

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MAINE**

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

**DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN**

**Dated: January 31, 2005**

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## INTRODUCTION

Pegasus Satellite Television, Inc. and certain of its subsidiaries and affiliates, each a debtor and debtor in possession herein (collectively, the “Debtors”)<sup>1</sup>, as “proponents of this Plan” within the meaning of section 1129 of the Bankruptcy Code, hereby jointly propose the following First Amended Joint Chapter 11 Plan (the “Plan”) pursuant to section 1121(a) of the Bankruptcy Code.

Reference is made to the Disclosure Statement (as that term is defined herein) for a discussion of the Debtors’ history, businesses, properties and operations, a summary and analysis of this Plan, and certain related matters including, among other things, the proposed substantive consolidation of certain of the Debtors’ estates for plan purposes only. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019 and Sections 12.1 and 12.2 of this Plan, the Debtors, subject to the consent of the Creditors’ Committee, which consent shall not be unreasonably withheld, reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation.

## ARTICLE I

### DEFINED TERMS

For purposes of this Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms have the meanings ascribed to them in Article I of this Plan. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, will have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine.

**1.1 Administrative Claim** means a Claim for costs and expenses of administration of the Chapter 11 Cases under sections 503(b), 507(a)(1) or 507(b) of the Bankruptcy Code, including: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Debtors’ Estates and operating the businesses of the Debtors (such as wages, salaries, commissions for services and payments for inventories, leased equipment and premises), the Indenture Trustee Fees and Claims of governmental units for taxes (including tax Claims related to tax years and portions thereof commencing after the Petition

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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. and WTLH License Corp.



Date, but excluding Claims relating to tax periods, or portions thereof, ending on or before the Petition Date); (b) compensation for legal, financial, advisory, accounting and other services and reimbursement of expenses Allowed by the Bankruptcy Court under sections 328, 330, 331 or 503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; and (c) all fees and charges assessed against the Debtors' Estates under section 1930, chapter 123 of title 28, United States Code.

**1.2 Administrative Claims Bar Date** has the meaning set forth in Section 2.2 of this Plan.

**1.3 Administrative Claims Bar Date Order** means the Order establishing procedures for filing proofs of Administrative Claims or requests for payment of such Administrative Claims and fixing a date by which all Persons asserting Administrative Claims arising in the period from the Petition Date through the Effective Date, inclusive, must have filed proofs of such Administrative Claims or requests for payment of such Administrative Claims or be forever barred from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, or the Liquidating Trustee or their respective property, or such other date by which any such Administrative Claim must be filed as may be fixed by order of the Bankruptcy Court.

**1.4 Administrative Claims Reserve** means funds in the Liquidating Trust as are reasonably necessary to pay Administrative Claims, Priority Tax Claims and Fee Claims that are not Disputed Claims but as they are or may become Allowed Claims.

**1.5 Allowed** means an Allowed Claim in a particular Class or category specified. Any reference herein to a particular Allowed Claim includes both the secured and unsecured portions of such Claim.

**1.6 Allowed Claim** means:

(a) a Claim that has been listed by a Debtor on its Schedules as liquidated in amount and not disputed or contingent unless it is a Disputed Claim for which an objection or request for estimation has been Filed by the Claims Objection Deadline; or

(b) a Claim for which a proof of claim has been Filed by the applicable Bar Date, or otherwise has been deemed timely Filed under applicable law, unless it is a Disputed Claim for which an objection or request for estimation has been Filed by the Claims Objection Deadline (except for a Disputed Claim for which no objection or request for estimation shall be required pursuant to this Plan); or

(c) a Claim that is allowed (i) by a Final Order; (ii) pursuant to a settlement; or (iii) pursuant to the terms of this Plan; or

(d) with respect to an Administrative Claim, an Administrative Claim for which a Holder thereof Filed and served a request for payment of such Administrative Claim unless it is a Disputed Claim for which an objection or request for estimation has been Filed by the Claims Objection Deadline (except for a Disputed Claim for which no objection or request for estimation shall be required pursuant to this Plan); or

(e) any Disputed Claim as to which (i) an objection or request for estimation is required to be Filed pursuant to this Plan and (ii) no objection or request for estimation has been Filed before the Claims Objection Deadline.

The term “Allowed Claim” shall not, for purposes of computing Distributions under this Plan, include interest on such Claim from and after the Petition Date, except as provided in section 506(b) of the Bankruptcy Code or as otherwise expressly set forth in this Plan and only to the extent not inconsistent with governing law.

**1.7 Allowed [Class Designation] Claim/Interest** means a Claim that is Allowed in a specified Class.

**1.8 Alternate Court Approved Bid** means, in the event there is a Broadcast Sale, a bid or collection of bids for the assets of the PBT Debtors or stock of the Reorganized PBT Debtors (other than the transaction embodied in the Broadcast SPA or higher bid by PCC) to the extent it is the winning bid for the Broadcast Sale as approved in the Broadcast Sale Order. In the event that there is an Alternate Court Approved Bid prior to the date of the filing of the Plan Supplement, a copy of same will be included in the Plan Supplement.

**1.9 Alternate Closing** means the closing of the transactions described in the Alternate Court Approved Bid in accordance with the terms, and subject to the conditions, of the Alternate Court Approved Bid, if applicable.

**1.10 Alternate Closing Date** means, in the event of an Alternate Court Approved Bid, the date on which the Alternate Closing occurs.

**1.11 Asset Purchase Agreement** means a certain Asset Purchase Agreement, dated as of July 30, 2004, by and among the PST Debtors as sellers, DIRECTV, Inc. as purchaser, and The DIRECTV Group, Inc. as to certain provisions thereof, as approved pursuant to the Global Settlement Order.

**1.12 Avoidance Actions** means any actions or proceedings that may be instituted for the recovery of property pursuant to chapter 5 of the Bankruptcy Code (e.g., 11 U.S.C. §§ 542, 544, 547, 548, 549, 550 or 553) or applicable state law.

**1.13 Ballot** means each of the ballot form or forms distributed to each Holder of an Impaired Claim entitled to vote on this Plan, on which the Holder is to indicate acceptance or rejection of this Plan.

**1.14 Bankruptcy Code** means title 11 of the United States Code, as now in effect or as hereafter amended to the extent such amendments are applicable to the Chapter 11 Cases.

**1.15 Bankruptcy Court** means the United States Bankruptcy Court for the District of Maine, Portland Division, in which the Chapter 11 Cases were commenced on the Petition Date, or any other court with jurisdiction over the Chapter 11 Cases.

**1.16 Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended to the extent such amendments are applicable to the Chapter 11 Cases.

**1.17 Bar Date** means the applicable deadlines by which a proof of claim or request for payment of an Administrative Claim must have been or must be Filed, as established by the Bankruptcy Rules or an order of the Bankruptcy Court, including the Bar Date Order, the Administrative Claims Bar Date Order, the Confirmation Order and, to the extent applicable, the Broadcast Sale Order. The term "Bar Date" also includes the deadline for Filing Fee Claims established pursuant to Section 2.3 of this Plan and the deadline for Filing Claims arising from rejection of executory contracts and unexpired leases established pursuant to Section 8.1 of this Plan.

**1.18 Bar Date Order** means the "Order Pursuant to Bankruptcy Rule 3003(c)(3) Establishing Procedures for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof" dated September 1, 2004.

**1.19 Broadcast Assets** means, all right, title and interest of the Broadcast Asset Transferors in and to the assets, properties, interests and rights subject to a Broadcast Sale pursuant to a PCC Court Approved Bid or an Alternate Court Approved Bid, if and to the extent applicable. 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 and shall become Remaining Assets.

**1.20 Broadcast Asset Transferor** means each PBT Debtor and PSC and, solely for the purposes of a PCC Court Approved Bid, WFXU License Corporation, WFXU Corporation, WGFL License Corporation and WGFL Corporation.

**1.21 Broadcast Business** means (a) owning or managing the television stations WOLF, Hazelton, Pennsylvania; WILF, Williamsport, Pennsylvania; WPXT, Portland, Maine; WDSI, Chattanooga, Tennessee; WTLH, Bainbridge, Georgia; WGFL, High Springs, Florida; WPME, Lewiston, Maine; WSWB, Scranton, Pennsylvania; WTLF-DT, Tallahassee, Florida and WFXU, Tallahassee, Florida, (b) acting as a cable channel sales agent for The WB Network in Gainesville, Florida and Tallahassee, Florida and (c) exercising rights from time to time under the Option Agreement, dated April 14, 1998, as amended, between PSC, W.W. Keen Butcher and certain other parties named therein, and under certain asset purchase agreements executed pursuant to such Option Agreement.

**1.22 Broadcast Sale** means a sale of assets of the Debtors used in the operation of the Broadcast Business or the stock of one or more of the Reorganized Debtors either pursuant to the terms of a PCC Court Approved Bid or an Alternate Court Approved Bid as approved by the Bankruptcy Court.

**1.23 Broadcast Sale Order** means an Order of the Bankruptcy Court approving a Broadcast Sale.

**1.24 Broadcast SPA** means a subscription agreement to be entered into by and among PCC and PSC in the event the Debtors pursue a Broadcast Sale with PCC as the stalking

horse bidder or such other subscription agreement to be entered into by and among PCC and PSC in the event of a PCC Court Approved Bid.

**1.25 Business Day** means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

**1.26 Cash** means cash and cash equivalents, including but not limited to bank deposits, checks, and other similar items.

**1.27 Chapter 11 Cases** means (a) when used with reference to a particular Debtor, the chapter 11 case pending for that Debtor in the Bankruptcy Court and (b) when used with reference to all or a portion of the Debtors, the chapter 11 cases pending for such Debtors in the Bankruptcy Court.

**1.28 Charging Lien** means any Lien or other priority in payment arising prior to the Effective Date pursuant to which an Indenture Trustee for the Senior Notes is entitled, pursuant to the applicable Indentures, against Distributions to be made to the Holders of Senior Notes Claims.

**1.29 Claim** means a “claim,” as defined in section 101(5) of the Bankruptcy Code.

**1.30 Claims Objection Deadline** means the last day for Filing and serving objections to Claims in accordance with the Bankruptcy Code and Bankruptcy Rules, (a) with respect to Claims other than Administrative Claims and Fee Claims, one hundred and fifty (150) days after the Effective Date, unless further extended by the Bankruptcy Court; (b) with respect to Administrative Claims, sixty (60) days (unless further extended by the Bankruptcy Court) following the Administrative Claims Bar Date; and (c) with respect to Fee Claims, thirty (30) days (unless further extended by the Bankruptcy Court) after the date on which the applicable final request for compensation or reimbursement was filed and served on counsel to the Debtors, counsel to the Creditors’ Committee and the Liquidating Trustee.

**1.31 Class** means a category of Holders of Claims or Interests, as described in Article II hereof.

**1.32 Closing** means the closing of the transactions described in a PCC Court Approved Bid in accordance with the terms, and subject to the conditions, of a PCC Court Approved Bid.

**1.33 Closing Date** means, in the event of a PCC Court Approved Bid, the date on which the Closing occurs.

**1.34 Collateral** means any property or interest in property of the Debtors’ Estates that is subject to a valid and enforceable lien to secure a Claim.

**1.35 Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

**1.36 Confirmation Hearing** means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

**1.37 Confirmation Order** means the order to be entered by the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

**1.38 Cooperation Agreement** means a certain Cooperation Agreement, dated as of July 30, 2004, by and among PST (on its own behalf and on behalf of the PST Debtors) and DIRECTV, Inc., as approved pursuant to the Global Settlement Order.

**1.39 Creditors' Committee** means the statutory committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as such Creditors' Committee may be reconstituted from time to time, and all successors in interest thereto or other Persons to whom the rights and powers of the Creditors' Committee are assigned, whether pursuant to this Plan or otherwise.

**1.40 Debtor(s)** means, individually, PSC, PMC, any of the PBT Debtors or any of the PST Debtors and, collectively, all of the above-captioned debtors and debtors in possession.

**1.41 Directors and Officers** has the meaning set forth in Section 11.7 of this Plan.

**1.42 Disclosure Statement** means the written disclosure statement (including all schedules thereto or referenced therein) that relates to this Plan, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as the same may be amended, modified or supplemented.

**1.43 Disputed Claim** means any Claim, including any Administrative Claim, which has not been Allowed pursuant to this Plan, a Final Order or a stipulation or other agreement settling and resolving such Claim, and

(a) if no proof of claim or request for payment of an Administrative Claim has been Filed by the applicable Bar Date: (i) a Claim that has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; or (ii) a Claim that has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but as to which has been interposed a timely objection or request for estimation in accordance with this Plan, the Bankruptcy Code and the Bankruptcy Rules by the Claims Objection Deadline, which objection or request for estimation has not been withdrawn or determined by a Final Order or a settlement stipulation; or

(b) if a proof of claim or request for payment of an Administrative Claim has been Filed by the applicable Bar Date: (i) a Claim for which no corresponding Claim has been or hereafter is listed on the Schedules; (ii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted in the proof of claim or request for payment of an

Administrative Claim varies from the nature and amount of such Claim as listed on the Schedules; (iii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; (iv) a Claim for which a timely objection or request for estimation is interposed in accordance with this Plan, the Bankruptcy Code and the Bankruptcy Rules by the Claims Objection Deadline, which objection or request for estimation has not been withdrawn or determined by a Final Order or a settlement stipulation.

**1.44 Disputed Claim Amount** means the least of (a) the liquidated amount, if any, set forth in the proof of claim or request for payment of an Administrative Claim relating to a Disputed Claim, (b) the amount estimated by the Bankruptcy Court for purposes of Distributions in respect of such Disputed Claim in accordance with sections 105(a), 502(c) or 505 of the Bankruptcy Code, and (c) such other amount as may be agreed to by the Holder of a Disputed Claim for purposes of estimation and/or allowance under sections 105(a), 502(c) or 505 of the Bankruptcy Code or zero, if such Disputed Claim is disallowed in its entirety by the Bankruptcy Court pursuant to such section, in either case, regardless of whether the order or judgment allowing or disallowing such Claim has become a Final Order; provided, however, that in the event a Claim has been disallowed, but the order of disallowance has not yet become a Final Order, the Bankruptcy Court may require the Liquidating Trustee to reserve, and hold in trust for the benefit of each Holder of such Claim, Cash and/or Liquidating Trust Interests, if applicable, in an amount equal to the Pro Rata Distributions which the Bankruptcy Court, in its discretion, determines will protect the rights of such Holder under all of the facts and circumstances relating to the order of disallowance and the appeal of such Holder from such order.

**1.45 Disputed Claims Reserve** has the meaning set forth in Section 9.3 of this Plan.

**1.46 Distribution** means a payment made to Holders of Allowed Claims pursuant to this Plan.

**1.47 Distribution Date** means a date on which a Distribution is made under this Plan including the Initial Distribution Date and the Final Distribution Date.

**1.48 Effective Date** means the Business Day this Plan becomes effective for the Debtors as provided in Article X hereof.

**1.49 Employee Orders** means, collectively: (a) the "Order Authorizing: (I) Payment of Prepetition Employee Wages, Salaries and Related Items; (II) Reimbursement of Prepetition Employee Business Expenses; (III) Prepetition Contributions and Payment of Medical and Similar Benefits; (IV) Payment of Workers' Compensation Obligations; (V) Payments for Which Payroll Deductions Were Made; (VI) Payment of all Costs and Expenses Incident to the Foregoing Payments and Contributions; and (VII) the Continuation of Certain Employee Programs" dated June 4, 2004, (b) the "Order Pursuant to 11 U.S.C. §§ 363(b) and 105(a) Authorizing and Approving Implementation of Management Retention Plan, as Modified, and Scheduling a Final Hearing" dated July 9, 2004, (c) the "Second Order Pursuant to 11 U.S.C. §§ 363(b) and 105(a) Authorizing and Approving Implementation of Management Retention Plan, as Further Modified" dated August 3, 2004, (d) the "Order Pursuant to 11 U.S.C. §§ 363(b)

and 105(a) Authorizing and Approving Implementation of Supplemental Management Retention Plan” dated September 23, 2004, and (e) the “Order Pursuant to 11 U.S.C. §§ 363(b) and 105(a) Authorizing and Approving Supplemental Retention Plan for Certain Employees of the Debtors’ Satellite Division and Retention Plan for Certain Employees of the Debtors’ Broadcast Division” dated November 24, 2004.

**1.50 Estate(s)** means, individually, a portion or all of the estates of PSC, PMC, any of the PBT Debtors or any of the PST Debtors, created under section 541 of the Bankruptcy Code.

**1.51 Fee Claim** means an Administrative Claim under sections 328, 330(a), 331, 503 or 1103 of the Bankruptcy Code for compensation of a Professional or other Person for services rendered or expenses incurred in the Chapter 11 Cases on or prior to the Effective Date (including expenses of the members of the Creditors’ Committee incurred as members of the Creditors’ Committee in discharge of their duties as such).

**1.52 Fee Order** means the “Order Under 11 U.S.C. §§ 331 and 105(a) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals,” dated June 24, 2004.

**1.53 File, Filed or Filing** means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

**1.54 Final Distribution** means the Distribution to be made by the Liquidating Trustee after all of the Liquidating Trust Assets have been reduced to Cash, abandoned or otherwise disposed of, and the Liquidating Trustee has resolved all Disputed Claims and paid all Fee Claims approved by the Bankruptcy Court.

**1.55 Final Distribution Date** means the date upon which the Final Distribution occurs.

**1.56 Final Order** means an order of the Bankruptcy Court as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue or rehear shall have been waived in writing in form and substance satisfactory to the Debtors and the Creditors’ Committee or the Liquidating Trustee or, in the event that an appeal, writ of certiorari or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been determined by the highest court to which such order was appealed, or certiorari, reargument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not preclude such order from being a Final Order.

**1.57 General Unsecured Claim** means a Claim that is not an Administrative Claim, Priority Tax Claim, Priority Non-Tax Claim, Secured Claim, or a Subordinated Claim (including, without limitation, Subordinated Note Claims).

**1.58 Global Settlement Agreement** means a certain Global Settlement Agreement, dated as of July 30, 2004, among PSC (on its own behalf and on behalf of the Debtors), Pegasus Communications Corporation (on its own behalf and on behalf of its direct and indirect subsidiaries other than the Debtors), DIRECTV, Inc. (on its own behalf and on behalf of its direct and indirect subsidiaries), The DIRECTV Group, Inc. (on its own behalf and on behalf of its direct and indirect subsidiaries, with the exclusion of the DTV Parties (as defined therein)), National Rural Telecommunications Cooperative, the Creditors' Committee, and certain members of the Creditors' Committee, parties thereto as to certain provisions thereof, as approved pursuant to the Global Settlement Order.

**1.59 Global Settlement Order** means the "Order Pursuant to 11 U.S.C. §§ 105(a), 363 and 1146(c) and Bankruptcy Rule 9019 (I) Approving Global Settlement by and among the Debtors and Debtors in Possession, Pegasus Communications Corporation and Other Non-Debtor Affiliates, DIRECTV, Inc., The DIRECTV Group, Inc., National Rural Telecommunications Cooperative, and the Official Committee of Unsecured Creditors, and (II) Authorizing and Approving in Connection Therewith a Sale, Transfer and Conveyance of Certain Assets of the Debtors to DIRECTV, Inc." dated August 26, 2004.

**1.60 Holder** means a Person holding a Claim or Interest and, with respect to Senior Notes, or the Subordinated Notes, the beneficial Holder as of the Voting Record Date or any authorized agent who has completed and executed a Ballot or on whose behalf a Master Ballot has been completed and executed in accordance with the voting instructions.

**1.61 Impaired** means, when used in reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

**1.62 Indemnified Parties** has the meaning set forth in Section 5.8 of this Plan.

**1.63 Indenture(s)** means, individually and collectively, the indentures under which the Senior Notes and the Subordinated Notes were issued, as such indentures are or have been amended, modified or supplemented from time to time.

**1.64 Indenture Trustee(s)** means, individually and collectively, the respective indenture trustees in their capacity as the indenture trustees for the Senior Notes and Subordinated Notes, respectively.

**1.65 Indenture Trustee Fees** means the compensation, fees, expenses, disbursements and indemnity claims, including, without limitation, attorneys' and agents' fees, expenses and disbursements, incurred by the Indenture Trustees and/or their predecessors, whether prior to or after the Petition Date and through the Effective Date.

**1.66 Initial Distribution Date** means the date of the first Distribution by the Liquidating Trustee or its designee to the Holders of Allowed Claims in Class 3A, which shall take place as soon as practicable after the Administrative Claims Bar Date or such later date as may be established by the Bankruptcy Court.

**1.67 Interest** means all rights (including unpaid dividends) arising from any equity security (as defined in section 101(16) of the Bankruptcy Code) of any of the Debtors.



**1.68 IRC** means the Internal Revenue Code of 1986, as amended.

**1.69 IRS** means Internal Revenue Service of the United States of America.

**1.70 Lien** means a charge against or interest in property to secure payment of a debt or performance of an obligation.

**1.71 Liquidating Trust** means the liquidating trust described in Section 5.4 of this Plan and the Liquidating Trust Agreement.

**1.72 Liquidating Trust Agreement** means the agreement(s) establishing and delineating the terms and conditions of the Liquidating Trust and the Reserves, substantially in the form included in the Plan Supplement.

**1.73 Liquidating Trust Assets** means (i) the Remaining Assets transferred to the Liquidating Trust, (ii) any Distribution that remains unclaimed as provided in Section 7.6 of this Plan, and (iii) all proceeds of any of the foregoing. In the event of an Alternate Court Approved Bid, Liquidating Trust Assets may also include all of the Interests in the Reorganized Debtors, subject to the terms of such Alternate Court Approved Bid. In the event that a PCC Court Approved Bid or the Alternate Court Approved Bid, as applicable, is not closed by the Outside Closing Date, or there is no Broadcast Sale, Liquidating Trust Assets shall also include the Broadcast Assets and the stock of the Reorganized Debtors. If the Creditors' Committee or Liquidating Trustee, as applicable, determines that it is appropriate for the Reorganized Debtors to transfer to the Liquidating Trust at a date subsequent to the Effective Date any of the Remaining Assets, including, but not limited to, the Patronage Certificates, or the stock of any of the Reorganized Debtors, the Reorganized Debtors shall make such transfers at such time and such Remaining Assets shall become Liquidating Trust Assets.

**1.74 Liquidating Trust Available Cash** means all Liquidating Trust Assets that are or have been converted to Cash, less all amounts held in the Reserves.

**1.75 Liquidating Trust Board** means the board of directors of the Liquidating Trust as implemented under the Liquidating Trust Agreement.

**1.76 Liquidating Trust Interests** means continuing beneficial interests in the Liquidating Trust issued pursuant to the terms of this Plan and the Liquidating Trust Agreement.

**1.77 Liquidating Trust Reserve** means funds in the Liquidating Trust at all times as are reasonably necessary for the Trust to satisfy the incurred and contingent liabilities of the Liquidating Trust under this Plan and the Liquidating Trust Agreement and to fund the prosecution, negotiation and settlement of the Litigation Claims and Disputed Claims and the administration of the Liquidating Trust, other than the Administrative Claims Reserve and the Disputed Claims Reserve.

**1.78 Liquidating Trustee** means the Person or Persons appointed by the Creditors' Committee in accordance with the Liquidating Trust Agreement to administer the Liquidating Trust and the Reserves.

**1.79 Litigation Claims** means all Avoidance Actions, and any other claims or causes of action held by the Debtors and not released pursuant to the Global Settlement Order or, to the extent applicable, pursuant to the Broadcast Order.

**1.80 Master Ballot** means the ballot distributed to nominees or Holders of record of the Senior Notes and to record the votes, if any, of the beneficial Holders of such instruments.

**1.81 New PSC Common Stock** means the newly issued common stock of Reorganized PSC authorized to be issued pursuant to Section 4.5 of this Plan.

**1.82 Old PSC Common Stock** means all authorized, issued and outstanding shares of Class B common stock of PSC.

**1.83 Old PSC Preferred Stock** means all authorized, issued and outstanding shares of preferred stock of PSC.

**1.84 Outside Closing Date** means (a) with respect to a PCC Court Approved Bid, the date that is one hundred twenty (120) days after the Confirmation Date or such later date as the Reorganized Debtors, the Creditors' Committee and PCC may agree, and (b) with respect to an Alternate Court Approved Bid, the date that is six (6) months after the Confirmation Date, or, such later date as may be agreed to by the Creditors' Committee in its sole discretion.

**1.85 Patronage Certificates** means those certain patronage capital certificates owned by the Debtors and representing the Debtors' ownership of certain equity in the National Rural Telecommunications Cooperative including any replacement patronage capital certificates and any patronage capital certificates that may subsequently be issued to the Debtors, the Reorganized Debtors or the Liquidating Trust.

**1.86 PBT** means Pegasus Broadcast Television, Inc., debtor and debtor in possession in the Chapter 11 Cases.

**1.87 PBT Debtors** means Bride Communications, Inc., BT Satellite Inc., HMW, Inc., Pegasus Broadcast Associates, L.P., PBT, Pegasus Broadcast Towers, Inc., Portland Broadcasting, Inc., Telecast of Florida, Inc., WDSI License Corp., WILF, Inc., WOLF License Corp., and WTLH License Corp., each a debtor and debtor in possession in the Chapter 11 Cases.

**1.88 PCC Court Approved Bid** means either the transaction embodied in a Broadcast SPA or a higher bid by PCC to the extent PCC is the winning bidder for the Broadcast Sale as approved in the Broadcast Sale Order. In the event that there is a PCC Court Approved Bid prior to the date of the filing of the Plan Supplement, a copy of same will be included in the Plan Supplement.

**1.89 Person** means an individual, partnership, corporation, limited liability company, business trust, joint stock company trust, unincorporated association, joint venture, governmental authority, governmental unit or other entity of whatever nature.

**1.90 Petition Date** means June 2, 2004, the date on which each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code thereby commencing the Chapter 11 Cases.

**1.91 Plan** means this chapter 11 plan, including all supplements, appendices and schedules hereto, either in its present form or as the same may be altered, amended or modified from time to time, including the documents contained in the Plan Supplement.

**1.92 Plan Supplement** means the compilation of documents and forms of documents specified in this Plan that will be filed with the Bankruptcy Court on or before the date that is five (5) Business Days prior to the Voting Deadline, and will be a part of this Plan.

**1.93 PMC** means Pegasus Media & Communications, Inc., debtor and debtor in possession in the Chapter 11 Cases.

**1.94 Priority Non-Tax Claim** means a Claim, other than an Administrative Claim or Priority Tax Claim, that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.

**1.95 Priority Tax Claim** means a Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

**1.96 Pro Rata** means a proportionate share, so that the ratio of the amount of consideration distributed on account of a particular Allowed Claim to the amount of the Allowed Claim is the same as the ratio of the amount of consideration distributed on account of all specified Allowed Claims, whether or not such Allowed Claims include Claims in more than one Class, to the aggregate amount of such specified Allowed Claims; provided, however, in no event shall the amount of consideration distributed on account of an Allowed Claim exceed 100% of the amount of the Allowed Claim.

**1.97 Professional** means any professional employed in the Chapter 11 Cases pursuant to section 327 or 1103 of the Bankruptcy Code or otherwise and any professional or other Person seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

**1.98 PSC** means Pegasus Satellite Communications, Inc., debtor and debtor in possession in the Chapter 11 Cases.

**1.99 PST** means Pegasus Satellite Television, Inc., debtor and debtor in possession in the Chapter 11 Cases.

**1.100 PST Debtors** means Argos Support Services Company, 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., Pegasus Satellite Television of Illinois, Inc., PST, Primewatch, Inc., PST Holdings, Inc., and South Plains DBS, LP., each a debtor and debtor in possession in the Chapter 11 Cases.

**1.101 Remaining Assets** means all right, title and interest of the Debtors in and to all assets, properties, interests and rights of whatever kind and nature, whether real or personal, tangible or intangible, not sold in a Broadcast Sale or a Satellite Sale, or not otherwise abandoned pursuant to section 554(a) of the Bankruptcy Code. 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 and shall become Remaining Assets.

**1.102 Reorganized Articles of Incorporation** means, to the extent applicable, with respect to any Reorganized Debtor, the articles of incorporation or other equivalent documents of such Reorganized Debtor, as amended and restated, substantially in the forms to be filed with the Plan Supplement. The Reorganized Articles of Incorporation for each Reorganized Debtor shall, among other things, prohibit the issuance of nonvoting equity securities, subject to further amendment of such Reorganized Articles of Incorporation as permitted by applicable law.

**1.103 Reorganized By-Laws** means, with respect to any Reorganized Debtor, the by-laws of such Reorganized Debtor or other equivalent documents, as amended and restated, substantially in the forms to be filed with the Plan Supplement.

**1.104 Reorganized Debtor** means each Debtor on and after the Effective Date.

**1.105 Reorganized PBT Debtors** means the PBT Debtors on and after the Effective Date.

**1.106 Reorganized PSC** means PSC on and after the Effective Date.

**1.107 Reporting Period** has the meaning set forth in Section 5.5 of this Plan.

**1.108 Reserves** means, collectively, the Administrative Claims Reserve, the Liquidating Trust Reserve and the Disputed Claims Reserve.

**1.109 Satellite Auction Order** means the "Order Pursuant to 11 U.S.C. §§ 105, 327(a), 328(a), 363(b), and 363(f) Authorizing the Debtors to (I) Employ Garcel, Inc., D/B/A The Great American Group as a Liquidation and Auction Consultant as of November 5, 2004 and (II) Sell Certain Assets Outside of the Ordinary Course of Business" dated November 10, 2004.

**1.110 Satellite Sale** means one or more sales of assets of the PST Debtors approved in the Global Settlement Order or the Satellite Auction Order.

**1.111 Schedules** means the schedules of assets and liabilities, the list of Holders of Interests and the statements of financial affairs Filed by each of the Debtors on August 16, 2004, as such schedules have been or may be further modified, amended or supplemented in accordance with Bankruptcy Rule 1009 or Orders of the Bankruptcy Court.

**1.112 Secured Claim** means a Claim that is secured by a Lien on property in which an Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder's interest in the Estate's interest in such

property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

**1.113 Senior Notes** means (i) 9 5/8% PSC senior notes due October 15, 2005, (ii) 12 3/8% PSC senior notes due August 1, 2006, (iii) 9 3/4% PSC senior notes due December 1, 2006, (iv) 12 1/2% PSC senior notes due August 1, 2007, and (v) 11 1/4% PSC senior notes due January 15, 2010.

**1.114 Senior Notes Claims** means claims for principal and/or interest arising under the Senior Notes.

**1.115 Solicitation Order** means the order entered by the Bankruptcy Court establishing procedures with respect to the solicitation and tabulation of votes to accept or reject this Plan.

**1.116 Subordinated Claims** means any Claim subordinated to General Unsecured Claims either contractually and/or pursuant to section 510 of the Bankruptcy Code (including, without limitation, Subordinated Note Claims).

**1.117 Subordinated Notes** means 13 1/2% PSC senior subordinated notes due August 1, 2007.

**1.118 Subordinated Notes Claims** means any claim of Holders of Subordinated Notes in respect of the Subordinated Notes.

**1.119 Substantive Consolidation Order** means the order, or provision of the Confirmation Order, substantively consolidating the Estates of the PST Debtors for plan purposes only and substantively consolidating the Estates of the PBT Debtors for plan purposes only.

**1.120 Voting Deadline** means the last day for submitting Ballots to accept or reject this Plan in accordance with section 1126 of the Bankruptcy Code, as specified in the Solicitation Order.

**1.121 Voting Record Date** means the record date set by the Bankruptcy Court pursuant to Bankruptcy Rule 3017(d), as specified in the Solicitation Order, for determining which Holders of Claims and Interests that are entitled to receive solicitation materials and, when applicable, to vote on this Plan.

**Rules of Interpretation.** The provisions of this Plan shall control over the contents of the Disclosure Statement, and the provisions of the Confirmation Order shall control over the contents of this Plan. For purposes of this Plan, unless otherwise provided herein: (a) any reference in this Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (b) any reference in this Plan to an existing document or schedule Filed or to be Filed means such document or schedule, as it may have been or may be amended, modified or supplemented pursuant to this Plan; (c) any reference to a Person as a Holder of a Claim or Interest includes that Person's successors and

assigns; (d) all references in this Plan to Sections and Articles are references to Sections and Articles of this Plan; (e) the words “herein,” “hereunder” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (g) subject to the provisions of any contract, certificate of incorporation, by-laws, instrument, release or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; and (h) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

**Computation of Time.** In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

**Governing Law.** Unless otherwise required by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of New York shall govern the construction and implementation of this Plan and any agreements, documents, and instruments executed in connection with this Plan (unless such agreement, document or instrument provides otherwise) without giving effect to the principles of conflicts of law of such state.

## **ARTICLE II**

### **UNIMPAIRED AND UNCLASSIFIED CLAIMS**

**2.1 Administrative Claims.** Administrative Claims are unclassified under this Plan. Each Holder of an Allowed Administrative Claim shall receive: (i) to the extent not already paid, Cash on the later of the Effective Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which such Administrative Claim becomes an Allowed Administrative Claim in the full amount of such Allowed Administrative Claim; (ii) to the extent not yet due and payable, payment in accordance with the terms and conditions of the particular transaction giving rise to the Administrative Claim; (iii) to the extent such Claims are Administrative Claims of the United States Trustee for fees pursuant to 28 U.S.C. § 1930(a)(6), Cash in accordance with the applicable schedule for payment of such fees; or (iv) treatment on such other terms as may be mutually agreed upon in writing between the Holder of such Allowed Administrative Claim and the relevant Debtor with the consent of the Creditors’ Committee, not to be unreasonably withheld, prior to the Effective Date, or the Liquidating Trustee, on or after the Effective Date; provided, however, that interim and/or final payment of Allowed Administrative Claims approved by the Bankruptcy Court shall be paid at the time of and in accordance with such Bankruptcy Court approval.

#### **2.2 Administrative Claims Bar Date.**

ADMINISTRATIVE CLAIM REQUESTS RESPECTING ADMINISTRATIVE CLAIMS THAT HAVE ARISEN OR WILL ARISE IN THE PERIOD FROM AND AFTER THE PETITION DATE, INCLUSIVE, MUST BE FILED AND SERVED PURSUANT TO THE PROCEDURES SET FORTH IN THE ADMINISTRATIVE CLAIMS BAR DATE ORDER NO LATER THAN TWENTY (20) DAYS AFTER THE EFFECTIVE DATE (UNLESS AN

EARLIER DATE IS SET FORTH IN THE ADMINISTRATIVE CLAIMS BAR DATE ORDER) (THE “ADMINISTRATIVE CLAIMS BAR DATE”). Notwithstanding anything to the contrary herein, as provided in the Administrative Claims Bar Date Order, no Administrative Claim request need be filed for the allowance of any: (a) Fee Claims; or (b) fees of the United States Trustee arising under 28 U.S.C. § 1930. Any Person that is required to but fails to file such an Administrative Claim request on or before the Administrative Claims Bar Date shall be forever barred from asserting such Claim against any of the Debtors, the Reorganized Debtors, or the Liquidating Trustee or any of their respective property, and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.

**2.3 Fee Claims.** Fee Claims are unclassified under this Plan. Each Holder of an Allowed Fee Claim shall receive, in Cash, to the extent not already paid, the amounts allowed by the Bankruptcy Court: (a) on or as soon as practicable following the date upon which the Bankruptcy Court order allowing such Allowed Fee Claim is issued; or (b) upon such other terms as may be mutually agreed upon between the Holder of such Allowed Fee Claim on one hand, and the relevant Debtors with the consent of the Creditors’ Committee, not to be unreasonably withheld, or the Liquidating Trustee, as applicable, on the other hand. Any and all parties requesting allowance and/or payment of a Fee Claim for any period ending on or before the Effective Date must file and serve final applications therefor no later than forty-five (45) days after the Effective Date. Any Fee Claims for the period after the Effective Date shall be paid in accordance with Section 5.4(i) of this Plan.

**2.4 Indenture Trustee Fees.** Notwithstanding any provision contained in this Plan to the contrary, all reasonable compensation, fees, expenses, disbursements and indemnity claims incurred by the Indenture Trustees before, on and after the Petition Date and through the Effective Date, including the fees, expenses and disbursements of agents and counsel retained by the Indenture Trustee, shall be paid in Cash on the Effective Date or as soon as practicable after the Effective Date by the Liquidating Trustee as an Allowed Administrative Claim, without the need for application to, or approval of, any court. The Charging Lien for the Indenture Trustees for the Senior Notes will be discharged solely upon payment in full of the Indenture Trustee Fees for the Indenture Trustees for the Senior Notes. Nothing herein shall be deemed to impair, waive or discharge the Charging Lien for the Indenture Trustees for the Senior Notes, for any fees and expenses not paid by the Liquidating Trustee. To the extent that any Indenture Trustee provides services related to Distributions pursuant to this Plan, such Indenture Trustee will receive from the Liquidating Trustee, without further court approval, reasonable compensation for such services on terms and conditions as agreed to by the applicable Indenture Trustee and the Liquidating Trustee and reimbursement of reasonable expenses incurred in connection with such services.

**2.5 Priority Tax Claims.** Priority Tax Claims are unclassified under 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 Priority Tax Claim becomes an Allowed Claim, such Claim shall be paid in full, in Cash; provided, however, that each Debtor with the consent of the Creditors’ Committee, not to be unreasonably withheld, shall have the option, exercisable upon written notice to the relevant Priority Tax Claim Holder sent prior to the Effective Date, to pay any Priority Tax Claim over a period not longer than six (6) years from the date of

assessment of the applicable tax, with interest on the unpaid portion payable annually in arrears at four percent (4%) per annum (or as otherwise agreed to by the Holder of the Claim and the relevant Debtor).

## **ARTICLE III**

### **CLASSIFICATION OF CLAIMS AND INTERESTS**

For purposes of this Plan, Claims and Interests are classified as follows:

#### **A. CLASSIFICATION OF CLAIMS AND INTERESTS – PSC**

**3.1 Class 1A: Secured Claims.** Class 1A consists of all Secured Claims against PSC. Each Secured Claim shall constitute a separate sub-class (designated, for example as Class 1A-1) for purposes of voting and Distributions.

**3.2 Class 2A: Priority Non-Tax Claims.** Class 2A consists of all Priority Non-Tax Claims against PSC.

**3.3 Class 3A: General Unsecured Claims.** Class 3A consists of all General Unsecured Claims against PSC.

**3.4 Class 4A: Subordinated Claims.** Class 4A consists of all Subordinated Claims against PSC.

**3.5 Class 5A: Interests.**

(a) **Class 5A-1:** Class 5A-1 consists of all Old Preferred Stock Interests in PSC.

(b) **Class 5A-2:** Class 5A-2 consists of all Old Common Stock Interests in PSC.

#### **B. CLASSIFICATION OF CLAIMS AND INTERESTS – PMC**

**3.6 Class 1B: Secured Claims.** Class 1B consists of all Secured Claims against PMC. Each Secured Claim shall constitute a separate sub-class (designated, for example as Class 1B-1) for purposes of voting and Distributions.

**3.7 Class 2B: Priority Non-Tax Claims.** Class 2B contains all Priority Non-Tax Claims against PMC.

**3.8 Class 3B: General Unsecured Claims.** Class 3B consists of all General Unsecured Claims against PMC.

**3.9 Class 5B: Interests.**

(a) **Class 5B-2:** Class 5B-2 consists of all common stock Interests in PMC.



**C. CLASSIFICATION OF CLAIMS AND INTERESTS – PST DEBTORS**

**3.10 Class 1C: Secured Claims.** Class 1C consists of all Secured Claims against the PST Debtors. Each Secured Claim shall constitute a separate sub-class (designated, for example as Class 1C-1) for purposes of voting and Distributions.

**3.11 Class 2C: Priority Non-Tax Claims.** Class 2C contains all Priority Non-Tax Claims against the PST Debtors.

**3.12 Class 3C: General Unsecured Claims.** Class 3C consists of all General Unsecured Claims against the PST Debtors.

**3.13 Class 5C: Interests.**

(a) **Class 5C-2:** Class 5C-2 consists of all common stock Interests in the PST Debtors.

**D. CLASSIFICATION OF CLAIMS AND INTERESTS – PBT DEBTORS**

**3.14 Class 1D: Secured Claims.** Class 1D consists of all Secured Claims against the PBT Debtors. Each Secured Claim shall constitute a separate sub-class (designated, for example as Class 1D-1) for purposes of voting and Distributions.

**3.15 Class 2D: Priority Non-Tax Claims.** Class 2D contains all Priority Non-Tax Claims against the PBT Debtors.

**3.16 Class 3D: General Unsecured Claims.** Class 3D consists of all General Unsecured Claims against the PBT Debtors.

**3.17 Class 5D: Interests.**

(a) **Class 5D-2:** Class 5D-2 consists of all common stock Interests in the PBT Debtors.

**E. ELIMINATION OF CLASSES FOR VOTING PURPOSES**

**3.18 Elimination of Classes for Voting Purposes.** Any Class of Claims that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily Allowed under Rule 3018 of the Bankruptcy Rules or as to which no vote is cast shall be deemed deleted from this Plan for purpose of voting on acceptance or rejection of this Plan by any such Class under section 1129(a)(8) of the Bankruptcy Code.

## ARTICLE IV

### TREATMENT OF CLAIMS AND INTERESTS

**4.1 Secured Claims (Classes 1A, 1B, 1C and 1D).** Classes 1A, 1B, 1C and 1D are not Impaired and are deemed to have accepted this Plan.

(a) Election of Alternative Treatments. At the election of the Debtors with the Creditors' Committee's consent, which consent shall not be unreasonably withheld, or the Liquidating Trustee, as applicable, on or before 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 1A Claim, Class 1B Claim, Class 1C Claim or Class 1D Claim becomes an Allowed Claim, such Claim shall be satisfied in full by either:

1. reinstating the Claim, that is, leaving unaltered the legal, equitable, and contractual rights respecting such Claim in accordance with section 1124 of the Bankruptcy Code, including: (A) curing all pre- and postpetition defaults other than defaults relating to the insolvency or financial condition of the Debtors or its status as a debtor under the Bankruptcy Code; and (B) reinstating the maturity date of the Claim;

2. paying such Claim in full, in Cash, in an amount equal to such Allowed Class 1A Claim, Allowed Class 1B Claim, Allowed Class 1C Claim and Allowed Class 1D Claim on the Effective Date or as soon as reasonably practicable thereafter; or

3. transferring title to the Collateral securing such Allowed Class 1A Claim, Allowed Class 1B Claim, Allowed Class 1C Claim and Allowed Class 1D Claim to the Holder of such Claim. Within thirty (30) days after mailing by the Liquidating Trustee of notice of the election of this option (iii), the Holder of an Allowed Class 1A Claim, Allowed Class 1B Claim, Allowed Class 1C Claim and Allowed Class 1D Claim shall be entitled to amend in writing or file a proof of claim for any unsecured deficiency Claim respecting such Claim (to the extent such Holder has recourse to a Debtor respecting such Allowed Class 1A Claim, Allowed Class 1B Claim, Allowed Class 1C Claim and Allowed Class 1D Claim and provided the Holder has timely filed a proof of claim respecting such Class 1A Claim, Class 1B Claim, Class 1C Claim and Class 1D Claim or whose Class 1A Claim, Class 1B Claim, Class 1C Claim and Class 1D Claim was listed in the Schedules as nondisputed, noncontingent, and liquidated). To the extent, if any, Allowed, such deficiency claim shall be treated in Classes 3A, 3B, 3C or 3D, as appropriate.

**4.2 Priority Non-Tax Claims (Classes 2A, 2B, 2C and 2D).** Classes 2A, 2B, 2C and 2D are not Impaired and are deemed to have accepted 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 2A Claim, Class 2B Claim, Class 2C Claim or Class 2D Claim becomes an Allowed Claim, such Claim shall be paid in full, in Cash.

#### **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 Impaired and are 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, in Cash.

**4.4 Subordinated Claims (Class 4A).** Class 4A is Impaired. Holders of Class 4A Claims, including Subordinated Note Claims, shall not receive any Distributions under this Plan. Class 4A is deemed to have rejected this Plan and, therefore, is not entitled to vote on this Plan.

#### **4.5 Interests (Classes 5A-1, 5A-2, 5B-2, 5C-2, and 5D-2).**

(a) Classes 5A-1 and 5A-2 are Impaired. Holders of Interests in Classes 5A-1 and 5A-2 are not entitled to and shall not receive a Distribution on account of such Interests pursuant to this Plan. On the Effective Date, the Old PSC Preferred Stock will be cancelled and New PSC Common Stock will be initially issued as treasury stock, held by Reorganized PSC and will not be outstanding. Classes 5A-1 and 5A-2 are deemed to have rejected this Plan and, therefore, are not entitled to vote on this Plan.

1. PCC Court Approved Bid. In the case of a PCC Court Approved Bid, if the Closing Date occurs on or before the Outside Closing Date, on the Closing Date, the Old PSC Common Stock will be cancelled and the New PSC Common Stock will be transferred to PCC and thereafter will be outstanding. In the case of a PCC Court Approved Bid, if the Closing Date does not occur on or before the Outside Closing Date, the Old PSC Common Stock will be cancelled and the New PSC Common Stock will be transferred to the Liquidating Trust and thereafter will be outstanding.

2. Alternate Court Approved Bid. In the case of an Alternate Court Approved Bid, if the Alternate Closing Date occurs on or before the Outside Closing Date, on the Alternate Closing Date, the Old PSC Common Stock will be cancelled and the New PSC Common Stock will be transferred to the Liquidating Trust and thereafter will be outstanding, provided, however, that in the case of an Alternate Court Approved Bid that provides for the purchaser of the Broadcast Assets to obtain the New PSC Common Stock, on the Alternate Closing Date, the Old PSC Common Stock will be cancelled and the New PSC Common Stock will be transferred to such Persons as required by the Alternate Court Approved Bid and

thereafter will be outstanding. In the case of an Alternate Court Approved Bid, if the Alternate Closing Date does not occur on or before the Outside Closing Date, the Old PSC Common Stock will be cancelled and the New PSC Common Stock will be transferred to the Liquidating Trust and thereafter be outstanding.

3. No Broadcast Sale. In the event that the Creditors' Committee determines, in consultation with the Debtors or the Reorganized Debtors, as the case may be, that there will not be a Broadcast Sale, the Old PSC Common Stock will be cancelled and the New PSC Common Stock will be transferred to the Liquidating Trust as soon as practicable after the date such determination is made by the Creditors' Committee in consultation with the Debtors or the Reorganized Debtors, as the case may be, and thereafter such New PSC Common Stock will remain outstanding.

(b) Classes 5B-2, 5C-2 and 5D-2 are not Impaired and are deemed to have accepted this Plan. Holders of Interests in Classes 5B-2, 5C-2 and 5D-2 will retain their Interests but will not be entitled to receive dividends or other distributions under this Plan in respect of such Interests.

## **ARTICLE V**

### **MEANS FOR IMPLEMENTATION OF THIS PLAN**

#### **5.1 Substantive Consolidation for Plan Purposes Only.**

(a) Consolidation of the Chapter 11 Cases of the PBT Debtors. This Plan contemplates and is predicated upon entry of an order substantively consolidating the Estates of the PBT Debtors solely for the purposes of all actions associated with confirmation and consummation of this Plan. On the Confirmation Date or such other date as may be set by an order of the Bankruptcy Court, but subject to the occurrence of the Effective Date, (i) all PBT Debtor intercompany Claims by, between and among the PBT Debtors shall be eliminated, (ii) all assets and liabilities of the PBT Debtors shall be merged or treated as if they were merged with the assets and liabilities of PBT, (iii) any obligation of a Debtor in the PBT Debtors and all guarantees thereof by one or more of the other Debtors in the PBT Debtors shall be deemed to be one obligation of PBT, and (iv) each Claim filed or to be filed against any Debtor in the PBT Debtors shall be deemed filed only against PBT and shall be deemed a single Claim against and a single obligation of PBT. On the Confirmation Date but subject to the occurrence of the Effective Date, all Claims based upon guarantees of collection, payment or performance made by the Debtors in the PBT Debtors as to the obligations of another Debtor in the PBT Debtors shall be released and of no further force and effect.

(b) Consolidation of the Chapter 11 Cases of the PST Debtors. This Plan contemplates and is predicated upon entry of an order substantively consolidating the Estates of the PST Debtors for the purposes of all actions associated with confirmation and consummation of this Plan. On the Confirmation Date or such other date as may be set by an order of the Bankruptcy Court, but subject to the occurrence of the Effective Date, (i) all PST Debtor intercompany Claims by, between and among the PST Debtors shall be eliminated, (ii) all assets and liabilities of the PST Debtors shall be merged or treated as if they were merged with

the assets and liabilities of PST, (iii) any obligation of a Debtor in the PST Debtors and all guarantees thereof by one or more of the other Debtors in the PST Debtors shall be deemed to be one obligation of PST, and (iv) each Claim filed or to be filed against any Debtor in the PST Debtors shall be deemed filed only against PST and shall be deemed a single Claim against and a single obligation of PST. On the Confirmation Date but subject to the occurrence of the Effective Date, all Claims based upon guarantees of collection, payment or performance made by the Debtors in the PST Debtors as to the obligations of another Debtor in the PST Debtors shall be released and of no further force and effect.

(c) No Substantive Consolidation of or with PSC and PMC. After the substantive consolidation of the PBT Debtors and the PST Debtors, respectively, PSC, PMC, the PBT Debtors and the PST Debtors shall remain separate and not be consolidated with each other. On the Effective Date, all intercompany Claims between and among PSC, PMC, the PBT Debtors and the PST Debtors shall be eliminated.

(d) Substantive Consolidation Order. Unless the Bankruptcy Court has approved the substantive consolidation of the Estates of the PBT Debtors and the substantive consolidation of the Estates of the PST Debtors by a prior order, this Plan shall serve as, and shall be deemed to be, a motion for entry of an order substantively consolidating the Estates of the PBT Debtors and substantively consolidating the Estates of the PST Debtors. If no objection to substantive consolidation is timely filed and served by any Holder of an Impaired Claim affected by this Plan as provided herein on or before the Voting Deadline or such other date as may be established by the Bankruptcy Court, the Substantive Consolidation Order (which may be the Confirmation Order) may be entered by the Bankruptcy Court. If any such objections are timely filed and served, a hearing with respect to the substantive consolidation of the Estates of the PBT Debtors and the substantive consolidation of the Estates of the PST Debtors and the objections thereto shall be scheduled by the Bankruptcy Court, which hearing may, but is not required to, coincide with the Confirmation Hearing.

## **5.2 Closing of a PCC Court Approved Bid or the Alternate Court Approved Bid or Failure to Close the Broadcast Sale.**

(a) In the event of a Broadcast Sale, the transactions described in a PCC Court Approved Bid or Alternate Court Approved Bid, as applicable, shall be consummated and the Broadcast Assets shall be transferred and vest in such transferee(s), subject to and as provided in the transaction documents governing such PCC Court Approved Bid or Alternate Court Approved Bid and applicable orders of the Bankruptcy Court, including, without limitation, the Broadcast Sale Order, free and clear of all Liens, Claims and other interests except as may be expressly set forth in the Broadcast Sale Order.

(b) If there is no Broadcast Sale, the Old PSC Common Stock will be cancelled, the New PSC Common Stock will be transferred to the Liquidating Trust and thereafter be outstanding and, as may be directed by the Creditors' Committee: the equity interests of one or more of the other Debtors or Reorganized Debtors, as applicable, may be contributed to the Liquidating Trust or each of the Debtors or Reorganized Debtors, as applicable, may be dissolved for all purposes without the necessity for any other or further action to be taken by or on behalf of the Debtors or payments to be made in connection therewith,

provided, however, that pursuant to section 1124(b) of the Bankruptcy Code, the Liquidating Trustee shall be authorized to file each Debtors' or as applicable, Reorganized Debtors' final tax returns, and shall be authorized to file and shall file with the official public office for keeping corporate records in each Debtors' or, as applicable, Reorganized Debtors' state of incorporation a certificate of dissolution or equivalent document. Such a certificate of dissolution may be executed by the Liquidating Trustee without need for any action or approval by the shareholders or Board of Directors of any Debtor or, as applicable, Reorganized Debtor.

**5.3 Reorganized Debtors.** On or as soon as practicable after the Effective Date and as provided in a PCC Court Approved Bid, the Alternate Court Approved Bid or as directed by the Creditors' Committee, as applicable, each Debtor may adopt Reorganized Articles of Incorporation and Reorganized By-Laws prior to, but effective as of the Effective Date or as soon as practicable thereafter. The names and identities of directors, officers or voting trustees of the Reorganized Debtors shall be disclosed in the Plan Supplement.

#### **5.4 The Liquidating Trust.**

(a) Execution of the Liquidating Trust Agreement. 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 this Plan and (ii) the Liquidating Trust Interests for the benefit of the Holders of Allowed Claims in Class 3A as provided in Section 4.3 of this Plan. In the event of any conflict between the terms of this Section 5.4 and the terms of the Liquidating Trust Agreement, the terms of the Liquidating Trust Agreement shall govern.

##### **(b) Purpose of Liquidating Trust.**

1. From and after the Effective Date, the Liquidating Trust shall, in accordance with the Liquidating Trust Agreement, (i) wind-down the Debtors' affairs, including making Distributions as contemplated in this Plan, (ii) establish and maintain the Reserves in accordance with the terms of this Plan, (iii) (a) liquidate, by conversion to Cash or other methods, or (b) distribute directly to Holders of Liquidating Trust Interests, the Liquidating Trust Assets, to the extent applicable, as expeditiously as reasonably possible in order to maximize the recovery of Holders of Liquidating Trust Interests in its sole discretion, (iv) investigate, enforce and prosecute the Litigation Claims, (v) object to, settle, compromise, dispute and prosecute Disputed Claims, (vi) administer this Plan and take such actions as are necessary to effectuate this Plan, and (vii) file appropriate tax returns, each in the exercise of its fiduciary obligations and the Liquidating Trust shall retain such professionals as are necessary and appropriate in furtherance of such fiduciary obligations.

2. To the extent that the Broadcast Sale does not occur, to maximize the value of the recovery for Holders of Allowed Claims in Class 3A that receive Liquidating Trust Interests pursuant to this Plan, during the life of the Liquidating Trust, the Liquidating Trustee, in consultation with the Liquidating Trust Board, each in the exercise of their respective fiduciary duties to the Holders of such Liquidating Trust Interests, will (a) sell the stock or assets of Reorganized PSC or the Reorganized PBT Debtors to third-parties and distribute the proceeds of such sale or sales to Holders of the respective Liquidating Trust

Interests; (b) directly distribute the stock or assets of Reorganized PSC or the Reorganized PBT Debtors to the Holders of the respective Liquidating Trust Interests; or (c) engage in combinations of distributions and sales of stock or assets of Reorganized PSC and/or the Reorganized PBT Debtors, which in the business judgment of the Liquidating Trust Board would be most likely to maximize the value of recoveries to Holders of Allowed Claims in Class 3A.

(c) Liquidating Trust Assets.

1. The Liquidating Trust shall consist of the Liquidating Trust Assets. Except as otherwise provided in this 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.

2. 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.

(d) The Liquidating Trust Interests. On the Initial Distribution Date, in accordance with Section 4.3 of this Plan, Holders of Allowed Claims in Class 3A that receive Liquidating Trust Interests will receive notification from the Liquidating Trustee as to the number of Liquidating Trust Interests to be allocated to such Holder. The Liquidating Trust Interests will not be certificated but, rather, will be reflected through book entries made by the Liquidating Trustee.

(e) Appointment of Liquidating Trustee. The Creditors' Committee shall appoint the Liquidating Trustee, who shall be retained effective as of the Effective Date. The name of the Liquidating Trustee will be disclosed in the Plan Supplement or at the Confirmation Hearing. The Liquidating Trustee shall, in accordance with the Liquidating Trust Agreement, serve in such capacity through the earlier of the date the Liquidating Trust and the Reserves are dissolved and the date such Liquidating Trustee resigns, is terminated or is otherwise unable to serve; provided, however, that, in the event that the Liquidating Trustee resigns, is terminated or is unable to serve, then the Liquidating Trust Board shall have the right to select a successor who shall be appointed as the Liquidating Trustee and shall serve in such capacity until the Liquidating Trust and the Reserves are dissolved or until such Liquidating Trustee resigns, is replaced or is terminated.

(f) Responsibilities of Liquidating Trustee. As set forth in more detail in the Liquidating Trust Agreement, the responsibilities of the Liquidating Trustee shall include, but shall not be limited to: (i) the wind-down of the Debtors' affairs, including making Distributions as contemplated herein, (ii) establishing and maintaining the Reserves in accordance with the terms of this Plan, (iii) maximizing the value of the recovery for Holders of Allowed Claims in Class 3A that receive Liquidating Trust Interests pursuant to this Plan, (iv) investigating, enforcing, and prosecuting the Litigation Claims, (v) conducting the analysis of Claims and objecting to, settling, compromising, disputing and prosecuting Disputed Claims,

including asserting equitable subordination claims, as applicable, (vi) resolving Disputed Claims, (vii) administering this Plan, (viii) filing appropriate tax returns, each in the exercise of its fiduciary obligations and (ix) retaining such professionals as are necessary and appropriate in furtherance of such fiduciary obligations. The Liquidating Trustee may invest the Liquidating Trust Assets and assets in the Reserves (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code or as otherwise approved by the Bankruptcy Court.

(g) Bonding of Liquidating Trustee. There shall be no bonding of the Liquidating Trustee.

(h) Liquidating Trust Board. On the Effective Date, the Liquidating Trust Board shall be appointed by the Creditors' Committee. There shall be at least one (1) but not more than three (3) director(s) of the Liquidating Trust. The Creditors' Committee will identify the Persons to serve on the Liquidating Trust Board at or prior to the Confirmation Hearing. The simultaneous service of a Person on the Creditors' Committee and the Liquidating Trust Board shall be permissible.

(i) Post Effective Date Professional Fees and Expenses. From and after the Effective Date, the attorneys for the Debtors, the attorneys for the Creditors' Committee and other Professionals retained in the Chapter 11 Cases may, from time to time, provide legal or other professional services in connection with this Plan or the Chapter 11 Cases as requested by the Debtors, the Reorganized Debtors or the Liquidating Trustee. Such services may be paid without further application to the Bankruptcy Court within ten (10) days after submission of a bill to the Liquidating Trustee. If an objection is asserted by the Liquidating Trustee with respect to a bill and remains unresolved, the Liquidating Trustee may not pay the amounts requested in such bill; provided, however, that the affected Professional may file an application for allowance with the Bankruptcy Court on ten (10) days' notice to the Liquidating Trustee. After a hearing before the Bankruptcy Court, the fees and expenses will be paid in the amounts fixed by the Bankruptcy Court.

(j) Post Effective Date Fees and Expenses. From and after the Effective Date, the Liquidating Trust shall, in the ordinary course of business and without the necessity of Bankruptcy Court approval, pay the reasonable fees and expenses related to the implementation and consummation of this Plan including the expenses of the Creditors' Committee members and the Liquidating Trust Board, other than the professional fees described in the preceding paragraph. Any dispute with respect to such fees and expenses will be resolved by the Bankruptcy Court.

(k) Fiduciary Duties of the Liquidating Trustee and Liquidating Trust Board. The Liquidating Trustee and each of the Persons serving on the Liquidating Trust Board shall act in a fiduciary capacity for the interests of all Holders of Liquidating Trust Interests and Holders of Allowed Claims that will receive Distributions pursuant to the terms of this Plan.

(l) Dissolution of PMC, PSC, the PST Debtors, the PBT Debtors and the Liquidating Trust. Subject to the terms of the Broadcast Sale, if applicable, and to the extent necessary, the Liquidating Trustee shall file on behalf of PMC, PSC, the PST Debtors and the



PBT Debtors, as the case may be, a certification of dissolution with the Bankruptcy Court and, as a result thereof, each such Entity will be dissolved without the necessity for any other or further actions to be taken by or on behalf of each such Entity or payments to be made in connection therewith; provided, however, that PMC, PSC, the PST Debtors and the PBT Debtors shall file with the official public office for keeping corporate records in their respective state of incorporation or organization a certification of dissolution or equivalent document. The Liquidating Trust shall be dissolved no later than five years from the Effective Date unless the Bankruptcy Court, upon motion within the six month period prior to the fifth anniversary (or the end of any extension period approved by the Bankruptcy Court), determines that a fixed period extension (not to exceed three years, together with any prior extensions, without a favorable letter ruling from the IRS that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets. After (a) the Final Distribution of all Liquidating Trust Available Cash and the Liquidating Trust Interests pursuant to this Plan, (b) the filing by or on behalf of the Liquidating Trust of a certification of dissolution with the Bankruptcy Court in accordance with this Section, and (c) the taking of all necessary actions to effectuate the closing of the Chapter 11 Cases, and to the extent applicable, PMC, PSC, the PST Debtors and the PBT Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions; provided, however, that the Liquidating Trust shall file with the official public office for keeping corporate records in the state of incorporation or organization of each of the Debtors a certificate of dissolution or equivalent document.

(m) Distributions. The Liquidating Trustee shall distribute at least annually and in accordance with the Liquidating Trust Agreement, beginning on the Effective Date or as soon thereafter as is practicable, all Liquidating Trust Available Cash on hand and permitted investments, except such amounts (i) as are necessary to maintain the Reserves in accordance with the terms of this Plan, (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Liquidating Trust Assets during liquidation, (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Liquidating Trust or in respect of the Liquidating Trust Assets), and (iv) to satisfy other liabilities incurred by the Liquidating Trust in accordance with this Plan or the Liquidating Trust Agreement.

(n) Federal Income Tax Treatment.

1. General. If possible, the Liquidating Trust will be structured to be treated for federal income tax purposes as a “liquidating trust” as defined in Treasury Regulation Section 301.7701-4(d), according to the guidelines established by the Internal Revenue Service in Rev. Proc. 94-45, 1994 2 C.B. 684, for the formation of liquidating trusts. If the Liquidating Trust cannot be structured to comply with Rev. Proc. 94-45, then the Liquidating Trust will be structured as another entity (or entities) intended not to be subject to federal income tax, i.e., a “flow through” entity.

2. Liquidating Trust Assets Treated as Owned by Creditors. All parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Holders of Claims in Class 3A) shall, for all federal income tax purposes, treat the transfer of the Liquidating Trust Assets to the Liquidating Trust as (a) a transfer of the Liquidating Trust Assets directly to the Holders of Allowed Claims to be paid by the Liquidating Trust followed by (b)

such Holders' transfer of the Liquidating Trust Assets to the Liquidating Trust. Accordingly, the Holders of such Claims shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Liquidating Trust Assets.

3. Tax Reporting. The Liquidating Trustee shall file the tax returns for the Liquidating Trust that are required by law to be filed. The Liquidating Trustee shall also annually send to each Holder of a Liquidating Trust Interest a separate statement setting forth the Holder's share of items of income, gain, loss, deduction, or credit, and will instruct all such Holders to report such items on their federal income tax returns. The Liquidating Trust's taxable income, gain, loss, deduction, or credit will be allocated (subject to Section 5.4(n)(3)(ii) of this Plan relating to Disputed Claims) to the Holders of Allowed Claims in Class 3A in accordance with their relative interests in the Liquidating Trust.

(i) As soon as possible after the Effective Date, the Liquidating Trustee shall make a good faith valuation of the Liquidating Trust Assets, and such valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Holders of Allowed Claims in Class 3A) for all federal income tax purposes. The Liquidating Trustee also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust or the Reserves that are required by any governmental unit.

(ii) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of a private letter ruling if requested, or the receipt of an adverse determination by the IRS upon audit if not contested), the Liquidating Trustee shall (a) treat any assets allocable to, or retained on account of, Disputed Claims as held by one or more discrete trusts for federal income tax purposes in the Disputed Claims Reserve, consisting of separate and independent shares to be established in respect of each Disputed Claim, in accordance with the trust or other applicable provisions of the IRC, (b) treat as taxable income or loss of the Disputed Claims Reserve, with respect to any given taxable year, the taxable income or loss allocable to the assets held therein, (c) treat as a Distribution from the Liquidating Trust and/or the Disputed Claims Reserve any increased amounts distributed as a result of any Disputed Claims resolved in the taxable year, and (d) to the extent permitted by applicable law, report consistent with the foregoing for state and local income tax purposes. All Holders of Claims in Class 3A shall report, for tax purposes, consistent with the foregoing.

(iii) The Liquidating Trustee shall be responsible for payments out of the Liquidating Trust Assets of any taxes imposed on the Liquidating Trust or the Reserves or their assets. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims, such taxes shall be (a) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims, or (b) to the extent such Disputed Claims subsequently have been resolved, deducted from any amounts distributable by the Liquidating Trustee as a result of the resolutions of such Disputed Claims.

(iv) The Liquidating Trustee may request an expedited determination of the taxes of the Liquidating Trust and/or the Disputed Claims Reserve under section 505(b) of the Bankruptcy Code for all returns for, or on behalf of, the Liquidating Trust for all taxable periods through their dissolution.

(o) **Binding Effect.** 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.

**5.5 Quarterly Reports.** Not later than forty-five (45) days following: (i) the last day of the third full calendar month following the Effective Date; and (ii) the last day of every third calendar month thereafter until the dissolution of the Liquidating Trust (each of (i) and (ii), a “Reporting Period”), the Liquidating Trustee shall file a report with the Bankruptcy Court that discloses, for the applicable Reporting Period: (a) compensation paid to the Liquidating Trustee; (b) amounts paid to the Reorganized Debtors’ Professionals; (c) amounts paid to Creditors’ Committee Professionals; (d) amounts paid in satisfaction of other post-Effective Date expenses of the Reorganized Debtors; (e) the amounts of any Distributions paid to Holders of Administrative Claims, Priority Non-Tax Claims, Priority Tax Claims, and Secured Claims; (f) the amount of any Distributions paid to Holders in each Class of General Unsecured Claims; (g) the amounts held in the Reserves by the Liquidating Trustee as of the conclusion of the Reporting Period, including the Disputed Claims Reserve; (h) the number and aggregate face amount of Disputed Claims compromised, adjudicated, or otherwise resolved during the Reporting Period; (i) the number and aggregate face amount of Disputed Claims remaining; and (j) such other information as the Liquidating Trustee may deem necessary or appropriate to keep the Bankruptcy Court and interested parties generally apprised of the status of the Liquidating Trust and the Reorganized Debtors’ cases.

**5.6 Closing of the Chapter 11 Cases.** The Liquidating Trust shall take all necessary actions to effectuate the closing of the Chapter 11 Cases of the Debtors. Upon the Distribution of all the Liquidating Trust Assets and the assets in the Disputed Claims Reserve, the Liquidating Trustee shall take all necessary actions to effectuate the dissolution of the Liquidating Trust and the Disputed Claims Reserve.

**5.7 Preservation of Rights of Action; Settlement of Litigation Claims.** Except as otherwise provided in this Plan, the Confirmation Order, a PCC Court Approved Bid or the Alternate Court Approved Bid, as and to the extent applicable, or in any document, instrument, release or other agreement entered into in connection with this Plan, in accordance with section 1123(b) of the Bankruptcy Code, on the Effective Date the Debtors shall transfer the Litigation Claims to the Liquidating Trust. Subject to the requirements of Section 5.4 of this Plan, only the Liquidating Trustee as the successor in interest to the Debtors, may enforce, sue on, settle or compromise (or decline to do any of the foregoing) any or all of the Litigation Claims.

**5.8 Dissolution of Creditors’ Committee.** The Creditors’ Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. On the Effective Date,

except with respect to matters pending as of the Effective Date including, without limitation, Fee Claims and determinations with respect to whether a Broadcast Sale will be consummated, the Creditors' Committee shall be dissolved and its members shall be deemed released of all their duties, responsibilities and obligations in connection with the Chapter 11 Cases or this Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, accountants and other agents shall terminate. All expenses of Creditors' Committee members and the fees and expenses of their Professionals through the Effective Date shall be paid in accordance with the terms and conditions of the Fee Order and the terms of this Plan.

**5.9 Liability and Indemnification of the Indemnified Parties.** 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.

**5.10 Cancellation of Securities, Instruments and Agreements Evidencing Claims and Interests.** Except as otherwise provided in this Plan and in any contract, instrument or other agreement or document created in connection with this Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to this Article V, 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 (i) allowing the Holders of Senior Notes Claims to receive their Distributions hereunder, (ii) allowing the Indenture Trustees to make the Distributions, if any, to be made on account of the Senior Notes, (iii) 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 this Plan. Notwithstanding any provision contained in this 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 this Plan on account of such Senior Notes Claims and shall terminate completely upon completion of all such Distributions.

**5.11 Release of Liens.** Except as otherwise provided in this Plan, the Confirmation Order or in any document, instrument or other agreement created in connection with this Plan, on the Effective Date, all mortgages, deeds of trust, liens or other security interests against the property of the Estates shall be released.

**5.12 Exemption from Transfer Taxes.** Pursuant to section 1146(c) of the Bankruptcy Code, the following will not be subject to any stamp tax, sales and use tax or similar tax: (a) any transfer of assets pursuant to this Plan or contemplated by this 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 this 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 this Plan, (e) the making or assignment of any lease or sublease under this Plan, or (f) the making or delivery of any deed or other instrument of transfer under this Plan, including, without limitation, any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, and transfers of tangible property. The Confirmation Order shall direct the appropriate state or local governmental officials or agents 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.

**5.13 Exemption from Securities Registration.** 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 this 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.

## ARTICLE VI

### ACCEPTANCE OR REJECTION OF THIS PLAN

**6.1 Classes Entitled to Vote.** Because Claims in Classes 3A, 3B, 3C and 3D are Impaired and Holders thereof will receive or retain property or an interest in property under this Plan, Classes 3A, 3B, 3C and 3D shall be entitled to vote to accept or reject this Plan. Because Claims in Classes 1A, 1B, 1C, 1D, 2A, 2B, 2C and 2D are not Impaired, pursuant to section 1126(f) of the Bankruptcy Code, Classes 1A, 1B, 1C, 1D, 2A, 2B, 2C and 2D 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.

**6.2 Acceptance by Impaired Classes.** An Impaired Class of Claims which is entitled to vote shall have accepted this Plan if (a) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept this Plan and (b) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept this Plan.

**6.3 Cramdown.** The Debtors will request Confirmation of this Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code with respect to Classes 4A, 5A-1 and 5A-2, which are deemed to have rejected this Plan. In addition, if any other Impaired Class of Claims entitled to vote shall not accept this Plan by the requisite majorities provided in section 1126(c) of the Bankruptcy Code, as applicable, the Debtors reserve the right to amend this Plan in accordance with Section 12.1 hereof or to undertake to have the Bankruptcy Court confirm this Plan under section 1129(b) of the Bankruptcy Code as to any such rejecting Class, or both.

**6.4 Controversy Concerning Impairment.** If a controversy arises as to whether any Claims or Interests are Impaired under this Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

## ARTICLE VII

### PROVISIONS GOVERNING DISTRIBUTIONS

**7.1 Interest on Claims.** Unless otherwise specifically provided for in this Plan, the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim.

**7.2 Delivery of Distributions.**

(a) Subject to Bankruptcy Rule 9010, and except as provided in this subsection, all Distributions to any Holder of an Allowed Claim shall be made at the address set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Debtors or their agents, unless the Reorganized Debtors or the Liquidating Trustee, as applicable, have been notified in writing of a change of address, including, without limitation, by the filing of a proof of claim or Administrative Claim request that contains an address for a Holder of a Claim different from the address reflected on such Schedule(s) for such Holder.

(b) The Liquidating Trustee shall deliver all Distributions, if any, in respect of Allowed Senior Notes Claims to the respective Indenture Trustee under the applicable Senior Notes. The Distributions to be made under this Plan to holders of Allowed Senior Notes Claims shall be made to the respective Indenture Trustee, which, subject to the right of such Indenture Trustee to assert its Charging Lien against such Distributions, shall transmit the Distributions to the Holders of such Allowed Senior Notes Claims.

(c) As of the close of business on the Initial Distribution Date, (i) the claims register shall be closed, (ii) the transfer books and records of the Senior Notes and Subordinated Notes as maintained by each Indenture Trustee or its agent shall be closed, and (iii) any transfer of any Senior Notes Claim, Subordinated Notes Claim or any interest therein shall be prohibited. The Liquidating Trustee and each Indenture Trustee shall have no obligation to recognize any transfer of any Senior Notes Claims or Subordinated Notes Claims occurring after the close of business on the Initial Distribution Date, and shall instead be entitled to recognize and deal for all purposes under this Plan with only those Holders of record as of the close of business on the Initial Distribution Date. The Liquidating Trustee shall reimburse the respective Indenture Trustees on terms agreed to between the each Indenture Trustee and the Liquidating Trustee, for all reasonable costs and expenses incurred in connection with complying with their obligations under this Section 7.2.

**7.3 Distribution of Cash by Liquidating Trustee.** All Distributions of Cash pursuant to this Plan shall be made by the Liquidating Trustee or a duly appointed disbursing agent to the Holders of Allowed Claims entitled to receive Cash under this Plan. All Distributions of Cash under this Plan may be made either by check or by wire transfer, at the option of the Liquidating Trustee. Except as otherwise provided in this Plan, all Distributions of Cash shall be made as soon as practicable after the Effective Date or the date upon which a Disputed Claim becomes an Allowed Claim.

**7.4 Allocation of Distributions.** To the extent that an Allowed Claim consists of indebtedness and accrued but unpaid interest thereon, any Distributions made in respect of such Allowed Claim pursuant to this Plan shall be allocated first to the principal amount of such Allowed Claim (as determined for federal income tax purposes) and then, to the extent such Distributions in respect of such Allowed Claim exceed the principal amount of the Allowed Claim, to accrued but unpaid interest.

**7.5 Setoffs.** The Debtors, with the Creditors' Committee's consent, which consent shall not be unreasonably withheld, prior to the Effective Date, or the Liquidating Trustee, on or after the Effective Date, may, but shall not be required to, setoff or recoup against any Allowed Claim and the Distributions to be made pursuant to this Plan on account of such Claim, claims of any nature that the Debtors or Reorganized Debtors may have against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim against the Debtors shall constitute a waiver or release by the Debtors of any claim that the Debtors may possess against such Holders.

**7.6 Unclaimed Property.** If a Distribution under this Plan remains unclaimed twelve (12) months following the date of such Distribution, then the Holder of the applicable Allowed Claim shall cease to be entitled to such Distribution and such Distribution shall be retained by the Liquidating Trustee and treated as Liquidating Trust Assets.

**7.7 Distributions on Non-Business Days.** Any payment or Distribution due on a day other than a Business Day shall be made, without interest, on the next Business Day.

**7.8 No Distribution in Excess of Allowed Amount of Claim.** Notwithstanding anything to the contrary herein, no Holder of an Allowed Claim shall receive, respecting such Claim, any Distribution (of a value set forth herein) in excess of the Allowed amount of such Claim. Except as expressly provided herein, no Claim shall be allowed to the extent that it is for postpetition interest.

**7.9 Disputed Payments.** If any dispute arises as to the identity of the Holder of an Allowed Claim entitled to receive any Distribution under this Plan, the Liquidating Trustee may retain such Distribution until its disposition is determined by a Final Order or written agreement among the interested parties to such dispute and withhold from such Distribution an amount equal to the fees and costs incurred by the Reorganized Debtors in resolving such dispute.

**7.10 Withholding Taxes.** Any federal or state withholding taxes or other amounts required to be withheld under any applicable law shall be deducted and withheld from any Distributions under this Plan.

**7.11 De Minimis Distributions.** No Cash payment of less than \$500.00 shall be required to be made to the Holder of any Claim until the Final Distribution Date for the relevant Class.

**7.12 No Recourse.** No claimant shall have recourse to the Reorganized Debtors and any recourse shall be limited to the Liquidating Trust for the enforcement of rights or Distributions under this Plan.



## ARTICLE VIII

### TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

#### 8.1 Rejection.

(a) Leases and Contracts to be Rejected by the Debtors. On the Effective Date, pursuant to section 365 of the Bankruptcy Code, the Debtors shall reject all of their executory contracts and unexpired leases except those that: (i) are the subject of motions to assume, assume and assign or reject Filed with the Bankruptcy Court and pending on the Confirmation Date for which the Bankruptcy Court shall retain exclusive jurisdiction to determine; (ii) were assumed or rejected before the Confirmation Date; or (iii) are listed on Schedule 8.2(a) of the Plan Supplement; provided, however, that the Debtors shall retain the right to modify Schedule 8.2(a) of the Plan Supplement prior to the Effective Date on notice to such parties to such executory contracts and unexpired leases; provided further, however, that the Debtors shall not be required to assume or reject any executory contract or unexpired lease with any party that is a debtor under the Bankruptcy Code unless and until such contract or lease has been assumed or rejected by such other party.

(b) Effect of Post-Confirmation Rejection. The entry by the Bankruptcy Court on or after the Confirmation Date of an order authorizing the rejection of an executory contract or unexpired lease shall result in such rejection being a prepetition breach under sections 365(g) and 502(g) of the Bankruptcy Code.

(c) Deadline to File Rejection Damage Claims. Each Person who is a party to a contract or lease rejected under this Plan must file with the Bankruptcy Court and serve on the Liquidating Trustee and the Creditors' Committee a proof of claim for damages alleged to arise from the rejection of the applicable contract or lease, on or before (i) thirty (30) days after the Effective Date if such rejection is subject to the occurrence of the Effective Date, (ii) thirty (30) days after the Closing Date or the Alternate Closing Date, if such rejection is subject to the occurrence of either of the foregoing, or (iii) such other date as may be set by the Bankruptcy Court, or be forever barred from filing a Claim, or sharing in Distributions under this Plan, related to such alleged rejection damages.

## **8.2 Assumption.**

(a) Leases and Contracts to be Assumed by the Debtors. Annexed to the Plan Supplement as Schedule 8.2(a) is a list of the executory contracts and unexpired leases deemed to be assumed by the Debtors under this Plan as of the Effective Date pursuant to section 365 of the Bankruptcy Code, and the cure amounts necessary for such assumptions except those that become the subject of a dispute over the amount or manner of cure and for which the Debtors, the Reorganized Debtors or the Liquidating Trustee, as the case may be, makes a motion, at any time, to reject such contract or lease based upon the existence of such dispute. In addition, as provided in Section 8.1 of this Plan, (a) the Debtors shall retain the right to modify Schedule 8.2(a) of the Plan Supplement prior to the Effective Date on notice to such parties to such executory contracts and unexpired leases and (b) the Debtors may also assume, assume and assign or reject certain executory contracts and unexpired leases that are the subject of motions Filed with the Bankruptcy Court and pending on the Confirmation Date for which the Bankruptcy Court shall retain exclusive jurisdiction to determine such motions.

(b) Deadline to Object to Cure Amounts. If prior to the Confirmation Date or such other date as the Bankruptcy Court may fix, a party to such an executory contract or unexpired lease listed on Schedule 8.2(a) to the Plan Supplement fails to file with the Bankruptcy Court and serve upon the attorneys for the Debtors and the Creditors' Committee an objection to the applicable cure amount listed on such Schedule, then such party shall be forever barred from asserting any additional or other amounts against the Debtors respecting such cure amount. In the event of a Broadcast Sale, the deadline to object to cure amounts for those executory contracts or unexpired leases to be assumed pursuant to the Broadcast Sale Order shall be set forth in the Broadcast Sale Order.

**8.3 Method of Cure.** At the election of the Liquidating Trustee, any monetary defaults under each executory contract and unexpired lease to be assumed under this Plan and as may be further provided in the Broadcast Sale Order, in the event of a Broadcast Sale, shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, in one of the following ways: (a) by payment of the default amount in Cash within forty-five (45) days after the Closing Date or the Alternate Closing Date, as may be applicable, if such assumption is subject to the occurrence of either of the foregoing, or such longer period ordered by the Bankruptcy Court; (b) by payment of the default amount in Cash within the time ordered by the Bankruptcy Court if such assumption is not subject to the occurrence of the Closing Date or the Alternate Closing Date; or (c) on 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 the entry of a Final Order resolving the dispute and approving assumption. Notwithstanding anything herein to the contrary, the Debtors or the Reorganized Debtors, as the case may be, shall retain their 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.

## ARTICLE IX

### PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS

**9.1 Prosecution of Disputed Claims.** On and after the Effective Date, only the Liquidating Trustee shall have the right to object to Claims including, without limitation, those Claims that are not listed in the Schedules, are listed therein as disputed, contingent or unliquidated in amount, or are listed therein at a different amount than asserted in the proof of claim. Subject to further extension by the Bankruptcy Court, the Liquidating Trustee shall file objections to the allowance of Claims on or before the Claims Objection Deadline. The respective Debtors, Reorganized Debtors, the Creditors' Committee or the Liquidating Trustee may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 105 and/or 502(c) and/or 505 of the Bankruptcy Code, regardless of whether a party previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any such contingent or unliquidated Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the amount of such Claim or a maximum limitation on the amount of such Claim, as determined by the Bankruptcy Court, to the extent permissible under the Bankruptcy Code. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Liquidating Trustee may elect to pursue any supplemental proceedings to object to any ultimate payment or Distribution on such Claim.

**9.2 Distribution on Disputed Claims.** No partial payments and no partial Distributions shall be made with respect to a Disputed Claim until such Disputed Claim becomes an Allowed Claim. In the event, and to the extent, a Disputed Claim becomes an Allowed Claim after the Effective Date, the Holder of such Allowed Claim shall receive all payments and/or Distributions to which such Holder is then entitled under this Plan.

**9.3 Reserve for Disputed Claims.** With respect to Claims to be paid by this Plan, the Liquidating Trustee shall hold in reserve either in the Liquidating Trust or in one or more separate taxable entities, for the benefit of each Holder of a Disputed Claim (the "Disputed Claims Reserve"). Cash, Remaining Assets and/or Liquidating Trust Interests in an amount required by order of the Bankruptcy Court, or in the absence of such order, equal to the Distributions which would have been made to the Holder of such Disputed Claim if it were an Allowed Claim in respect of the Disputed Claim Amount. If and to the extent that a Disputed Claim becomes an Allowed Claim, pursuant to the provisions of this Plan, the Liquidating Trustee shall distribute to the Holder thereof the amount of Cash and/or Liquidating Trust Interests to which such Holder is entitled under the provisions of this Plan or such other treatment as may be agreed to by such Holder. If a Disputed Claim is disallowed, in whole or in part, pursuant to a Final Order, on the first Distribution Date that is at least thirty (30) Business Days after such disallowance, the Liquidating Trustee shall: (a) first, reallocate Cash and/or Liquidating Trust Interests that had been reserved on account of such disallowed Disputed Claim to the Holders of then Allowed and Disputed Claims in such Class; and (b) second, distribute to each Holder of an Allowed Claim in such Class and allocate to the Disputed Claims Reserve

established for remaining Disputed Claims in such Class, Pro Rata, the Cash and/or Liquidating Trust Interests that have been so reallocated to such Class in accordance with clause (a) of this Section.

## **ARTICLE X**

### **CONFIRMATION, CONSUMMATION AND EFFECTIVE DATE OF THIS PLAN**

**10.1 Confirmation Date.** The Bankruptcy Court shall not enter the Confirmation Order unless and until the Substantive Consolidation Order, which may be the Confirmation Order, shall be reasonably acceptable in form and substance to the Debtors and the Creditors' Committee and shall have been entered by the Bankruptcy Court.

**10.2 Conditions to Effective Date.** This Plan shall not become effective and the Effective Date shall not occur unless and until:

(a) the Confirmation Order shall be reasonably acceptable in form and substance to the Debtors and the Creditors' Committee and shall have been entered;

(b) all authorizations, consents, and regulatory approvals, if any, required in connection with the Effective Date shall have been obtained;

(c) all documents, instruments and agreements, in form and substance satisfactory to the Debtors and the Creditors' Committee, provided for under or necessary for the occurrence of Effective Date shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by all parties benefited thereby; and

(d) the Liquidating Trustee shall have established the Reserves in accordance with the provisions of Section 9.3 of this Plan, to the extent applicable, and otherwise in amounts reasonably acceptable to the Debtors and the Creditors' Committee or as may be determined by the Bankruptcy Court.

### **10.3 Waiver of Conditions to Confirmation and Effective Date.**

(a) **Waiving Party.** Each of the conditions to occurrence of the Effective Date other than Section 10.2(d) of this Plan may be jointly waived in whole or part by the Debtors and the Creditors' Committee, without notice and a hearing.

(b) **Effect of Waiver or Failure to Waive.** Any such waiver(s) shall not affect the Debtors' benefits under the "mootness doctrine." The failure to satisfy or waive any condition may be asserted by the Debtors and the Creditors' Committee, regardless of the circumstances giving rise to the failure of such condition to be satisfied (including, without limitation, any act, action, failure to act, or inaction by the Debtors or the Creditors' Committee). The failure of the Debtors or the Creditors' Committee to exercise any of the foregoing rights shall not be deemed a waiver of any other rights and each such right shall be deemed an ongoing right that may be asserted or waived (as set forth herein) at any time or from time to time.

(c) **Method of Waiver.** To be effective, any such waiver(s) must be in writing and filed with the Bankruptcy Court.

**10.4 Consequences of Non-Occurrence of Effective Date.** If the Effective Date does not occur within sixty (60) 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 interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the filing of such motion, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section 10.4, (a) this Plan shall be null and void in all respects; (b) any settlement of Claims made pursuant to the authority granted in this Plan shall be null and void without further order of the Bankruptcy Court; and (c) 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.

**10.5 Substantial Consummation.** Substantial consummation of this Plan shall occur on the Initial Distribution Date.

## **ARTICLE XI**

### **RELEASE, INDEMNIFICATION, ABANDONMENT, AND SETTLEMENT OF CLAIMS**

**11.1 Binding Effect.** This Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, and their respective successors and assigns.

**11.2 Release of Securities.** Each Holder of any Claim shall surrender to the Debtors or the Liquidating Trustee, as applicable, any note, instrument, document, certificate, subordinated note, agreement, certificated security or other item, if any, evidencing such Claim. No Distribution hereunder shall be made to or on behalf of any Holder of a Claim unless and until such Holder executes and delivers to the Debtors or the Liquidating Trustee such items described above, or demonstrates non-availability of such items to the satisfaction of the Debtors or the Liquidating Trustee, as the case may be, including requiring such Holder (i) to post a lost instrument or other indemnity bond, among other things and (ii) to hold the Debtors and the Liquidating Trustee harmless in respect of such instrument or other item described above and any Distributions made in respect thereof. The Liquidating Trustee may reasonably require the Holder of such Claim to hold the Liquidating Trustee harmless up to the amount of any Distribution made in respect of such unavailable note, instrument, document, certificate, subordinated note, agreement, certificated security or other item evidencing such Claim. Any such Holder that fails to execute and deliver such release of liens or other items described above or satisfactorily explain their non-availability to the Liquidating Trustee within 180 days of the Effective Date shall be deemed to have no further Claim against the Debtors or their property in respect of such Claim and shall not participate in any Distribution hereunder, and the

Distribution that would otherwise have been made to such Holder shall be treated as Unclaimed Property.

**11.3 Satisfaction of Claims and Interests.** The treatment to be provided for respective Allowed Claims and Allowed Interests pursuant to this Plan shall be in full satisfaction, settlement, release and discharge of such respective Claims or Interests and all Distributions under this Plan shall be made by the Liquidating Trustee.

**11.4 Discharge of Claims and Interests.** Except as provided in this Plan, the Confirmation Order or the Global Settlement Order, pursuant to section 1141(d) of the Bankruptcy Code, (i) the rights afforded under this Plan and the treatment of all Claims and Interests in this Plan, shall be in exchange for and in complete satisfaction, discharge and release of Claims against and Interests of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, against any of the Debtors or any of their respective assets or properties, (ii) on the Effective Date, all such Claims against and Interests in the Debtors shall be satisfied, discharged and released in full, and (iii) any Holder of a Claim against or Interest in any Debtor may not, on account of such Claim or Interest, seek or receive any payment or other distribution from, or seek recourse against, any Debtor, any Reorganized Debtor, their respective successors or their respective property.

**11.5 Injunction.** 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. EXCEPT AS OTHERWISE PROVIDED IN THIS PLAN, THE CONFIRMATION ORDER OR THE GLOBAL SETTLEMENT ORDER, ALL PERSONS THAT HAVE HELD, HOLD OR MAY HOLD CLAIMS AGAINST OR INTERESTS IN THE DEBTORS ARE, AS OF THE EFFECTIVE DATE, (A) PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST THE ESTATES OR THEIR ASSETS ON ACCOUNT OF ANY SUCH CLAIMS OR INTERESTS AND (B) PERMANENTLY ENJOINED FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, OR THEIR PROPERTY OR ASSETS ON ACCOUNT OF SUCH CLAIMS OR INTERESTS: (I) COMMENCING, CONDUCTING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING; (II) ENFORCING, LEVYING, ATTACHING, COLLECTING OR OTHERWISE RECOVERING IN ANY MANNER OR BY ANY MEANS, WHETHER DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE OR ORDER; (III) CREATING, PERFECTING OR ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN; (IV) ASSERTING ANY SETOFF, RIGHT OF SUBROGATION OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, AGAINST ANY DEBT, LIABILITY OR OBLIGATION DUE TO THE DEBTORS; AND (V) PROCEEDING IN ANY MANNER IN ANY PLACE WHATSOEVER THAT DOES NOT CONFORM WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THIS PLAN. NOTWITHSTANDING THIS SECTION, THE SETOFF RIGHTS OF ANY HOLDERS OF ALLOWED CLAIMS ARE PRESERVED TO THE EXTENT OF APPLICABLE LAW

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

**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 EFFECTIVE 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.**

**THE RELEASE DESCRIBED ABOVE SHALL BE ENFORCEABLE AS A MATTER OF CONTRACT AGAINST ANY HOLDER OF A CLAIM TIMELY NOTIFIED OF THE PROVISIONS OF THIS PLAN. 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.**

**11.7 Survival of Certain Indemnification Obligations.** Nothing in this Plan shall in any way impair, alter or otherwise affect (a) the rights of the Debtors' respective directors, officers, agents, employees, representatives, and others (collectively, the "Directors and Officers"), to assert Claims based upon the Debtors' respective certificates of incorporation, by-laws, applicable statutes and preconfirmation agreements or (b) any of the Debtors' or Estates' rights and defenses, both legal and equitable, with respect to any Claims of the Directors and Officers, including, but not limited to, all rights with respect to filing and serving objections to such Claims (which objections may be prosecuted by the Debtors, the Creditors' Committee and/or the Liquidating Trustee, as applicable). For the avoidance of doubt, the Estates' rights and defenses with respect to the foregoing shall be deemed assigned to the Liquidating Trust as of the

Effective Date. Nothing in this Plan, including any releases, shall diminish or impair the enforceability of any policies of insurance that may cover any claims against the Debtors or any other Person or the Estates' rights in such policies.

**11.8 Survival of Certain Employee Related Obligations.** The obligations of the Debtors to make certain payments and provide certain benefits to certain current or former employees pursuant to the terms of the Employee Orders shall not be discharged or impaired by confirmation or consummation of this Plan, but shall survive unaffected by the releases contemplated by this Plan and shall be performed and honored by the Liquidating Trustee regardless of such confirmation and consummation. Nothing in this Plan, including any releases, shall diminish or impair the enforceability of any policies of insurance that may cover any claims against the Debtors including, without limitation, with respect to the Employee Orders.

**11.9 Continued Effectiveness of the Global Settlement Order and Certain Agreements Entered in Connection Therewith.** Nothing contained in this Plan or the Confirmation Order shall conflict with or derogate from the provisions of (a) the Global Settlement Order, (b) the Global Settlement Agreement, (c) the Asset Purchase Agreement, and (d) the Cooperation Agreement.

**11.10 Limitation on Liability Regarding Chapter 11 Activities.** **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.**

## **ARTICLE XII**

### **MODIFICATION OF THIS PLAN**

**12.1 Modifications.** The Debtors, with the Creditors' Committee's consent, which consent shall not be unreasonably withheld, may alter, amend, or modify this Plan under section 1127 of the Bankruptcy Code. The Debtors, with the Creditors' Committee's consent,



which consent shall not be unreasonably withheld, may make any non-material modifications to this Plan at any time prior to the Effective Date, including, without limitation, such modifications that may be required to consummate the Broadcast Sale. After the Effective Date, the Liquidating Trustee may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement, or the Confirmation Order, or to address such matters as may be necessary to carry out the purposes and effects of this Plan. Notwithstanding any reference herein to the forms of documents to be filed with the Bankruptcy Court prior to the Confirmation Hearing, and without limiting the preceding portions of this Article XII, the Debtors, with the Creditors' Committee's consent, which consent shall not be unreasonably withheld, may make any non-material changes to such forms prior to the Effective Date.

**12.2 Revocation of this Plan.** The Debtors, with the Creditors' Committee's consent, which consent shall not be unreasonably withheld, reserve the right to revoke or withdraw this Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans of reorganization. If the Debtors, with the Creditors' Committee's consent, which consent shall not be unreasonably withheld, revoke or withdraw this Plan as to any or all of the Debtors, or if Confirmation or consummation as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) this Plan shall be null and void in all respects, (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases affected by this Plan, and any document or agreement executed pursuant to this Plan, shall be deemed null and void, and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person, or (iii) constitute an admission of any sort by the Debtors or any other Person; provided, however, that the revocation or withdrawal of this Plan, with the Creditors' Committee's consent, which shall not be unreasonably withheld, shall have no effect on the validity or enforceability of a PCC Court Approved Bid or an Alternate Court Approved Bid, if and to the extent applicable, except as may be provided in the Broadcast Sale Order.

## **ARTICLE XIII**

### **RETENTION OF JURISDICTION**

**13.1 Retention of Jurisdiction.** Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and this Plan to the fullest extent permitted by law and beyond the minimum set forth in D.Me. LBR 3020-1, and such jurisdiction shall be exclusive as it relates to matters arising out of, and related to, the Chapter 11 Cases that 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' tax liability pursuant to sections 502 or 505 of the Bankruptcy Code;

(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 Confirmation Date;

(d) Resolution of controversies and disputes regarding the enforcement or interpretation of this Plan, the Confirmation Order, or the Bankruptcy Court's orders that survive confirmation of this Plan pursuant to this Plan or other applicable law;

(e) Implementation of the provisions of this Plan, and entry of orders in aid of confirmation and consummation of this Plan and enforcing settlements or orders entered during the Chapter 11 Cases or as part of this 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 this 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 this 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 under this Plan of a nondebtor or the injunction under this 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 this 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 this 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 this Plan, the Confirmation Order, organizational documents of the Reorganized Debtors or any other documents relating to this Plan, as may be necessary to carry out the purposes or intent of this 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 this Plan;

(o) Adjudication of any motions or applications Filed with the Bankruptcy Court and pending on the Confirmation 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 may be necessary or appropriate to sell, dispose of, liquidate or abandon any assets or properties of the Debtors, Reorganized Debtors or the Liquidating Trust;

(r) Determination of any other matters that may arise in connection with or related to this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with this Plan or Disclosure Statement;

(s) Determination of such other matters as may be appropriate under the Bankruptcy Code or in connection with this Plan or the Chapter 11 Cases; and

(t) Entry of a Final Order closing the Chapter 11 Cases.

## **ARTICLE XIV**

### **MISCELLANEOUS PROVISIONS**

**14.1 Effectuating Documents and Further Transactions.** Each of the Debtors, Reorganized Debtors and Liquidating Trustee is authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of this Plan and any securities issued pursuant to this Plan.

**14.2 Corporate Action.** Prior to, on or after the Effective Date (as appropriate), all matters provided for under this Plan that would otherwise require approval of the stockholders or directors of one or more of the Debtors or Reorganized Debtors shall be

deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate) pursuant to the applicable general corporation law of the states in which the Debtors or the Reorganized Debtors are incorporated without any requirement of further action by the stockholders or directors of the Debtors, or the Reorganized Debtors. To the extent that a matter not provided for under this Plan would require approval of or further action by the stockholders or directors of one or more of the Debtors or Reorganized Debtors, such action may be done with the Creditors' Committee's consent, which consent shall not be unreasonably withheld, or upon appropriate court approval.

**14.3 Preservation of Insurance.** Nothing in this Plan shall diminish or impair the enforceability of any policies of insurance that may cover Claims against the Debtors or any other Person.

**14.4 Payment of Statutory Fees.** All fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date, and none of the Debtors, their Estates, Reorganized Debtors and the Liquidating Trustee, shall thereafter be liable for the payment of additional fees under 28 U.S.C. § 1930.

**14.5 Severability of Plan Provisions.** If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**14.6 Successors and Assigns.** This Plan shall be binding upon and inure to the benefit of the Debtors, and their respective successors and assigns, including, without limitation, each of the Reorganized Debtors. The rights, benefits and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign of such Person.

**14.7 Indenture Trustee as Claim Holder.** Consistent with Bankruptcy Rule 3003(c), the Debtors and the Liquidating Trustee shall recognize a proof of claim filed by any Indenture Trustee in respect of the Senior Notes Claims and Subordinated Notes Claims. Accordingly, any Claim, proof of which is filed by the registered or beneficial holder of Senior Notes or Subordinated Notes, as the case may be, may be disallowed as duplicative of the Claims of the pertinent Indenture Trustee, without further action of the Bankruptcy Court.

**14.8 Notice.** All notices, requests and demands to or upon the Debtors or the Creditors' Committee, to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in

the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors:

PEGASUS SATELLITE COMMUNICATIONS, INC.  
225 City Line Avenue  
Suite 200  
Bala Cynwyd, PA 19004  
Facsimile: (610) 934-7054  
Attn: Ted S. Lodge

with copies to:

SIDLEY AUSTIN BROWN & WOOD LLP  
Bank One Plaza  
10 S. Dearborn Street  
Chicago, IL 60603  
Facsimile: (312) 853-7036  
Attn: Larry J. Nyhan, Esq.  
James F. Conlan, Esq.

-and-

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

If to the Creditors' Committee:

AKIN GUMP STRAUSS HAUER & FELD LLP  
590 Madison Avenue  
New York, NY 10022  
Facsimile: (212) 872-1002  
Attn: Daniel Golden, Esq.  
David Botter, Esq.

**14.9 Tax Reporting and Compliance.** In connection with this Plan and all instruments issued in connection therewith and Distributions thereof, the Debtors and the Reorganized Debtors, as the case may be, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all Distributions hereunder shall be subject to any such withholding and reporting requirements. The Liquidating Trustee and, to the extent applicable, the Reorganized Debtors are hereby authorized, on behalf of each of the Debtors to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtors for all taxable periods ending after the Petition Date through, and including, the Effective Date.

**14.10 Filing of Additional Documents.** On or before the Effective Date, the Debtors shall File such agreements and other documents, in form and substance acceptable to the Creditors' Committee, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

Dated: January 31, 2005

Respectfully submitted,

PEGASUS SATELLITE COMMUNICATIONS, INC.  
(for itself and on behalf of all of the Debtors)

By: /s/ Ted S. Lodge  
Name: Ted S. Lodge  
Title: President and Chief Operating Officer

Attorneys for the Debtors:

By: /s/ Robert J. Keach  
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