Company Act of 1940, as amended, then

the Liquidating Trustee shall take all actions necessary to comply with such reporting requirements.

R. References to Plan Provisions

30. The failure specifically to include or to refer to any particular article, section or provision of the Plan, or any related agreement relating to the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such article, section or provision, it being the intent of the Bankruptcy Court that the Plan, as modified by this Order, be confirmed, and such related agreements be improved in their entirety.

S. Notice of Entry of the Confirmation Order

31. In accordance with Bankruptcy Rules 2002(f)(7) and 3020(c), within five (5) Business Days of the date of entry of this Confirmation Order, the Debtors (or their agents) shall give notice of the entry of this Confirmation Order, in substantially the form of Exhibit B annexed hereto (the “Notice of Confirmation”) by United States mail, first class postage prepaid, by hand, or by overnight courier service to all parties having been served with the notices in respect of the Plan pursuant to the Solicitation Procedures Order; provided, however, that no notice or service of any kind shall be required to be mailed or made upon any person to whom the Debtors mailed a notice pursuant to the Solicitation Procedures Order but received such notice returned marked “undeliverable,” “moved, left no forwarding address” or “forwarding order expired,” or similar reason, unless the Debtors have been informed in writing by such person, or are otherwise aware, of that person’s new address. To supplement the notice in the preceding sentence, within fifteen (15) days of the date of this Confirmation Order, the Debtors shall publish Notice of Confirmation once each in the national edition of The Wall Street Journal and The New York Times. The Notice of Confirmation shall also be posted on the Debtors’ website at <http://www.pgtv.com/283cc/legal.htm>. The Notice of Confirmation shall have the

effect of an order of the Bankruptcy Court, shall constitute sufficient notice of the entry of this Confirmation Order to such filing and recording officers, and shall be a recordable instrument notwithstanding any contrary provision of applicable non-bankruptcy law.

32. Mailing, publication and posting copies to the Debtors' website in the time and manner set forth in the preceding paragraph are good and sufficient under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c), and no further notice is necessary.

T. Bar Date for Administrative Claims

33. Unless a later date (an "Extended Administrative Claims Bar Date") is established pursuant to an order of the Bankruptcy Court or by written notice (an "Administrative Claims Bar Date Extension Notice") of the Liquidating Trustee Filed with the Bankruptcy Court specifying the Extended Administrative Claims Bar Date and the entities, as defined in the Bankruptcy Code (each, an "Entity"), to which such extension applies (each a "Covered Entity"), all proofs of claim or requests for administrative expenses pursuant to section 503 of the Bankruptcy Code (each, an "Administrative Proof of Claim") must be Filed in accordance with the terms of the Administrative Claims Bar Date Order on or before the Administrative Claims Bar Date.

34. The Liquidating Trustee, in its sole discretion, may establish an Extended Administrative Claims Bar Date by Filing an Administrative Claims Bar Date Extension Notice with the Bankruptcy Court and serving a copy of such Administrative Claims Bar Date Extension Notice on each Covered Entity named therein.

35. Any Administrative Claim with respect to which an Administrative Proof of Claim is Filed by any Covered Entity on or prior to the Administrative Claims Bar Date or the Extended Administrative Claims Bar Date, as applicable, in its own name or in the name of any

other Entity, shall be treated for all purposes in the Chapter 11 Cases as an Administrative Claim timely Filed in compliance with the Administrative Claims Bar Date Order and the Plan by the Entity in whose name the related Administrative Proof of Claim is Filed and shall be subject to all, but only, the defenses with respect to such Administrative Claim that would be available to the Debtors and their Estates if the related Administrative Proof of Claim were filed prior to the Administrative Claims Bar Date directly by the Entity in whose name such Administrative Proof of Claim is Filed.

36. If any Extended Administrative Claims Bar Date is established, for purposes of the definition of “Initial Distribution Date” in the Plan, the term “Administrative Claims Bar Date” shall mean the latest to occur of any Extended Administrative Claims Bar Date.

A. Final Fee Applications

37. Holders of Fee Claims for any period ending on or before the Effective Date must file and serve final fee applications therefor no later than forty-five (45) days after the Effective Date.

38. Each Fee Claim shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and prior Orders of this Court governing fee applications of Professionals in the Chapter 11 Cases, and shall set forth, among other things, in reasonable detail: (a) the name and address of the applicant, (b) the nature of the Fee Claim for which reimbursement is requested for all periods from the date the particular applicant was retained through the Confirmation Date, (c) the amount of the Fee Claim requested, (d) the amounts of the Fee Claim previously allowed by the Bankruptcy Court, if any, (e) the amount or amounts of payments made to date, if any, by the Debtors to reduce such allowed amount.

39. As provided in Sections 5.4(i) and 5.4(j) of the Plan and the Liquidating Trust Agreement, no applications need be filed for compensation and reimbursement by a Professional for services rendered after the Effective Date in connection with the Plan or the Chapter 11 Cases as requested by the Reorganized Debtors or the Liquidating Trustee, including the expenses of the Creditors' Committee members and the Liquidating Trust Board, and such fees and expenses may be paid by the Liquidating Trust.

U. Captions

40. On the Confirmation Date, the Debtors shall use the caption with respect to the Debtors' cases, in the form set forth in the Notice of Confirmation.

V. Non-Material Changes

41. Without limiting the generality of the foregoing, and without the need for a further order or authorization of the Bankruptcy Court, the Debtors, in consultation with the Creditors' Committee, shall be authorized and empowered to make non-material modifications to the exhibits comprising the Amended Plan Supplement as is in their reasonable business judgment may be necessary.

W. Authorization to Consummate

42. The Debtors are authorized to consummate the Plan at any time after the entry of this Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to effectiveness set forth in Article X of the Plan.

X. Final Confirmation Order

43. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

**IT IS SO ORDERED**

Dated: April 15, 2005

/s/ James B. Haines, Jr.

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UNITED STATES BANKRUPTCY JUDGE



**EXHIBIT A**

**TECHNICAL MODIFICATIONS**

AMENDMENTS TO THE FIRST AMENDED  
JOINT CHAPTER 11 PLAN, DATED JANUARY 31, 2005 (THE “PLAN”)

The following provisions will supercede and replace in their entirety the following sections of the Plan and shall be deemed to constitute provisions of the Plan, as amended.

Modification to the Treatment of Claims Provisions:

**4.3 General Unsecured Claims (Classes 3A, 3B, 3C and 3D).**

(a) Class 3A is Impaired and is entitled to vote on this Plan. On the Initial Distribution Date and on each Distribution Date thereafter that is at least thirty (30) Business Days after the date on which a Class 3A Claim becomes an Allowed Class 3A Claim, in full settlement, satisfaction, and payment of all Allowed Class 3A Claims, each Holder of an Allowed Class 3A Claim shall receive its Pro Rata share of Liquidating Trust Interests, Liquidating Trust Available Cash and/or such other Distributions as made by the Liquidating Trustee in respect of Allowed Class 3A Claims until such Holder of an Allowed Class 3A Claim may be paid in full, or such other treatment as may be agreed to by the Holder thereof. The Senior Note Claims shall be deemed to be Allowed Class 3A Claims.

(b) Classes 3B, 3C and 3D are not Impaired and are not entitled to vote on this Plan. On the later of the Effective Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 3B Claim, Class 3C Claim or Class 3D Claim becomes an Allowed Claim, such Claim shall be paid in full plus interest calculated in accordance with section 1961 of title 28 of the United States Code from and including the Petition Date to and including the Business Day immediately prior to the date such Claim is paid, in Cash.

**6.1 Classes Entitled to Vote.** Because Claims in Classes 3A are Impaired and Holders thereof will receive or retain property or an interest in property under this Plan, Classes 3A shall be entitled to vote to accept or reject this Plan. Because Claims in Classes 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3B, 3C and 3D are not Impaired, pursuant to section 1126(f) of the Bankruptcy Code, Classes 1A, 1B, 1C, 1D, 2A, 2B, 2C, 2D, 3B, 3C and 3D are deemed to have accepted this Plan and, therefore, are not entitled to vote to accept or reject this Plan. Because Holders of Interests in Classes 5B-2, 5C-2 and 5D-2 will retain their Interests but not be entitled to receive dividends or other distributions under this Plan, pursuant to section 1126(f) of the Bankruptcy Code, Classes 5B-2, 5C-2 and 5D-2 are deemed to have accepted this Plan and, therefore, are not entitled to vote to accept or reject this Plan. Because Holders of Class 4A Claims, Class 5A-1 Interests, and Class 5A-2 Interests are not entitled to receive or retain any property under this Plan, pursuant to section 1126(g) of the Bankruptcy Code, Classes 4A, 5A-1, and 5A-2 are presumed to have rejected this Plan and, therefore, are not entitled to vote on this Plan.

Modifications to Release and Exculpation Provisions:

**5.9 Liability and Indemnification of the Indemnified Parties.** Except for any action that may be brought by the Liquidating Trustee as provided in Sections 11.6(c) and 11.11 of this Plan, the Liquidating Trust shall, to the fullest extent permitted by the laws of the State of New York, indemnify and hold harmless each of the Debtors, Reorganized Debtors, Liquidating Trustee (in its capacity as such), the Indenture Trustees, the Creditors' Committee and their respective officers, directors, managers, employees, current or former members or agents (each acting in such capacity) or any professional persons employed by any of them (collectively the "Indemnified Parties") from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including, but not limited to, attorneys' fees, arising out of or due to their actions or omissions, or consequences of such actions or omissions, other than actions or omissions resulting from the Indemnified Party's willful misconduct or gross negligence, with respect to the formulation, preparation, dissemination, implementation, confirmation, or consummation of this Plan, the Disclosure Statement, the Liquidating Trust Agreement, any contract, release, or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with this Plan or the Chapter 11 Cases. To the extent the Liquidating Trust indemnifies and holds harmless the Indemnified Parties as provided above, the legal fees and related costs incurred by counsel to the Liquidating Trustee in monitoring and participating in the defense of such claims giving rise to the right of indemnification shall be paid out of the Liquidating Trust Reserve. The indemnification provisions of the Liquidating Trust Agreement shall remain available to and be binding upon any former Liquidating Trustee and shall survive the termination of the Liquidating Trust Agreement.

**11.6 Release.** The following release shall be valid, binding, and enforceable:

(a) EXCEPT AS MAY BE PROVIDED IN THIS PLAN OR THE GLOBAL SETTLEMENT ORDER, AS OF THE CONFIRMATION DATE, BUT SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE, NONE OF: (I) THE LIQUIDATING TRUSTEE, THE DEBTORS, THE REORGANIZED DEBTORS, THEIR SUCCESSORS AND ASSIGNS; (II) THEIR PRESENT DIRECTORS AND OFFICERS; (III) THEIR FORMER DIRECTORS AND OFFICERS WHO HELD SUCH POSITION WITH THE DEBTORS AS OF OR SINCE THE PETITION DATE; (IV) AGENTS, ATTORNEYS, ADVISORS, FINANCIAL ADVISORS, INVESTMENT BANKERS AND EMPLOYEES OF THE DEBTORS; (V) THE INDENTURE TRUSTEES; AND (VI) THE CREDITORS' COMMITTEE, ITS CURRENT AND FORMER MEMBERS, AGENTS, ATTORNEYS, ADVISORS, FINANCIAL ADVISORS AND INVESTMENT BANKERS, SHALL HAVE OR INCUR ANY LIABILITY TO ANY PERSON FOR ANY CLAIM, OBLIGATION, RIGHT, CAUSE OF ACTION OR LIABILITY (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS ARISING OUT OF ANY ALLEGED FIDUCIARY OR OTHER DUTY AND THE AVOIDANCE OF PREFERENCES OR FRAUDULENT CONVEYANCES OR ANY GUARANTY ISSUED BY ANY OF THE DEBTORS), WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, BASED IN WHOLE OR IN PART ON ANY ACT OR OMISSION, TRANSACTION OR

OCCURRENCE FROM THE BEGINNING OF TIME THROUGH THE CONFIRMATION DATE IN ANY WAY RELATING TO THE DEBTORS; AND ALL CLAIMS BASED UPON OR ARISING OUT OF SUCH ACTIONS OR OMISSIONS SHALL BE FOREVER WAIVED AND RELEASED; PROVIDED, HOWEVER, THAT THIS SECTION SHALL HAVE NO EFFECT ON THE LIABILITY OF ANY PERSON THAT OTHERWISE WOULD RESULT FROM ANY ACTION OR OMISSION TO THE EXTENT THAT SUCH ACTION OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

(b) THE RELEASE DESCRIBED IN CLAUSES (I) SOLELY TO THE EXTENT PCC IS DEEMED TO BE A SUCCESSOR OR ASSIGN THEREUNDER, (II) AND (III) OF THE PRECEDING PARAGRAPH OF THIS SECTION 11.6 SHALL NOT BE ENFORCEABLE AGAINST ANY HOLDER OF A CLAIM OR INTEREST THAT IS NOT RECEIVING DISTRIBUTIONS UNDER THIS PLAN OR ANY HOLDER OF A CLAIM OR INTEREST THAT HAS NOT AFFIRMATIVELY VOTED TO ACCEPT THE PLAN ON OR BEFORE MARCH 17, 2005. CLAIMANTS OF THE DEBTORS SHALL BE ENJOINED FROM COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS OR ACT TO COLLECT, OFFSET OR RECOVER ANY CLAIM THAT IS RELEASED AS PROVIDED HEREIN. FOR THE AVOIDANCE OF ANY DOUBT, (X) THIS PLAN DOES NOT RELEASE PCC FROM ANY CLAIMS THAT ANY PARTY MAY HAVE AGAINST PCC, AND (Y) TO THE EXTENT A HOLDER OF A CLAIM AFFIRMATIVELY VOTED TO REJECT THE PLAN ON OR BEFORE MARCH 17, 2005 AND SUBSEQUENTLY CHANGED ITS VOTE TO ACCEPT THE PLAN, SUCH HOLDER SHALL NOT BE DEEMED TO HAVE RELEASED ANY CLAIMS UNDER CLAUSES (I) SOLELY TO THE EXTENT PCC IS DEEMED TO BE A SUCCESSOR OR ASSIGN THEREUNDER, (II) AND (III) OF THE PRECEDING PARAGRAPH OF THIS SECTION 11.6 OF THIS PLAN.

(c) NOTWITHSTANDING THE RELEASES (THE “D&O RELEASES”) PROVIDED IN CLAUSES (II) AND (III) OF PARAGRAPH (A) OF THIS SECTION 11.6, DURING THE CHALLENGE PERIOD (AS DEFINED BELOW), THE LIQUIDATING TRUSTEE MAY ASSERT ANY AND ALL CLAIMS THAT THE DEBTORS’ ESTATES MAY HAVE AGAINST THE DEBTORS’ PRESENT DIRECTORS AND OFFICERS AND THE DEBTORS’ FORMER DIRECTORS AND OFFICERS WHO HELD SUCH POSITION WITH THE DEBTORS AS OF OR SINCE THE PETITION DATE (COLLECTIVELY, THE “AFFECTED DIRECTORS AND OFFICERS”) THAT WERE NOT RELEASED BY THE GLOBAL SETTLEMENT AGREEMENT OR GLOBAL SETTLEMENT ORDER, INCLUDING, BUT NOT LIMITED TO, CLAIMS IDENTIFIED IN SECTION 11.11 OF THIS PLAN. UNLESS THE LIQUIDATING TRUSTEE FILES A COMPLAINT WITH THE BANKRUPTCY COURT OR ANY OTHER COURT OF COMPETENT JURISDICTION WITHIN THE CHALLENGE PERIOD ASSERTING POTENTIAL CLAIMS IDENTIFIED IN THIS PARAGRAPH (C), ALL SUCH CLAIMS SHALL BE DEEMED RELEASED AND ALL PERSONS SHALL BE FOREVER BARRED FROM ASSERTING SUCH CLAIMS IN LAW OR EQUITY ON BEHALF OF THE DEBTORS’ ESTATES. IF THE LIQUIDATING TRUSTEE FILES A COMPLAINT WITHIN THE CHALLENGE PERIOD, SUCH D&O RELEASE SHALL NOT BE EFFECTIVE WITH RESPECT TO THE AFFECTED DIRECTOR(S) AND OFFICER(S) NAMED BUT ONLY AS TO THE CLAIM OR CLAIMS

ASSERTED IN SUCH COMPLAINT UPON SUCH FILING AND SHALL ONLY VEST WITH RESPECT TO SUCH CLAIMS IF SUCH COMPLAINT IS DISMISSED OR DECIDED IN FAVOR OF SUCH AFFECTED DIRECTOR(S) AND OFFICER(S) BY A FINAL ORDER OR AS AND TO THE EXTENT PROVIDED IN ANY FINAL SETTLEMENT OF SUCH CLAIMS. FOR PURPOSES OF THIS PLAN, “CHALLENGE PERIOD” SHALL MEAN: (A) IN THE EVENT THE LIQUIDATING TRUSTEE AND PCC ENTER INTO AN AGREEMENT REGARDING ACCESS TO AND STORAGE OF THE DEBTORS’ INFORMATION (AN “ACCESS AND STORAGE AGREEMENT”) IN FORM AND SUBSTANCE ACCEPTABLE TO THE LIQUIDATING TRUSTEE, THE PERIOD FROM THE EFFECTIVE DATE TO AND INCLUDING THE DATE THAT IS 180 DAYS FOLLOWING THE EFFECTIVE DATE; AND (B) IN THE EVENT THAT THE LIQUIDATING TRUSTEE AND PCC DO NOT ENTER INTO AN ACCESS AND STORAGE AGREEMENT IN FORM AND SUBSTANCE ACCEPTABLE TO THE LIQUIDATING TRUSTEE, THE PERIOD FROM THE EFFECTIVE DATE TO AND INCLUDING THE DATE THAT IS 365 DAYS AFTER THE EFFECTIVE DATE.

**11.10 Limitation on Liability Regarding Chapter 11 Activities.** EXCEPT FOR ANY ACTION THAT MAY BE BROUGHT BY THE LIQUIDATING TRUSTEE AS PROVIDED IN SECTIONS 11.6(C) AND 11.11 OF THIS PLAN, NONE OF THE DEBTORS, THE REORGANIZED DEBTORS, THE LIQUIDATING TRUSTEE, THE INDENTURE TRUSTEES, THE CREDITORS’ COMMITTEE, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CURRENT OR FORMER MEMBERS OR AGENTS (EACH ACTING IN SUCH CAPACITY), OR ANY PROFESSIONAL PERSONS EMPLOYED BY ANY OF THEM WILL HAVE OR INCUR ANY LIABILITY TO ANY PERSON FOR ANY ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR RELATED TO THE FORMULATION, PREPARATION, DISSEMINATION, IMPLEMENTATION, CONFIRMATION, OR CONSUMMATION OF THIS PLAN, THE DISCLOSURE STATEMENT, ANY CONTRACT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO, OR ANY OTHER ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH THIS PLAN OR THE CHAPTER 11 CASES, AND ALL CLAIMS BASED UPON OR ARISING OUT OF SUCH ACTIONS OR OMISSIONS WILL BE FOREVER WAIVED AND RELEASED; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL AFFECT THE LIABILITY OF ANY PERSON THAT OTHERWISE WOULD RESULT FROM ANY ACTION OR OMISSION TO THE EXTENT THAT SUCH ACTION OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

**11.11 Liquidating Trustee’s Succession Rights.** The Liquidating Trustee shall succeed to the rights available to the Debtors and/or Creditors’ Committee under the Final Order Authorizing the Debtors to Continue Performing Under the Support Services Agreement with Pegasus Communications Management Company, entered on or about July 22, 2004, as such rights have been modified pursuant to Section 5.d of the Global Settlement Agreement (the “Final Support Services Order”), and may assert any claim available to the Debtors and/or Creditors’ Committee under the Final Support Services Order during the Challenge Period.

Unless the Liquidating Trustee files a complaint with the Bankruptcy Court or other court of competent jurisdiction within the Challenge Period asserting the claims described in this Section 11.11 against non-Debtor affiliates, at the expiration of the Challenge Period or if such complaint is dismissed or decided in favor of such non-Debtor affiliates by a Final Order or as and to the extent provided in any final settlement of such claims, all such claims against such non-Debtor affiliates under the Final Support Services Order shall be deemed released and the Liquidating Trustee shall be forever barred from asserting such claims under the Final Support Services Order against such non-Debtor affiliates in law or equity. Except with respect to claims that the Liquidating Trustee may assert against non-Debtor affiliates as provided in this Section 11.11, nothing contained herein shall be deemed to be a modification of Section 5.7 of this Plan. For the avoidance of any doubt, the Liquidating Trustee may assert any and all claims that the Debtors' Estates may hold against non-Debtor affiliates of the Debtors and officers, directors, employees and agents of such non-Debtor affiliates of the Debtors, except to the extent that such claims have been released by the Final Support Services Order, the Global Settlement Agreement, the Global Settlement Order, any Final Order of the Bankruptcy Court or final settlement of such claims.

**EXHIBIT B**

**NOTICE OF CONFIRMATION**

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 ENTRY OF ORDER PURSUANT TO  
11 U.S.C. § 1129(a) AND RULE 3020 OF THE FEDERAL  
RULES OF BANKRUPTCY PROCEDURE CONFIRMING  
THE DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN**

TO ALL CREDITORS AND EQUITY INTEREST HOLDERS  
OF THE DEBTORS AND OTHER PARTIES IN INTEREST:

PLEASE TAKE NOTICE that the Findings of Fact, Conclusions of Law, and Order Confirming Debtors' First Amended Joint Chapter 11 Plan (the "Confirmation Order") confirming the Debtors' First Amended Joint Chapter 11 Plan, dated January 31, 2005 (as amended, the "Plan") of Pegasus Satellite Television, Inc. Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, each a debtor and debtor in possession in the above captioned chapter 11 cases (collectively, the "Debtors")<sup>3</sup> was approved by the Honorable James B. Haines, Jr., United States Bankruptcy Judge, and entered by the Clerk of the United States Bankruptcy Court for the District of Maine (the "Bankruptcy Court") on April \_\_, 2005. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the meanings ascribed to them in the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that the Confirmation Order and the Plan are on file and available for inspection in the office of the Clerk of the United States Bankruptcy Court for the District of Maine, 537 Congress Street, 2<sup>nd</sup> Floor, Portland, Maine 04101. Copies of the Confirmation Order and the Plan may be obtained by parties in interest at the Debtors' expense upon written request to the Solicitation Agent:

**By US Mail**

**OR**

**By Overnight Courier**

Pegasus Satellite Television, Inc.

Pegasus Satellite Television, Inc.

<sup>3</sup> 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.



c/o The Trumbull Group, LLC  
P.O. Box 721  
Windsor, Connecticut 06095-0721

c/o The Trumbull Group, LLC  
Griffin Center  
4 Griffin Road North  
Windsor, Connecticut 06095

In addition, copies of the Confirmation Order and the Plan may be found on the Bankruptcy Court's website, [www.meb.uscourts.gov](http://www.meb.uscourts.gov), and on the Debtors' website, [www.pgtv.com/283cc/legal.htm](http://www.pgtv.com/283cc/legal.htm).

PLEASE TAKE FURTHER NOTICE that the Plan and its provisions are binding on (i) the Debtors, (ii) the Reorganized Debtors, (iii) the Liquidating Trust, (iv) the Liquidating Trustee, (v) all holders of Claims against and Interests in the Debtors as of February 9, 2005, the Court approved record date, whether or not Impaired under the Plan and whether or not, if Impaired, such Holders accepted, rejected, or are deemed to have accepted or rejected the Plan, (vi) each Person acquiring property under the Plan, (vii) all non-Debtor parties to executory contracts and unexpired leases with any Debtor, (viii) all entities that are parties to or are subject to the releases, discharges, and injunctions described in the Plan, as amended by the Confirmation Order, and (ix) each of the foregoing's respective heirs, successors, assigns, trustees, executors, administrators, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians, if any.

PLEASE TAKE FURTHER NOTICE that all executory contracts and unexpired leases, except those listed in Schedule 8.2(a) of the Amended Plan Supplement or which have been previously assumed or rejected or are the subject of the Debtors' Motion for Order Authorizing the Assumption or Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, dated April 13, 2005 and pending as of the Effective Date, shall be rejected as of the Effective Date. All Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 8.1 of the Plan must be filed with the Bankruptcy Court and served upon Debtors, no later than (a) thirty (30) days after the date of service of this notice of entry of the Confirmation Order or (b) a date set forth in the order approving the rejection of such executory contract or unexpired lease, as applicable. All such Claims not filed within such time will be forever barred from assertions against the Debtors and their estates, the Reorganized Debtors, the Liquidating Trust and the Liquidating Trustee. All proofs of claim must be filed at the following address: (i) if sent by regular mail: Pegasus Satellite Television, Inc., c/o The Trumbull Group, LLC, P.O. Box 721, Windsor, Connecticut 06095-0721 or (ii) if sent by messenger or overnight courier: Pegasus Satellite Television, Inc., c/o The Trumbull Group, LLC, Griffin Center, 4 Griffin Road North, Windsor, Connecticut 06095.

PLEASE TAKE FURTHER NOTICE that the Administrative Claims Bar Date has been fixed as twenty (20) days after the Effective Date. Any person or entity that holds or asserts an Administrative Claim against any of the Debtors must file an Administrative Claim so as to actually be received by the Solicitation Agent at one of the above-stated addresses on or before the Administrative Claims Bar Date. All Administrative Claims must be submitted in a form that accords with the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the Bankruptcy Court. Any person or entity that fails to file a timely Administrative Claim will be forever barred from asserting such claim against the Debtors or receiving any payment from the Debtors' estates.

PLEASE TAKE FURTHER NOTICE that on or before the forty-fifth (45<sup>th</sup>) day after the Effective Date, all applications for final allowances of compensation and reimbursement of expenses pursuant to sections 328, 330(a), 331, 503 or 1103 of the Bankruptcy Code for professional services rendered up to the Effective Date (each a “Final Fee Application”) must be filed with the Bankruptcy Court, together with proof of serve thereof, and served on: (i) counsel to the Debtors, Sidley Austin Brown & Wood LLP, Bank One Plaza, 10 S. Dearborn Street, Chicago, Illinois 60603, Attn: Larry J. Nyhan, Esq. and James F. Conlan, Esq. and Sidley Austin Brown & Wood LLP, 787 Seventh Avenue, New York, New York 10019, Attn: Guy S. Neal, Esq. and Ellen R. Moring, Esq.; (ii) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022, Attn: Daniel Golden, Esq. and David Botter, Esq.; (iii) the Liquidating Trustee, Ocean Ridge Capital Advisors, LLC, 56 Harrison Street, Suite 203A, New Rochelle, New York 10801, Attn: Bradley E. Scher and (iv) the Office of the United States Trustee for the District of Maine, 537 Congress Street, Suite 303, Portland, ME 04101, Attn: Robert Checkoway.

PLEASE TAKE FURTHER NOTICE that objections, if any, to any Final Fee Application shall be filed with the Court, together with proof of service thereof, and served upon the applicant and the parties identified above, so as to be received no later than 4:00 p.m. Eastern Time, on the date that is three business days prior to the hearing on the Final Fee Application.

Dated: Portland, Maine  
April \_\_, 2005

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-and-

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By: \_\_\_\_\_

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