

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C 36, AS AMENDED

APPLICATION OF LIGHTSQUARED LP
UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT WITH RESPECT TO LIGHTSQUARED INC., LIGHTSQUARED INVESTORS HOLDINGS INC., ONE DOT FOUR CORP., ONE DOT SIX CORP., SKYTERRA ROLLUP LLC, SKYTERRA ROLLUP SUB LLC, SKYTERRA INVESTORS LLC, TMI COMMUNICATIONS DELAWARE, LIMITED PARTNERSHIP, LIGHTSQUARED GP INC., LIGHTSQUARED LP, ATC TECHNOLOGIES, LLC, LIGHTSQUARED CORP., LIGHTSQUARED FINANCE CO., LIGHTSQUARED NETWORK LLC, LIGHTSQUARED INC. OF VIRGINIA, LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED BERMUDA LTD., SKYTERRA HOLDINGS (CANADA) INC., SKYTERRA (CANADA) INC. AND ONE DOT SIX TVCC CORP. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")

AFFIDAVIT OF CHRISTOPHER BLAKE MORAN
(Sworn December 23, 2013)

I, Christopher Blake Moran of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY THAT:**

1. I am an associate with Dentons Canada LLP and Canadian counsel to LightSquared LP ("**LightSquared**" or the "**Foreign Representative**"). As such, I have personal knowledge of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and verily believe it to be true.

2. This affidavit is supplemental to the affidavit of Elizabeth Creary sworn December 18, 2013 (the “**Creary Affidavit**”) and is filed in support of the Foreign Representative’s motion for an order, *inter alia*, recognizing in Canada and giving full force and effect in all provinces and territories of Canada, pursuant to section 49 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C. 36, as amended (the “**CCAA**”), the following orders of the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) made in the cases commenced by the Chapter 11 Debtors in the U.S. Bankruptcy Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Cases**”):

- (a) Order Modifying Previously Scheduled Hearing Dates and Deadlines in Connection with Chapter 11 Plan Process (the “**Modified Scheduling Order**”); and
- (b) Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection To Prepetition Secured Parties, And (C) Modifying Automatic Stay (the “**Second Amended Cash Collateral Order**”).

Supplemental Information Regarding the Second Amended Cash Collateral Order

3. As described in the Creary Affidavit, certain of the Chapter 11 Debtors are party to a Credit Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated, or otherwise modified from time to time), between, *inter alia*, LightSquared LP, as borrower, LightSquared Inc. and the other parent guarantors party thereto, the subsidiary guarantors party thereto (collectively, the “**LP Obligors**”), the lenders party thereto (the “**Prepetition LP Lenders**”), and UBS AG, Stamford Branch, as administrative agent, under which the Prepetition LP Lenders provided term loans in the aggregate principal amount of \$1,500,000,000.

4. On December 6, 2013 the Chapter 11 Debtors brought a motion before the U.S. Bankruptcy Court, seeking entry of an order permitting the LP Obligors to continue to use the Cash Collateral of the Prepetition LP Lenders until February 28, 2014 (the

“**Second Amended Cash Collateral Motion**”). The hearing of the Second Amended Cash Collateral Motion was scheduled to occur on December 20, 2013.

5. Prior to the hearing, a consensus was reached regarding the use of cash collateral. Given this consensus, the December 20, 2013 hearing was cancelled and the Chapter 11 Debtors submitted the updated *Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection To Prepetition Secured Parties, And (C) Modifying Automatic Stay* (the “**Second Amended Cash Collateral Order**”) directly to the bankruptcy court for entry. A blackline comparing the Second Amended Cash Collateral Order to the draft order provided by the Chapter 11 Debtors in the Second Amended Cash Collateral Motion (the “**Draft Order**”) was also submitted to the U.S. Bankruptcy Court. A copy of the Second Amended Cash Collateral Order and the blackline comparing it to the Draft Order are attached to this my affidavit at **Exhibit “A”** and **“B”** respectively.

6. The order granted by the US Court differed from the Draft Order, and included in the Chapter 11 Debtors’ Notice of Motion returnable January 3, 2014, in a number of material aspects. The material amendments from the original requested relief in the Draft Order and the Second Amended Cash Collateral Order included:

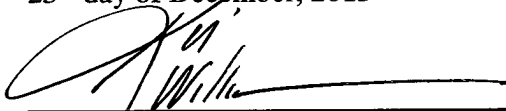
- (a) limiting the time period which the LP Obligors are permitted to continue to use the Cash Collateral of the Prepetition LP Lenders until January 31, 2014 as opposed to February 28, 2014 as originally requested;
- (b) adding a paragraph which states that “[t]he authorization of the Debtors to use the Prepetition LP Lenders’ Cash Collateral on a consensual basis under this Amended Final Order shall automatically terminate two (2) business days after any of the Debtors or any party in interest supporting the development of a standalone plan of reorganization for the Debtors seeks to adjourn or delay the hearing on the confirmation of the chapter 11 plan filed by the Ad Hoc LP Secured Group in these Chapter 11 Cases [Docket No. 970] scheduled for January 9, 2014; provided, however, that the Ad Hoc LP Secured Group hereby consents to the Debtors or any other

party in interest seeking relief from the termination of the consensual use of the Prepetition LP Lenders' Cash Collateral on an expedited basis"; and

- (c) reducing the value and changing the date in the amending language to paragraph F(ii) of the First Amended Cash Collateral Order so that the capital expenditure lines totalling \$500,000, instead of \$18,011,000 as included in the Draft Order, may be used on an aggregate basis at any time until January 31, 2014, as opposed to February 28, 2014 as originally requested.

7. I make this affidavit in support of the motion of the Foreign Representative returnable January 3, 2014 and for no other or improper purpose.

SWORN before me in the City of)
 Toronto in the Province of Ontario this)
 23rd day of December, 2013)


 _____)
 Commissioner for Taking Affidavits, etc.)
 KORI RICARDO WILLIAMS)


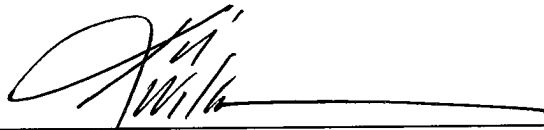

 _____)
 Christopher Blake Moran)

Exhibit "A" to the Affidavit of Christopher Blake Moran,
sworn before me this 23rd day of December, 2013.

A handwritten signature in black ink, appearing to read 'Kori Ricardo Williams', written over a horizontal line.

Commissioner for Taking Affidavits, etc.

KORI RICARDO WILLIAMS

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
LIGHTSQUARED INC., <i>et al.</i> ,)	
)	Case No. 12-12080 (SCC)
)	
Debtors. ¹)	Jointly Administered
)	

**ORDER AMENDING AMENDED AGREED FINAL ORDER
(A) AUTHORIZING DEBTORS TO USE CASH COLLATERAL,
(B) GRANTING ADEQUATE PROTECTION TO PREPETITION
SECURED PARTIES, AND (C) MODIFYING AUTOMATIC STAY**

Upon the initial motion (the “Initial Motion”)² of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, “LightSquared” or the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), seeking entry of an interim order and a final order, under sections 105, 361, 362, 363(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), *inter alia*:

- (a) authorizing the use of Cash Collateral (within the meaning of section 363(a) of the Bankruptcy Code) of the Prepetition Secured Parties and providing adequate

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), Lightsquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629) and One Dot Six TVCC Corp. (0040). The location of the debtors’ corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion and the First Amended Cash Collateral Order (as defined below), as applicable.

protection to the Prepetition Secured Parties for any diminution in value of their interests in the Prepetition Collateral, pursuant to sections 361, 362, and 363 of the Bankruptcy Code;

- (b) vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the Initial Cash Collateral Order (as defined below), as limited pursuant thereto;
- (c) scheduling, pursuant to Bankruptcy Rule 4001, an interim hearing to consider the relief requested in the Motion on an interim basis; and
- (d) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the “Final Hearing”) to consider the relief requested in the Motion on a final basis.

The Court having considered the Initial Motion, the *Declaration of Marc R.*

Montagner, Chief Financial Officer and Interim Co-Chief Operating Officer of LightSquared Inc., (A) in Support of First Day Pleadings and (B) Pursuant to Rule 1007-2 of Local Bankruptcy Rules for United States Bankruptcy Court for Southern District of New York [Docket No. 3], the exhibits and schedules attached thereto, and the evidence submitted at the Final Hearing; and notice of the Final Hearing having been given in accordance with Bankruptcy Rules 4001(b) and (d) and 9014; and the Final Hearing to consider the relief requested in the Initial Motion having been held and concluded; and all objections, if any, to the relief requested in the Initial Motion having been withdrawn, resolved, or overruled by the Court; and the Court having entered the *Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 136] (the “Initial Cash Collateral Order”) on June 13, 2012 upon consent of LightSquared, the Ad Hoc Secured LP Group, and the Prepetition Secured Parties; and the Ad Hoc Secured LP Group having agreed to permit LightSquared to amend the Initial Cash Collateral Order to continue to use the Prepetition LP Lenders’ Cash Collateral through and including December 31, 2013 on substantially similar terms as currently set forth in the Initial Cash Collateral Order in connection

with that certain *Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof* [Docket No. 522] (the "Second Exclusivity Extension Order"); and the Court having entered the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (the "First Amended Cash Collateral Order"); and the Court having considered the subsequent motion (the "Motion") of LightSquared, submitted at the request, direction, and with the full support of the special committee of the boards of directors (the "Special Committee") of LightSquared Inc. and LightSquared GP Inc., seeking entry of an order (this "Order"), pursuant to sections 105, 361, 362, 363, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, and 9014, and Local Rule 4001-2 amending the First Amended Cash Collateral Order to permit the LP Obligors to continue to use the Prepetition LP Lenders' Cash Collateral through and including January 31, 2014 on substantially similar terms as currently set forth in the First Amended Cash Collateral Order; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and it appearing to the Court that entry of this Order is fair and reasonable and in the best interests of the Debtors, their estates, and their stakeholders, and is essential for the continued operation of the Debtors' businesses; and after due deliberation and consideration, and for good and sufficient cause appearing therefor; it is hereby **ORDERED** that:

1. All of the terms of the First Amended Cash Collateral Order shall remain in full force and effect pursuant to the terms thereof, except to the extent modified by this Order.

2. Paragraph 14(n) of the First Amended Cash Collateral Order is hereby amended by deleting the words “December 31, 2013” and inserting the words “January 31, 2014.”

3. The authorization of the Debtors to use the Prepetition LP Lenders’ Cash Collateral on a consensual basis under this Amended Final Order shall automatically terminate two (2) business days after any of the Debtors or any party in interest supporting the development of a standalone plan of reorganization for the Debtors seeks to adjourn or delay the hearing on the confirmation of the chapter 11 plan filed by the Ad Hoc LP Secured Group in these Chapter 11 Cases [Docket No. 970] scheduled for January 9, 2014; provided, however, that the Ad Hoc LP Secured Group hereby consents to the Debtors or any other party in interest seeking relief from the termination of the consensual use of the Prepetition LP Lenders’ Cash Collateral on an expedited basis.

4. The Budget attached as Schedule 1 to the First Amended Cash Collateral Order is hereby replaced in its entirety by the Budget attached hereto as Schedule 1.

5. The last sentence of paragraph F(ii) of the First Amended Cash Collateral Order is hereby amended in its entirety as follows: “Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure lines (e.g., Qualcomm, Alcatel Lucent S-BTS, HNS, BandRich, AnyData, Boeing Payments, and Current Network Maintenance/Capex) totaling \$500,000 may be used on an aggregate basis at any time until January 31, 2014.”

6. Any objections to the entry of this Order, to the extent not withdrawn or resolved, are hereby overruled.

7. This Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect immediately upon execution thereof.

8. This Court has and will retain jurisdiction to enforce this Order according to its terms.

Dated: December 20, 2013
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Schedule 1
Budget

LightSquared LP Standalone Monthly Cash Forecast

(\$ in 000s)

Month		Jan-14
Beginning Cash Balance		12,372
Sources		
	Satellite Revenue	2,022
	Terrestrial Revenue	-
	Interest Income	2
	Equity Financing	-
	Debt Financing	-
	Financing Fees	-
	Other	-
Total Sources		2,024
Uses (OPEX)	In-Orbit / Launch Insurance	-
	ISAT Coop Agmt	-
	L-Band network infrastructure	12
	ERP	22
	Spectrum Management	-
	Staffing Related (entire company)	2,625
	Legal / Regulatory / Lobbying / International	1,177
	Facilities/Telecom	658
	G&A	336
	Travel Expenses (entire company)	50
	Other Items	1,350
Subtotal - USES (OPEX)		6,230
Uses (CAPEX)	Boeing Payments	-
	Qualcomm	380
	Alcatel Lucent S-BTS	-
	1.6 GHz related (other than spectrum)	-
	Current Network Maintenance/Capex	-
Subtotal - USES (CAPEX)		380
Debt Service	Cash Interest	-
Restructuring Related	Restructuring Prof exclud W&C / Blackstone	1,846
	LP Adequate Protection Payments	6,250
Total Uses		14,706
LP Group Ending Cash Balance		-
TMI Beginning Cash Balance		11,459
Use of TMI Cash		(310)
TMI Ending Cash Balance		11,149
LP Group Ending Cash Balance including Cash at TMI		11,149

Exhibit "B" to the Affidavit of Christopher Blake Moran,
sworn before me this 23rd day of December, 2013.

A handwritten signature in black ink, appearing to read 'K. Williams', is written over a horizontal line. The signature is stylized and cursive.

Commissioner for Taking Affidavits, etc.
KORI RICARDO WILLIAMS

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.¹

)
) Chapter 11
)
) Case No. 12-12080 (SCC)
)
) Jointly Administered
)

**ORDER AMENDING AMENDED AGREED FINAL ORDER
(A) AUTHORIZING DEBTORS TO USE CASH COLLATERAL,
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protection to the Prepetition Secured Parties for any diminution in value of their interests in the Prepetition Collateral, pursuant to sections 361, 362, and 363 of the Bankruptcy Code;

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with that certain *Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof* [Docket No. 522] (the "Second Exclusivity Extension Order"); and the Court having entered the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (the "First Amended Cash Collateral Order"); and the Court having considered the subsequent motion (the "Motion") of LightSquared, submitted at the request, direction, and with the full support of the special committee of the boards of directors (the "Special Committee") of LightSquared Inc. and LightSquared GP Inc., seeking entry of an order (this "Order"), pursuant to sections 105, 361, 362, 363, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, and 9014, and Local Rule 4001-2 amending the First Amended Cash Collateral Order to permit the LP Obligors to continue to use the ~~cash collateral of the~~ Prepetition LP Lenders' Cash Collateral through and including ~~February 28,~~January 31, 2014 on substantially similar terms as currently set forth in the First Amended Cash Collateral Order; and the Hearing to consider the relief requested in the Motion having been held and concluded; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and it appearing to the Court that entry of this Order is fair and reasonable and in the best interests of the Debtors, their estates, and their stakeholders, and is essential for the continued operation of the Debtors' businesses; and after due deliberation and consideration, and for good and sufficient cause appearing therefor; it is hereby **ORDERED** that:

1. All of the terms of the First Amended Cash Collateral Order shall remain in full force and effect pursuant to the terms thereof, except to the extent modified by this Order.

2. Paragraph 14(n) of the First Amended Cash Collateral Order is hereby amended ~~in its entirety as follows: “February 28~~by deleting the words “December 31, 2013” and inserting the words “January 31, 2014.”

3. The authorization of the Debtors to use the Prepetition LP Lenders’ Cash Collateral on a consensual basis under this Amended Final Order shall automatically terminate two (2) business days after any of the Debtors or any party in interest supporting the development of a standalone plan of reorganization for the Debtors seeks to adjourn or delay the hearing on the confirmation of the chapter 11 plan filed by the Ad Hoc LP Secured Group in these Chapter 11 Cases [Docket No. 970] scheduled for January 9, 2014; provided, however, that the Ad Hoc LP Secured Group hereby consents to the Debtors or any other party in interest seeking relief from the termination of the consensual use of the Prepetition LP Lenders’ Cash Collateral on an expedited basis.

4. ~~3.~~The Budget attached as Schedule 1 to the First Amended Cash Collateral Order is hereby replaced in its entirety by the Budget attached hereto as Schedule 1.

5. ~~4.~~The last sentence of paragraph F(ii) of the First Amended Cash Collateral Order is hereby amended in its entirety as follows: “Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure lines (e.g., Qualcomm, Alcatel Lucent S-BTS, HNS, BandRich, AnyData, Boeing Payments, and Current Network Maintenance/Capex) totaling \$~~18,011,000~~500,000 may be used on an aggregate basis at any time until ~~February-28~~January 31, 2014.”

6. ~~5.~~Any objections to the entry of this Order, to the extent not withdrawn or resolved, are hereby overruled.

7. ~~6.~~ This Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect immediately upon execution thereof.

8. ~~7.~~ This Court has and will retain jurisdiction to enforce this Order according to its terms.

New York, New York
Date: December __, 2013

HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Schedule 1
Budget

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED,
APPLICATION OF LIGHTSQUARED LP UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C 36, AS AMENDED, AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED
STATES BANKRUPTCY COURT WITH RESPECT TO THE CHAPTER 11 DEBTORS

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF CHRISTOPHER BLAKE MORAN
(Sworn December 23, 2013)**

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Lawyers for the Chapter 11 Debtors.